



Office of the City Manager

INFORMATION CALENDAR  
March 26, 2024

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Sharon Friedrichsen, Budget Manager  
Henry Oyekanmi, Finance Director

Subject: Fiscal Year 2024 Mid-Year Budget Update

RECOMMENDATION

Council receive and file the Fiscal Year 2024 Mid-Year Budget Update.

INTRODUCTION

This report presents the Fiscal Year 2024 (“FY 2024”) Mid-Year Budget Update including actual General Fund and Special Fund expenditures incurred from July 1, 2023 to December 31, 2023. It also provides an estimate of anticipated General Fund revenues and expenditures by June 30, 2024 and projected expenditures for All Funds by department for FY 2024.

CURRENT SITUATION AND ITS EFFECTS

The City of Berkeley is currently in FY 2024, which covers the period of July 1, 2023 to June 30, 2024. On June 27, 2023 the City Council adopted the FY 2024 Budget, authorizing gross appropriations of \$728,631,293 and net appropriations of \$621,229,929 (net of dual appropriations). The General Fund portion of this appropriation is \$276,548,969.

As depicted on the next page, the *FY 2024 Mid-Year General Budget at a Glance*, shows that, as of December 31, 2023, General Fund revenues actuals are at 45.32% of the revised budget projection. Revenues received are less than 50% with half of the fiscal year elapsed, although the timing of the receipt of revenues varies through the course of the fiscal year. The year-end projected revenue is expected at \$1.67 million less than the Adopted and Revised revenue.

General Fund expenses are at 55.54%, compared to the projected 50%, halfway through the fiscal year. Based on the mid-year trend, expenditures are projected to end over the revised budget by approximately \$2.4 million. The FY 2024 mid-year projected ending shortfall is mostly due to increased personnel costs based upon approved labor agreements and public safety overtime offset by salary savings related to vacancies in other departments. However, the projections do not reflect all expenditures approved on January 16, 2024 by Council in the Amendment to the Annual Appropriation Ordinance (AAO#1).

**FY 2024 Mid-Year General Budget at a Glance**

<b>\$'s in Millions</b>	<b>Revenues</b>	<b>Expenditures</b>
FY 2024 Adopted Budget	\$266.42	(\$276.55)
FY 2024 Revised Budget	\$266.42	(\$307.53)
FY 2024 Mid-Year Actuals	\$120.73	(\$170.81)
Percentage of Revenue Received/ Expended and Encumbered compared to Revised Budget	45.32%	55.54%
FY 2024 Year-End Projected	\$264.75	(\$309.96)
Variance between Revised and Projected	(\$1.67)	(\$2.43)

**FY 2024 Mid-Year Summary****General Fund Revenues**

*General Fund Revenue and Transfer In FY 2024 Mid-Year vs FY 2023 Mid-Year Comparison*, on the next page, shows FY 2024 General Fund Revenues through the first six months of the current fiscal year and compares the year-to-date revenues received to the first six months of FY 2023. General Fund revenue and transfers decreased \$7,143,655 or 5.59%, from \$127,875,604 in the first half of FY 2023, to \$120,731,949 for the same period in FY 2024.

Notable declines during the first half of FY 2024 were the following:

- |                                      |              |
|--------------------------------------|--------------|
| 1. Property Transfer Taxes           | \$ 6,619,374 |
| 2. Measure P Property Transfer Taxes | 5,523,564    |
| 3. Transfers In                      | 2,411,463    |
| 4. Sales Taxes                       | 382,339      |

As staff indicated in the FY 2023 General Fund Revenue report to Council, the City General Fund has, for the near term, lost at least two of its three primary drivers of annual growth (Property Transfer Taxes and Measure P Property Transfer Taxes). These drivers of annual growth are experiencing negative growth that will eventually lower growth for Secured Property Taxes as they have continued to decline sharply in the first half of FY 2024. As a result, the General Fund revenue and transfers projection for FY 2024 has been reduced by \$1,672,971 or .6% from \$266,418,342 to \$264,745,371.

The City's Sales Tax Consultant has noted softening in sales activity in several sales tax categories since the Adopted Budget was passed, resulting in a reduction in the Sales Tax revenue projection of \$1,278,425, from \$19,654,225 to \$18,375,800. The decline in Transfers In was due to a decline of \$4,507,934 in transfers from the American Rescue Plan Fund.

Three notable increases during the first half of FY 2024 were Unsecured Property Taxes (+\$729,509), Ambulance Fees (+\$1,335,904) and Interest Income (+\$2,580,861), which resulted in increases in the revenue projections for those revenue categories. Excluding Transfers, General Fund revenue decreased \$4,327,473 or 3.55%, from \$121,916,745 in the first half of FY 2023, to \$116,589,272 in the first half of FY 2024.

**General Fund Revenue and Transfer In FY 2024 Mid-Year vs FY 2023 Mid-Year Comparison**

Revenue Categories	FY 2024				FY 2023				Comparison FY24 vs FY23	
	Adopted	Actual	Variance	% Received	Adopted	Actual	Variance	% Received	Amount	%
Secured Property	\$84,725,717	\$42,904,620	(\$41,821,097)	50.64%	\$75,664,920	\$40,237,811	(\$35,427,109)	53.18%	2,666,809	6.63%
Redemptions -Regular	831,441	524,404	(307,037)	63.07%	831,441	461,026	-370,415	55.45%	63,378	13.75%
Supplemental Taxes	3,400,000	1,197,265	(2,202,735)	35.21%	2,000,000	1,229,929	-770,071	61.50%	(32,664)	-2.66%
Unsecured Property Taxes	3,806,995	3,881,280	74,285	101.95%	3,516,000	3,151,771	-364,229	89.64%	729,509	23.15%
Property Transfer Tax	22,873,786	10,056,934	(12,816,852)	43.97%	34,462,172	16,676,308	-17,785,864	48.39%	(6,619,374)	-39.69%
Property Transfer Tax-Measure P (New December 21, 2018)	10,189,500	2,840,259	(7,349,241)	27.87%	14,073,750	8,363,823	-5,709,927	59.43%	(5,523,564)	-66.04%
Sales Taxes	19,654,225	9,305,556	(10,348,669)	47.35%	19,016,546	9,687,895	-9,328,651	50.94%	(382,339)	-3.95%
Soda Taxes	1,147,387	581,705	(565,682)	50.70%	990,210	642,874	-347,336	64.92%	(61,169)	-9.51%
Utility Users Taxes	17,454,320	7,801,328	(9,652,992)	44.70%	13,800,000	7,638,612	-6,161,388	55.35%	162,716	2.13%
Transient Occupancy Taxes	8,374,588	4,393,772	(3,980,816)	52.47%	5,000,000	4,785,735	-214,265	95.71%	(391,963)	-8.19%
Less: TOT rebates owed (3)		(546,224)				(498,566)			(47,658)	9.56%
Short-term Rentals	1,400,000	687,271	(712,729)	49.09%	1,000,000	712,661	-287,339	1,000,000	(25,390)	-3.56%
Business License Tax	21,560,783	1,592,902	(19,967,881)	7.39%	19,000,000	1,010,143	-17,989,857	5.32%	582,759	57.69%
Recreational Cannabis	1,000,000	76,512	(923,488)	7.65%	1,400,000	237,669	-1,162,331	16.98%	(161,157)	-67.81%
U1 Revenues	5,900,000	181,607	(5,718,393)	3.08%	4,900,000	113,893	-4,786,107	2.32%	67,714	59.45%
Other Taxes (excluding Redemptions-Regular)	2,593,129	1,899,156	(693,973)	73.24%	1,800,000	1,500,099	-299,901	83.34%	399,057	26.60%
Vehicle In-Lieu Taxes	17,811,134	8,937,911	(8,873,223)	50.18%	15,926,168	8,329,833	-7,596,335	52.30%	608,078	7.30%
Parking Fines-Regular Collections	5,800,000	3,253,087	(2,546,913)	56.09%	4,326,450	3,104,161	-1,222,289	71.75%	148,926	4.80%
Moving Violations	132,600	96,254	(36,346)	72.59%	132,600	71,415	-61,185	53.86%	24,839	34.78%
Ambulance Fees	5,350,779	3,815,272	(1,535,507)	71.30%	3,880,779	2,479,368	-1,401,411	63.89%	1,335,904	53.88%
Interest Income	8,826,211	6,619,791	(2,206,420)	75.00%	6,000,000	4,038,930	-1,961,070	67.32%	2,580,861	63.90%
Franchise Fees	1,720,056	307,634	(1,412,422)	17.89%	1,613,283	335,043	-1,278,240	20.77%	(27,409)	-8.18%
Other Revenue	7,668,797	3,018,612	(4,650,185)	39.36%	6,729,977	3,902,132	-2,827,845	57.98%	(883,520)	-22.64%
IDC Reimbursement	6,104,970	3,259,079	(2,845,891)	53.38%	5,490,000	3,205,614	-2,284,386	58.39%	53,465	1.67%
Transfers	8,091,924	4,045,962	(4,045,962)	50.00%	17,096,148	6,457,425	-10,638,723	37.77%	(2,411,463)	-37.34%
<b>Total Revenue:</b>	<b>\$266,418,342</b>	<b>\$120,731,949</b>	<b>-\$145,686,393</b>	<b>45.32%</b>	<b>\$258,650,444</b>	<b>\$127,875,604</b>	<b>-\$130,774,840</b>	<b>49.44%</b>	<b>(\$7,143,655)</b>	<b>-5.59%</b>

