
CITY OF BERKELEY
FY 2014 & FY 2015 ADOPTED BIENNIAL BUDGET

ELECTED OFFICIALS

Mayor

Tom Bates

Councilmembers

Linda Maio (District 1)
Darryl Moore (District 2)
Max Anderson (District 3)
Jesse Arreguin (District 4)
Laurie Capitelli (District 5)
Susan Wengraf (District 6)
Kriss Worthington (District 7)
Gordon Wozniak (District 8)

City Auditor

Ann-Marie Hogan

City Manager

Christine Daniel

Deputy City Manager

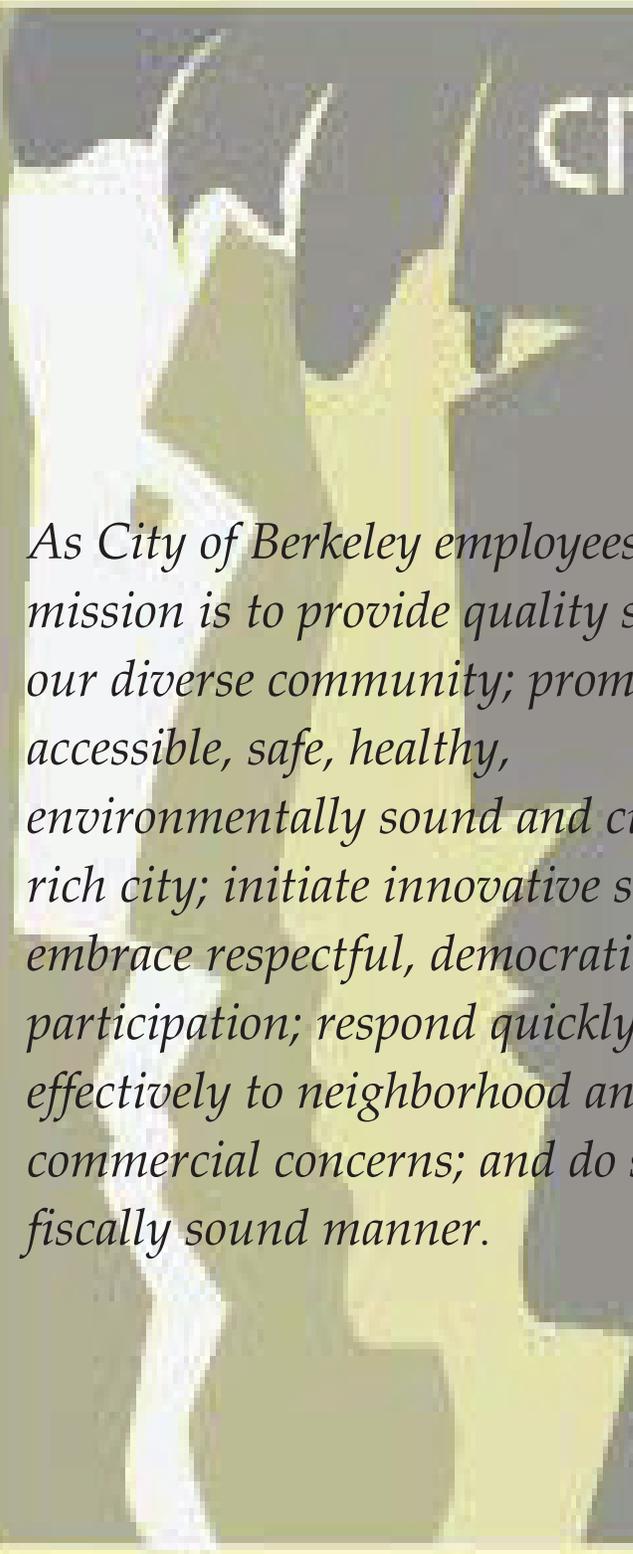
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*Special thanks to: Bob Hicks, Finance Director and the rest of the Department Directors
and their staffs for their assistance and contributions in preparing this document*





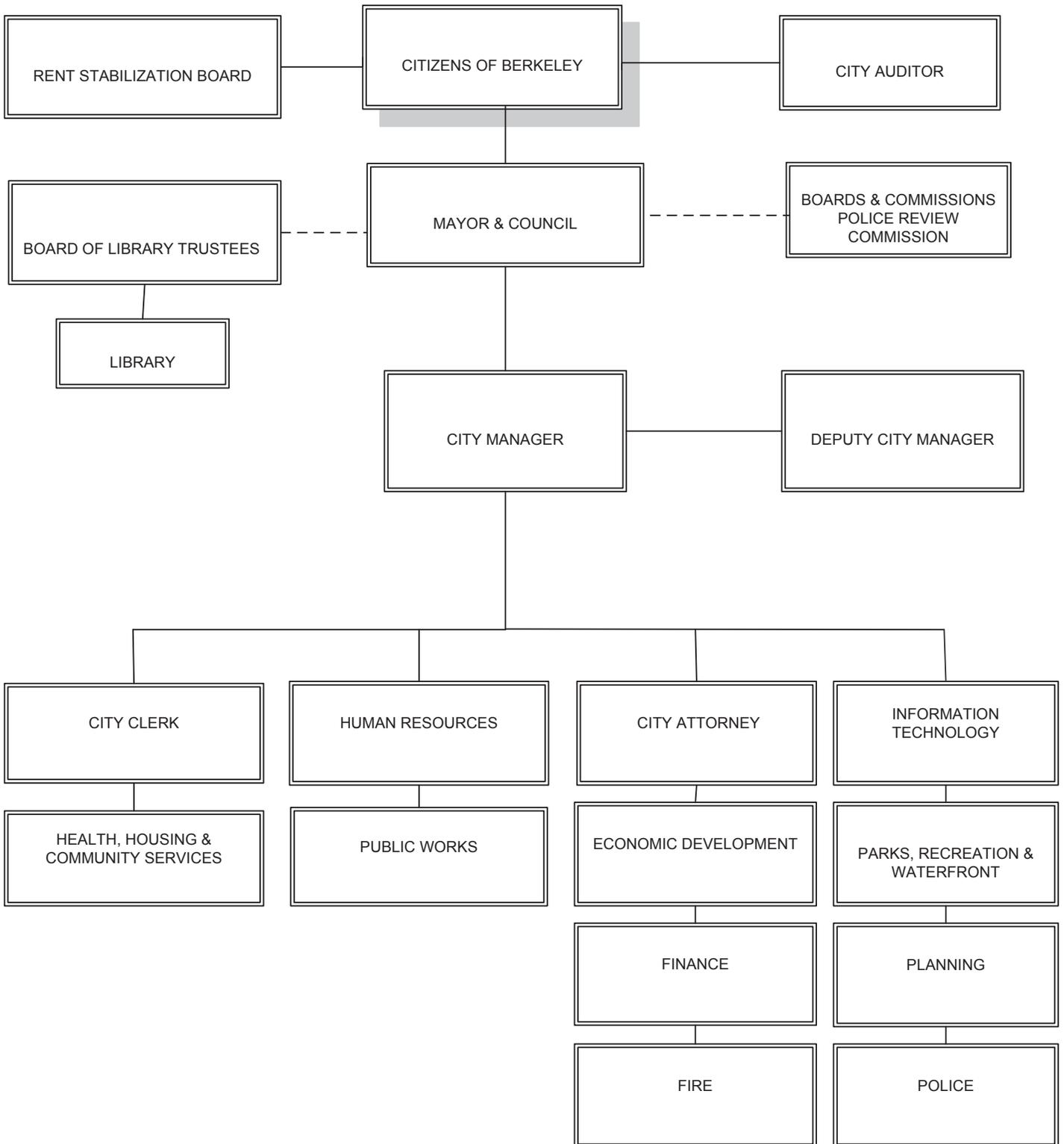
CITY OF

BERKELEY

As City of Berkeley employees our mission is to provide quality service to our diverse community; promote an accessible, safe, healthy, environmentally sound and culturally rich city; initiate innovative solutions; embrace respectful, democratic participation; respond quickly and effectively to neighborhood and commercial concerns; and do so in a fiscally sound manner.

