

**BERKELEY CITY COUNCIL BUDGET & FINANCE COMMITTEE
SPECIAL MEETING MINUTES**

**Thursday, June 22, 2023
9:00 AM**

2180 Milvia Street, 1st Floor - Cypress Room

Committee Members:

Mayor Jesse Arreguin, Councilmembers Rashi Kesarwani and Kate Harrison
Alternate: Councilmember Sophie Hahn

This meeting will be conducted in a hybrid model with both in-person attendance and virtual participation. For in-person attendees, face coverings or masks that cover both the nose and the mouth are encouraged. If you are feeling sick, please do not attend the meeting in person.

Remote participation by the public is available through Zoom. To access the meeting remotely using the internet: Join from a PC, Mac, iPad, iPhone, or Android device: Use URL - <https://cityofberkeley-info.zoomgov.com/j/1606807814>. If you do not wish for your name to appear on the screen, then use the drop down menu and click on "rename" to rename yourself to be anonymous. To request to speak, use the "raise hand" icon on the screen. To join by phone: Dial **1-669-254-5252 or 1-833-568-8864 (Toll Free)** and Enter Meeting ID: **160 680 7814**. If you wish to comment during the public comment portion of the agenda, press *9 and wait to be recognized by the Chair.

To submit a written communication for the Committee's consideration and inclusion in the public record, email policycommittee@berkeleyca.gov.

Written communications submitted by mail or e-mail to the Budget & Finance Committee by 5:00 p.m. the Friday before the Committee meeting will be distributed to the members of the Committee in advance of the meeting and retained as part of the official record.

AGENDA

Roll Call: 9:06 a.m.

Present: Harrison, Arreguín

Absent: Kesarwani

Public Comment on Non-Agenda Matters – 3 speakers.

Minutes for Approval

Draft minutes for the Committee's consideration and approval.

1. **Minutes - June 8, 2023**

Action: M/S/C (Harrison/Arreguín) to approve the minutes of June 8, 2023.

Vote: Ayes – Harrison, Arreguín; Noes – None; Abstain – None; Absent – Kesarwani.

Committee Action Items

The public may comment on each item listed on the agenda for action as the item is taken up. The Chair will determine the number of persons interested in speaking on each item. Up to ten (10) speakers may speak for two minutes. If there are more than ten persons interested in speaking, the Chair may limit the public comment for all speakers to one minute per speaker.

Following review and discussion of the items listed below, the Committee may continue an item to a future committee meeting, or refer the item to the City Council.

2. **Presentation from the City Attorney on the Department's FY 24 Proposed Budget and Funding Requests**

From: City Manager

Contact: Farimah Brown, City Attorney, (510) 981-6950

Action: 1 speaker. Presentation made and discussion held.

Committee Action Items

3. **FY 24 Proposed Budget** *(Item contains supplemental material)*

From: City Manager

Recommendation: Discuss and provide recommendations on the FY 24 Proposed Budget, including funding requests and Council budget referrals.

Financial Implications: See report

Contact: Sharon Friedrichsen, Budget Manager, (510) 981-7000

Action: 12 speakers. Presentation made and discussion held. M/S/C (Harrison/ Arreguín) Recommending that Council adopt the Mayor’s proposed FY 2024 Supplemental Budget Recommendations with the following conditions:

1. Identify funding for the City Attorney’s request to fund the reallocation of 7 Deputy City Attorney III positions to DCA IV up to \$377,359 and to initiate a change to the classification to make it a deep class;
2. Fund the \$7,000 for etching equipment for catalytic converters through State Prop 172 Fund;
3. Refer and recommend the proposed resolutions to approve the allocation of \$100,000 for Harold Way Placemaking Project Schematic Design and \$100,000 Traffic Safety Upgrades at MLK and Haste from the Downtown Streets and Open Space improvement Fund; and
4. Refer the following reallocated Reimagining Tier 1 requests to the November 2023 Annual Appropriations Ordinance #1 process:

Reimagining Public Safety-Expand Downtown Streets Teams as placement for low-level violations	50,000
Department of Community Safety	250,000
Berk DOT Development	300,000
Transportation fee/fines analysis (PW)	150,000
Hearing Officer Alternative to Fines/Sanctions	150,000

Vote: Ayes – Harrison, Arreguín; Noes – None; Abstain – None; Absent – Kesarwani.

4. **Interim Housing Program at the Super 8 Motel (1619 University Avenue)**

From: City Manager

Recommendation: Receive a presentation on an interim housing program at the Super 8 Motel (1619 University Avenue) and provide a recommendation to City Council regarding the use of Measure P revenues of approximately \$5,016,444 million to support up to two years of operations.

Financial Implications: See report

Contact: Peter Radu, City Manager's Office, (510) 981-7000

Action: 1 speaker. Discussion held. The committee noted that the recommendation had been approved with the action taken on Item #3. No action taken.

Committee Action Items

5. **Presentation on the Status of the Marina Fund**

From: City Manager

Recommendation: Receive a presentation on the status of the Marina Fund and options related to the Department of Parks and Recreation, Division of Boating and Waterways loan of \$5.5 million loan for demolition and replacement of Docks D and E at the Berkeley Marina.

Financial implications: See report

Contact: Scott Ferris, Parks, Recreation and Waterfront, (510) 981-6700

Action: 1 speaker. Presentation made and discussion held. M/S/C

(Arreguín/Harrison) Recommending: 1. Closing the gap in the Marina Fund in FY 24 by using the CIP fund for staff (\$310,000), CIP project funds (cost shifting \$350,000), and the Parks Tax by cost shifting 2 Landscape Gardeners (\$267,000); and 2. Pursuing an internal loan from an existing City fund for the California Division of Boating and Waterways loan.