Notes: This statement is presented on a budgetary basis (i.e., cash).

Before getting into the FY 2024 General Fund revenue details, staff also want to point out that the City's General Fund revenue challenges have not ended now that the Fed's have apparently stopped raising short-term rates, for the following reasons:

1. The Fed's monetary tightening includes a program to sell \$95 billion/month (or \$1.14 trillion per year) of Agency and Mortgage-Backed securities from its Balance Sheet, which increases the supply of these securities and puts additional upward pressure on long-term rates, including mortgage rates. Prior to the monetary policy change, as the Fed's was the major purchaser of these long-term securities;
2. The proposed \$1.8 trillion federal budget deficit for the upcoming fiscal year will require the issuance of an additional \$1.8 trillion in Treasury Bonds to fund the deficit; and,
3. The Personal Consumption Expenditures (PCE) index (the Fed's favored inflation index) has declined from almost 9% during the pandemic to 2.93% in December 2023, close to the Fed's 2.0% target.

Despite that, the Fed is reluctant to lower short-term interest rates as soon as the market expected. The Fed Chairman indicated at the January 31, 2024 meeting that it will not start lowering interest rates until it is certain that inflation is on a sustainable path to the Fed's 2% goal.

The additional huge supply of bonds from these macroeconomic factors will probably overwhelm demand for long-term bonds and continue to put pressure on long-term interest rates, including mortgage rates. In addition to reducing consumer spending and slowing down the economy, it will keep mortgage rates high.

## **FY 2024 FIRST HALF GENERAL FUND REVENUE DETAILS**

### **Supplemental Taxes (-\$32,664 less than FY 2023 Actual)**

During the first half of FY 2024, Supplemental Taxes totaled \$1,197,265, which was \$32,664 or 2.7% less than the \$1,229,929 received for the same period in FY 2023

### **Secured Property Tax (+\$2,666,809 more than FY 2023 Actual)**

During the first half of FY 2024, Secured Property Tax revenues totaled \$42,904,620, which was \$2,666,809 or 6.63% more than the \$40,237,811 received for the same period in FY 2023.

This result was consistent with the County's Certification of Assessed Valuation (received from the County in August 2023), which reflects growth of 7.256%. However, the FY 2024 Adopted Budget assumed a 6.895% increase for FY 2024, so actual Secured Property Taxes are expected to be \$286,128 or .361% more than the Adopted Budget amount of \$84,725,717. The Secured Property Tax Revenue projection is being increased from \$84,725,717 to \$85,011,845.

### **Unsecured Property Tax (+\$729,509 more than FY 2023 Actual)**

During the first half of FY 2024, Unsecured Property Tax revenues totaled \$3,881,280, which was \$729,509 or 23.2% more than the amount of \$3,151,771 received for the same period in FY 2023.

This amount is greater than the County's Certification of Assessed Valuation growth of 9.1% for FY 2024. The Unsecured Property Tax Revenue projection is being increased from \$3,806,995 to \$3,881,280.

### **Property Transfer Tax (-\$6,619,374 less than FY 2023 Actual)**

During the first half of FY 2024, Property Transfer Tax totaled \$10,056,934, which was \$6,619,374 or 39.7% less than the \$16,676,308 received for the same period in FY 2023.

The primary reasons for the \$6,619,374 decrease in Property Transfer Tax were the following:

- (1) The dollar value of property sales decreased by \$487.2 billion or 42.2%, from \$1.154.7 billion in the first half of FY 2023 to \$667.5 million during the same period of FY 2024, as illustrated in Table 1 below.
- (2) There were ten property sales of \$10 million or more, with total sales of \$411 million in the first half of FY 2023 compared to 4 property sales of \$10 million or more, with total sales of \$74.9 million in the first half of FY 2024; and,

- (3) The number of property sales transactions decreased by 126 or 23.7% from 532 in the first half of FY 2023 to 406 during the same period of FY 2024, as illustrated in the Table 3 below.

This decline in real estate activity is generally attributed to high and increasing mortgage rates and a slowing economy resulting from the Federal Reserve Board's aggressive attempt to reduce the money supply and slowing down the US economy in order to reduce inflation, by sharply raising interest rates and selling \$95 billion/month of Agency and Mortgage-Backed securities from its Balance Sheet. The Property Transfer Tax Revenue projection is being decreased from \$22,873,786 to \$16,873,786.