CITY OF BERKELEY

ORGANIZATIONAL CHART





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Berkeley
California**

For the Biennium Beginning

July 1, 2011

Linda C. Danson Jeffrey R. Egan

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Berkeley, California for its biennial budget for the biennium beginning July 1, 2011. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of two years only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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BUDGET BOOK GUIDE

The purpose of the City of Berkeley's budget is to serve as a "blueprint" for providing City services and as a working financial plan for the fiscal year. It also represents the official organizational plan by which, City policies, priorities, and programs are implemented. The budget provides the means to communicate to the residents, businesses, and employees about how the City's financial sources are used to provide services to the community. The budget includes both the operating costs to manage the City and the capital improvement projects that the City plans to undertake during the fiscal year.

Below is a brief outline of the contents of the budget book:

Budget Message: City Manager's transmittal letter to the City Council that details the budget, including budget issues and policies that lead to the development of the budget

Community Profile: Overview and information about the City of Berkeley

Budget Guide: Information on the Budget Policies and Process and the Budget Development Calendar

Financial Summary: Summary financial analyses and provides a summary of assumptions used in creating the Five-Year Forecasts

General Fund: City's discretionary General Fund summaries of expenditures and revenues and detailed summaries of key General Fund revenues

Other Funds: Financial Forecasts for the City's key non-General Fund operating funds.

Staffing: Detailed staffing information, both at the summary level and by department.

Balancing Plan: Summary information on the City's budget balancing plan by department and funding source and impacts of the reductions

Department Budgets: For each City department, includes departments' organization chart, explanations of department operations, significant accomplishments, key objectives for the upcoming fiscal years, and detailed expenditure and financial data

Community Agencies & Special Events: Summary of the community-based organization funding process and adopted allocation schedule for FY 2014 and list of adopted special events

Glossary: A list of terms used in the book and definitions for them



Office of the City Manager

June 26, 2013

Honorable Mayor and Members of the City Council:

The *FY 2014 & FY 2015 Biennial Budget* was adopted on June 25, 2013. The development of the FY 2014 and FY 2015 Biennial Budget began January 22, 2013, with the presentation to the City Council of the [Fiscal Year 2014 and Fiscal Year 2015 Budget Forecast](#).¹ During that presentation staff reported a projected \$3 million General Fund deficit in FY 2014 and a projected \$2.1 million General Fund deficit in Fiscal Year 2015, without balancing measures. As part of the budget process the Council held four separate work sessions to examine and discuss specific budget challenges in the [Health Housing & Community Services Department](#)² and the [Parks Recreation & Waterfront Department](#)³, as well as the [City's long-term liabilities](#)⁴ for both personnel and infrastructure costs, and elements of the [City's Capital Improvement Program](#)⁵. The adopted *FY 2014 & FY 2015 Biennial Budget* includes a combination of \$3 million in recurring General Fund expenditure reductions and new revenues in FY 2014, which allowed the FY 2014 & FY 2015 Biennial Budget to balance, assuming costs and revenues remain as projected.

The City's budget is a reflection of City policies, goals, and priorities. The budget process assigns resources to address the goals, objectives, and community priorities set by the City Council. Over the past few years, staff and the Council have implemented reductions that minimized cuts to services, while at the same time controlling costs in response to declining revenues. These strategies included reducing the size of the City organization each year over the last five years, and that approach is continue into FY 2014. The cumulative effect of these reductions is the elimination of over 200 full time equivalent (FTE) positions throughout the City. Additionally, the City has deferred maintenance on much of its capital infrastructure. As the economy begins to slowly recover, we need to be mindful of the need to address deferred maintenance,

¹ http://www.ci.berkeley.ca.us/Clerk/City_Council/2013/01Jan/City_Council_01-22-2013_-_Special_Meeting_Annotated_Agenda.aspx

² http://www.ci.berkeley.ca.us/Clerk/City_Council/2013/02Feb/Documents/2013-02-19_Worksession_Item_01a_Health_Housing_Community.aspx

³ http://www.ci.berkeley.ca.us/Clerk/City_Council/2013/03Mar/Documents/2013-03-05_Worksession_Item_01_Parks_Recreation.aspx

⁴ http://www.ci.berkeley.ca.us/Clerk/City_Council/2013/02Feb/Documents/2013-02-19_Worksession_Item_01b_Projections_of_Future_Liabilities.aspx

⁵ http://www.ci.berkeley.ca.us/Clerk/City_Council/2013/03Mar/Documents/2013-03-19_Worksession_Item_01_Public_Works_Capital.aspx

as well as remain prepared to address the impacts of future cost increases in areas such as health and pension benefits. The adopted budget includes policies and actions in both of those areas.

By staying focused on priority services and long-term responsibilities, we can preserve the City's fiscal health into the future and be better able to meet the needs of the community. One of the lessons we have learned from the State is that while the economy is growing, it is doing so at a slow and uneven pace, and we should continue to budget cautiously and conservatively in response. Assuming revenues and costs stay within projections, the adopted budget offers stability for the biennial cycle. This will allow the City organization to steadily continue to deliver quality service to the community and to plan carefully for the future.

The information that follows is a summary of some of the revenue and cost-driven challenges that we faced during this biennial budget, as well as an overview of the solutions.

Below is an outline to help the Council and members of the public navigate this information.

1. Council Budget Development Policies
2. Current Budget Situation
 - a. National Economy and Federal Budget Impacts
 - b. State Budget Impacts
3. Overall View of the Plan to Balance the City's Budget
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 - c. Unfunded Liabilities
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1. Council Budget Development Policies

The Council has adopted budget development policies which have served us well over the long term, and the adopted *FY 2014 & FY 2015 Biennial Budget* abides by those important policies.

The fiscal policies adopted by the Council include:

- ❖ Focusing on the long-term fiscal health of the City by adopting a two-year budget and conducting multi-year planning;
- ❖ Building a prudent reserve;
- ❖ Developing long-term strategies to reduce unfunded liabilities;
- ❖ Controlling labor costs while minimizing layoffs;
- ❖ Allocating one-time revenue for one-time expenses;
- ❖ Requiring enterprise and grant funds to balance and new programs to pay for themselves; and
- ❖ Any new expenditure requires either additional revenue or expenditure reductions.

Also, used as a guide to developing the budget is the “fix it first” approach in which we fund current capital improvements before funding new projects.

Included in the adopted budget are three additional fiscal policies, which will help address some of the long-term problems.

- ❖ Transfer Tax in excess of \$10.5 million dollars will be treated as one-time revenue to be used for the City’s capital infrastructure needs (fund 610).
- ❖ As the General Fund subsidy to the Safety Members Pension Fund declines over the next several years, the amount of the annual decrease will be used to help fund the new Police Employee Retiree Health Plan (fund 903).
- ❖ Savings realized from refinancing the debt for 1947 Center Street and the 2003 COP Building Acquisition will be deposited into the CalPERS Savings Fund (fund 933) to help offset the rising costs of the retirement benefit.

This two-year budget resolves the immediate budget shortfall and begins to address long-term challenges. The adopted budget provides a plan to control costs and maximize the use of City resources. The adopted budget includes a combination of \$3 million in recurring General Fund expenditures reductions and new revenues in FY 2014, which carry through FY 2015, resulting in balanced budgets in both years.

The adopted budgets for special funds that are projected to go into deficit in future years include expenditure reductions in FY 2014 and FY 2015, but also continue to rely on the use of fund balance in a number of cases. However, the use of fund balance is not a sustainable strategy for the long term and thus those funds must face additional expenditure reductions in the future, or identify new revenue.

2. The Current Budget Situation - Despite positive outlook, caution is appropriate

a. The National Economy and Federal Budget Impacts

According to the state Legislative Analyst's Office (LAO) the nation's recovery from the recession has been slow by historical standards. Following the 1981–1982 recession, U.S. real GDP expanded at 3.5 percent or greater in each of the next four years, and the nation's employment grew at 2.5 percent or greater in five of the six years during the 1984–1989 period. After the 1990–1991 recession, GDP grew by 3 percent to 5 percent in all but two years between 1992 and 2000, while employment grew by 2 percent to 3 percent annually through almost all of that period.