Vote: Ayes – Harrison, Arreguín; Noes – None; Abstain – None; Absent – Kesarwani.

6. **Accept the Risk Analysis for Long-Term Debt (Bonding Capacity) Report provided by Government Finance Officers Association** *(Item contains supplemental material)*

From: City Manager

Referred: April 26, 2022

Due: June 30, 2023

Recommendation:

Accept the report titled 'Risk-Based Analysis and Stress Test of Long-Term Debt Affordability' as provided by the Government Finance Officers Association (GFOA). This report is based on their research and development of a risk-modeling tool to address issuing long-term debt related to City of Berkeley Vision 2050.

On April 26, 2022, the City Council referred this item to the City Manager and Budget & Finance Committee to return to Council with recommendations or analysis on as many of the following items as possible by October 2022, if feasible. 1)

Consideration of reserves policies for operational funds other than the General Fund; 2) Potential reduction of the maximum indebtedness rate from 15% of assessed property value down to 4-8% range; 3) A new policy to not incur indebtedness when interest rates go above 5% or a different specific threshold; 4) Tools for increased transparency for taxpayers; 5) Updated report and discussion of pension and healthcare costs; 6) Refer the full Report to the Budget & Finance Committee for consideration.

Financial Implications: None

Contact: Henry Oyekanmi, Finance, (510) 981-7300, Sharon Friedrichsen, Budget Manager, (510) 981-7000

Action: 0 speakers. Deadline extended August 1, 2023 by request of the author. Item continued to a future committee meeting.

Committee Action Items

7. Recommendation on Climate, Building Electrification, and Sustainable Transportation Budget Priorities for Fiscal Year 2023 and 2024

From: Energy Commission

Referred: May 23, 2023

Due: November 7, 2023

Recommendation: The Energy Commission recommends that the Berkeley City Council prioritize and include in the City's budget for the Fiscal Years Ending (FYE) 2023 and 2024 several staff positions, pilot projects, investments in electric vehicles and charging infrastructure, and other measures to ensure that the City's budget is aligned with and provides adequate and needed funding to implement the City's adopted Climate Action Plan, Electric Mobility Roadmap, Building Emissions Saving Ordinance, 2019 ban on gas in new construction, and the Existing Buildings Electrification Strategy.

Financial Implications: See report

Contact: Billi Romain, Commission Secretary, (510) 981-7400

Action: 0 speakers. Item continued to a future committee meeting.

Unscheduled Items

These items are not scheduled for discussion or action at this meeting. The Committee may schedule these items to the Action Calendar of a future Committee meeting.

8a. Referral of Two Health Educator Positions to the COB FY 2024 Budget Process

From: Peace and Justice Commission

Referred: April 11, 2023

Due: September 26, 2023

Recommendation: Refer to the budget process a request for estimated \$150,000 annually, beginning in FY 2024 or as early as the AAO #2 process in spring 2023, for staffing, materials, and supplies to be able to more broadly and flexibly conduct health education, prevention, and outreach to reduce health disparities, as proposed by the Peace and Justice Commission.

Financial Implications: See report

Contact: Okeya Vance-Dozier, Commission Secretary, (510) 981-7100

8b. Companion Report: Referral of two health educator positions to the COB FY 2024 budget process

From: City Manager

Referred: April 11, 2023

Due: September 26, 2023

Recommendation: Refer to the Peace and Justice Commission's request for \$150,000 annually for staffing, materials, and supplies for health education and outreach to the Budget and Finance Policy Committee for further deliberation.

Financial Implications: None

Contact: Peter Radu, City Manager's Office, (510) 981-7000

Unscheduled Items

9. **Investment Report Update - Investment Policies of Other Jurisdictions**
From: City Manager
Contact: Henry Oyekanmi, Finance, (510) 981-7300
10. **COVID-19 Emergency Rental Assistance; Presentation from the Eviction Defense Center**
From: City Manager
Contact: Lisa Warhuus, Health, Housing, and Community Services, (510) 981-5400
11. **Audit Recommendation Status - Berkeley Police: Improvements Needed to Manage Overtime and Security Work for Outside Entities**
From: City Manager
Referred: May 23, 2023
Due: November 7, 2023
Contact: Jennifer Louis, Police, (510) 981-5900
12. **Audit Status Reports: Fleet Replacement Fund Short Millions & Rocky Road: Berkeley Streets at Risk and Significantly Underfunded**
From: City Manager
Referred: May 23, 2023
Due: November 7, 2023
Recommendation: *On May 23, 2023, the City Council referred to the Budget and Finance Policy Committee to prioritize funding to the vehicle replacement fund to make up the shortfall over time in order to stabilize the fund.*
Financial Implications: See report
Contact: Liam Garland, Public Works, (510) 981-6300

Items for Future Agendas

- None

Adjournment

Action: M/S/C (Arreguín/Harrison) to adjourn the meeting.

Vote: Ayes – Harrison, Arreguín; Noes – None; Abstain – None; Absent – Kesarwani.

Adjourned at 12:35 p.m.

I hereby certify that the foregoing is a true and correct record of the Budget & Finance Committee meeting held on June 22, 2023.

Sarah K. Bunting, Assistant City Clerk