### Property Sales In Million \$

	July	Aug	Sept	Oct	Nov	Dec	Total
FY 2024	\$129.2	\$152.5	\$99.9	\$95.7	\$95.8	\$94.4	\$667.5
FY 2023	188.9	320.0	134.6	113.9	254.9	142.4	1,154.7
Change	-59.7	-167.5	-34.7	-18.2	159.1	-48.0	-487.2
% Change	-31.6%	-52.3%	-25.8%	-16.0%	62.4%	-33.7%	-42.2%

### Number of Property Sales Transactions

	July	Aug	Sept	Oct	Nov	Dec	Total
FY 2024	79	73	64	61	67	62	406
FY 2023	113	101	108	79	74	57	532
Change	-34	-28	-44	-18	-7	5	-126
% Change	-30.1%	-27.7%	40.7%	-22.8%	-9.5%	8.8%	-23.7%

### **Measure P-Property Transfer Tax (-\$5,523,564 less than FY 2023 Actual)**

Measure P taxes totaling \$2,840,259 was collected during the first half of FY 2024, which was \$5,523,564 or 66.0% less than the \$8,363,823 collected during the same period of FY 2023. This decrease resulted primarily from the following: (1) A decrease of 61.0% in the dollar value of property sales amount in the first half of FY 2024 versus those in the first half of FY 2023 as reflected in Table 3; (2) The number of property sales transactions decreased by 131 or 60.9% during the first half of FY 2024, as illustrated in the table below; and,(3) There were only four property sales of \$10 million or more totaling \$75 million during this six-month period in FY 2024, compared to 9 transactions with total property sales of \$401 million for the same period in FY 2023. The Measure P1 Property Transfer Tax Revenue projection is being decreased from \$10,189,500 to \$6,500,000.

### Property Sales \$1.5 million+

### In Million \$

	July	Aug	Sept	Oct	Nov	Dec	Total
FY 2024	\$62.8	\$87.2	\$48.5	\$51.9	\$33.6	\$42.5	\$326.5
FY 2023	114.4	271.1	84.1	63.3	203.7	99.8	836.4
Change	- 51.6	-183.9	-35.6	-11.4	-170.1	-57.3	-509.9
% Change	-45.1%	-67.8%	-42.3%	-18.0%	-83.5%	-57.4%	-61.0%

**Property Transactions \$1.5 Million and Above**

	July	Aug	Sept	Oct	Nov	Dec	Total
FY 2024	18	17	12	15	12	10	84
FY 2023	52	41	48	31	24	19	215
Change	-34	-24	-36	-16	-12	-9	-131
% Change	-65.4%	-58.5%	-75.0%	-51.6%	-50.0%	-47.4%	-60.9%

**Sales Tax (-\$382,339 less than FY 2023 Actual)**

For the first half of FY 2024, Sales Tax revenue totaled \$9,305,556, which was \$382,339 or 3.95% less than the \$9,687,895 received for the same period in FY 2023. The City's Sales Tax Consultant has noticed a significant softening of sales in several categories since the Adopted Budget was passed and has revised revenue projections in the following categories:

Category	Adopted Budget Amount	Revised Projection	Difference
General Retail	\$ 4,514,430	\$ 4,037,541	(\$ 476,889)
Food Products	5,584,993	5,332,044	( 252,949)
Transportation	3,060,135	2,566,985	( 493,150)
Construction	1,697,060	1,430,481	( 266,579)
Business to Business	1,692,394	1,729,113	36,719
Miscellaneous	211,692	563,185	351,493
County Pool	4,091,330	3,437,856	( 653,474)
State Pool	9,402	8,989	(413)
County Sharing	(1,043,072)	(955,310)	87,762
CDTFA Administration	(164,139)	(137,311)	26,828
<b>Total</b>	<b>\$19,654,225</b>	<b>\$ 18,013,573</b>	<b>(\$1,640,652)</b>

As a result, the FY 2024 Sales Tax Revenue projection is being decreased from \$19,654,225 to \$18,375,800.

**Utility Users Taxes (+\$162,716 more than FY 2023 Actual)**

Utility Users Tax revenue for the first half of FY 2024 totaled \$7,801,328, which was \$162,716 or 2.13% more than the \$7,638,612 received for FY 2023. This increase of \$162,716 resulted from increases/decreases in the following categories:

<b>FY 2024 Actual Revenues Compared to FY 2023 Actual Revenues</b>				
	<b>FY2024</b>	<b>FY 2023</b>	<b>\$ Change</b>	<b>% Change</b>
Telephone	\$ 515,199	\$ 545,243	\$ -30,044	-5.96%
Cable	475,793	503,785	- 27,992	-5.56%
Cellular	881,338	898,459	-17,121	-1.91%
Electric	4,792,052	4,346,334	445,718	10.26%
Gas	1,136,946	1,344,791	-207,845	-15.46%
<b>Total</b>	<b>\$7,801,328</b>	<b>\$7,638,612</b>	<b>\$162,716</b>	<b>2.13%</b>

PG&E received an 8% increase in electricity rates in January 2022, another increase of 8.9% in March 2023, and another ranging between 1%-4.1% effective September 1, 2023. The UUT Revenue projection is being increased from \$17,454,320 to \$17,700,000.

**Transient Occupancy Tax (-\$391,963 less than FY 2023 Actual)**

The total gross Transient Occupancy Tax (TOT) revenue reported for the first half of FY 2024 totaled \$4,393,772 (before deducting \$546,224 in TOT rebates owed), which was \$391,963 or 8.2% less than the \$4,785,735 (before deducting \$498,566 in TOT rebates owed) received for the same period in 2023. The decline reported was \$439,621 or 10.3% after deducting the TOT rebates owed for the respective period.

However, four hotels with a total of \$293,467 in TOT and \$92,312 in TOT rebates owed were not reported in the period ending December 31, 2023. After considering these transactions, gross TOT revenue in the first half of FY 2024 declined \$98,496 or 2.1% and net TOT (after deducting TOT rebates owed) declined \$238,466 or 5.6%.

The revised decrease in the first half of FY 2024 was primarily attributable to a gross decrease of 3.7% and a net decrease of .2% at the six largest hotels in Berkeley.

**Short-Term Rentals (-\$25,390 less than FY 2023 Actual)**

Short-Term Rentals revenue for the first half of FY 2024 totaled \$687,271, which was \$25,390 or 3.6% less than the \$712,661 received for the same period in FY 2023.

**Business License Taxes (+\$582,759 more than FY 2023 Actual)**

Business license Taxes (BLT) revenue for the first half of FY 2024 totaled \$1,592,902, which was \$582,759 or 57.7% more than the \$1,010,143 received for the same period in FY 2023.

It is too soon to determine if this increase is due to growth or due to the timing of the processing of the Business License Tax receipts, as these taxes are not delinquent until March 1<sup>st</sup>.

**U1 Revenues (+\$67,714 more than FY 2023 Actual)**

U1 revenues for the first half of FY 2024 totaled \$181,607, which was \$67,714 or 59.5% more than the \$113,893 received for the same period in FY 2023.

It is too soon to determine if this increase is due to growth or due to the timing of the processing of the U1 receipts, as these taxes are not delinquent until March 1<sup>st</sup>.

**Vehicle In Lieu Taxes (+\$608,078 more than FY 2023 Actual)**

Vehicle in Lieu Taxes (VLF) for the first half of FY 2024 totaled \$8,937,911, which was \$608,078 or 7.30% more than the \$8,329,833 received for the same period in FY 2023. This result was consistent with the County's Certification of Assessed Valuation (received in August 2022), which reflects growth of 7.256%. Changes in VLF revenues are based on the growth in assessed values. However, the Adopted Budget reflects growth of 6.912%, so actual Vehicle In Lieu Taxes are expected to be \$57,356 or .3443% more than the Adopted Budget amount of \$17,811,134. The FY 2024 Vehicle In Lieu Tax projection is being increased from \$17,811,134 to \$17,868,490.

