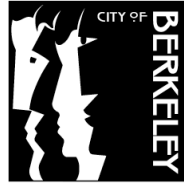


REVISED AGENDA
(ADDED CONTINUED ITEMS FROM MAY 26, 2020)



BERKELEY CITY COUNCIL MEETING

Tuesday, June 2, 2020
6:00 PM

JESSE ARREGUIN, MAYOR

Councilmembers:

DISTRICT 1 – RASHI KESARWANI
DISTRICT 2 – CHERYL DAVILA
DISTRICT 3 – BEN BARTLETT
DISTRICT 4 – KATE HARRISON

DISTRICT 5 – SOPHIE HAHN
DISTRICT 6 – SUSAN WENGRAF
DISTRICT 7 – RIGEL ROBINSON
DISTRICT 8 – LORI DROSTE

PUBLIC ADVISORY: THIS MEETING WILL BE CONDUCTED EXCLUSIVELY THROUGH VIDEOCONFERENCE AND TELECONFERENCE

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, this meeting of the City Council will be conducted exclusively through teleconference and Zoom videoconference. Please be advised that pursuant to the Executive Order and the Shelter-in-Place Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, there will not be a physical meeting location available.

Live audio is available on KPFB Radio 89.3. Live captioned broadcasts of Council Meetings are available on Cable B-TV (Channel 33) and via internet accessible video stream at <http://www.cityofberkeley.info/CalendarEventWebcastMain.aspx>.

To access the meeting remotely: Join from a PC, Mac, iPad, iPhone, or Android device: Please use this URL <https://us02web.zoom.us/j/82518774480>. 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 by rolling over the bottom of the screen.

*To join by phone: Dial **1-669-900-9128** and enter Meeting ID: **825 1877 4480**. 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 an e-mail comment during the meeting to be read aloud during public comment, email clerk@cityofberkeley.info with the Subject Line in this format: "PUBLIC COMMENT ITEM ##." Please observe a 150 word limit. Time limits on public comments will apply. Written comments will be entered into the public record.

Please be mindful that the teleconference will be recorded as any Council meeting is recorded, and all other rules of procedure and decorum will apply for Council meetings conducted by teleconference or videoconference.

This meeting will be conducted in accordance with the Brown Act, Government Code Section 54953. Any member of the public may attend this meeting. Questions regarding this matter may be addressed to Mark Numainville, City Clerk, (510) 981-6900. The City Council may take action related to any subject listed on the Agenda. Meetings will adjourn at 11:00 p.m. - any items outstanding at that time will be carried over to a date/time to be specified.

Preliminary Matters

Roll Call:

Ceremonial Matters: *In addition to those items listed on the agenda, the Mayor may add additional ceremonial matters.*

City Manager Comments: *The City Manager may make announcements or provide information to the City Council in the form of an oral report. The Council will not take action on such items but may request the City Manager place a report on a future agenda for discussion.*

Public Comment on Non-Agenda Matters: *Persons will be selected to address matters not on the Council agenda. If five or fewer persons wish to speak, each person selected will be allotted two minutes each. If more than five persons wish to speak, up to ten persons will be selected to address matters not on the Council agenda and each person selected will be allotted one minute each. The remainder of the speakers wishing to address the Council on non-agenda items will be heard at the end of the agenda.*

Consent Calendar

The Council will first determine whether to move items on the agenda for "Action" or "Information" to the "Consent Calendar", or move "Consent Calendar" items to "Action." Items that remain on the "Consent Calendar" are voted on in one motion as a group. "Information" items are not discussed or acted upon at the Council meeting unless they are moved to "Action" or "Consent".

No additional items can be moved onto the Consent Calendar once public comment has commenced. At any time during, or immediately after, public comment on Information and Consent items, any Councilmember may move any Information or Consent item to "Action." Following this, the Council will vote on the items remaining on the Consent Calendar in one motion.

For items moved to the Action Calendar from the Consent Calendar or Information Calendar, persons who spoke on the item during the Consent Calendar public comment period may speak again at the time the matter is taken up during the Action Calendar.

Public Comment on Consent Calendar and Information Items Only: *The Council will take public comment on any items that are either on the amended Consent Calendar or the Information Calendar. Speakers will be entitled to two minutes each to speak in opposition to or support of Consent Calendar and Information Items. A speaker may only speak once during the period for public comment on Consent Calendar and Information items.*

Additional information regarding public comment by City of Berkeley employees and interns: Employees and interns of the City of Berkeley, although not required, are encouraged to identify themselves as such, the department in which they work and state whether they are speaking as an individual or in their official capacity when addressing the Council in open session or workshops.

Consent Calendar

- 1. Contract: Animal Care Services for the City of Albany**
From: City Manager
Recommendation: Adopt a Resolution authorizing the City Manager to execute a contract, with any amendments, with the City of Albany for animal care services for FY2021-FY2023, which increases the existing contract by up to \$37,046, with a total contract amount not to exceed \$249,653.
Financial Implications: See report
Contact: Erin Steffen, City Manager's Office, (510) 981-7000
- 2. Contract No. 10039 Amendment: Koefran Industries to Provide Pick Up and Disposal of Deceased Animals for Berkeley Animal Care Services**
From: City Manager
Recommendation: Adopt a Resolution authorizing the City Manager to extend and increase Contract No. 10039 with Koefran Industries to provide pick up and disposal of deceased animals for Berkeley Animal Care Services (BACS). The increase will be for \$20,400 through June 30, 2021 for a total contract amount not to exceed \$121,600 and subject to the city's annual appropriation process.
Financial Implications: General Fund - \$20,400
Contact: Erin Steffen, City Manager's Office, (510) 981-7000
- 3. Ballot Measure Increasing the City's Appropriation Limit to Allow Expenditure of Tax Proceeds for Fiscal Years 2021 through 2024**
From: City Manager
Recommendation:
1. Adopt a Resolution placing the attached measure to increase the City's appropriation limit on the ballot at the November 3, 2020 General Municipal Election.
2. Designate, by motion, specific members of the Council to file ballot measure arguments on this measure as provided for in Elections Code Section 9282.
Financial Implications: See report
Contact: Henry Oyekanmi, Finance, (510) 981-7300
- 4. Contract 10456 Amendment: Persimmony Electronic Case Management System for Software Licensing, Implementation and Maintenance Services for the Online Electronic Case Management System**
From: City Manager
Recommendation: Adopt a Resolution authorizing the City Manager to execute an amendment to Contract No. 10456 with Persimmony International, Inc. for software licensing, implementation and maintenance services for the online Electronic Case Management system for the amount not to exceed \$127,947 and a total contract value not to exceed \$303,527 from July 12, 2016 to June 30, 2022.
Financial Implications: Targeted Case Management Fund - \$127,947
Contact: Savita Chaudhary, Information Technology, (510) 981-6500

Consent Calendar

5. **Contract No. 10789 Amendment: AMS.NET for Network Support and Maintenance**
From: City Manager
Recommendation: Adopt a Resolution authorizing the City Manager to amend Contract No. 10789 with AMS.NET for network support and maintenance, for the amount not to exceed \$534,000 and a total contract value not to exceed \$989,335 from July 1, 2017 to June 30, 2025.
Financial Implications: IT Cost Allocation - \$534,000
Contact: Savita Chaudhary, Information Technology, (510) 981-6500
6. **Contracts: On-Call Waterfront Engineering, Design, Environmental Permitting and Construction Administration Services for Capital Improvement Projects at the Berkeley Waterfront**
From: City Manager
Recommendation: Adopt four Resolutions authorizing the City Manager to execute contracts and any amendments with the following firms for on-call waterfront engineering, design, environmental permitting and construction administration services for capital improvement projects at the Berkeley Waterfront, for contract periods of June 15, 2020 through June 30, 2023:
1. Anchor QEA, LLC, for an amount not to exceed \$1,000,000.
2. COWI North America, Inc., for an amount not to exceed \$1,000,000.
3. Moffatt & Nichol, for an amount not to exceed \$1,000,000.
4. Transystems Corporation, for an amount not to exceed \$1,000,000.
Financial Implications: See report
Contact: Scott Ferris, Parks, Recreation and Waterfront, (510) 981-6700
7. **Reject All Bids and Negotiate in the Open Market for the Grove Park Field Renovation and Park Improvements Project**
From: City Manager
Recommendation: Adopt a Resolution: 1. Rejecting all bids for the work associated with the Grove Park Field Renovation and Park Improvements Project, Specification No. 20-11383-C. 2. Authorizing the City Manager to direct staff to negotiate in the open market in accordance with Article XI, Public Works and Supplies, Section 67(a) of the City Charter. 3. If negotiations are not successful, authorizing the City Manager to direct staff to re-scope and re-bid the work associated with the Grove Park Field Renovation and Park Improvements Project.
Financial Implications: See report
Contact: Scott Ferris, Parks, Recreation and Waterfront, (510) 981-6700

Consent Calendar

8. Amendment and Assignment of Capital Contribution Agreement: 200 Marina Blvd, LLC for the Doubletree Hotel

From: City Manager

Recommendation: Adopt first reading of an Ordinance approving an Amendment and Assignment of the City's Capital Contribution Agreement with 200 Marina Boulevard, Berkeley, LLC (200 Marina LLC) for the Doubletree Hotel, which would assign the agreement by 200 Marina LLC to its parent company, Apollo Bright, LLC (Apollo LLC), and change the payment schedule for the capital contribution from \$3M due in June 2020 to \$375,000 due in October 2020 and \$2,675,000 due upon Council approval of the Marina streets construction contract, estimated to be in January 2021. Apollo LLC's obligation to make the two capital contribution payments totaling \$3 million will be backed by an irrevocable standby letter of credit, which will be provided to the City upon execution of the amendment and assignment.

