



**Fiscal Year 2024
First Amendment to
Annual Appropriation Ordinance
(AAO#1)**

**Budget and Finance Policy Committee
12 October 2023**

PURPOSE AND OVERVIEW

- Review of proposed amendment cycle and rationale
- Discussion and review:
 - FY 2024 Encumbrances
 - FY 2023 Carryover Requests
 - FY 2024 Adjustments/New Funding Requests
- Timing and Next Steps
- Discussion and Deliberation

FY 2024 AMENDMENTS TO THE AAO

- **AAO#1 - November 2023 (New)**
 - Focus is on FY 2023 carryover requests, establishment of new grant budgets, and the automatic rollover of encumbered funds
 - Carryover requests related to timing for implementing approved projects and financial obligations (outstanding invoices for example)
 - Allows for more timely adjustment of budget for carryover requests and other time sensitive changes; separates carryover and encumbrances from new adjustments/appropriation requests to FY 24 Budget
 - New appropriation request are still considered
 - New project or program with identified funding source
 - Unanticipated cost and funding cannot wait before AAO#2

FY 2024 AMENDMENTS TO THE AAO

▪ **AAO#2 – January 2024**

- Focus is on FY 2023 General Fund excess equity calculation
- Consideration of FY 24 Mid-Biennial Update reallocation items, Council budget referrals and other time sensitive funding requests contingent on available funding
- Other adjustments as needed such as new grants or funding

▪ **AAO#3 – May 2024**

- Focus is on reconciliation of the budget and urgent funding needs
- Funds will be either spent in FY 2024 or encumbered

FY 2024 AAO#1 ALL FUNDS SUMMARY

Fund Name	Requested Encumbrance	Requested Carryover	Requested Adjustments	Total
General Fund (011)	\$16,752,951	\$13,488,372	\$10,233,450	\$40,474,774
CIP Fund (501)	\$7,933,891	\$17,570,318	\$-	\$25,504,209
All Other Funds	\$86,485,536	\$53,953,861	\$43,439,059	\$183,878,456
Total	\$111,172,378	\$85,012,551	\$53,672,510	\$249,857,438

ENCUMBRANCE SUMMARY

- Encumbrance Rollovers are contractual obligations entered into in fiscal year 2023 which had not been paid as of June 30, 2023. Funding for these “encumbered” obligations is brought forward into the current fiscal year to provide for payment of these commitments.
- CIP Fund comprise mostly of encumbrances for capital projects (PRW = \$1.8 million, PW = \$6 million)
- General Fund encumbrance rollover consist of mainly HHCS, Fire, and General Government departments contracts and P.O.s

Fund Name	Requested Encumbrance
General Fund (011)	\$16,752,951
CIP Fund (501)	\$7,933,891
All Other Funds	\$86,485,536
Total	\$111,172,378

Department	GF Encumbrance Roll
HHCS	\$ 5,790,185
Fire	\$ 4,928,028
General Government	\$ 3,714,714
PRW	\$ 962,990
Non-Departmental	\$ 474,220
PW	\$ 395,584
Police	\$ 313,750
Planning	\$ 173,480
Total	\$ 16,752,951

CARRYOVER SUMMARY

- Unencumbered Carryover are funding appropriated by Council in fiscal year 2023 for specific purposes that had not been encumbered by year-end and are still needed in FY 2024 for continuation of the project/program.
- CIP Fund comprise of carryover for capital projects (PRW = \$906,349, PW = \$15.76 million, and Non-Departmental = \$900,000).
- General Fund unencumbered carryover consist of mainly PW, Planning, General Government, Non-Departmental, and HHCS funding for continuation or completion of approved capital projects, programs, and priorities (such as Tier 1 items).

Fund Name	Requested Carryover
General Fund (011)	\$13,488,372
CIP Fund (501)	\$17,570,318
All Other Funds	\$53,953,861
Total	\$85,012,551

Department	GF Unencumbered Carryover
PW	\$ 5,948,651
Planning	\$ 2,923,064
General Government	\$ 2,457,795
Non-Departmental	\$ 1,006,000
HHCS	\$ 825,875
PRW	\$ 242,987
Police	\$ 84,000
Total	\$ 13,488,372

FY 2023 GENERAL FUND CARRYOVER REQUESTS

Carryover	Description	Funding Amount
City Attorney's Office	Furniture, travel, and misc. admin. expenses	\$185,167
City Attorney's Office	Outstanding Outside Counsel Invoices from 2023	\$721,724
City Manager's Office	FY 2023 Tier 1 for Language Equity	\$15,000
City Manager's Office	Increase Festival Grant Budget allocation to OED (from Mayor's Office). Approved by Council on 06/27/20223 through Resolution No. 70,936-N.S.	\$41,685
City Manager's Office	Berkeley Chamber of Commerce contract	\$43,500
City Manager's Office	Website funding	\$50,000
City Manager's Office	Employer of Choice- Communication	\$200,000
City Manager's Office	Relief veterinarian services for the Animal Shelter	\$65,750
Finance	Public Banking Consultant	\$75,000
Finance	ERMA Training	\$200,000

FY 2023 GENERAL FUND CARRYOVER REQUESTS (CONT.)