**Other Taxes (+\$399,057 more than FY 2023 Actual)**

Other Taxes (excluding Redemptions-Regular) for the first half of FY 2024 totaled \$1,899,156 which was \$399,047 or 26.6% more than the \$1,500,099 received for the same period in FY 2023. The primary reason for the increase was (1) an increase of \$199,570 in Parking Lot Taxes; (2) a decline of \$191,035 in BLT penalties; (3) a decline of \$97,637 in BLT interest; and, (4) \$406,213 in Transportation Network Company User Tax (i.e., a tax on ride sharing companies enacted during the height of the COVID-19 pandemic) was recorded as Other Revenue, instead of Other Taxes in FY 2023. After including Transportation Network Company User Taxes as Other Taxes, instead of Other Income, the FY 2024 Other Taxes projection is being increased from \$2,593,129 to \$4,621,618.

**Parking Fines (+\$148,926 more than FY 2023 Actual)**

Parking Fines revenue for the first half of FY 2024 totaled \$3,253,087, which was \$148,926 or 4.8% more than the \$3,104,161 received for the same period in FY 2023. The primary reason for the increase was the continued increase in ticket writing. For the first half of FY 2024, ticket writing increased by 4,986 or 7.06% from 70,592 in the first half of FY 2023 to 75,578 in the same period in FY 2024, as follows:

	July	Aug	Sept	Oct	Nov	Dec	Total
FY 2024	12,318	13,865	12,931	12,819	12,213	11,432	75,578
FY 2023	10,881	11,414	12,984	12,419	12,369	10,525	70,592
Difference	1,437	2,451	-53	400	-156	907	4,986
% Difference	13.2%	21.5%	-4%	12.6%	-1.26%	8.62%	7.06%

**Ambulance Fees (+\$1,335,904 more than FY 2023 Actual)**

Ambulance Fees revenue for the first half of FY 2024 totaled \$3,815,272, which was \$1,335,904 or 53.9% more than the \$3,833,730 received for the same period in FY 2023. This increase was primarily due to (1) an increase in the number of transports, which increased by 205 or 7% in the first half of FY 2024, from 2,941 to 3,146; and (2) the Public Provider Ground Emergency Medical Transportation (PPGEMT) program replacing the Quality Assurance Fee Program (QAF); The MEDI-CAL and MCAL HMO reimbursement rate increased to \$1,062 under the PPGEMT Program from \$339 under the QAF Program. As a result, the FY 2024 Ambulance Fee revenue projection is being increased from \$5,350,779 to \$6,944,117 in FY 2024.

**Interest Income (+\$2,580,861 more than FY 2023 Actual)**

For the first half of FY 2024, Interest Income totaled \$6,619,791, which was \$2,580,861 or 63.9% more than the total of \$4,038,930 received for the same period in FY 2023. This increase was primarily attributable to a significant increase in average interest rates earned after the Federal Reserve reversed course and started raising interest rates on March 17, 2022. Primarily as a result of the Fed's actions, the net interest rate earned by the City increased from a range of 1.837%-2.616% during the first half of FY 2023, to a range of 2.84%-3.10% during the first half of FY 2024, as follows:



<b>Monthly Net Interest Rate Earned</b>						
	<b>July</b>	<b>Aug</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
FY 2024	3.10%	3.02%	2.95%	2.95%	2.88%	2.84%
FY 2023	1.837%	2.025%	1.972%	2.258%	2.390%	2.616%

The FY 2024 Interest Income projection is being increased from \$8,826,211 to \$12,615,354.

**Indirect Cost Reimbursements (+\$53,465 more than FY 2023 Actual)**

**Indirect Cost Reimbursements (IDC)** for the first half of FY 2024 totaled \$3,259,079, which was \$53,465 or 1.67% more than the \$3,205,614 received for the same period in FY 2023. This increase was primarily accounted for by an increase in the indirect cost allocation base (total direct salaries and wages) from \$14,360,779 in the first half of FY 2023 to \$14,846,041 in FY 2024. The FY 2024 IDC revenue projection is being increased from \$6,104,970 to \$6,800,000.

**Transfers (-\$2,411,463 less than FY 2023 Actual)**

Transfers from other funds for the first half of FY 2024 totaled \$4,045,962 which was \$2,411,463 or 37.3% less than the \$6,457,425 received for the same period in FY 2023. This was primarily attributable to the Transfer of \$1,627,872 from the American Rescue Plan Fund to recover from the impact of the COVID-19 pandemic in FY 2024, compared to the Transfer of \$6,135,806 from the American Rescue Plan Fund for the same period in FY 2023.

**Other Revenues (-\$883,520 less than FY 2023 Actual)**

Other Revenues primarily consists of licenses and permits; grants; preferential parking fees; general government charges for services; public safety charges for services; health charges for services; culture and recreation charges for services; rents and royalties; and other miscellaneous revenues that are not considered major.

Other Revenues for the first half of FY 2024 totaled \$3,018,612 which was \$883,520 or 22.6% less than the \$3,902,132 received for the same period in FY 2023. This decrease of \$883,520 was primarily attributable to (1) the inclusion of \$406,213 in TNC User Taxes to Other Income, rather than Other Taxes in the first half of FY 2023; and (2) A premium of \$687,680 on the issuance of the Tax and Revenue Anticipation Notes (TRAN) in FY 2023 versus \$457,283 in FY 2024. The premium paid to the City was not actually revenue; it was a liability that was paid by the purchaser of the City's Notes when the coupon interest rate was higher than the market rate when the Notes were issued. It will be used to offset the interest expense paid by the City on the Notes.

The FY 2023 total for Other Revenue was \$9,043,937, while the Adopted Budget total was \$7,668,797. The FY 2024 Other Revenue projection is being increased from \$7,668,797 to \$8,468,797.

**Based on the FY 2024 Mid-Year, the revised projection for the FY 2024 General Fund Revenues are \$264.75 million.**

**General Fund Expenditures**

On June 27, 2023 the City Council adopted the FY 2024 Budget, which authorized General Fund expenditures in FY 2024 of \$276.55 million. Subsequently, on December 12, 2023, the City Council approved General Fund recommended encumbered rollovers, unencumbered carryovers, and adjustments totaling \$50.04 million in the Amendment to the FY 2024 Annual Appropriations Ordinance (AAO#1) as shown in the table below:

**FY 2024 General Fund Revised Budget**

<b>FY 2024 Adopted Budget</b>	<b>Encumbered Recommended</b>	<b>Unencumbered Recommended</b>	<b>Other Adjustments</b>	<b>FY 2024 Revised Budget</b>
\$ 276,548,969	\$ 16,752,951	\$ 12,523,938	\$ 20,763,498	\$ 326,589,356

\*FY 24 Revised Budget at mid-year totaled \$307.5 million. With AAO#1 amendment approved in January 2024, revised budget increases to \$326.6 million.