The current recovery is slower than the two recoveries described above in several respects. To date, GDP growth since the recession has been in the range of 2 percent per year, and according to the LAO's forecast, it will remain between 2 percent and 3 percent per year in all but one year between now and 2018. United States employment is forecast to grow at 2 percent or less each year through 2018.

One tool that the Federal Reserve Bank has been using to aid in economic recovery has been to keep interest rates close to zero. An immediate impact of this for the City is a significant reduction in interest income. As our long term investments in securities come to term, there are no high yield investments available for re-investment; the City is thus unable to achieve the same amount of revenue from interest income as has been available in prior years. Another impact on the City of the federal budget situation is the impact of the "sequester" of federal funds due to the Congress' inability to reach agreement on expenditure reductions. The immediate impact is a projected 8.2% reduction in funding for programs in the Health, Housing & Community Services Department. These are primarily CDBG and HOME funds that affect social services and affordable housing.

b. State Budget Impacts

The state’s economic recovery, prior budget cuts, and the additional, temporary taxes provided by Proposition 30 have combined to bring California to the possible end of a decade of severe state budget challenges. The Governor will need to address a \$1.9 billion budget problem in order to pass a balanced budget in June 2013 for the next fiscal year. This is a dramatically smaller budget problem in 2013–14 compared to what the state has faced in recent years. The Governor is focusing on fiscal discipline, including the importance of paying off the state’s accumulated budgetary debts. Because there are still considerable risks to revenue estimates given uncertainty surrounding federal fiscal policy and the volatility inherent in our revenue system, the LAO deemed the Governor’s focus on fiscal restraint and paying off debts to be appropriate.

3. Overall View of the Plan to Balance the City’s Budget

a. General Fund Balancing Plan

Before imposing any balancing measures, the General Fund alone faced estimated deficits of \$3 million in FY 2014 and \$2.1 million in FY 2015. The Balancing Plan 2-year total for the General Fund adopted \$3 million in measures through a combination of recurring cuts and new recurring revenue.

**FY 2014 and FY 2015 Two-Year
Balancing Plan for the General Fund
(dollars in millions)**

Balancing Plan	FY 2014	FY 2015	2-Year Total
Reductions	2.8	0	2.8
Revenues	.2	0	.2
Total Balancing Plan			3.0

b. All Funds Balancing Plan

The General Fund, however, is less than half of the City’s total budget. The projected shortfall for all funds (the General Fund plus all special funds) was \$6.5 million in FY 2014, increasing to \$8.6 million in FY 2015 without balancing measures. The measures included in the budget to address the shortfall for all funds are spread across multiple departments and funding sources. Included as part of the balancing plan are increased revenues of \$200,000, which are a result of the increased rates for the Residential Parking Program and increased revenue anticipated by the ongoing success of the recreational programs. In addition, several funds going into deficit reduced expenditures. Significant reductions were made in several of the Health funds including

CDBG, Alameda County Grants, and Public Health Realignment. Additional reductions were made in the Parks Tax Fund, Refuse Fund, and Marina Fund.⁶

Significant Expenditure Reductions to Special Funds

Fund	Name	Amount
165	Alameda County Grants	(190,474)
370	CDBG	(174,482)
450	Parks Tax Fund	(367,536)
820	Refuse Collection & Disposal	(307,547)
825	Marina Fund	(129,492)
958	Public Health Realignment	(101,468)
Total		\$1,270,999

To balance the budget there were reallocation of assignments and cost shifts from funds facing deficits to stronger and healthier funds. This includes a cost shift of Parking Enforcement Officers to the Parking Meter Fund (840), saving the General Fund \$420,000. Other special funds continue to rely on fund balance through FY 2015, but may face problems in FY 2016 if expenditures are not reduced or additional revenue is not realized.

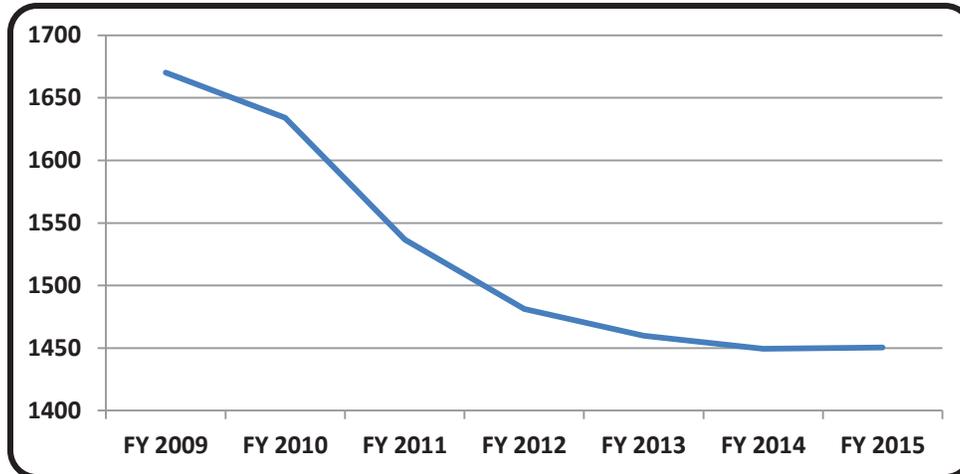
In FY 2014 & FY 2015 the Refuse Fund faces deficits of approximately \$530,000. The budget adopted a loan to the fund to cover the deficit. This loan will be necessary and needs to be increased if no fee increase is approved.

c. Impacts on Staff and Services

Although some revenues are increasing modestly, overall revenue growth is not keeping pace with expenditures. The impact of increasing costs combined with a lack of corresponding growth in revenues resulted in a projected structural deficit in the General Fund and several of the other major funds if recurring expenditure reductions were not taken. Employee salary and benefits make up 77% of the City's General Fund operating budget and 61% of the budget on an all funds basis. Thus, controlling labor costs is the primary method to manage expenditure and address the City's structural deficit. Between FY 2009 and FY 2015 the City will have eliminated over 200 positions which is a decrease in personnel of over 12%. There are 9.04 (net) FTE reductions included in the *FY 2014 & FY 2015 Biennial Budget*. However, most positions were vacant and no career employees lost employment.

⁶ Refer to the Balancing Plan for details on other reductions

**Number of Full Time Equivalent Employees (FTEs)
FY 2009 to FY 2013 and Projected to 2015**



The City had a total projected deficit for all funds of \$6.5 million going into FY 2014. Balancing the City's FY 2014 and FY 2015 biennial budget required the elimination of slightly over 10 positions (net) in FY 2014. We prepared for these anticipated reductions by not filling vacant positions; unfortunately, those vacancies are not adequate to respond to the projected deficits, as filled positions are also affected.

The City treats employees fairly and equitably and also has a policy of minimizing the layoff of career employees. Controlling expenditures has been, and will continue to be a necessity in managing the City's budget, and labor costs are a critical factor in that approach. Achieving a sustainable balance of both personnel and non-personnel expenditures against reasonable revenue projections will continue to require close attention, especially as the economy begins to recover. Expenditure controls must also include addressing some underfunded and unfunded employee benefits. As the economy begins to recover, the City has the opportunity to develop a plan to address its long-term obligations in a sustainable way. I will continue to work with the City Unions in an effort to jointly help mitigate the long-term impacts of the City's underfunded and unfunded benefit liabilities, while at the same time preserving our ability to deliver quality services to the community.

