

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

**Thursday, October 12, 2023
10:00 AM**

2180 Milvia Street, 6th Floor - Redwood Room
1619 Edith Street, Berkeley, CA 94703 – Teleconference Location

Committee Members:

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

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

Remote participation by the public is available through Zoom. To access the meeting remotely using the internet: Join from a PC, Mac, iPad, iPhone, or Android device: Use URL - <https://cityofberkeley-info.zoomgov.com/j/1611557693>. If you do not wish for your name to appear on the screen, then use the drop down menu and click on "rename" to rename yourself to be anonymous. To request to speak, use the "raise hand" icon on the screen. To join by phone: Dial **1-669-254-5252 or 1-833-568-8864 (Toll Free)** and Enter Meeting ID: **161 155 7693**. If you wish to comment during the public comment portion of the agenda, press *9 and wait to be recognized by the Chair.

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

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

MINUTES

Roll Call: 10:11 a.m.

Present: Kesarwani, Hahn (for Harrison), Arreguín

Absent: None

Public Comment on Non-Agenda Matters – 2 speakers

Minutes for Approval

Draft minutes for the Committee's consideration and approval.

1. Minutes - September 14, 2023

Action: M/S/C (Arreguín/Kesarwani) to approve the minutes of September 14, 2023.

Vote: All Ayes.

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. Fiscal Year 2024 Annual Appropriations Ordinance Amendment

From: City Manager

Recommendation:

1. Review and discuss the Fiscal Year 2023 year-end encumbrance rollover and requested carryover items and Fiscal Year 2024 new requested adjustments for inclusion within the First Amendment to the FY 2024 Annual Appropriations Ordinance and provide direction to staff.

2. Authorize staff to present the First Amendment to the FY 2024 Annual Appropriations Ordinance to City Council on November 7, 2023, for consideration and first reading.

Financial Implications: See report

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

Action: 2 speakers. Presentation made and discussion held. Item continued to a future meeting.

Committee Action Items

3. **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

Action: Item continued to a future meeting.

4. **Investment Report Update - Investment Policies of Other Jurisdictions**

From: City Manager

Contact: Henry Oyekanmi, Finance, (510) 981-7300

Action: Item continued to a future meeting.

5. **Audit Recommendation Status - Berkeley Police: Improvements Needed to Manage Overtime and Security Work for Outside Entities** *(Item contains supplemental material)*

From: City Manager

Referred: May 23, 2023

Due: November 7, 2023

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

Action: Item continued to a future meeting.

Committee Action Items

6. 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: Liam Garland, Public Works, (510) 981-6300

Action: Item continued to a future meeting.

Unscheduled Items

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

- None

Items for Future Agendas

- None

Adjournment

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

Vote: All Ayes.

Adjourned at 12:03 p.m.

I hereby certify that the foregoing is a true and correct record of the Budget & Finance Committee meeting held on October 12, 2023.

Rose Thomsen, Deputy City Clerk