The encumbered rollovers of \$16.75 million reflect contractual obligations entered in FY 2023, which had not been paid as of June 30, 2023. Unencumbered carryovers of \$12.52 million are approved by Council for specific purposes that had not been completed by the end of FY 2023. Funding for these commitments is brought forward into the current fiscal year to provide for payment of these obligations. Adjustments are new allocations for projects and Council priorities as detailed in the AAO. Included in the other adjustments of \$20.76 million are Council authorized allocations approved through the adoption of the Amendment to the AAO on December 12, 2023 (first reading) and January 16, 2024 (second reading).

General Fund expenditures incurred by department as of December 31, 2023 are shown in the following chart along with projections regarding the expenditures likely to be incurred through June 30, 2024. The two projected savings/deficit columns in the chart below are an estimate of whether the department will be under or over the revised budget and their respective appropriation limit based upon the first six months of the year. Not all of the adopted AAO#1 funding is reflected in the FY 2024 Revised Budget as of December 31, 2023.

The General Fund expenditure is projected to be over original revised budget of \$3.08 million by \$2.43 million at the end of FY 2024 (Revised Budget minus Projected Expenses). The planned expenditures reflect increased personnel costs based upon approved labor agreements, and public safety overtime offset by salary savings related to vacancies in other departments and adjustments approved by Council on January 16, 2024 in the Amendment to the Annual Appropriation Ordinance (AAO#1). Projected expenditures will also fluctuate as departments (1) fill vacant positions; (2) increase overtime spending to provide critical public safety services; (3) spend more on consultants and other professional services (“non-personnel costs”) to mitigate vacant staff positions and/or respond to unanticipated events and (4) implementation of projects.

**FY 2024 Mid-Year General Fund Expenditures (as of December 21, 2023)**

DEPARTMENT	FY 2024 ADOPTED BUDGET	FY 2024 REVISED BUDGET*	YEAR TO DATE EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PERSONNEL PERCENTAGE USED	NON-PERSONNEL PERCENTAGE USED	TOTAL PERCENTAGE USED	FY 2024 PROJECTED EXPENDITURES	FY 2024 PROJECTED ENDING BALANCE/(DEFICIT)
MAYOR AND COUNCIL	4,772,190	4,849,542	1,923,297	62,410	2,863,835	40.5%	44.7%	40.9%	4,849,542	-
CITY AUDITOR	3,136,323	3,221,934	1,391,210	102,047	1,728,678	43.9%	63.1%	46.3%	3,089,758	132,177
RENT STABILIZATION BOARD	550,000	651,588	302,231	349,356	1	0.0%	100.0%	100.0%	651,588	-
POLICE ACCOUNTABILITY	1,142,593	1,310,290	515,732	159,357	635,201	34.4%	77.3%	51.5%	1,597,102	(286,812)
CITY MANAGER'S OFFICE	13,150,234	16,294,107	7,458,276	2,303,030	6,532,801	45.4%	81.4%	59.9%	15,758,044	536,063
CITY ATTORNEY	4,304,039	5,003,419	2,038,057	395,637	2,569,725	39.6%	77.3%	48.6%	5,273,499	(270,080)
CITY CLERK	2,547,276	2,759,548	972,288	325,627	1,461,633	48.0%	45.7%	47.0%	2,886,744	(127,196)
FINANCE	8,179,370	9,110,602	3,281,701	1,063,527	4,765,374	39.6%	71.4%	47.7%	8,047,068	1,063,534
HUMAN RESOURCES	3,467,541	4,127,222	1,728,648	142,944	2,255,629	45.6%	44.8%	45.3%	4,125,275	1,947
INFORMATION TECHNOLOGY	1,526,760	2,233,165	891,132	308,646	1,033,388	0.0%	53.7%	53.7%	1,702,432	530,733
HEALTH, HSG & COMMUNITY SVC	31,429,102	47,457,711	16,578,721	9,486,685	21,392,304	40.7%	60.9%	54.9%	45,656,435	1,801,276
PARKS, RECREATION & WATERFRONT	9,359,349	11,766,832	5,828,846	997,780	4,940,206	49.7%	66.8%	58.0%	16,256,832	(4,490,000)
PLANNING & DEVELOPMENT	3,277,246	6,494,510	1,469,787	171,732	4,852,991	43.4%	12.2%	25.3%	6,132,221	362,289
PUBLIC WORKS	6,558,529	12,160,727	3,144,927	1,972,562	7,043,238	30.8%	49.4%	42.1%	9,264,376	2,896,351
POLICE	83,606,570	81,617,830	41,085,284	1,081,010	39,451,536	49.5%	70.3%	51.7%	85,155,524	(3,537,694)
FIRE & EMERGENCY SERVICES	39,546,063	43,205,216	22,830,487	4,951,735	15,422,994	62.6%	67.8%	64.3%	49,455,394	(6,250,178)
NON DEPARTMENTAL	59,995,782	55,262,131	35,120,397	378,568	19,763,166	1564.8%	64.1%	64.2%	50,055,826	5,206,305
<b>GRAND TOTAL</b>	<b>276,548,969</b>	<b>307,526,375</b>	<b>146,561,021</b>	<b>24,252,653</b>	<b>136,712,701</b>	<b>49.1%</b>	<b>62.7%</b>	<b>55.5%</b>	<b>309,957,660</b>	<b>(2,431,285)</b>

\*FY 2024 Revised does not reflect as of December 31, 2023 all Council approved allocations included in the FY 2024 AAO #1.

Explanations for significant projected savings and overages are as follows:

- City Auditor’s Office, \$132,177: The projected balance is mostly due to salary savings by underfilled positions and a vacancy.
- Office of the Director of Police Accountability, (-\$46,237): The projected deficit results from expenditure patterns driven by one-time investments in office infrastructure, which were funded as part of AAO1, but not reflected at this point in time.

- City Manager's Office, \$536,063: Projected balance from vacancies during the first half of the fiscal year as well as timing-related delays in implementing new programs.
- City Attorney's Office, (-\$270,080): Projected deficit is timing related as the report does not reflect Council approved increases in funding in the AAO#1. Based upon AAO#1, the department is projecting a positive balance due to not incremental filling of vacancies and the possible partial use of funding for outside legal counsel.
- City Clerk, (-\$127,196): Projected deficit is due to unplanned special elections costs.
- Finance, \$1,063,534: Projected balance due to vacancies and challenges in finding qualified candidates to fill specialized positions funded by the General Fund.
- Information Technology, \$530,733: Projected balance is due to various projects that will not be completed in FY 2024.
- Health, Housing & Community Services, \$1,801,276: Projected balance due to vacancies and challenges in hiring for specialized positions.
- Parks, Recreation, and Waterfront, (-\$4,490,000): Projected deficit is timing-related as the report does not include Council approved AAO#1 funding. Once the additional funding is accounted for, the department is expecting to be on budget. The projection includes projections for predictability pay, \$4.05M of General Fund FY 2024 contribution to the Workers Compensation Fund redirected to fill the T1 funding gap, \$300,000 for Dreamland design and \$140,000 for the Miyawaki Forest.
- Planning, \$362,289: Projected balance is primarily comprised of \$284,000 in salary savings due to vacancies.
- Public Works, \$2,896,351: Projected savings is primarily due to Facilities and Transportation projects that are expected to not be completed by FY 2024.
- Police, (-\$3,537,694): Projected deficit based on mid-year numbers do not reflect the Council approved funding in AAO#1 of \$4.3 million for the Berkeley Police Association Memorandum of Understanding (MOU). Once adjusted, the projected year-end is positive due to savings from vacant positions. It also consists of cost overruns related to Police fleet replacement fund contributions and fuel and maintenance costs.
- Fire, (-\$6,250,178): Projected deficit of \$6.25 million compared to the FY 2024 revised budget as of mid-year. This is expected to decrease once the \$1.89 million of approved AAO#1 funding for the Berkeley Fire Fighters Association's new MOU is entered into the financial system. However, the Fire department is still expected to end the fiscal year with a deficit due to challenges in staffing and increases in overtime cost and fringe benefits.
- Non-Departmental, \$5,206,305: Projected balance due to timing of implementation of various projects and programs.
- In addition, the Rent Board and Human Resources, are expected to finish the year either on budget or very slightly under budget.