4. Adopted Biennial Budget Financial Summary

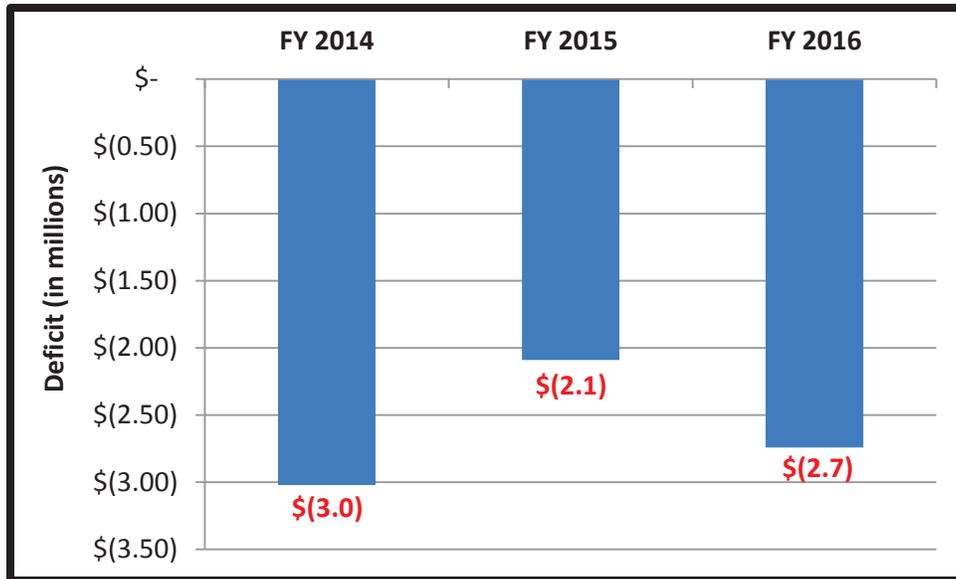
The table below summarizes the City expenditure budget for FY 2014 and FY 2015 for all funds, as well as for the General Fund, in comparison with the FY 2013 Updated Adopted Budget. The City's FY 2014 operating budget is flat when compared to the FY 2013 Updated Adopted Budget. The total FY 2014 General Fund budget reflects a small increase from the FY 2013 Updated Adopted Budget (calculated at 1%). The FY 2015 General Fund budget projects mild growth from FY 2014 with a total change over the 2-year period of approximately 3%.

All Funds (in millions)	Adopted FY 2013	Adopted FY 2014	% Change	Adopted FY 2015	% Change
Operating Budget	\$ 284.7	\$ 287.3	1%	\$ 281.5	-1%
Capital Budget	\$ 28.9	\$ 26.3	-9%	\$ 29.5	2%
Total:	\$ 313.6	\$ 313.6	0%	\$ 311.0	-1%
General Fund (in millions)	Adopted FY 2013	Adopted FY 2014	% Change	Adopted FY 2015	% Change
Operating Budget	\$ 139.8	\$ 144.9	4%	\$ 147.9	6%
Capital Budget	\$ 9.6	\$ 5.8	-40%	\$ 5.3	-45%
Total:	\$ 149.4	\$ 150.7	1%	\$ 153.2	3%

5. General Fund Forecast

Below is the Forecasted General Fund Deficit – without balancing measures. General Fund expenditures were projected to exceed revenues by \$3.0 million in FY 2014 and by \$2.1 million in FY 2015. The City is legally obligated to adopt a balanced budget. In order to bring the FY 2014 and FY 2015 budgets into balance, measures to align revenues and expenditures were considered. In addition, we must begin to address some of our significant long-term costs and start funding our underfunded and unfunded liabilities, which includes capital improvement and employee benefits.

Forecasted General Fund Deficit Without Balancing Measures



These projections assume the following:

- No additional federal or state cuts
- No funding for new programs
- No increased funding for capital improvements programs
- No further decreases in revenue
- No cost of living (salary) increase

6. FY 2014 & FY 2015 Balancing Measures

This biennial budget balances the forecasted two-year General Fund deficit of \$3 million in FY 2014 and \$2.1 million in FY 2015 primarily through expenditure reductions. Department directors were asked to provide recurring General Fund reductions totaling 2 percent for the two-year budget. A 2 percent target reduction in FY 2014 reduced expenditures by \$3 million, balancing the budget in FY 2014. We asked that the proposed reduction solutions be recurring, and that the entire reduction be taken in FY 2014, so that the solutions also eliminated the projected deficit in FY 2015.

For other major funds that appeared to be going into deficit in the long run, department directors were required to develop a strategy to fix the structural deficit and balance the fund. Since the bulk of the City's costs are labor costs, the expenditure reduction plans resulted in the elimination of staff positions. The City has been holding positions vacant in anticipation of these needs but given the size of the projected deficits, career positions were also affected. However, most positions were vacant and no career employees lost employment. The chart below reflects the positions net reduction or addition by service area.

Adopted Number of Eliminated Career Positions by Service Area		
Department	FY 2014 FTE*	FY 2015 FTE*
City Attorney Total	-	-
City Auditor Total	-	-
City Clerk Total	-	-
City Manager Total	-	-
Economic Development Total	-	-
Finance Total	(1.00)	-
Fire Total	(0.75)	-
Health, Housing & Community Services Total	(2.94)	-
Human Resources Total	-	-
Information Technology Total	(1.00)	-
Library Total	-	-
Parks Recreation & Waterfront Total	(2.60)	-
Planning & Development Total	2.25	-
Police Total	(2.00)	-
Police Review Commission Total	-	-
Public Works Total	(2.00)	1.00
Grand Total	(10.04)	1.00
<i>*FTE Amounts include Career and Hourly Reductions and Additions per the Balancing Plan</i>		

The budget attempts to maintain priority programs and services within the parameters of our fiscal challenges and need to make expenditure reductions. In the absence of a substantial increase in revenue (which is not projected), or a reduction in employee costs, the City may ultimately need to consider shifting funds from important programs, including public safety, to pay for rising pension and health care costs. In keeping with the Council's policy of controlling labor costs while minimizing layoffs, we will continue to work with the various bargaining units to seek alternatives to reduce costs such as employee salary and benefits.

a. Revenue Projections

Several of the underlying budget assumptions are very sensitive to economic changes and assume a mild economic recovery in FY 2014 and FY 2015. Staff is beginning to see growth in assessed property value again; generated primarily by increases in the dollar value of property sales where the sales price is greater than the prior year's assessed value. However, the projected revenue increase is being somewhat offset by the projected revenue decrease in interest income and parking fines.

Supplemental Tax revenues are projected to recover slightly in FY 2014 and FY 2015, as the number of property sales increase from depressed levels. Because Property Transfer Tax is tied directly to all real property sales, it is a volatile revenue source, and difficult to predict more than one year at a time. Factors that affect the revenue generated by Transfer Taxes are the sale price of property and the frequency with which property is sold. These immediate factors are driven by the availability of mortgage loans, the level of long-term interest rates, the supply and demand for real estate in Berkeley, and general economic growth in the Bay Area. Staff is forecasting a rebound in Transfer Tax revenues in FY 2014 and FY 2015 to \$10 million each year, respectively (net of budgeted seismic retrofit rebates). However, it should be noted that this is still a much lower amount than the City has realized in the past. For example, in FY 2007, the Property Transfer Tax generated \$16.4 million, and the levels of Transfer Tax revenue in FY 2014 and FY 2015 are still projected to be below the City's baseline expectation of \$10.5 million.

Interest Income projections are made by taking the existing investments and multiplying by the effective yield, and adding the calculation for estimated interest income on future investments (estimate of amounts to be invested in the various maturities, times the estimate of the applicable interest rate). The interest rate environment for the last several years has been an extremely difficult one to invest in because the Federal Reserve forced short-term rates to fall to a rate close to zero and implemented a program to buy nearly two trillion dollars of Treasuries and mortgage-backed securities in order to force mortgage rates to historic lows. As a result, as the high yielding securities held by the City mature, the City will achieve a return on investments close to zero percent on the replacement securities that need to be held in short-term investment vehicles (for liquidity purposes) and 1% or less for replacement securities with longer maturity dates.

After hitting a high of \$11.9 million in revenue and 312,005 tickets written in FY 2007, Parking Fines revenue and ticket writing has declined nearly every year since then. Parking Fines revenue (excluding booting collections) showed a decrease of 10.7% to \$4,067,260 in the first half of FY 2013, from \$4,552,158 for the same period in FY 2012. This decrease in Parking Fines revenue resulted from a 17.4% decline in ticket writing. We anticipate that this declining trend will continue into FY 2014 and FY 2015.

In November 2012 the voters approved Measure M, a \$30 million general obligation (GO) bond to significantly accelerate the implementation of the 5-Year Street Plan and, when appropriate, install green infrastructure, as it is defined in the Watershed Management Plan. Funding for the first year of construction will be requested for appropriation through the Annual Appropriations Ordinance amendment process beginning in FY 2014. Starting in FY 2015, it is anticipated that an additional \$6 million per year of bond funds will be appropriated for this program.