Financial Implications: See report

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

9. Contract: Alta Group, Inc. for the T1 Corporation Yard Maintenance Building Upgrade Project at 1326 Allston Way, and the T1 Marina Corporation Yard Maintenance Building Upgrade Project at 201 University Avenue

From: City Manager

Recommendation: Adopt a Resolution: 1. Approving plans and specifications for the T1 Corporation Yard Maintenance Building Upgrade Project and the T1 Marina Corporation Yard Maintenance Building Upgrade Project, Specification No.19-1 1302 -C; 2. Accepting the bid plus bid alternate of Alta Group, Inc. as the lowest responsive and responsible bidder; 3. Authorizing the City Manager to execute a contract and any amendments, extensions or other change orders until completion of the project in accordance with the approved plans and specifications, for an amount not to exceed \$1,011,006 which includes a contingency of \$131,871.

Financial Implications: T1 Fund - \$1,011,006

Contact: Phillip Harrington, Public Works, (510) 981-6300

10. Contract: Urban Ore, Inc. for Salvage Operations at the City of Berkeley Transfer Station

From: City Manager

Recommendation: Adopt a Resolution authorizing the City Manager to execute a contract with Urban Ore, Inc. for salvage operations of reusable materials at the City's Transfer Station for a three (3) year term commencing July 1, 2020 through June 30, 2023, for a total amount not to exceed \$114,576.

Financial Implications: Zero Waste Fund - \$114,576

Contact: Phillip Harrington, Public Works, (510) 981-6300

Council Consent Items

11. Berkeley Safe Open Air Dining

From: Councilmember Hahn (Author), Mayor Arreguin (Co-Sponsor), Councilmember Rigel Robinson (Co-Sponsor), Councilmember Kate Harrison (Co-Sponsor)

Recommendation:

1. Direct the City Manager to explore and, if and when safe and feasible, identify locations throughout Berkeley, including but not limited to wide sidewalks, street medians, building curtilages, surface lots, public parking areas, and parks, for the placement of tables and chairs to be used for open air dining to support restaurants, cafes, food shops, and other small businesses impacted by the COVID-19 emergency. The City Manager is recommended to consider pursuing the procurement of such tables and chairs via public grants and/or philanthropic sources. The City Manager is further recommended to partner with the Berkeley Chamber, Downtown Berkeley Association, and local business improvement districts (BIDs) to develop protocols related to sanitation, upkeep, and storage.

2. Direct the City Manager to return to Council with recommendations for an ordinance that anticipates future revisions of Berkeley health guidelines to provide local businesses, particularly restaurants, cafes, and food shops, to access public space and private adjacent property for open air operations, with the following considerations: a. Allow businesses and BIDs to apply for temporary use of streets, surface lots, public parking spaces, public recreation space, and adjacent parcels for outdoor dining that will enable compliance with public health dictates for physical separation. i. To eliminate financial burden and fees on small businesses, consider: 1. use of federal reimbursement or funding to cover application costs, or 2. "by right" permit in designated geographic locations that will not require additional processing. ii. Waive any sidewalk cafe permits/fees to allow restaurants and other appropriate businesses to operate outside seating and service for customers who comply with Berkeley health guidelines. iii. Work with the Berkeley Chamber, Downtown Berkeley Association, and Berkeley's BIDs to identify ideal geographic locations for use of streets, surface lots, public parking spaces, public recreation space, and adjacent parcels for outdoor food business activities, including outdoor restaurants and cafes.

Financial Implications: See report

Contact: Sophie Hahn, Councilmember, District 5, (510) 981-7150

Action Calendar

The public may comment on each item listed on the agenda for action as the item is taken up. For items moved to the Action Calendar from the Consent Calendar or Information Calendar, persons who spoke on the item during the Consent Calendar public comment period may speak again at the time the matter is taken up during the Action Calendar.

The Presiding Officer will request that persons wishing to speak use the "raise hand" function to determine the number of persons interested in speaking at that time. Up to ten (10) speakers may speak for two minutes. If there are more than ten persons interested in speaking, the Presiding Officer may limit the public comment for all speakers to one minute per speaker. Speakers are permitted to yield their time to one other speaker, however no one speaker shall have more than four minutes.

The Presiding Officer may, with the consent of persons representing both sides of an issue, allocate a block of time to each side to present their issue.

Action items may be reordered at the discretion of the Chair with the consent of Council.

Action Calendar – Continued Business

- A. Establishing a COVID-19 Business Damage Mitigation Fund** *(Continued from May 26, 2020)*
From: Mayor Arreguin (Author), Councilmember Harrison (Author), Councilmember Robinson (Author)
Recommendation: Refer to the City Manager to establish a COVID-19 Business Damage Mitigation Fund in an amount up to \$100,000 to provide one-time grants to small businesses who experience property damage due to vandalism and other problematic behavior during this COVID-19 local State of Emergency
Financial Implications: Up to \$100,000
Contact: Jesse Arreguin, Mayor, (510) 981-7100

Action Calendar – Public Hearings

Staff shall introduce the public hearing item and present their comments. This is followed by five-minute presentations each by the appellant and applicant. The Presiding Officer will request that persons wishing to speak, use the “raise hand” function to be recognized and to determine the number of persons interested in speaking at that time.

Up to ten (10) speakers may speak for two minutes. If there are more than ten persons interested in speaking, the Presiding Officer may limit the public comment for all speakers to one minute per speaker. Speakers are permitted to yield their time to one other speaker, however no one speaker shall have more than four minutes. The Presiding Officer may with the consent of persons representing both sides of an issue allocate a block of time to each side to present their issue.

Each member of the City Council shall verbally disclose all ex parte contacts concerning the subject of the hearing. Councilmembers shall also submit a report of such contacts in writing prior to the commencement of the hearing. Written reports shall be available for public review in the office of the City Clerk.

- 12. Fiscal Year 2021 Proposed Budget Update Public Hearing #2**
From: City Manager
Recommendation: Conduct a public hearing regarding the FY 2021 Proposed Budget Update.
Financial Implications: See report
Contact: Teresa Berkeley-Simmons, Budget Manager, (510) 981-7000

Action Calendar – Continued Business

- B. FY 2020 Mid-Year Budget Update** *(Continued from May 26, 2020)*
From: City Manager
Contact: Teresa Berkeley-Simmons, Budget Manager, (510) 981-7000

Action Calendar

- 13. Presentation and Discussion of Community Survey Results and Direction About Next Steps for Possible Ballot Measure Development**
From: City Manager
Recommendation: Discuss results of the community survey and provide direction to the City Manager about the drafting of possible measures for inclusion on the November 2020 ballot.
Financial Implications: See report
Contact: David White, City Manager's Office, 981-7000
- 14. Placing Charter Amendment Measure on the November 3, 2020 Ballot Related to Full-Time Status and Salaries for the Mayor and Councilmembers** *(Continued from April 28, 2020)*
From: City Manager
Recommendation:
1. Adopt a Resolution submitting an Amendment to Article V of the City Charter regarding the full-time status and salaries for the Mayor and City Council to a vote of the electors at the November 3, 2020 General Municipal Election.
2. Designate, by motion, specific members of the Council to file ballot measure arguments on this measure as provided for in Elections Code Section 9282.
Financial Implications: None
Contact: Mark Numainville, City Clerk, (510) 981-6900
- 15. Recommendation to Prepare a City Ballot Measure to Create a Climate Action Fund, in Response to the Fossil Fuel Free Berkeley Referral** *(Continued from April 28, 2020)*
From: Energy Commission
Recommendation: The Commission recommends that the City Council develop a referendum and seek approval for it on the 2020 ballot to create a Climate Action Fund, which would support actions to achieve the Berkeley Climate Action Plan, to become Fossil Fuel free, and to respond to the Climate Emergency.
Financial Implications: See report.
Contact: Billi Romain, Commission Secretary, (510) 981-7400
- 16. Contract No. 32000094 Amendment: Youth Spirit Artworks for Transition Age Youth Case Management and Linkage Services and Tiny House Case Management** *(Continued from April 28, 2020)*
From: City Manager
Recommendation: Adopt a Resolution authorizing the City Manager or her designee to execute a contract and any amendments with vendor Youth Spirit Artworks (YSA) to provide Transition Age Youth (TAY) case management and linkage services through June 30, 2021 in an amount not to exceed \$217,000. This will extend the existing contract by one year and add in \$117,000 for case management services at the Tiny Homes Village.
Financial Implications: See report
Contact: Lisa Warhuus, Housing and Community Services, (510) 981-5400

Action Calendar

17. Contract: ERA Construction, Inc. for Strawberry Creek Park Play Area and Restroom Renovation Project *(Continued from May 12, 2020)*

From: City Manager

Recommendation: Adopt a Resolution: 1. Approving the plans and specifications for the Strawberry Creek Park Play Area and Restroom Renovation Project, Specification No. 20-11382-C; and 2. Accepting the correction of the sum of bid items for ERA Construction, Inc.'s bid; and 3. Accepting the bid of the lowest responsive and responsible bidder, ERA Construction, Inc.; and 4. Rejecting the bid protest of Suarez and Munoz Construction, Inc., the second lowest bidder; and 5. Authorizing the City Manager to execute a contract and any amendments, extensions or other change orders until completion of the project in accordance with the approved plans and specifications, with ERA Construction, Inc., for the Strawberry Creek Park Play Area and Restroom Renovation Project at 1260 West Street, Berkeley, CA 94702, in an amount not to exceed \$900,122, which includes a contract amount of \$782,715 and a 15% contingency in the amount of \$117,407.