## Projected General Fund Budget Summary

The FY 2024 Adopted Budget anticipated the use of \$10.13 million in fund balance to support increased expenditures that exceeded revenue projections, recognizing that revenues had not fully returned to pre-pandemic levels, the use of one-time federal funds from the American Rescue Plan Act would be exhausted, and that Measure P fund balance within the General Fund would be required to fund related programs and one-time expenditures such as the reservation for Project Homekey. Based on the projected decrease in General Fund revenue, and various assumptions related to non-personnel expenses incurred before June 30, 2024, the FY 2024 mid-year projection estimates an annual shortfall between \$18.2-45.21 million, with the latter upward projection assuming all non-personnel expenditures authorized within the revised budget are fully spent by June 30, 2024. However, it is important to emphasize that the revenue and expenditure projections provided are the best estimates staff has at this time for how the General Fund is projected to close in FY 2024. Between now and the end of the fiscal year, a number of assumptions could change that will impact projections, including, but not limited to, changes in economic conditions that may impact revenue, status of vacant positions, any increased operational costs, as well as the likely underspending in non-personnel costs related to timing delays in implementing projects and programs that would significantly reduce the projected shortfall. The actual FY 2024 year-end status will be known sometime in late December 2024 after the completion of the financial audit. Any General Fund shortfall will be absorbed by existing fund balance and will impact recommendations regarding carryover and encumbrances requests in FY 2025.

## All Funds Expenditures

The General Funds comprises about 32 percent of the total revised budget. The rest of the budget consists of various Special Funds. Special Funds are collected for a specific purpose; therefore, the projected balances are not considered to be discretionary and available to be re-allocated toward other programs, projects, and services. Included in the *FY 2024 Mid-Year All Funds Expenditures by Department* chart on the next page are both the General Fund and the Special Funds expenditures as of December 31, 2023. On an All Funds basis, the City is tracking on budget at 49.2 percent at mid-year and projected to close FY 2024 with a balance of \$75.51 million using the revised budget as of December 31, 2023.

**FY 2023 Mid-Year All Funds Expenditures (as of December 31, 2023)**

DEPARTMENT	FY 2024 ADOPTED BUDGET	FY 2024 REVISED BUDGET* (as of 12/31/23)	FY 2024 EXPENDED (as of 12/31/23)	ENCUMBRANCES (as of 12/31/23)	AVAILABLE BUDGET (as of 12/31/23)	TOTAL PERCENTAGE USED	FY 2024 PROJECTED EXPENDITURES	FY 2024 PROJECTED ENDING BALANCE/(DEFICIT)
MAYOR AND COUNCIL	4,772,190	4,852,642	1,923,297	62,410	\$2,866,935	40.9%	4,852,642	-
CITY AUDITOR	3,231,099	3,316,710	1,436,197	102,047	\$1,778,466	46.4%	3,185,336	131,374
RENT STABILIZATION BOARD	8,056,460	8,878,430	3,321,869	1,177,159	\$4,379,402	50.7%	8,878,430	-
POLICE ACCOUNTABILITY	1,142,593	1,310,290	515,732	159,357	\$635,201	51.5%	1,597,102	(286,812)
CITY MANAGER'S OFFICE	16,889,184	24,460,343	10,369,281	3,308,613	\$10,782,449	55.9%	23,849,537	610,806
BERKELEY PUBLIC LIBRARY	25,024,425	26,408,346	11,707,927	2,974,567	\$11,725,852	55.6%	31,726,777	(5,318,431)
CITY ATTORNEY	8,106,984	9,855,499	3,859,904	848,178	\$5,147,417	47.8%	10,253,763	(398,264)
CITY CLERK	3,159,486	3,371,758	1,137,760	325,627	\$1,908,371	43.4%	3,257,393	114,365
FINANCE	10,607,143	11,608,386	4,108,986	1,214,803	\$6,284,597	45.9%	10,240,391	1,367,995
HUMAN RESOURCES	5,442,688	6,133,364	2,524,897	168,619	\$3,439,848	43.9%	6,098,578	34,786
INFORMATION TECHNOLOGY	22,237,720	29,316,274	7,944,446	3,165,053	\$18,206,775	37.9%	25,820,790	3,495,484
HEALTH, HSG & COMMUNITY SVC	99,683,536	163,577,083	39,384,181	38,369,815	\$85,823,087	47.5%	132,358,390	31,218,693
PARKS, RECREATION & WF	53,688,581	89,082,692	24,402,344	9,740,801	\$54,939,546	38.3%	69,503,725	19,578,967
PLANNING & DEVELOPMENT	31,267,162	36,767,666	12,207,816	1,955,917	\$22,603,933	38.5%	32,394,732	4,372,934
PUBLIC WORKS	188,326,163	292,296,250	71,665,023	67,247,968	\$153,383,259	47.5%	267,668,149	24,628,101
POLICE	88,188,161	88,587,883	43,419,654	1,496,074	\$43,672,155	50.7%	91,106,786	(2,518,903)
FIRE & EMERGENCY SERVICES	62,316,809	69,373,228	31,462,153	7,817,721	\$30,093,354	56.6%	75,998,874	(6,625,646)
NON DEPARTMENTAL	101,173,999	100,604,624	65,445,388	520,846	\$34,638,390	65.6%	95,504,624	5,100,000
<b>GRAND TOTAL</b>	<b>733,314,383</b>	<b>969,801,468</b>	<b>336,836,857</b>	<b>140,655,573</b>	<b>492,309,038</b>	<b>49.2%</b>	<b>894,296,021</b>	<b>75,505,447</b>

\*FY 2024 Revised does not reflect as of December 31, 2023 all Council approved allocations included in the FY 2024 AAO #1.

- City Auditor, City Manager’s Office, City Clerk, Finance, Human Resources, Information Technology, Health, Housing, & Community Services, Parks, Recreation & Waterfront, Planning, Public Works, and Non-Departmental are anticipated to finish FY 2024 with balances compared to the Mid-Year FY 2024 Revised budget. The underspending is related to salary savings due to vacancies, as well as projects and grants that are not expected to be finished by the end of the fiscal year.

- The Office of the Director of Police Accountability, City Attorney, and Police Department anticipates an ending shortfall from the FY 2024 Revised Budget. However, after accounting for all of the approved AAO#1 funding, anticipated shortfalls will be less or end with a balance.
- The Fire Department is expected to end FY 2024 with a deficit due to high vacancy rate causing an increase in overtime expenses and underfunded fringe benefit costs
- The Berkeley Public Library shows a projected deficit of over \$5.0 million. This is mostly due to increasing 0.5 Part Time employees to 0.75 Part Time employees. The Library plans to reconcile this late third quarter in FY 2024 and going forward.