As discussed in staff’s February 19, 2013 report on Long Term Obligations, the City continues to face significant capital infrastructure costs. A revenue measure in November 2014 focused on capital improvements in some of the major program areas such as Parks, Streetlights, or Clean Storm Water could help resolve some of the funding issues in those program areas. For reference, an annual parcel tax of \$52 will yield about \$2.1million. Additionally, a rate increase will need to be considered for Zero Waste Operations during FY 2014, and depending on the EPA’s requirements for improvements to the City’s sewer system, it is likely a sewer fee rate increase will need to be considered in FY 2016.

b. Expenditure Projections

Even though the economy appears to be slowly improving, it is not improving at a fast enough pace to prevent the City from having to cut costs in order to balance the budget. The result of escalating costs outpacing increasing revenues resulted in a projected shortfall for all funds of \$6.5 million in FY 2014, increasing to \$8.6 million in FY 2015, without balancing measure. Rising pension and health care costs are primary contributors to the projected deficits in all funds in FY 2014 and FY 2015.

Fiscal Year 2014 & Fiscal Year 2015 CalPERS Rates (All Funds)

	CalPERS Actuals FY 2013	CalPERS Actuals FY 2014	Actuary Estimates FY 2015	\$ Increase* <i>(in millions)</i>
Police	42.0%	45.7%	45.9%	\$.858
Fire	29.1%	31.5%	32.0%	\$.429
Miscellaneous	19.2%	20.9%	21.1%	\$ 1.6

The rising CalPERS rates alone will increase the City's costs by almost \$2.9 million for all funds, over the next two-year period. Based on an actuarial valuation of the City's assets held by CalPERS, the City's plans are currently funded as follows: Police Safety 70%; Fire Safety 85%; and Miscellaneous 82%. Should the City wish to ensure that the Police Safety Plan achieves a funding level of 80% on an actuarial basis within 10 years, the City's actuary estimated that the City would need to contribute an additional \$2.5 million to the Police Safety Plan each year for 10 years. If the time period to achieve the 80% funded level on an actuarial basis for the Police Safety Plan was extended to 15 years, the City would need to contribute an additional \$1.7 million to that plan each year for 15 years.

In addition, health care costs continue to escalate. While we have experienced unusually low health rate increases in FY 2012 and FY 2013, our outside brokers have advised us to plan for larger increases in FY 2014 reflective of historical trends. Since 2000, health premium increases have ranged from 4 percent to 20 percent. The average annual increase for the Kaiser medical active plan has been 9.26 percent per year over the last 10 years. The baseline budget for FY 2014 reflects a rate increase for the Kaiser medical plan at 9 percent. The average increase for dental has been 4.60 percent per year over the last 10 years. The FY 2014 baseline budget reflects an increase in dental cost of 5 percent.

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. In FY 2002, the City learned that it had achieved a position where it had enough funds in its account with CalPERS that it did not need to pay CalPERS the miscellaneous employee contribution rate for FY 2002. The adopted FY 2002 and FY 2003 Biennial Budget included provisions setting aside approximately six percent of what would have been the contribution for the miscellaneous plan in those years in a dedicated fund to be used for payouts of unused and terminal sick and vacation benefits. In addition, this fund receives an annual transfer of funds based on a percentage of payroll in all funds.

Over the years the fund balance created by the initial transfer in 2002/2003 has been depleted. At the end of FY 2012, expenditures from the fund exceeded revenues by approximately \$500,000 and General Funds were used to cover those costs. In order to correct the shortfall and strengthen the fund, the rates were adjusted for FY 2014. The FY 2014 calculated rates will increase from 3.25 percent of base salary for sworn employees to 3.75 and from 1.25 percent of salary for all other employees to 1.90 percent. The result is a \$233,000 increased cost to the General Fund and a \$744,000 increased cost on an all funds basis in FY 2014. Going forward, staff projects that these rate increases will balance the revenues and expenditures within this fund.

c. Special Funds Facing Deficits

In addition to the projected deficits in the General Fund, several other major funds required balancing measures in FY 2014 and FY 2015. For funds that appear to be going into deficit in the long run, the target reduction for departments operating out of these funds was to balance the fund in FY 2014, however that may not be achievable in all cases and some of those funds will continue to spend down fund balance over the course of the 2 year budget. Each fund facing a deficit will have a different target reduction determined by the amount of the deficit. The following are major funds facing structural deficits without balancing measures.

Major Funds Facing Structural Deficits in FY 2014

• General Fund	(\$3.0 million)
• Refuse	(\$0.3 - 0.5 million)
• Gas Tax and Measure B	(\$0.5 million)
• Parks Tax Fund	(\$0.9 million)
• Marina Fund	(\$0.5 million)
• Housing and Community Services	(\$0.7 million)
• Public and Mental Health	<u>(\$0.6 million)</u>
Total	(\$6.5 million)

7. Aligning Resources with Service Delivery

a. Department of Health, Housing and Community Services

Housing and Community Services Division

On May 29, 2013, the City received notification from the U.S. Department of Housing and Urban Development of the Federal Fiscal Year 2013 allocations for the Community Planning and Development (CPD) formula programs, which provide funding for housing, community and economic development activities, and assistance for low- and moderate-income persons and special populations across the country. Of the actual amounts awarded \$82,920 will be available to cover staffing costs associated with administering the Community Develop Block Grant (CDBG), HOME, and Emergency Solutions Grant (ESG) programs. The additional funding of \$412,871 from CDBG and HOME, not allocated to planning and administration, will be available for the Housing Trust Fund. The reduced level of ESG funding means that there will be less funding available for rental subsidies to prevent homelessness and rapidly re-house homeless households.

**U.S. Department of Housing and Urban Development
Allocations for Community Develop Block Grant (CDBG),
HOME, and Emergency Solutions Grant (ESG) Programs**

		Projected 8.2% Reduction PY2013 (FY2014)	Actual Award Amount PY2013 (FY2014)	Difference	% Change
CDBG					
	Entitlement Amount	\$ 2,125,177	\$ 2,502,381	\$ 377,204	18%
	Public Services Cap	\$ 396,749	\$ 469,922	\$ 73,173	
	Planning and Admin Cap	\$ 445,035	\$ 520,476	\$ 75,441	
ESG					
	Entitlement Amount	\$ 233,760	\$ 168,887	\$ (64,873)	-28%
	Admin Cap	\$ 17,532	\$ 12,667	\$ (4,866)	
HOME					
	Entitlement Amount	\$ 526,582	\$ 650,036	\$ 123,454	23%
	Admin Cap	\$ 52,658	\$ 65,004	\$ 12,345	

These changes will be included as part of the First Amendment to the FY 2014 Appropriation Ordinance in the fall.

In addition, with the dismantling of Redevelopment agencies by the State of California, the City of Berkeley may lose approximately \$100,000 initially budgeted for administration in FY 2014, \$40,000 of which covered staffing costs in the HCS Division.

Public Health and Mental Health Services

The goal of the Public Health and Mental Health programs is to ensure that everyone in the Berkeley community has an opportunity to make choices that lead to a long and healthy life, regardless of income, education, or racial/ethnic background. The Mental Health Division provides mental health prevention and intervention services with a focus on high-risk adults, transition age youth, children and families. The Public Health Division provides community-wide protection against communicable diseases and emerging health threats.

For FY 2014 and FY 2015, in the Mental Health Division the General Fund reduction amounts to \$37,000. In addition there is a \$216,000 reduction in the Mental Health Services Act Innovation program revenue. The adopted budget includes expenditure reductions and costs shifts to other funds to address these reductions.

The adopted budget for the Public Health division includes expenditure reductions and cost shifts among funds sufficient to address the following revenue reductions:

- The 2 percent General Fund reduction of \$72,500;
- Elimination of an Alameda County HIV grant in the amount of \$75,000;
- A structural problem resulting from decreased revenue and increased costs for a number of public health funding streams amounting to approximately \$300,000.

b. Department of Parks, Recreation and Waterfront

The department is facing a number of fiscal challenges over the next several years. Two of the department's back-bone funds – the Parks Tax Fund and the Marina Fund – are in structural deficit and have been slowly spending down fund reserves for several years. As a result, without implementing measures to balance these funds, each will be in deficit by the end of FY 2015.