Financial Implications: Various Funds - \$900,122

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

18. Proposed Amendment to Berkeley's Minimum Wage Ordinance: Berkeley Municipal Code Chapter 13.99

From: City Manager

Recommendation: Adopt first reading of an Ordinance amending Berkeley Municipal Code Chapter 13.99, revising Section 13.99.040 to reinstate the exemption for youth job training programs, and freezing the youth wages at \$14.50 per hour for FY21, then increase the wage annually according to the Consumer Price Index as will occur with the Berkeley Minimum wage.

Financial Implications: See report

Contact: Lisa Warhuus, Housing and Community Services, (510) 981-5400

Information Reports

19. City Council Short Term Referral Process – Quarterly Update

From: City Manager

Contact: Mark Numainville, City Clerk, (510) 981-6900

Public Comment – Items Not Listed on the Agenda

Adjournment

NOTICE CONCERNING YOUR LEGAL RIGHTS: *If you object to a decision by the City Council to approve or deny a use permit or variance for a project the following requirements and restrictions apply: 1) No lawsuit challenging a City decision to deny (Code Civ. Proc. §1094.6(b)) or approve (Gov. Code 65009(c)(5)) a use permit or variance may be filed more than 90 days after the date the Notice of Decision of the action of the City Council is mailed. Any lawsuit not filed within that 90-day period will be barred. 2) In any lawsuit that may be filed against a City Council decision to approve or deny a use permit or variance, the issues and evidence will be limited to those raised by you or someone else, orally or in writing, at a public hearing or prior to the close of the last public hearing on the project.*

Live captioned broadcasts of Council Meetings are available on Cable B-TV (Channel 33), via internet accessible video stream at <http://www.cityofberkeley.info/CalendarEventWebcastMain.aspx> and KPFB Radio 89.3.

Archived indexed video streams are available at <http://www.cityofberkeley.info/citycouncil>. Channel 33 rebroadcasts the following Wednesday at 9:00 a.m. and Sunday at 9:00 a.m.

Communications to the City Council are public record and will become part of the City's electronic records, which are accessible through the City's website. **Please note: e-mail addresses, names, addresses, and other contact information are not required, but if included in any communication to the City Council, will become part of the public record.** If you do not want your e-mail address or any other contact information to be made public, you may deliver communications via U.S. Postal Service to the City Clerk Department at 2180 Milvia Street. If you do not want your contact information included in the public record, please do not include that information in your communication. Please contact the City Clerk Department for further information.

Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be posted on the City's website at <http://www.cityofberkeley.info>.

Agendas and agenda reports may be accessed via the Internet at <http://www.cityofberkeley.info/citycouncil>

COMMUNICATION ACCESS INFORMATION:

To request a disability-related accommodation(s) to participate in the meeting, including auxiliary aids or services, please contact the Disability Services specialist at (510) 981-6418 (V) or (510) 981-6347 (TDD) at least three business days before the meeting date.



Captioning services are provided at the meeting, on B-TV, and on the Internet.

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*I hereby certify that the agenda for this meeting of the Berkeley City Council was posted at the display case located near the walkway in front of the Maudelle Shirek Building, 2134 Martin Luther King Jr. Way, as well as on the City's website, on May 28, 2020.*

Mark Numainville, City Clerk

**Communications**

*Council rules limit action on Communications to referral to the City Manager and/or Boards and Commissions for investigation and/or recommendations. All communications submitted to Council are public record. Copies of individual communications are available for viewing through [Records Online](#).*

**Item #11: Berkeley Safe Open Air Dining**

- 1. Thomas Lord (2)

**Item #12: Fiscal Year 2021 Proposed Budget Update Public Hearing #2**

- 2. Michael Katz

**Safe Streets**

3. MaryAnn Furda

**Sanctuary Contracting Ordinance – Right to cure violation**

4. Brian Hoffer

**Salary of City of Berkeley Employees**

5. Genevieve Wilson (2)

**Pride Month**

6. Brian Brunett

7. Marjo

8. Adrienne Penney

**Zoom Meetings**

9. Thomas Lord

**Sewer Service Fees**

10. Barbara Gilbert

**Preparing for a Wildfire Disaster**

11. Jurgen Aust

**Riots Will Be Starting Soon**

12. Wanda Warkentin

**Berkeley Manufacturing**

13. Sam Johnson

14. Dee Williams-Ridley, City Manager

**African American Resource Center**

15. Derethia DuVal

16. Michael McBride

17. Akilah Shaheed

**Fall Semester UCB – Berkeley Businesses Affected**

18. John Caner, on half of Downtown Berkeley Association, et al

**Homelessness**

19. Charles Durrett

**Homeless Are Harassing Kids**

20. Nicoletta Karam

**Green Energy**

21. Ethan Young

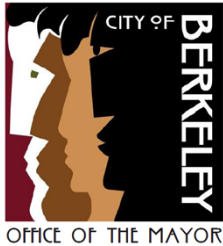
## **COVID-19 – General**

22. David Lerman (4)
23. Thomas Lord
24. Holly Scheider
25. Russbumper
26. Councilmember Harrison

## **Supplemental Communications and Reports**

*Items received by the deadlines for submission will be compiled and distributed as follows. If no items are received by the deadline, no supplemental packet will be compiled for said deadline.*

- **Supplemental Communications and Reports 1**  
Available by 5:00 p.m. five days prior to the meeting.
- **Supplemental Communications and Reports 2**  
Available by 5:00 p.m. the day before the meeting.
- **Supplemental Communications and Reports 3**  
Available by 5:00 p.m. two days following the meeting.



## ACTION CALENDAR

June 2, 2020

*(Continued from May 26, 2020)*

To: Members of the City Council

From: Mayor Jesse Arreguín (Author), Councilmembers Kate Harrison (Author) and Rigel Robinson (Author)

Subject: Establishing a COVID-19 Business Damage Mitigation Fund

### RECOMMENDATION

Refer to the City Manager to establish a COVID-19 Business Damage Mitigation Fund in an amount up to \$100,000 to provide one-time grants to small businesses who experience property damage due to vandalism and other problematic behavior during this COVID-19 local State of Emergency

### BACKGROUND

The local Shelter in Place order, which initially went into effect on March 17, prohibits in-person dining and retail activity. This has created a significant decrease in revenues to local businesses which has resulted in layoffs and in some extreme cases permanent closures. Additionally, many of our commercial districts are empty throughout the day, which means that those businesses that are still in operation see limited foot traffic, leaving employees vulnerable to aggressive behavior. Based on preliminary figures from the Berkeley Police Department, crime in most areas during the year to date has gone down compared to this time last year. However, one notable exception to this is a 10.4% increase in thefts. Specifically, petty theft (a loss less than \$950) is up 7.4% and grand theft (a loss of more than \$950) is up by 56.4% - a spike attributed in part to a rise in catalytic converter thefts. While these preliminary numbers have not been fully vetted, they are believed to be solid indicators of the crime situation in Berkeley.

During this COVID-19 emergency, City staff have received numerous complaints from local businesses regarding problematic and violent behavior, including assault of employees and property damage. As a result of increased criminal activity, the Berkeley Police Department have deployed overtime shifts in Telegraph and the Downtown to increase police patrols to respond more quickly to calls for service and to increase police presence to deter crime. While the deployment of the Downtown Task Force has provided additional presence and support for businesses, crime is still occurring. Businesses have specifically requested that the City establish a Damage Mitigation Fund to provide one-time funding for repairs to local businesses occurring as a result of vandalism and other problematic behavior during this COVID-19 State of Emergency.

FINANCIAL IMPLICATIONS

Up to \$100,000.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental impacts from the recommendation

CONTACT PERSON

Mayor Jesse Arreguín      510-981-7100

Attachments:

- 1) Letter from business associations requesting Damage Mitigation Fund
- 2) Report on vandalism from the Downtown Berkeley Association and the Telegraph Business Improvement District



May 4, 2020 - VIA EMAIL

Mayor Jesse Arreguin and City Council  
City of Berkeley  
2180 Milvia St., Berkeley, CA 94704

Dear Mayor and City Council,

Our merchants and property owners need help NOW with a Damage Mitigation Fund due to extraordinary adverse impacts related to the coronavirus on their businesses, employees, and livelihoods. Since the Shelter in Place order went into effect on March 16, merchants and property owners in the Downtown and Telegraph commercial districts have sustained a significant increase in property damage and deeply disturbing behaviors. Not only are we experiencing a significant increase in the homeless population (60% increase Downtown), but also a small subset of homeless and/or street population are engaging in very aggressive behaviors. Many know they will not be jailed for illegal behaviors because of the COVID related mandate from the California Judicial Council. Moreover, there is absence of students, workers, and residents in our districts, that usually have a moderating impact on behavior norms.

