

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

**Thursday, January 25, 2024
10:00 AM**

2180 Milvia Street, 6th Floor - Redwood Room

Committee Members:

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

This meeting will be conducted in a hybrid model with both in-person attendance and virtual participation. If you are feeling sick, please do not attend the meeting in person.

Remote participation by the public is available through Zoom. To access the meeting remotely using the internet: Join from a PC, Mac, iPad, iPhone, or Android device: Use URL - <https://cityofberkeley-info.zoomgov.com/j/1606002506>. To request to speak, use the “raise hand” icon on the screen. To join by phone: Dial **1-669-254-5252** or **1-833-568-8864 (Toll Free)** and Enter **Meeting ID: 160 600 2506** If you wish to comment during the public comment portion of the agenda, press *9 and wait to be recognized by the Chair. Please be mindful that the meeting will be recorded.

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

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

Pursuant to the City Council Rules of Procedure and State Law, the presiding officer may remove, or cause the removal of, an individual for disrupting the meeting. Prior to removing an individual, the presiding officer shall warn the individual that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal. The presiding officer may then remove the individual if they do not promptly cease their disruptive behavior. “Disrupting” means engaging in behavior during a meeting of a legislative body that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting and includes, but is not limited to, a failure to comply with reasonable and lawful regulations adopted by a legislative body, or engaging in behavior that constitutes use of force or a true threat of force.

Roll Call: 10:20 a.m.

Present: Kesarwani, Arreguin

Absent: Harrison

Public Comment on Non-Agenda Matters – 2 speakers

Minutes for Approval

Draft minutes for the Committee's consideration and approval.

1. Minutes - December 11, 2023

Action: M/S/C (Arreguin/Kesarwani) to approve the minutes of 12/11/23.

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

Committee Action Items

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

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

2. Federal and State Legislative Update

From: City Manager

Recommendation: Receive a presentation and discuss the City of Berkeley's draft 2024 state and federal legislative platform and provide direction to staff.

Financial Implications: See report

Contact: Dee Williams-Ridley, City Manager, (510) 981-7000

Action: 2 speakers. M/S/C (Arreguin/Kesarwani) to forward the item to Council with a positive recommendation with an amendment to the section on Housing that the City of Berkeley strongly supports the restoration of funding to the multi-family housing program, infrastructure infill grant program, and other housing grant programs that are proposed to be cut in the Governor's January budget.

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

Committee Action Items

3. State of California Encampment Resolution Funding Program- Round 3

From: City Manager

Recommendation: Receive a presentation on a proposal for the State of California Encampment Resolution Funding Program (Round 3) and provide recommendations regarding the funding of a local match and the submittal of the grant application to the State.

Financial Implications: See report

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

Action: 4 speakers. (Arreguin/Kesarwani) to support the City Manager's application to the Encampment Resolution Fund-3 grant program for \$5,418,813, and support allocating \$5,418,813 in Measure U1 and/or other new revenue sources as 50% local match.

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

Unscheduled Items

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

4. Audit Recommendation Status - Berkeley Police: Improvements Needed to Manage Overtime and Security Work for Outside Entities

From: City Manager

Referred: May 23, 2023

Due: April 30, 2024

Contact: Jennifer Louis, Police, (510) 981-5900

5. Audit Status Reports: Fleet Replacement Fund Short Millions & Rocky Road: Berkeley Streets at Risk and Significantly Underfunded

From: City Manager

Recommendation: ****On May 23, 2023, the City Council referred to the Budget and Finance Policy Committee to prioritize funding to the vehicle replacement fund to make up the shortfall over time in order to stabilize the fund.****

Financial Implications: See report

Contact: Andrew Murray, Public Works, (510) 981-6300

Unscheduled Items

- 6. Accept the Risk Analysis for Long-Term Debt (Bonding Capacity) Report provided by Government Finance Officers Association** *(Item contains supplemental material)*
From: City Manager
Referred: April 26, 2022
Due: February 29, 2024
Recommendation: Accept the report titled 'Risk-Based Analysis and Stress Test of Long-Term Debt Affordability' as provided by the Government Finance Officers Association (GFOA). This report is based on their research and development of a risk-modeling tool to address issuing long-term debt related to City of Berkeley Vision 2050.
On April 26, 2022, the City Council referred this item to the City Manager and Budget & Finance Committee to return to Council with recommendations or analysis on as many of the following items as possible by October 2022, if feasible. 1) Consideration of reserves policies for operational funds other than the General Fund; 2) Potential reduction of the maximum indebtedness rate from 15% of assessed property value down to 4-8% range; 3) A new policy to not incur indebtedness when interest rates go above 5% or a different specific threshold; 4) Tools for increased transparency for taxpayers; 5) Updated report and discussion of pension and healthcare costs; 6) Refer the full Report to the Budget & Finance Committee for consideration.
Financial Implications: None
Contact: Henry Oyekanmi, Finance, (510) 981-7300
- 7. Investment Report Update - Investment Policies of Other Jurisdictions**
From: City Manager
Contact: Henry Oyekanmi, Finance, (510) 981-7300
- 8. Budget Referral: Allocate the Existing \$900,000 Transportation Network Company (TNC) Tax to Calm Traffic in Vicinity of Derby St., Increase Citywide Traffic Calming Budget, and Establish Ongoing General Fund Allocation Policy for the TNC** *(Item contains supplemental material)*
From: Councilmember Harrison (Author)
Referred: December 5, 2023
Due: June 3, 2024
Recommendation: Refer to City Manager and the Budget and Finance Committee to consider establishing an ongoing General Fund policy of allocating 50% of annual TNC Tax revenues to a citywide traffic calming budget and the remaining 50% to tier 1 bike/pedestrian/transit priority projects as specified under 3. a-c.
Financial Implications: None
Contact: Kate Harrison, Councilmember, District 4, (510) 981-7140

Unscheduled Items

9. City Council Legislative Systems Redesign

From: Agenda & Rules Committee

Referred: January 16, 2024

Due: July 12, 2024

Recommendation: ****On January 16, 2024, the Agenda and Rules Committee referred the questions in the supplemental materials to the Budget and Finance Policy Committee for review and response.****

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

Items for Future Agendas

- None

Adjournment

Action: M/S/C (Arreguin/Kesarwani) to adjourn the meeting.

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

Adjourned at 11:57 a.m.

I hereby certify that the foregoing is a true and correct record of the Budget & Finance Committee meeting held on January 25, 2024.

Rose Thomsen, Deputy City Clerk

Communications

Communications submitted to City Council Policy Committees are on file in the City Clerk Department at 2180 Milvia Street, 1st Floor, Berkeley, CA, and are available upon request by contacting the City Clerk Department at (510) 981-6908 or policycommittee@berkeleyca.gov.