General Fund Issues:

- The department's General Fund target reduction for FY 2014 was 2%, or \$108,000.

Special Funds Issues:

- The Parks Tax Fund has a structural deficit of \$850,000 and a substantial backlog of deferred maintenance and capital work.
- The Marina Fund has a structural deficit of \$500,000 and a substantial backlog of deferred maintenance and capital work.
- The Camps Fund has a strong - but shrinking – reserve and a backlog of deferred maintenance and major capital needs at the resident camps.

Capital Program Issues:

On March 5, 2013, the Department presented Council with an overview of the capital improvement program, which described planned and completed projects and provided a then-current estimate of unfunded capital and major maintenance needs totaling \$78 million. The department currently allocates \$1.5 million on an annual basis to address capital needs.

c. Department of Public Works

Zero Waste Operations – Refuse Fund

The Refuse Fund is a self-supporting enterprise fund that was created to support the activities related to the removal of waste in the City of Berkeley including recycling and transfer station operations and other related services. Fees for disposal of waste at the City's transfer station and refuse fees charged to owners of premises and places in the City from which garbage is collected generate revenue to this fund. Refuse charges are either collected through the payment of property tax bills or directly paid to the City of Berkeley. Refuse collection fees are established by resolution of the City Council and the conduct of a majority protest process under Proposition 218. Fee amounts are currently determined by the size and number of receptacles, and the frequency of service.

The Refuse Fund has a structural deficit of approximately \$323,000 in FY 2014 and growing to approximately \$612,000 million in FY 2015. Staff will be proposing a new rate structure for the Refuse Fund for FY 2015. However, as a safety net, Council was asked to approve a loan from the Worker's Compensation Fund to the Refuse Fund in FY 2015 to cover the cost of the projected deficit in that year, should a rate increase fail to be approved.

Over the last several years, annual operating costs have been reduced by approximately \$2.5 million through various cost controls, including the implementation of 1-person routes and the elimination of 16 FTE.

Streets, Sidewalks, Bike and Pedestrian Programs – Gas Taxes and Measure B Funds

The City is projected to receive approximately \$5.6 million in annual revenues for the Highway Users Tax (Gas Tax) and Measure B Local Streets and Roads, and Bike and Pedestrian funds in FY 2014. These funds are used to perform street maintenance and repairs, traffic signal maintenance and bike and pedestrian improvements. Based on current projections, expenditures for programs supported by these funds will exceed revenue by approximately \$527,000 and require the use of fund balance to cover expenditures. Without balancing measures the fund balance for these funds will be exhausted by FY 2015.

Other Concerns – Sewer Program

The City has not raised Sewer fees since FY 2006 and the Sewer Fund has maintained a healthy balance primarily through salary savings and other year end cost savings. However, the City has not yet concluded negotiations with the EPA and the Department of Justice on the final Consent Decree concerning sanitary sewer overflows (SSO's). The Consent Decree is likely to require significant additional capital improvements. Current Sewer Fund projections, before any additional requirements, will still require the City to consider a rate increase in FY 2016. Like a rate increase in Refuse Collection rates, a Proposition 218 process is required.

The Department of Public Works is working closely with the Information Technology Department to implement a computerized maintenance management program system (CMMS), which will be initially deployed within the sewer program. CMMS will allow for greatly improved information management leading to more efficient allocation of resources and improved service delivery. As the system matures and is populated with additional data, it will be useful in tracking and projecting our unfunded liabilities.

Measure M

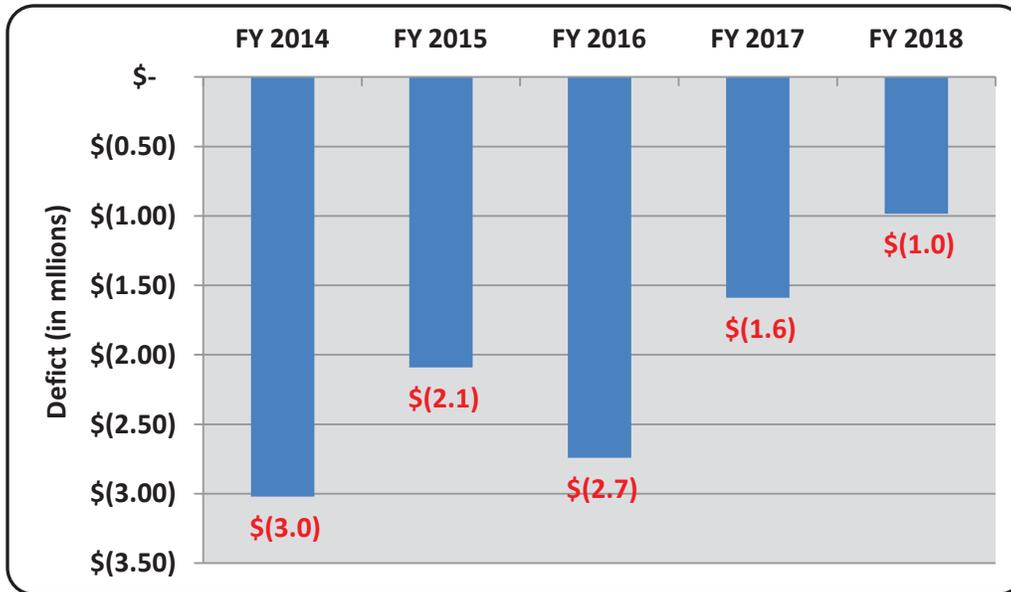
In November 2012 the voters approved Measure M, a \$30 million general obligation (GO) bond to significantly accelerate the implementation of the 5-Year Street Plan and when appropriate, install green infrastructure, as it is defined in the Watershed Management Plan. Funding will be requested for appropriation through the Annual Appropriation Ordinance amendment process beginning in fiscal year 2014. Public Works staff and the Public Works Commission will work with other interested commissions and the public to gather input for developing an Expenditure Plan with defined goals and evaluation methods. A final Expenditure Plan will be presented to the Council for approval in fall 2013 to enable construction to begin before the end of the fiscal year.

8. FY 2014 and Beyond

a. Addressing Long-term Uncertainties

The impact of increasing costs combined with a lack of corresponding growth in revenues resulted in a projected structural deficit in the General Fund and several of the other major funds if recurring expenditure reductions were not taken. Before imposing any balancing measures, the General Fund faced estimated deficits of \$3 million in FY 2014 and \$2.1 million in FY 2015.

**Five-Year Forecast of General Fund Deficit
Without Balancing Measures**



These projected deficits did not include fully addressing other needs such as capital and unfunded liabilities. In order to eliminate the forecasted General Fund structural deficits recurring expenditure reductions were adopted by Council. While we plan over a multi-year horizon, the high level of uncertainty and volatility makes projections difficult. The General Fund Reserve is one mechanism to help deal with the uncertainties we face.

b. The General Fund Reserve

The City Council’s current policy is to maintain the reserve at 8 percent of gross General Fund revenues. The reserve provides some flexibility to address one-time priority programs, smooth out economic swings, buffer the loss of state and federal revenues, and to support City operations in the event of a catastrophic event (such as an earthquake) . An 8 percent reserve would fund City operations for about 30 days in the event of a catastrophic disaster. During recent years, Council has adopted policies to increase the reserve balance and set funds aside to buffer state cut-backs and economic uncertainties, provide economic incentives, and offset future retirement costs.

As of December 31, 2012, the available unassigned liquid reserve balance is \$16.6 million or 11.2 percent of gross General Fund revenues and 5.3 percent of the Citywide budget. The unassigned reserve balance is \$22.8 million or 15.3 percent of gross General Fund revenues and 7.3 percent of the Citywide budget. Included in the balance are estimated receivables for grants and other contractual reimbursements for which the General Fund has “fronted” the costs. Staff is currently reviewing the receivables to determine amounts that may be uncollectable. Once those amounts are finalized, staff will request that the Council “write-off” those amounts so they are no longer included in the balance.

c. Unfunded Liabilities

The City of Berkeley, like most other cities throughout the state, as well as the state of California itself, faces significant long-term costs in the areas of employee and retiree costs, capital assets, and infrastructure. The City has generally weathered the effects of the recession over the last five years by reducing expenditures and deferring capital improvement costs. Expenditure controls during that period also included assessing some employee benefits on a pay-as-you go basis. As the economy begins to recover, the City must strategically address its long-term obligations. On May 29, 2012, the City Council adopted Resolution No 65,748N.S. "Requiring that the City Manager Develop and Make Public a Biennial Report of Current Liabilities and Projections of Future Liabilities."⁷ This report was presented at the February 19, 2013, Council Worksession. At that Worksession the following fiscal policies were proposed.