As per attached examples this violent behavior has included multiple broken windows, doors and fixtures; and well as spreading of feces, firing extinguishers, throwing furniture, assaulting employees, etc. Just this past Saturday a woman entered McDonalds on at University and Shattuck and went behind counter and into the kitchen touching equipment and employees and ripping out cabling and damaging point-of-sale system. Understandably their employees were terrified. Moreover, McDonalds had to shut down and bring in a decontamination company to insure the kitchen and food preparation was safe to resume operations.

In addition to this damage, most our businesses have experienced a serious decline in revenues due to the coronavirus and the Shelter in Place order. Many businesses have been forced to close, and many essential businesses and restaurants doing take-out and delivery are hanging on by a thread with sales down often 50% to 80%. And then they have to deal with wanton property damage, that is traumatizing and they cannot afford.

While we appreciate BPD's efforts for increased patrols, these courageous businesses need City support NOW to defray the cost of this property damage and clean up costs. Hence, we are requesting that the City set up a Damage Mitigation Fund for businesses and property owners in the Downtown and Telegraph commercial districts that immediately reimburses them documented property damage repair, third party cleaning expenses, and/or health or leave costs of traumatized employees, from the start of the Shelter in Place order on March 16 through as long as the order continues, or the fund is exhausted. It is the least we can do, and also the right thing to do, so they hopefully survive and we are not faced by lost businesses and vacancies in the heart of our great City.

Thank you for your timely consideration of this urgent matter.

Sincerely,

John Caner, CEO  
Downtown Berkeley Association

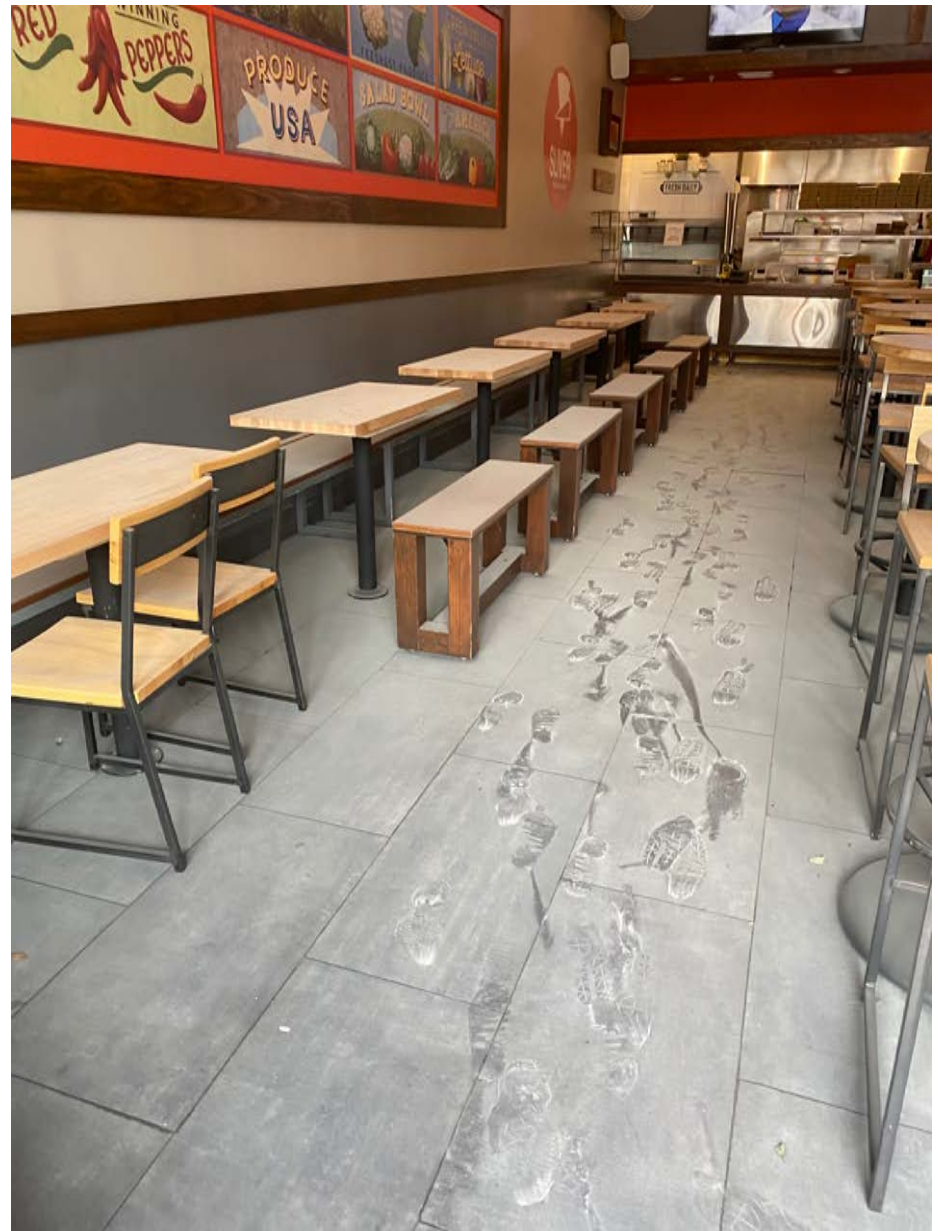
Alex Knox, Executive Director  
Telegraph Business Improvement District

CC: City Manager Dee Williams-Ridley

**Merchant Vandalism**  
Telegraph Business District  
Downtown Business District  
**Updated: April 28<sup>th</sup>, 2020**







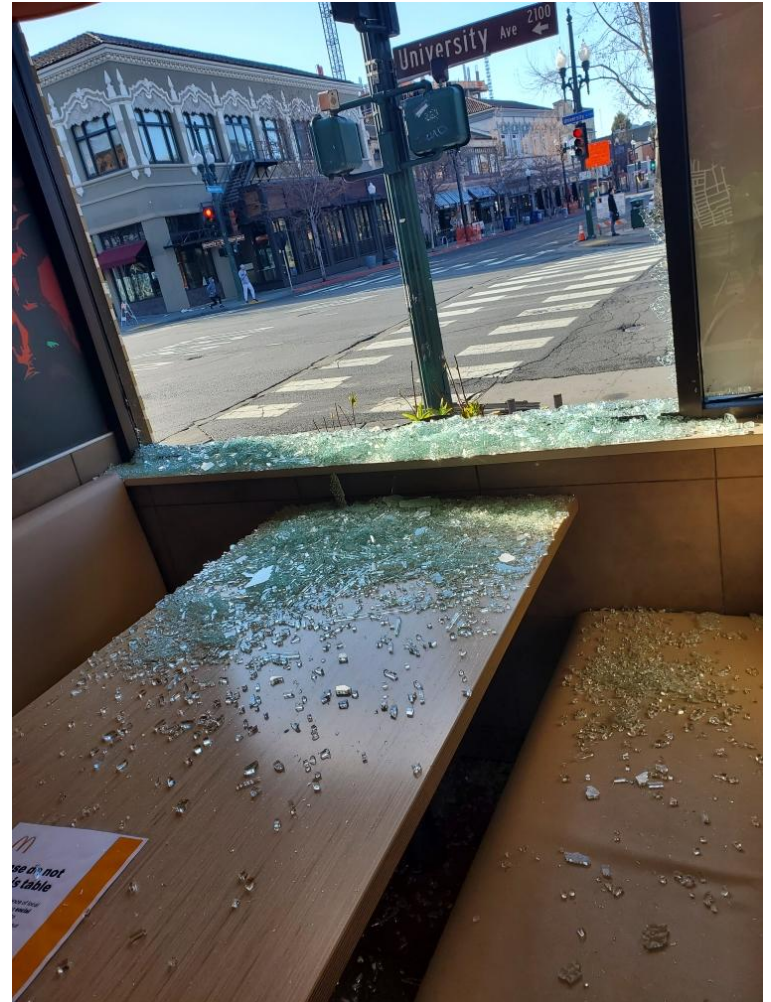
Sliver Pizzeria  
2174 Shattuck Ave, Berkeley, CA 94704