### **Next Steps:**

Staff is continuously monitoring the FY 2024 General Fund budget to make sure the City stays within budget and is also reviewing and analyzing data to make sure that the City remains agile should additional operating and capital needs arise in the fiscal year. Final FY 2024 year-end General Fund revenues and expenditures information will be included in the “FY 2024 Year-End Report and FY 2025 First Quarter Update” that will be presented to Council in December 2024.

The City’s annual Mid-Year Budget Update is a Strategic Plan Priority, advancing our goal to provide an efficient and financially-healthy City government.

### ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

Actions included in the budget will be developed and implemented in a manner that is consistent with the City’s environmental sustainability goals and requirements.

### CONTACT PERSON

Sharon Friedrichsen, Budget Manager, City Manager’s Office, 981-7000

Henry Oyekanmi, Finance Director, Department of Finance, 981-7300

Maricar Dupaya, Senior Management Analyst, City Manager’s Office, 981-7000

### Attachments:

1. Table: General Fund Revenue and Transfer In FY 2024 Mid-Year vs FY 2023 Mid-Year Comparison
2. Table: FY 2024 Mid-Year General Fund Expenditures (as of December 31, 2023)
3. Table: FY 2024 Mid-Year All Funds Expenditures (as of December 31, 2023)

General Fund Revenue and Transfer Mid Year FY 2024 vs Mid Year FY 2023 Comparison

Attachment 1

Revenue Categories	FY 2024				FY 2023				Comparison FY24 vs FY23	
	Adopted	Actual	Variance	% Received	Adopted	Actual	Variance	% Received	Amount	%
	(a)	(b)	c=(b) - (a)	(d) = (b)/(a)	(e)	(f)	g=(f) - (e)	(h) = (f)/(g)	(i) = (b) - (f)	(j) = (i)/(f)
Secured Property	\$84,725,717	\$42,904,620	(\$41,821,097)	50.64%	\$75,664,920	\$40,237,811	(\$35,427,109)	53.18%	2,666,809	6.63%
Redemptions -Regular	831,441	524,404	(307,037)	63.07%	831,441	461,026	-370,415	55.45%	63,378	13.75%
Supplemental Taxes	3,400,000	1,197,265	(2,202,735)	35.21%	2,000,000	1,229,929	-770,071	61.50%	(32,664)	-2.66%
Unsecured Property Taxes	3,806,995	3,881,280	74,285	101.95%	3,516,000	3,151,771	-364,229	89.64%	729,509	23.15%
Property Transfer Tax	22,873,786	10,056,934	(12,816,852)	43.97%	34,462,172	16,676,308	-17,785,864	48.39%	(6,619,374)	-39.69%
Property Transfer Tax-Measure P (New December 21, 2018)	10,189,500	2,840,259	(7,349,241)	27.87%	14,073,750	8,363,823	-5,709,927	59.43%	(5,523,564)	-66.04%
Sales Taxes	19,654,225	9,305,556	(10,348,669)	47.35%	19,016,546	9,687,895	-9,328,651	50.94%	(382,339)	-3.95%
Soda Taxes	1,147,387	581,705	(565,682)	50.70%	990,210	642,874	-347,336	64.92%	(61,169)	-9.51%
Utility Users Taxes	17,454,320	7,801,328	(9,652,992)	44.70%	13,800,000	7,638,612	-6,161,388	55.35%	162,716	2.13%
Transient Occupancy Taxes	8,374,588	4,393,772	(3,980,816)	52.47%	5,000,000	4,785,735	-214,265	95.71%	(391,963)	-8.19%
Less: TOT rebates owed (3)		(546,224)				(498,566)			(47,658)	9.56%
Short-term Rentals	1,400,000	687,271	(712,729)	49.09%	1,000,000	712,661	-287,339	1,000,000	(25,390)	-3.56%
Business License Tax	21,560,783	1,592,902	(19,967,881)	7.39%	19,000,000	1,010,143	-17,989,857	5.32%	582,759	57.69%
Recreational Cannabis	1,000,000	76,512	(923,488)	7.65%	1,400,000	237,669	-1,162,331	16.98%	(161,157)	-67.81%
U1 Revenues	5,900,000	181,607	(5,718,393)	3.08%	4,900,000	113,893	-4,786,107	2.32%	67,714	59.45%
Other Taxes (excluding Redemptions-Regular)	2,593,129	1,899,156	(693,973)	73.24%	1,800,000	1,500,099	-299,901	83.34%	399,057	26.60%
Vehicle In-Lieu Taxes	17,811,134	8,937,911	(8,873,223)	50.18%	15,926,168	8,329,833	-7,596,335	52.30%	608,078	7.30%
Parking Fines-Regular Collections	5,800,000	3,253,087	(2,546,913)	56.09%	4,326,450	3,104,161	-1,222,289	71.75%	148,926	4.80%
Moving Violations	132,600	96,254	(36,346)	72.59%	132,600	71,415	-61,185	53.86%	24,839	34.78%
Ambulance Fees	5,350,779	3,815,272	(1,535,507)	71.30%	3,880,779	2,479,368	-1,401,411	63.89%	1,335,904	53.88%
Interest Income	8,826,211	6,619,791	(2,206,420)	75.00%	6,000,000	4,038,930	-1,961,070	67.32%	2,580,861	63.90%
Franchise Fees	1,720,056	307,634	(1,412,422)	17.89%	1,613,283	335,043	-1,278,240	20.77%	(27,409)	-8.18%
Other Revenue	7,668,797	3,018,612	(4,650,185)	39.36%	6,729,977	3,902,132	-2,827,845	57.98%	(883,520)	-22.64%
IDC Reimbursement	6,104,970	3,259,079	(2,845,891)	53.38%	5,490,000	3,205,614	-2,284,386	58.39%	53,465	1.67%
Transfers	8,091,924	4,045,962	(4,045,962)	50.00%	17,096,148	6,457,425	-10,638,723	37.77%	(2,411,463)	-37.34%
			-				0		-	
<b>Total Revenue:</b>	<b>\$266,418,342</b>	<b>\$120,731,949</b>	<b>-\$145,686,393</b>	<b>45.32%</b>	<b>\$258,650,444</b>	<b>\$127,875,604</b>	<b>-\$130,774,840</b>	<b>49.44%</b>	<b>(\$7,143,655)</b>	<b>-5.59%</b>

Notes: (1) This statement is presented on a budgetary basis (i.e., cash).