- ❖ Transfer Tax in excess of \$10.5 million dollars will be treated as one-time revenue to be used for the City's capital infrastructure needs (fund 610).
- ❖ As the General Fund subsidy to the Safety Members Pension Fund declines over the next several years, the amount of the annual decrease will be used to help fund the new Police Employee Retiree Health Plan (fund 903).
- ❖ Savings realized from refinancing the debt for 1947 Center Street and the 2003 COP Building Acquisition will be deposited into the CalPERS Savings Fund (fund 933) to help offset the rising costs of the retirement benefit.

These policies will help address some of the long-term costs in the areas of employee and retiree costs, capital assets, and infrastructure.

In addition, the City's Financial Advisor, NHA Advisors, prepared an analysis of the City's current GO bonding capacity, assuming that the City's aggregate bond tax rate were held constant. NHA advisors calculated the potential bonding capacity based on holding the tax rate at the current FY 2013 level (0.047%) for the next 30 years. Once existing debt service obligations are made, there will be tax revenues that could be applied toward payment on a new bond authorization. This amount increases each year that the total A.V. rises and the existing debt service drops off as bonds mature.

A more detailed discussion of Unfunded Liabilities is included in the chapter of the FY 2014 and FY 2015 Adopted Budget Book titled "Financial Summaries," as well as in the separate FY 2014 and FY 2015 Adopted Capital Improvement Program Book.

⁷ http://www.ci.berkeley.ca.us/Clerk/City_Council/2013/02Feb/Documents/2013-02-19_Worksession_Item_01b_Projections_of_Future_Liabilities.aspx

9. Capital Improvement Program

The Capital Improvement Program (CIP) for the City represents the spending plan for infrastructure improvements and other specific large-scale recurring infrastructure projects. The City's ability to fund its CIP program is limited by the total available resources that are competing with other community priorities. However, years of limited funding and deferred maintenance have resulted in an aging City infrastructure that needs repair and improvement. CIP funding resources include the General Fund and a number of other special revenue funds, as well as grants and loans. The separate CIP book contains more detail about the City's Capital Improvement Program. The chart below reflects only the General Fund contribution to the CIP.

Use of General Fund Capital Improvement Program Reserves

	Adopted FY 2014	Adopted FY 2015	Proposed FY 2016	Proposed FY 2017	Proposed FY 2018	Total
Facilities	1.6*	1.1	1.1	1.1	1.1	
Information System	0.2	0.2	0.2	0.2	0.2	
Parks	0.4	0.4	0.4	0.4	0.4	
Sidewalks	0.6	0.6	0.6	0.6	0.6	
Streets	1.9	1.9	1.9	1.9	1.9	
Transportation	0.2	0.2	0.2	0.2	0.2	
Debt	0.9	0.9	0.9	0.9	0.9	
Total General Fund	5.8	5.3	5.3	5.3	5.3	

*Includes Phase II of the Transfer Station Drainage Improvement Project – a cost shift from the Zero Waste (Refuse) Fund.

10. Tax Rates

The established growth index for the Parks Tax and the Emergency Medical Services Tax (Paramedic Tax) is the April Consumer Price Index (CPI). The Emergency Services for the Disabled Tax, the Library Tax, and the Measure GG Fire Services and Disaster Preparedness Tax growth is either the higher of the CPI or the Personal Income Growth (PIG). The proposed budget assumed an increase of 2% for FY 2014 and FY 2015.

On June 11, 2013, Council approved tax rates which resulted in changes to the proposed budgeted revenue. The following table reflects the changes to the revenue beyond the 2 percent increase assumed in the proposed budget. For CPI increases that is an additional .381 percent; for PIG increases that is an additional 3.12 percent.

**FY 2014 Funds with
Additional Revenue
Due to the Increase in the CPI**

Fund	Additional FY 2014 Revenue
Parks Tax	\$ 35,674
Paramedic Tax	\$ 9,532

**FY 2014 Funds with
Additional Revenue
Due to the Increase in the PIG**

	<u>Additional FY 2014 Revenue PIG</u>
Measure E- Emergency Services for the Disabled	\$30,343
Library Tax	\$471,050
Measure GG- Fire Protection and Emergency Response	\$121,570

The increase in revenues will help these funds, some of which are struggling with a structural deficit, with the long-term fund balance.

11. Citywide Work Plan

The Citywide Work Plan is a working document which describes baseline, or core services, as well as the special projects of each Department. As staffing resources change, the City's ability to continue baseline services as currently configured will also change, as will the ability to absorb new special projects.

The Citywide Work Plan provides a tool that allows Council to review the ongoing work of the City organization and allocate its limited resources toward its most important projects and needs. The FY 2014 Citywide Work Plan was accepted by Council along with the adoption of the Biennial Budget on June 25, 2013.

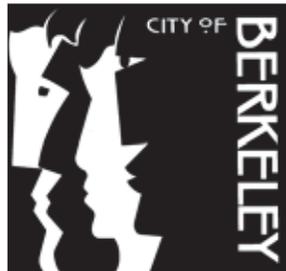
12. Conclusion

The FY 2014 and 2015 Adopted Biennial Budget reflects a series of prudent choices to reduce expenditures, while at the same time preserving the City's ability to deliver services to the community. The goal is to achieve a stable fiscal situation that allows the City to move forward strategically, as the economy slowly recovers, to address historically underfunded infrastructure needs and to plan carefully for employee costs and benefits. Berkeley is an incredibly innovative and active community of people living and working in one of the most beautiful places in the country. The Biennial Budget reflects our commitment to stewarding the public's resources for their benefit and that of future generations. I would like to thank Teresa Berkeley-Simmons, Budget Manager and her staff, Rama Murty, Stacey Johnson, and Melanie Bynes, for their dedication and hard work to develop a balanced budget, with special thanks to William Rogers, Deputy City Manager; and Bob Hicks, Finance Director, as well as the staff in all of the Departments who assisted with this effort.

Respectfully Submitted,

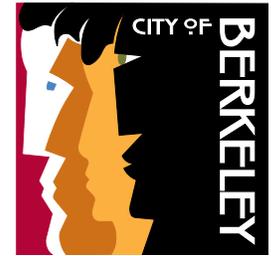
A handwritten signature in cursive script, appearing to read "Christine Daniel".

Christine Daniel
City Manager



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Community Profile Data Budget Book FY 2014-2015



2010 Census data was used when possible. When the 2010 Census data was not available, the data used is from the American Community Survey (ACS) 5-year estimates from 2007-11. The ACS is a nationwide survey conducted by the US Census Bureau, and while the survey gathers a wider variety of information than the official census, only a portion of the population is surveyed at a time. Because of this sampling, the data may be less accurate in some cases, and varies from the 2010 census count.

Note:
Percentages may not always total 100 due to rounding.