Cancun Sabor Mexicano  
2134 Allston Way, Berkeley, CA 94704



it starts here.  
**DOWNTOWN  
BERKELEY**



McDonalds 4/5  
1998 Shattuck Ave, Berkeley, CA 94704



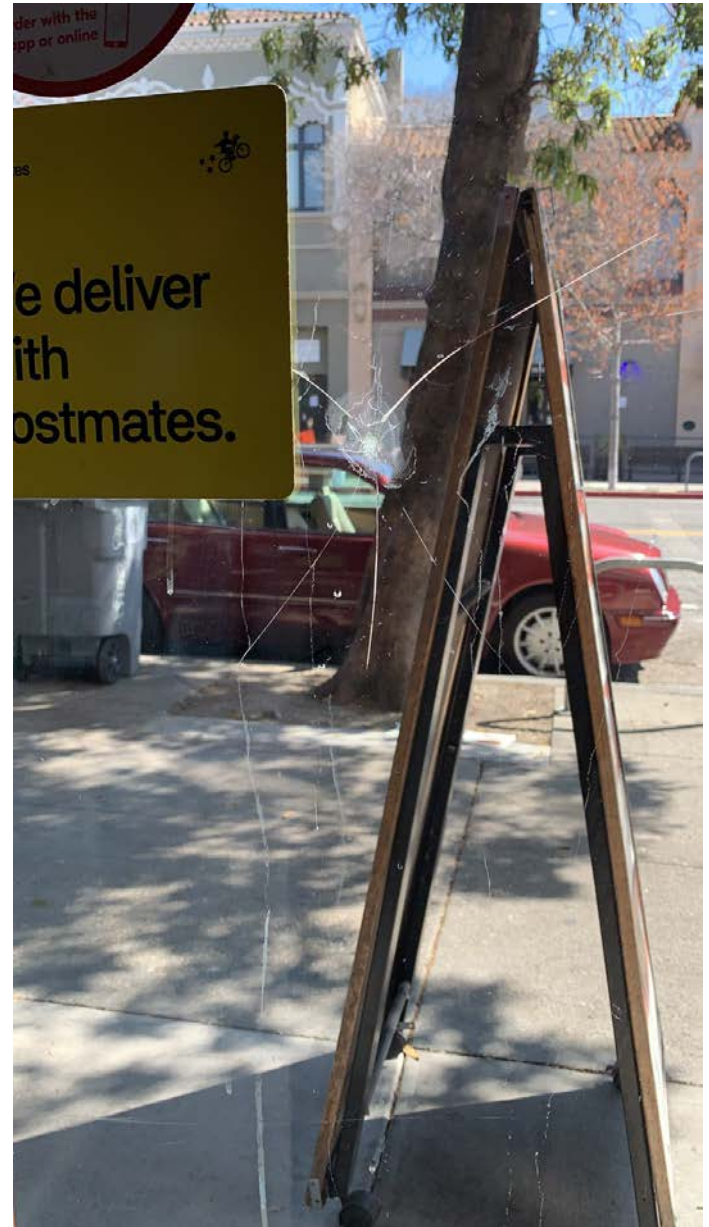
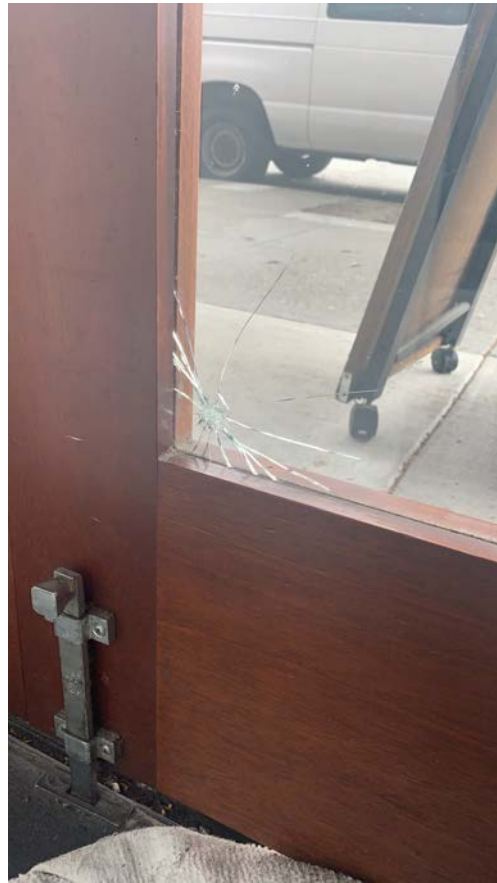
McDonalds 1/5  
1998 Shattuck Ave, Berkeley, CA 94704



McDonalds 3/5  
1998 Shattuck Ave, Berkeley, CA 94704



McDonalds 2/5  
1998 Shattuck Ave, Berkeley, CA 94704

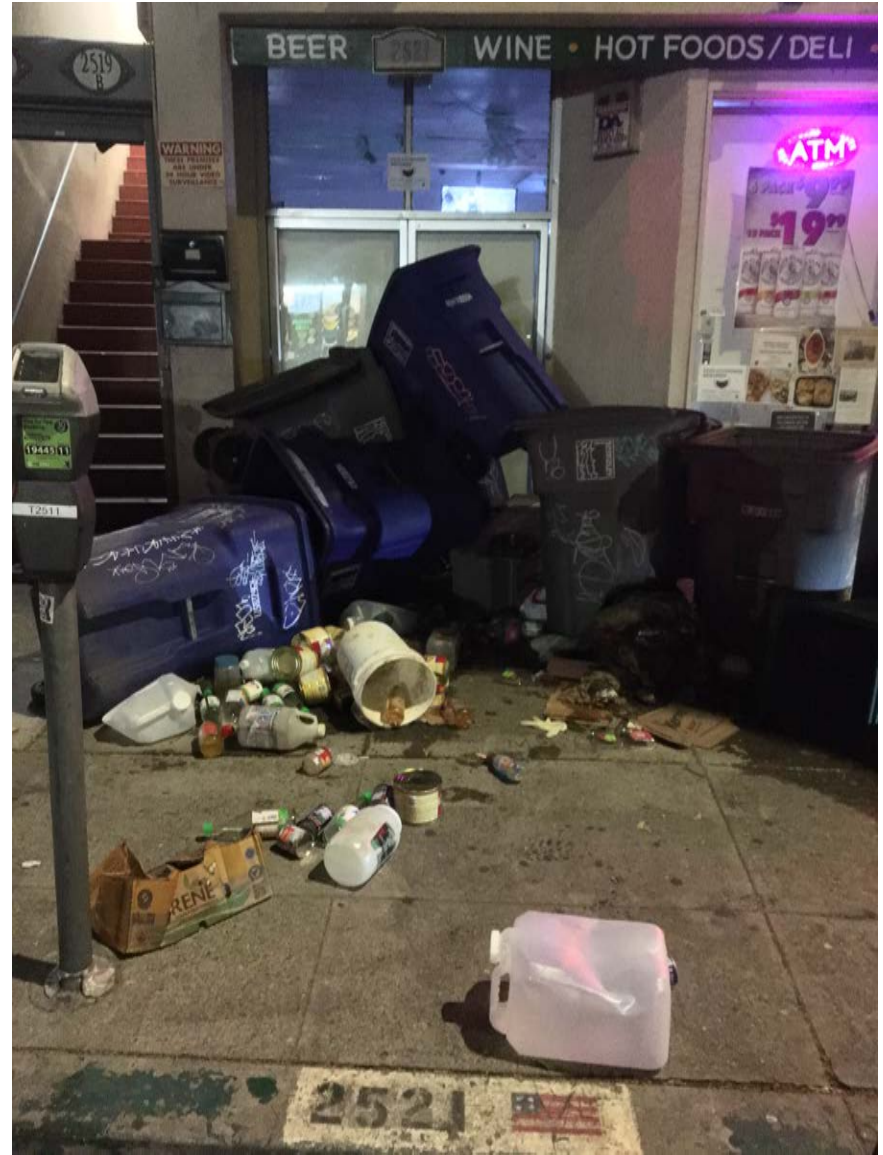


Barbarian Grub & Ale  
2012 Shattuck Ave, Berkeley, CA 94704



Bank of America  
2347 Telegraph Ave, Berkeley, CA 94704





2521 Telegraph Ave





Office of the City Manager

ACTION CALENDAR

June 2, 2020

*(Continued from May 26, 2020)*

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Teresa Berkeley-Simmons, Budget Manager

Subject: FY 2020 Mid-Year Budget Update

INTRODUCTION

This report presents the FY 2020 Mid-Year Budget Update and focuses on projected General Fund revenues and expenditures. This report also provides information on expenditure projections for the City's special funds.

CURRENT SITUATION AND ITS EFFECTS

The City of Berkeley is currently in FY 2020, the first of two fiscal years in the FY 2020 & FY 2021 biennial budget cycle, which Council adopted on June 25, 2019<sup>1</sup>. Fiscal Year 2020 runs from July 1, 2019 through June 30, 2020.

As of December 31, 2019, both the General Fund revenues and the General Fund expenditures were on track and within budget.

|                             | Adjusted Budget | FY 2020 Mid-Year Actuals | % Received/ Expensed and Encumbered |
|-----------------------------|-----------------|--------------------------|-------------------------------------|
| Revenues                    | \$197.0         | \$107.7                  | 55%                                 |
| Expenditures                | (\$229.5)       | (\$107.0)                | 47%                                 |
| Carryover and Excess Equity | \$ 32.5         |                          |                                     |
| Balance                     | \$ 0            |                          |                                     |

The carryover and excess equity are carried forward from FY 2019. Additional information on the carryovers and excess equity allocation is discussed later in this report under the General Fund Expenditures section.

<sup>1</sup> [https://www.cityofberkeley.info/Clerk/City\\_Council/2019/06\\_June/Documents/2019-06-25\\_Item\\_39\\_FY\\_2020\\_and\\_FY\\_2021\\_Biennial\\_Budget.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2019/06_June/Documents/2019-06-25_Item_39_FY_2020_and_FY_2021_Biennial_Budget.aspx)

## FY 2020 Mid-Year Summary

On November 19, 2019, Council was provided the [FY 2019 Year-End Results and FY 2020 First Quarter Budget Update](#) report. At the time, both the General Fund revenues and the General Fund expenditures were tracking within budget.