(2) Current vendor no longer breaks out Regular and Booting Parking Fines Collections

(3) Includes the amount of TOT rebates owed for the period

(4) Total Other Taxes includes Redemptions-Regular



FY 2024 MID-YEAR GENERAL FUND EXPENDITURES (AS OF DECEMBER 31, 2023)										Attachment 2
DEPARTMENT	FY 2024 ADOPTED BUDGET	FY 2024 REVISED BUDGET*	YEAR TO DATE EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PERSONNEL PERCENTAGE USED	NON-PERSONNEL PERCENTAGE USED	TOTAL PERCENTAGE USED	FY 2024 PROJECTED EXPENDITURES	FY 2024 PROJECTED ENDING BALANCE/(DEFICIT)
MAYOR AND COUNCIL	4,772,190	4,849,542	1,923,297	62,410	2,863,835	40.5%	44.7%	40.9%	4,849,542	-
CITY AUDITOR	3,136,323	3,221,934	1,391,210	102,047	1,728,678	43.9%	63.1%	46.3%	3,089,758	132,177
RENT STABILIZATION BOARD	550,000	651,588	302,231	349,356	1	0.0%	100.0%	100.0%	651,588	-
POLICE ACCOUNTABILITY	1,142,593	1,310,290	515,732	159,357	635,201	34.4%	77.3%	51.5%	1,597,102	(286,812)
CITY MANAGER'S OFFICE	13,150,234	16,294,107	7,458,276	2,303,030	6,532,801	45.4%	81.4%	59.9%	15,758,044	536,063
CITY ATTORNEY	4,304,039	5,003,419	2,038,057	395,637	2,569,725	39.6%	77.3%	48.6%	5,273,499	(270,080)
CITY CLERK	2,547,276	2,759,548	972,288	325,627	1,461,633	48.0%	45.7%	47.0%	2,886,744	(127,196)
FINANCE	8,179,370	9,110,602	3,281,701	1,063,527	4,765,374	39.6%	71.4%	47.7%	8,047,068	1,063,534
HUMAN RESOURCES	3,467,541	4,127,222	1,728,648	142,944	2,255,629	45.6%	44.8%	45.3%	4,125,275	1,947
INFORMATION TECHNOLOGY	1,526,760	2,233,165	891,132	308,646	1,033,388	0.0%	53.7%	53.7%	1,702,432	530,733
HEALTH, HSG & COMMUNITY SVC	31,429,102	47,457,711	16,578,721	9,486,685	21,392,304	40.7%	60.9%	54.9%	45,656,435	1,801,276
PARKS, RECREATION & WATERFRONT	9,359,349	11,766,832	5,828,846	997,780	4,940,206	49.7%	66.8%	58.0%	16,256,832	(4,490,000)
PLANNING & DEVELOPMENT	3,277,246	6,494,510	1,469,787	171,732	4,852,991	43.4%	12.2%	25.3%	6,132,221	362,289
PUBLIC WORKS	6,558,529	12,160,727	3,144,927	1,972,562	7,043,238	30.8%	49.4%	42.1%	9,264,376	2,896,351
POLICE	83,606,570	81,617,830	41,085,284	1,081,010	39,451,536	49.5%	70.3%	51.7%	85,155,524	(3,537,694)
FIRE & EMERGENCY SERVICES	39,546,063	43,205,216	22,830,487	4,951,735	15,422,994	62.6%	67.8%	64.3%	49,455,394	(6,250,178)
NON DEPARTMENTAL	59,995,782	55,262,131	35,120,397	378,568	19,763,166	1564.8%	64.1%	64.2%	50,055,826	5,206,305
<b>GRAND TOTAL</b>	<b>276,548,969</b>	<b>307,526,375</b>	<b>146,561,021</b>	<b>24,252,653</b>	<b>136,712,701</b>	<b>49.1%</b>	<b>62.7%</b>	<b>55.5%</b>	<b>309,957,660</b>	<b>(2,431,285)</b>

\*FY 2024 Revised does not reflect as of December 31, 2023 all Council approved allocations included in the FY 2024 AAO #1.

FY 2024 MID-YEAR ALL FUNDS EXPENDITURES (AS OF DECEMBER 31, 2023)

Attachment 3

DEPARTMENT	FY 2024 ADOPTED BUDGET	FY 2024 REVISED BUDGET* (as of 12/31/23)	FY 2024 EXPENDED (as of 12/31/23)	ENCUMBRANCES (as of 12/31/23)	AVAILABLE BUDGET (as of 12/31/23)	TOTAL PERCENTAGE USED	FY 2024 PROJECTED EXPENDITURES	FY 2024 PROJECTED ENDING BALANCE/(DEFICIT)
MAYOR AND COUNCIL	4,772,190	4,852,642	1,923,297	62,410	\$2,866,935	40.9%	4,852,642	-
CITY AUDITOR	3,231,099	3,316,710	1,436,197	102,047	\$1,778,466	46.4%	3,185,336	131,374
RENT STABILIZATION BOARD	8,056,460	8,878,430	3,321,869	1,177,159	\$4,379,402	50.7%	8,878,430	-
POLICE ACCOUNTABILITY	1,142,593	1,310,290	515,732	159,357	\$635,201	51.5%	1,597,102	(286,812)
CITY MANAGER'S OFFICE	16,889,184	24,460,343	10,369,281	3,308,613	\$10,782,449	55.9%	23,849,537	610,806
BERKELEY PUBLIC LIBRARY	25,024,425	26,408,346	11,707,927	2,974,567	\$11,725,852	55.6%	31,726,777	(5,318,431)
CITY ATTORNEY	8,106,984	9,855,499	3,859,904	848,178	\$5,147,417	47.8%	10,253,763	(398,264)
CITY CLERK	3,159,486	3,371,758	1,137,760	325,627	\$1,908,371	43.4%	3,257,393	114,365
FINANCE	10,607,143	11,608,386	4,108,986	1,214,803	\$6,284,597	45.9%	10,240,391	1,367,995
HUMAN RESOURCES	5,442,688	6,133,364	2,524,897	168,619	\$3,439,848	43.9%	6,098,578	34,786
INFORMATION TECHNOLOGY	22,237,720	29,316,274	7,944,446	3,165,053	\$18,206,775	37.9%	25,820,790	3,495,484
HEALTH, HSG & COMMUNITY SVC	99,683,536	163,577,083	39,384,181	38,369,815	\$85,823,087	47.5%	132,358,390	31,218,693
PARKS, RECREATION & WF	53,688,581	89,082,692	24,402,344	9,740,801	\$54,939,546	38.3%	69,503,725	19,578,967
PLANNING & DEVELOPMENT	31,267,162	36,767,666	12,207,816	1,955,917	\$22,603,933	38.5%	32,394,732	4,372,934
PUBLIC WORKS	188,326,163	292,296,250	71,665,023	67,247,968	\$153,383,259	47.5%	267,668,149	24,628,101
POLICE	88,188,161	88,587,883	43,419,654	1,496,074	\$43,672,155	50.7%	91,106,786	(2,518,903)
FIRE & EMERGENCY SERVICES	62,316,809	69,373,228	31,462,153	7,817,721	\$30,093,354	56.6%	75,998,874	(6,625,646)
NON DEPARTMENTAL	101,173,999	100,604,624	65,445,388	520,846	\$34,638,390	65.6%	95,504,624	5,100,000
<b>GRAND TOTAL</b>	<b>733,314,383</b>	<b>969,801,468</b>	<b>336,836,857</b>	<b>140,655,573</b>	<b>492,309,038</b>	<b>49.2%</b>	<b>894,296,021</b>	<b>75,505,447</b>

\*FY 2024 Revised does not reflect as of December 31, 2023 all Council approved allocations included in the FY 2024 AAO #1.