Carryover	Description	Funding Amount
Finance	Software System to administer Transient Occupancy, Parking Lot, Utility User, and other taxes	\$100,000
HHCS	African American Holistic Resource Center	\$52,037
HHCS	Funding for City Data Services, Housing Portal Geocoding, and NextGen Upgrade	\$53,838
HHCS	Funding for Fair Work Week Business Outreach, Preference Policy Outreach and Education Partner, Harriet Tubman Terrace Tenant Advocacy, and Social Housing Study	\$500,000
HR	GovInvest contract and HR Acuity contract	\$146,000
HR	Employer of Choice - Advertising and Marketing	\$250,000

FY 2023 GENERAL FUND CARRYOVER REQUESTS (CONT.)

Carryover	Description	Funding Amount
Mayor & Council	FY23 Council Carryover Amount. Approved by Council through Resolution No. 70,054-N.S.	\$84,893
Non-Departmental	Ceasefire Program Staffing (FY 2023 Tier 1) Berkeley Junior Jackets Field Use	\$1,000,000 \$6,000
ODPA	Cost associated with new office & move	\$67,295
ODPA	Case management software/ complaints portal VIRTRA-Virtual training simulator	\$52,076 \$58,118
PRW	West Campus Pool and Solano Peralta Park	\$90,276
PRW	Camp scholarships per the new City policies, along with camp DEI programs	\$152,711
Planning	Tier 1 items (Energy Policy, Transportation Impact Fee, San Pablo Specific Plan, BART Area Plan, Land Use & Environmental Justice, ZORP Phase II Revisions, Economic Feasibility	\$2,703,064

FY 2023 GENERAL FUND CARRYOVER REQUESTS (CONT.)

Carryover	Description	Funding Amount
Planning	BESO Implementation Funds	\$20,000
	Pacific Steel CEQA Rezoning	\$200,000
Police	FY23 associated Recruitment & Retention payments accrued but not issued until FY24	\$84,000
PW	Funding for continuation of several Facilities Capital Projects	\$267,639
PW	EV Charging Station project	\$1,450,000
PW	Carryover for Cameras in the Public Right of Way project. \$643,899 will be reallocated to Measure T1 projects funding gap	1,293,889
PW	Southside Complete Streets	\$1,000,000
PW	Funding for various other PW capital projects	\$587,795
Rent Stabilization Board	Eviction Moratorium outreach program	\$101,588
Subtotal General Fund		\$12,028,938

FY 2023 GENERAL FUND CARRYOVER REQUESTS (CONT.)

Adjustment	Description	Funding Amount
Subtotal General Fund		\$12,028,938
HHCS	CSSII salary to support Gender Violence Prevention council referral	\$220,000
PW	Stair Center ADA project	\$676,807
PW	Equitable Clean Streets	\$202,451
PW	PW Measure P funding for Homeless Response Team and Downtown Streets Team	\$360,176
Subtotal Measure P		\$1,459,434
Total		\$13,488,372

FY 2024 GENERAL FUND ADJUSTMENTS REQUESTS

Department	Description	Funding Amount
City Attorney's Office	New/Anticipated Outside Counsel Services	\$887,600
City Manager's Office/OED	Visit Berkeley TOT Revenue contract	\$196,114
Fire	Ground Emergency Medical Transport Methodology Audit- Revenue Offset	\$125,337
HHCS	New Social Services Specialist position in MH (funded through the National Opioid Settlement)	\$86,313
ODPA	Additional cost of reclassification from OSIII to Associate Management Analyst	\$63,086
PRW	Adeline Median Landscaping	\$75,000

FY 2024 GENERAL FUND ADJUSTMENTS REQUESTS (CONT.)

Adjustment	Description	Funding Amount
Police	Appropriate funding for the estimated cost of the new Memorandum of Understanding: Berkeley Police Association. Adopted by City Council via Resolution No. 71,033-N-S.	\$4,300,000
Subtotal General Fund		\$6,478,289
HHCS	Russell Street Residence Acquisition	\$4,500,000
Subtotal Measure P		\$4,500,000
Total		\$10,233,450

RECOMMENDATIONS

- Approve Requested FY 23 carryover requests and FY 24 encumbrances, which will be accounted for as part of upcoming FY 23 excess equity calculation
- Approve Requested FY 24 adjustments
 - Visit Berkeley Agreement
 - Fire EMT audit consultant
 - Russel Street Residence
 - BPA MOU
- Make recommendations regarding staffing and other requests to fund now or wait until excess equity calculation
 - City Attorney Outside Counsel Services and Adeline Corridor
- Defer consideration of other adjustments until close of FY 23 and excess equity calculation discussion

NEXT STEPS

- Discussion at the Budget and Finance Policy Committee Meeting on October 12, 2023. Receive guidance from committee on requests.
- Budget and Finance Policy Committee on October 26, 2023.
- Council Meeting on November 7, 2023 for first reading of the ordinance; second reading on November 14, 2023
- Staff is in the process of working on the General Fund Excess Equity Calculation after the official FY 2023 close, then will start on the AAO#2 and the FY 2023 Year-End report

DISCUSSION