## General Fund Revenues

| Revenue Categories                | FY 2020              |                           |                       |                             | FY 2019              |                           |                         |                             | FY20 vs FY19              |                    | Revised                           |                                    |
|-----------------------------------|----------------------|---------------------------|-----------------------|-----------------------------|----------------------|---------------------------|-------------------------|-----------------------------|---------------------------|--------------------|-----------------------------------|------------------------------------|
|                                   | Adopted<br>(a)       | Mid-Year<br>Actual<br>(b) | Variance<br>c=(b - a) | % Received<br>(d) = (b)/(a) | Adopted<br>(e)       | Mid-Year<br>Actual<br>(f) | Variance<br>g=(e) - (f) | % Received<br>(h) = (f)/(g) | Amount<br>(i) = (b) - (f) | %<br>(j) = (i)/(f) | Mid-Year<br>FY 2020<br>Difference | Mid-Year<br>FY 2020<br>Projections |
| Secured Property                  | \$63,199,622         | \$32,175,526              | (\$31,024,096)        | 50.91%                      | \$57,966,998         | \$30,220,695              | \$27,746,303            | 52.13%                      | 1,954,831                 | 6.47%              |                                   | \$63,199,622                       |
| Redemptions -Regular              | 668,140              | 356,477                   | (\$311,663)           | 53.35%                      | 668,140              | 317,903                   | 350,237                 | 47.58%                      | 38,574                    | 12.13%             |                                   | 668,140                            |
| Supplemental Taxes                | 1,400,000            | 808,127                   | (\$591,873)           | 57.72%                      | 1,400,000            | 741,314                   | 658,686                 | 52.95%                      | 66,813                    | 9.01%              | 400,000                           | 1,800,000                          |
| Unsecured Property Taxes          | 2,500,000            | 2,705,126                 | \$205,126             | 108.21%                     | 2,500,000            | 2,483,983                 | 16,017                  | 99.36%                      | 221,143                   | 8.90%              | 200,000                           | 2,700,000                          |
| Property Transfer Tax             | 12,500,000           | 15,043,643                | \$2,543,643           | 120.35%                     | 12,500,000           | 11,911,150                | 588,850                 | 95.29%                      | 3,132,493                 | 26.30%             | 7,500,000                         | 20,000,000                         |
| Property Transfer Tax-Measure P   | 1,509,218            | 7,046,430                 | \$5,537,212           | 466.89%                     |                      |                           | -                       |                             | 7,046,430                 |                    | 8,000,000                         | 9,509,218                          |
| Sales Taxes                       | 18,238,000           | 9,430,533                 | (\$8,807,467)         | 51.71%                      | 18,140,977           | 9,399,650                 | 8,741,327               | 51.81%                      | 30,883                    | 0.33%              |                                   | 18,238,000                         |
| Soda Taxes                        | 1,459,057            | 789,196                   | (\$669,861)           | 54.09%                      | 1,500,000            | 818,879                   | 681,121                 | 54.59%                      | (29,683)                  | -3.62%             |                                   | 1,459,057                          |
| Utility Users Taxes               | 15,000,000           | 6,327,611                 | (\$8,672,389)         | 42.18%                      | 15,000,000           | 6,307,679                 | 8,692,321               | 42.05%                      | 19,932                    | 0.32%              | (1,000,000)                       | 14,000,000                         |
| Transient Occupancy Taxes         | 7,800,000            | 4,483,409                 | (\$3,316,591)         | 57.48%                      | 7,800,000            | 4,331,381                 | 3,468,619               | 55.53%                      | 152,028                   | 3.51%              |                                   | 7,800,000                          |
| Short-term Rentals                | 1,020,000            | 867,507                   | (\$152,493)           | 85.05%                      | 840,000              | 870,987                   | (30,987)                | 901.974                     | (3,480)                   | -0.40%             | 700,000                           | 1,720,000                          |
| Business License Tax              | 19,584,000           | 1,166,980                 | (\$18,417,020)        | 5.96%                       | 19,200,000           | 1,381,343                 | 17,818,657              | 7.19%                       | (214,363)                 | -15.52%            |                                   | 19,584,000                         |
| Recreational Cannabis             | 510,000              | 702,857                   | \$192,857             | 137.82%                     | 500,000              | 267,674                   | 232,326                 | 53.53%                      | 435,183                   | 162.58%            | 790,000                           | 1,300,000                          |
| U1 Revenues                       | 1,000,000            | 187,700                   | (\$812,300)           | 18.77%                      | 1,000,000            | 166,131                   | 833,869                 | 16.61%                      | 21,569                    | 12.98%             | 4,500,000                         | 5,500,000                          |
| Other Taxes                       | 1,116,860            | 776,645                   | (\$340,215)           | 69.54%                      | 1,049,800            | 757,746                   | 292,054                 | 72.18%                      | 18,899                    | 2.49%              | 500,000                           | 1,616,860                          |
| Vehicle In-Lieu Taxes             | 13,333,826           | 6,678,022                 | (\$6,655,804)         | 50.08%                      | 12,381,128           | 6,241,142                 | 6,139,986               | 50.41%                      | 436,880                   | 7.00%              |                                   | 13,333,826                         |
| Parking Fines-Regular Collections | 6,600,000            | 3,151,728                 | (\$3,448,272)         | 47.75%                      | 5,818,123            | 3,614,649                 | 2,203,474               | 62.13%                      | (462,921)                 | -12.81%            | (600,000)                         | 6,000,000                          |
| Parking Fines-Booting Collections | 200,000              | 8,685                     | (\$191,315)           | 4.34%                       | 200,000              | 97,879                    | 102,121                 | 48.94%                      | (89,194)                  | -91.13%            | (100,000)                         | 100,000                            |
| Moving Violations                 | 190,000              | 114,850                   | (\$75,150)            | 60.45%                      | 235,000              | 64,055                    | 170,945                 | 27.26%                      | 50,795                    | 79.30%             | (20,000)                          | 170,000                            |
| Ambulance Fees                    | 4,200,000            | 2,392,802                 | (\$1,807,198)         | 56.97%                      | 4,613,194            | 2,127,332                 | 2,485,862               | 46.11%                      | 265,470                   | 12.48%             |                                   | 4,200,000                          |
| Interest Income                   | 3,500,000            | 3,019,829                 | (\$480,171)           | 86.28%                      | 2,500,000            | 2,429,507                 | 70,493                  | 97.18%                      | 590,322                   | 24.30%             | 1,500,000                         | 5,000,000                          |
| Franchise Fees                    | 2,068,928            | 421,414                   | (\$1,647,514)         | 20.37%                      | 1,984,643            | 467,254                   | 1,517,389               | 23.54%                      | (45,840)                  | -9.81%             |                                   | 2,068,928                          |
| Other Revenue                     | 8,044,544            | 4,296,552                 | (\$3,747,992)         | 53.41%                      | 7,620,152            | 3,985,112                 | 3,635,040               | 52.30%                      | 311,440                   | 7.82%              |                                   | 8,044,544                          |
| IDC Reimbursement                 | 6,100,000            | 2,525,542                 | (\$3,574,458)         | 41.40%                      | 4,952,317            | 2,448,433                 | 2,503,884               | 49.44%                      | 77,109                    | 3.15%              | (700,000)                         | 5,400,000                          |
| Transfers                         | 5,266,688            | 2,192,784                 | (\$3,073,904)         | 41.63%                      | 4,385,568            | 1,316,665                 | 3,068,903               | 30.02%                      | 876,119                   | 66.54%             |                                   | 5,266,688                          |
|                                   |                      |                           |                       |                             |                      |                           |                         |                             |                           |                    |                                   |                                    |
| <b>Total Revenue:</b>             | <b>\$197,008,883</b> | <b>\$107,669,975</b>      | <b>\$89,338,908</b>   | <b>54.65%</b>               | <b>\$184,756,040</b> | <b>\$92,768,543</b>       | <b>\$91,987,497</b>     | <b>50.21%</b>               | <b>\$14,901,432</b>       | <b>16.06%</b>      | <b>\$21,670,000</b>               | <b>\$218,678,883</b>               |

Note: This statement is presented on a budgetary basis.

For the first half of FY 2020, revenues and transfers in totaled \$107,669,975, an increase of \$14,901,432 or 16.06% increase over the \$92,768,543 during the same period of FY 2019.

FY 2020 Year-end General Fund revenues projection appear to be \$21.7 million above the FY 2020 Adopted Budget of \$197.0 million. However, if we remove the General Fund revenue streams that have been programed for priority projects and programs including Excess Property Transfer Tax (\$7.5 million), Measure P (\$8.0 million), and U1 (\$4.5 million), the General Fund revenues above the FY 2020 Adopted Budget is only \$1.7 million. If Council decides to program excess Short-Term Rentals (\$700,000) and excess Recreational Cannabis (\$790,000) only \$180,000 of unallocated General Fund revenues will be available for allocation at FY 2020 year-end, assuming expenses do not exceed budget estimates.

*The first half review focuses primarily on the major revenue fluctuation, and changes that have occurred that might result in significant changes in future projections or on revenue sources that warrant close monitoring.*

**Secured Property Tax (+\$1,954,831 more than FY 2019 Actual)**

During the first half of FY 2020, Secured Property Tax revenues totaled \$32,175,526, which was \$1,954,831 or 6.47% more than the \$30,220,695 received during the same period in FY 2019. This increase was consistent with the County's Certification of Assessed Valuation growth of 6.62%.

**Property Transfer Tax (+\$3,132,493 more than FY 2019 Actual)**

During the first half of FY 2020, Property Transfer Tax totaled \$15,043,643 (after seismic rebates of \$492,506), which was \$3,132,493 or 26.30% more than the \$11,911,150 (after \$276,935 in seismic rebates) received for the first half of FY 2019. The number of property sales increased by 37 or 6.9%, to 574 in the first half of FY 2020 from 537 for the same period in FY 2019. However, the primary reason for the \$3,132,493 increase in Property Transfer Tax was the sale of a group of five properties totaling \$172.9 million that resulted in Property Transfer Tax of \$2,593,898. Staff will closely monitor this revenue for a probable increase in the FY 2020 projection.

In addition, \$7,046,430 in Measure P taxes was collected during the first half of FY 2020 compared to zero collected during the first half of FY 2019, as the tax took effect December 21, 2018.

**Sales Tax (+\$30,883 more than FY 2019 Actual)**

For the first half of FY 2020, Sales Tax revenue totaled \$9,430,533, which is \$30,883 or 0.33% more than the \$9,399,650 received for the first half of FY 2019.

**Utility Users Taxes (+ \$19,932 more than FY 2019 Actual)**

Utility Users Taxes revenue for the first half of FY 2020 totaled \$6,327,611, which is \$19,932 or 0.32% more than the \$6,307,679 received for the same period in FY 2019. Staff is monitoring this revenue source closely for a probable projection reduction because of a sharp decline in FY 2019 from the \$15 million level generated in recent years. That decline resulted from significant declines in cellular, gas/electric and cable charges. During the first half of FY 2020, Cable charges declined by \$56,202 or 8.9%; Cellular charges increased by \$98,344 or 10.3%; Electric charges declined by \$84,144 or 2.7%; Gas charges increased by \$125,133 or 16.6%; and Telephone charges declined by \$59,503 or 7.3%. However, overall, there was no rebound during the first half of FY 2020. Therefore, the FY 2020 projection for the UUT revenue source will likely be lowered to \$14 million from \$15 million.

**Transient Occupancy Tax (+\$152,028 more than FY 2019 Actual)**

Transient Occupancy Tax (TOT) revenue for the first half of FY 2020 totaled \$4,483,409 which is \$152,028 or 3.51% more than the \$4,331,381 received for the first half of FY 2019. The increase in FY 2020 is attributable to growth at the five largest hotels in Berkeley ranging from -2.9% to +6.30% (average of 2.1%) during the first half of the fiscal year plus a \$49,207 receipt during the first half of the fiscal year that was applicable to FY 2019

**Vehicle In-Lieu Taxes (+\$436,880 over FY 2019 Actual)**

Vehicle In-Lieu Taxes increased by \$436,880 or 7.00% in the first half of FY 2020 to \$6,678,022 from \$6,241,142 for the same period in FY 2019. This increase was consistent with the County's Certification of Assessed Valuation growth of 6.62%.

**Interest Income (+\$590,322 over FY 2019 Actual)**

For the first half of FY 2020, interest income totaled \$3,019,829 which is \$590,322 or 24.30% more than the total of \$2,429,507 received for the same period in FY 2019. This increase is primarily attributable to a significant rise in short-term interest rates, as the Federal Reserve began raising the Federal Funds rate from very low levels. However, the Federal Reserve reversed course on July 31, 2019 and cut interest rates on that date, September 18, 2019, and October 31, 2019 by 25 basis points on each date.

**Indirect Cost Reimbursements (+\$77,109 over FY 2019 Actual)**

IDC Reimbursement for the first half of FY 2020 totaled \$2,525,542 which is \$77,109 or 3.15% more than the \$2,448,433 received for the same period in FY 2019. Since the Indirect cost rates were the same for FY 2020 and FY 2019, the increase of 3.15% in the total is attributable to an increase in direct salaries and wages. IDC Reimbursement increases result from increases in the indirect cost allocation base (i.e., total direct salaries and wages in the fund), an increase in the indirect cost rate or both.

**Transfers (+\$876,119 over FY 2019 Actual)**

Transfers for the first half of FY 2020 totaled \$2,192,784 which is \$876,119 or 66.54% more than the \$1,316,665 received for the same period in FY 2019. The increase of \$876,119 was due to the timing of the recording of more of the State Realignment transfer to the General Fund during the first half of FY 2020, than in the first half of FY 2019.

**General Fund Expenditures**

On December 3, 2019 the City Council approved General Fund recommended rollovers, carryovers, and adjustments totaling \$32.5 million in the [Amendment to the FY 2020 Annual Appropriations Ordinance<sup>2</sup>](#) (AAO).

The changes to the FY 2020 General Fund Budget from the AAO are shown below:

| FY 2020 Adopted Budget | Encumbered Recommended | Unencumbered Recommended | Other Adjustments | FY 2020 Revised Budget |
|------------------------|------------------------|--------------------------|-------------------|------------------------|
| \$ 196,913,849         | \$ 5,512,512           | \$ 4,177,247             | \$ 22,903,541     | \$ 229,507,149         |

The encumbered rollovers reflect contractual obligations entered into in FY 2019, which had not been paid as of June 30, 2019. Unencumbered carryovers are approved by Council for specific purposes that had not be completed by the end of FY 2019. 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 \$22.9 million are Council authorized allocations for the following items:

1. Transfer of \$4,371,879 from the General Fund to the Capital Improvement Fund of FY 2019 Excess Property Transfer Tax Revenues for restricted items approved by Council on 6/25/19 (\$3,411,933) and new requests added to AAO #1 on 11/19/19 (\$959,946)
2. Item #80: Transfer of \$275,000 from the General Fund to the Capital Improvement Fund of FY 2019 Excess Property Tax Revenues for Capital Allocations in the Mayor's Budget Allocation Proposal presented to the Budget & Finance Policy Committee on 11/22/19 and approved to be added as part of staff's supplemental item for 12/3/19 Council meeting
3. Item #81: Appropriation of \$2,900,000 in the General Fund for Measure P allocations, which includes an allocation of \$78,000 for Youth Spirit Artworks Tiny House Village Services
4. Item #82: Appropriation of \$1,630,923 in the General Fund for Mayor's Budget Allocation Proposal Non-Capital Item Funds presented to the Budget & Finance Policy Committee on 11/22/19 and approved to be added as part of staff's supplemental item for 12/3/19 Council meeting

<sup>2</sup> [https://www.cityofberkeley.info/Clerk/City\\_Council/2019/12\\_Dec/Documents/2019-12-03\\_Supp\\_1\\_Reports\\_Item\\_25\\_Rev\\_Budget\\_pdf.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2019/12_Dec/Documents/2019-12-03_Supp_1_Reports_Item_25_Rev_Budget_pdf.aspx)

5. Item #83: Allocation of \$1,160,000 in the General Fund of FY 2019 Allocation to the Reserves as follows (\$0.64 Million to Stability Reserve and \$0.52 Million to Catastrophic Reserves)
6. Item #89: Appropriation of \$16,266 in the General Fund for a payment of excess FY 2019 additional Transient Occupancy Tax revenues to comply with Visit Berkeley allocation above the 1% FY 2019 Adopted TOT Budget contract amount

General Fund expenditures are tracking under budget as of December 31, 2019 as shown in the chart below. This is primarily due to salary savings and funds that were added as part of the AAO that were not spent yet. Departments that are tracking over 50 percent spent is due to encumbrances for contractual obligations entered into in FY 2020 in which payment might not be currently due as good or services might be in progress or not yet complete.

| FY 2020 MID-YEAR GENERAL FUND EXPENDITURES (AS OF DECEMBER 31, 2019) |                    |                    |                           |                    |            |                  |                      |
|----------------------------------------------------------------------|--------------------|--------------------|---------------------------|--------------------|------------|------------------|----------------------|
| DEPARTMENT                                                           | FY 2020 ADOPTED    | FY 2020 REVISED*   | YTD ACTUAL + ENCUMBRANCES | AVAILABLE BUDGET   | % USED     | PERSONNEL % USED | NON-PERSONNEL % USED |
| 11 MAYOR AND COUNCIL                                                 | 2,398,876          | 2,628,583          | 1,127,465.71              | 1,501,117          | 43%        | 43%              | 43%                  |
| 12 CITY AUDITOR                                                      | 2,625,103          | 2,701,278          | 1,096,399.67              | 1,604,878          | 41%        | 41%              | 41%                  |
| 13 RENT STABILIZATION BOARD                                          | 0                  | 602,015            | 52,015.00                 | 550,000            | 9%         | 0%               | 9%                   |
| 21 CITY MANAGER'S OFFICE                                             | 11,037,283         | 13,015,673         | 6,351,194.55              | 6,664,478          | 49%        | 42%              | 61%                  |
| 31 CITY ATTORNEY                                                     | 2,516,581          | 3,000,854          | 1,047,624.81              | 1,953,230          | 35%        | 34%              | 42%                  |
| 32 CITY CLERK                                                        | 3,004,901          | 3,348,417          | 1,076,165.83              | 2,272,251          | 32%        | 41%              | 25%                  |
| 33 FINANCE                                                           | 6,797,353          | 8,703,293          | 4,267,217.86              | 4,436,075          | 49%        | 38%              | 71%                  |
| 34 HUMAN RESOURCES                                                   | 2,329,292          | 3,354,046          | 1,038,696.56              | 2,315,349          | 31%        | 36%              | 24%                  |
| 35 INFORMATION TECHNOLOGY                                            | 213,210            | 2,744,355          | 1,371,647.08              | 1,329,306          | 50%        | 0%               | 50%                  |
| 51 HEALTH, HSG & COMMUNITY SVC                                       | 17,553,283         | 28,070,111         | 17,253,385.72             | 10,816,725         | 61%        | 42%              | 79%                  |
| 52 PARKS, RECREATION & WATERFR                                       | 7,105,343          | 8,005,458          | 4,068,812.89              | 3,936,645          | 51%        | 49%              | 54%                  |
| 53 PLANNING & DEVELOPMENT                                            | 2,426,051          | 3,625,616          | 1,431,320.31              | 2,194,295          | 39%        | 34%              | 49%                  |
| 54 PUBLIC WORKS                                                      | 4,404,030          | 5,382,250          | 2,619,061.60              | 2,763,188          | 49%        | 47%              | 51%                  |
| 71 POLICE                                                            | 70,622,557         | 71,110,036         | 34,841,279.30             | 36,268,757         | 49%        | 48%              | 61%                  |
| 72 FIRE & EMERGENCY SERVICES                                         | 36,019,089         | 39,344,297         | 20,109,184.51             | 19,235,113         | 51%        | 47%              | 70%                  |
| 99 NON DEPARTMENTAL                                                  | 27,860,897         | 31,134,686         | 9,228,725.12              | 21,905,961         | 30%        | 98%              | 28%                  |
| <b>Grand Total</b>                                                   | <b>196,913,849</b> | <b>226,770,966</b> | <b>106,980,197</b>        | <b>119,747,367</b> | <b>47%</b> | <b>46%</b>       | <b>50%</b>           |

\*FY 2020 Revised does not reflect as of December 31, 2019 all Council approved allocations included in the FY 2020 AAO #1.

There might be additional one-time savings resulting from the reduction in expenditures; however, much of these saving will be allocated to the items already identified in the Fiscal Years 2020 & FY 2021 Biennial Budget adopted by Council on June 25, 2019<sup>3</sup>, including a \$5.3 million loan to Measure T1 for capital projects (Resolution 68.802 N.S.).

<sup>3</sup> [https://www.cityofberkeley.info/Clerk/City\\_Council/2019/06\\_June/City\\_Council\\_06-25-2019\\_-\\_Regular\\_Meeting\\_Agenda.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2019/06_June/City_Council_06-25-2019_-_Regular_Meeting_Agenda.aspx) (Item #39)



This loan is to be paid back to the General Fund in January 2021 from the second issuance of Measure T1<sup>4</sup>.

Additional information of the General Fund revenues and expenditures will be presented in May with the FY 2021 Mid-Biennial Budget Update. Final FY 2020 year-end General Fund revenues and expenditures information will be included in the **FY 2020 Year-End Report and FY 2021 First Quarter Update** that will be presented to Council in November 2020.

### All Funds Expenditures

The General Fund comprises 34.1 percent of the total adjusted budget. The rest of the budget consists of various Special Funds. Special Funds are collected for a specific purpose; therefore, are not discretionary. Only costs associated with the Special Fund activity may be charged to a Special Fund. Included in the FY 2020 Mid-Year All Fund Expenditures by Department chart below are both the General Fund expenditures to date and the Special Funds expenditures to date. On an All Funds basis, the City is tracking under budget as of December 31, 2019 as can be seen in the following chart:

| FY 2020 MID-YEAR ALL FUNDS EXPENDITURES (AS OF DECEMBER 31, 2019) |                    |                    |                    |                    |            |
|-------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|------------|
| DEPARTMENT                                                        | YTD ACTUAL +       |                    |                    |                    |            |
|                                                                   | FY 2020 ADOPTED    | FY 2020 REVISED    | ENCUMBRANCES       | AVAILABLE BUDGET   | % USED     |
| 11 MAYOR AND COUNCIL                                              | 2,398,876          | 2,628,583          | 1,127,466          | 1,501,117          | 43%        |
| 12 CITY AUDITOR                                                   | 2,714,111          | 2,790,286          | 1,150,939          | 1,639,347          | 41%        |
| 13 RENT STABILIZATION BOARD                                       | 5,334,943          | 6,099,664          | 2,771,892          | 3,327,772          | 45%        |
| 21 CITY MANAGER'S OFFICE                                          | 14,548,957         | 18,023,786         | 8,288,486          | 9,735,300          | 46%        |
| 22 BERKELEY PUBLIC LIBRARY                                        | 26,114,585         | 26,830,114         | 11,188,043         | 15,642,071         | 42%        |
| 31 CITY ATTORNEY                                                  | 4,594,533          | 6,357,659          | 2,884,711          | 3,472,948          | 45%        |
| 32 CITY CLERK                                                     | 3,004,901          | 3,348,417          | 1,076,166          | 2,272,251          | 32%        |
| 33 FINANCE                                                        | 8,766,934          | 10,745,163         | 5,161,213          | 5,583,949          | 48%        |
| 34 HUMAN RESOURCES                                                | 4,240,103          | 5,269,839          | 1,874,172          | 3,395,667          | 36%        |
| 35 INFORMATION TECHNOLOGY                                         | 19,404,413         | 35,617,289         | 8,797,175          | 26,820,114         | 25%        |
| 51 HEALTH, HSG & COMMUNITY SVC                                    | 54,597,950         | 80,909,554         | 39,098,972         | 41,810,582         | 48%        |
| 52 PARKS, RECREATION & WATERFR                                    | 46,600,585         | 70,873,935         | 30,342,361         | 40,531,574         | 43%        |
| 53 PLANNING & DEVELOPMENT                                         | 24,506,913         | 26,924,099         | 11,573,342         | 15,350,757         | 43%        |
| 54 PUBLIC WORKS                                                   | 133,015,850        | 202,008,355        | 111,140,495        | 90,867,861         | 55%        |
| 71 POLICE                                                         | 74,979,834         | 76,472,499         | 37,265,580         | 39,206,919         | 49%        |
| 72 FIRE & EMERGENCY SERVICES                                      | 44,379,144         | 48,240,718         | 24,953,631         | 23,287,087         | 52%        |
| 99 NON DEPARTMENTAL                                               | 56,654,177         | 60,878,499         | 24,143,164         | 36,735,335         | 40%        |
| <b>Grand Total</b>                                                | <b>525,856,809</b> | <b>684,018,460</b> | <b>322,837,810</b> | <b>361,180,650</b> | <b>47%</b> |

<sup>4</sup> Measure T1 was approved by Berkeley voters in November 2016. These General Obligation Bonds are not-to-exceed \$100 million and will be used to repair, renovate, replace, or reconstruct the City's aging infrastructure and facilities including sidewalks, storm drains, parks, streets, senior centers and other important City facilities and buildings

Health, Housing, & Community Services, Parks, Recreation & Waterfront, and Public Works carried over funds for projects and grants started in FY 2019. These departments also appropriated new grant funds that support programs and services as well as special funds for capital improvements. Details of these carryover requests can be found in the December 3, 2019, [Amendment to the FY 2020 Annual Appropriations Ordinance<sup>5</sup>](#) (AAO) discussed earlier in this report.

### Next Steps:

Staff is currently in the process of updating the FY 2021 Adopted Budget approved by Council on June 25, 2019.

The table below outlines key Council meeting dates at which budget information will be provided.

| FY 2021 Mid-Biennial Budget Calendar |                                                                                                                                                                           |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date                                 | Action/Topic                                                                                                                                                              |
| March 24, 2020                       | <ul style="list-style-type: none"> <li>FY 2020 Annual Appropriations Ordinance Amendment #2</li> <li>FY 2020 Mid-Year Update</li> </ul>                                   |
| April 28, 2020                       | <ul style="list-style-type: none"> <li>Public Hearing on CDBG &amp; ESG Annual Action Plan and proposed funding allocations to community agencies</li> </ul>              |
| May 5, 2020                          | <ul style="list-style-type: none"> <li>FY 2021 Proposed Mid-Biennial Budget Update</li> </ul>                                                                             |
| May 12, 2020                         | <ul style="list-style-type: none"> <li>Public Hearing #1: Budget</li> <li>Proposed Fee Increases</li> <li>FY 2020 Annual Appropriations Ordinance Amendment #3</li> </ul> |
| May 26, 2020                         | <ul style="list-style-type: none"> <li>Public Hearing #2: Budget</li> </ul>                                                                                               |
| June 2, 2020                         | <ul style="list-style-type: none"> <li>Council recommendations on budget due to the City Manager</li> </ul>                                                               |
| June 16, 2020                        | <ul style="list-style-type: none"> <li>Council discussion on budget recommendations</li> </ul>                                                                            |
| June 30, 2020                        | <ul style="list-style-type: none"> <li>Adopt FY 2021 Mid-Biennial Budget Update &amp; FY 2021 Annual Appropriations Ordinance</li> </ul>                                  |

The FY 2020 Mid-Year Budget Update is a Strategic Plan Priority, advancing our goal to provide an efficient and financially-healthy City government.

<sup>5</sup> [https://www.cityofberkeley.info/Clerk/City\\_Council/2019/12\\_Dec/Documents/2019-12-03\\_Supp\\_1\\_Reports\\_Item\\_25\\_Rev\\_Budget\\_pdf.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2019/12_Dec/Documents/2019-12-03_Supp_1_Reports_Item_25_Rev_Budget_pdf.aspx)

ENVIRONMENTAL SUSTAINABILITY

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.

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