Berkeley Population 112,580 (2010 Census)

Male: 48.9%
Female: 51.1%
Median Age: 31.0 years

Age Distribution

Age	Berkeley
65+	12%
45-64	22%
25-44	27%
15-24	29%
Under 15	10%

Types of Households

Type	Berkeley
Family Households	41%
Non-Family Households	59%

By Ethnicity (2010 Census)

Total Population 112,580

One race	105,586
White	66,996
Black or African American	11,241
American Indian and Alaska Native	479
Asian	21,690
Native Hawaiian & Other Pacific Islander	186
Hispanic or Latino (of any race)	12,209
Some other race	503
Two or more races	6,994

Education (ACS)

Population 3+ years enrolled in school: 44,930

Nursery/elementary school: 19%

High school: 8%

College or graduate school: 73%

Schools in Berkeley

11 public elementary schools

3 public middle schools

2 public high schools (Berkeley High School & B-Tech)

1 adult school

6 WACS-accredited private elementary/secondary schools

University of California, Berkeley

Berkeley City College

5 WASC-Accredited Colleges (in addition to Cal and City College)

BUSD, California Department of Education, WASC

Educational Attainment of Population Over 25 Years Old

Population = 69,074 (ACS)

Education Level	Berkeley
Grad or Professional	38%
Bachelors	31%
Associates	4%
Some college, no degree	13%
HS Diploma	8%
Less than HS Diploma	5%

Transit and the Environment

- Car Share locations increased from 5 in 2002 to more than 56 in 2011;
- Residential electricity and natural gas consumption decreased 9% between 2000-11;
- Commercial electricity consumption decreased 6% between 2000-11;
- Approximately 988 solar photovoltaic systems and 80 solar hot water systems were installed in Berkeley as of 2011;
- Berkeley has only 8% of Alameda County's commuters, but more than 33% of the county's population of people who walk and ride bikes to work;
- Berkeley has 39 miles of designated bike routes, including 11 miles of bike lanes and 8 miles of bike paths;
- Berkeley has 9 community and 17 school gardens;
- There are 186 Green Certified businesses in Berkeley, approximately 5% of the total number of businesses;
- Berkeley residents have one of the highest food-composting participation rates in Alameda County, reducing landfill waste by 19% since the collection program began; and
- Berkeley residents and businesses divert more than 59,000 tons of recyclables and compostables away from landfills every year.

Employment, Economy, Housing (ACS)

Median Household income:	\$60,908
Residents 16 and older:	97,979
In labor force:	58.5%
Employed:	54.3%
Unemployed:	4.2%
Not in labor force:	41.5% (e.g. students not looking for work)

Occupation (ACS)

Management, Tech, Pro:	65%
Service:	10%
Sales & Office:	18%
Construction, Maintenance:	4%
Production & Transportation:	3%

Largest Employers

University of California, Berkeley (Oct. 2012):	21,809
Lawrence Berkeley National Labs*:	4,200
Alta Bates Medical Center (2012):	2,621
City of Berkeley (proposed FY 2014)**:	1,450
Bayer Corporation*:	1,350
Berkeley Unified School District:	1,194
Kaiser Permanente Medical Group:	819
Pacific Steel Casting Company*:	595
Berkeley Bowl:	469
Berkeley YMCA*:	358
Berkeley City College:	281
Walgreens:	165

* Provided by the Office of Economic Development

** Includes Library and Rent Stabilization Board

Housing (ACS)

Median sale price of new & existing single-family homes:	\$680,784
Median sale price of new & existing condos:	\$444,391
Total housing units:	49,454
Vacant:	3,425
Occupied:	46,029
Owner-occupied:	18,846 (41%)
Renter-occupied:	27,183 (59%)

Median Rental Market Rates: *

Studio	\$980
1 Bedroom	\$1,325
2 Bedroom	\$1,850
3 Bedroom	\$2,595

*2012 average for rent-controlled apartments,
Berkeley Rent Stabilization Board

Community Engagement

Berkeley has 80,963 registered voters

Democratic Party:	65%
Republican Party:	4%
Green Party:	3%
Other:	11%
Decline to State:	17%

Alameda County Registrar of Voters, February 2013

- Berkeley has approximately 165 Neighborhood Watch groups;
- Berkeley has 76 Disaster Cache groups;
- Public meeting notices, agendas and meeting-related documents are online, and many audio and DVD recordings are also available;
- Live and archived Council meetings can be watched on the City's website; They are also broadcast by KPFB, 89.3 FM and cable channel 33.

Other Amenities

Berkeley has:

- 2 public swimming pools;
- 3 resident summer camps;
- 105 walking trails;
- 1 skateboard park;
- 1 Adventure Playground;
- An urban forest of 51,000 planting sites and 46,000 public trees, an 8% increase from 2000;
- 15 sports fields;
- 17 acres of off leash dog parks;
- 242 acres of public open space;
- 52 parks, 4 community centers, 1 clubhouse, and 20 community gardens;
- A public marina with berths for 1,000 boats, a small-boat launch ramp, 3 public small boat docks, the Shorebird Nature Center, and a mile-long fishing pier;
- More than 80 acres of state park and easy access to 2,077-acre Tilden Park;
- 2 senior-service facilities that provide activities, meals, and social services.

Berkeley is home to more than 200 arts and cultural organizations, making it one of the most artistically dense cities in the Bay Area. Those diverse organizations include museums, art galleries, dance, music and performance groups, and many more.

For information about the programs and services offered by the City of Berkeley, please call (510) 981-CITY or visit us online at:

www.CityofBerkeley.info

BUDGET POLICIES & PROCESS

The City's budget is a reflection of City policies, goals, and priorities. The fiscal policies adopted by the Council provide the framework for the City's budget development, and include:

1. Focusing on the long-term fiscal health of the City by adopting a two-year budget and conducting multi-year planning;
2. Building a prudent reserve ;
3. Developing long-term strategies to reduce unfunded liabilities;
4. Controlling labor costs while minimizing layoffs;
5. Allocating one-time revenue for one-time expenses;
6. Requiring enterprise and grant funds to balance and new programs to pay for themselves; and
7. Any new expenditure requires either additional revenue or expenditure reductions.

Budget Development Process

The budget process assigns resources to the goals, objectives, and community priorities set by the City Council. New programs are added based on Council service and program priorities. Under the City Charter, the City Manager prepares and recommends to the City Council an operating budget and a capital improvements budget for consideration and adoption

Since FY 2000, the City of Berkeley has prepared and adopted a Biennial Budget. The biennial budget cycle begins with the development of the Budget Development Instructions including policy directives. A budget development calendar is also prepared and presented to Council for the subsequent year's budget preparation. The City Manager reviews and evaluates the baseline budgets and supplemental requests to determine whether they fulfill City Council goals and objectives, improve management effectiveness and service delivery, or increase productivity.

The City Manager then develops a balanced budget proposal for submission to the Mayor and City Council no later than the first Monday in May or at a date set in May through Council authorization. Copies of the City Manager's Proposed Budget are also distributed to all Boards and Commissions and City Departments and are made available to the general public.

The City Council holds public meetings to discuss the proposed budget, including two or more formal public hearings. Budget amendments are considered for incorporation into the proposed budget prior to the formal budget adoption. A Five-Year Forecast is developed to match long-term outcomes with projected resources. This allows for matching resources with long-term policy initiatives that extend beyond the two-year budget cycle.

BUDGET POLICIES & PROCESS

FY 2014 & FY 2015 Biennial Budget Development Calendar

Date	Agenda	Action/Topic
December 7	Workshop	FY 2012 Year End Review and FY 2013 First Quarter Review
January 22	Workshop	FY 2014 & FY 2015 Budget Forecast
February 19	Workshop	FY 2013 Mid-Year Budget Update/Review of Unfunded Liabilities/ FY 2014 & FY 2015 Priority Setting/Program Discussion: Health, Housing & Community Services
March 5	Workshop	FY 2014 & FY 2015 Priority Setting/Program Discussion: Parks, Recreation & Waterfront
March 19	Workshop	FY 2014 & FY 2015 Priority Setting/Program Discussion: Public Works/Capital Improvement Program
April 30	Action	Public Hearing on CDBG & ESG Annual Action Plan and proposed funding allocations to community agencies
May 7	Workshop	FY 2014 & FY 2015 Proposed Biennial Budget
May 7	Action	Adopt funding allocations and Annual Action Plan for CDBG and ESG
May 21	Action	Public Hearing #1: Budget & Fees
May 28	Action	Public Hearing #2: Budget
June 4	Action	Council recommendations on budget due to City Manager
June 11	Action	Council discussion on budget recommendations
June 28	Action	Adopt FY 2014 & FY 2015 Biennial Budget & Tax Rates

BUDGET PRACTICES

The Reporting Entity

The City of Berkeley, California was originally incorporated as a town in 1878 and as a City in 1909. On January 30, 1909, the people of the City adopted a City Charter under which it currently operates (as amended). The City maintains a Council-Manager form of government and provides the following services as authorized by the City Charter: public safety (police and fire); highways and streets; sanitation; social services; public improvements; planning and zoning; and general services. The financial responsibilities of the City also include the Successor Agency (formerly the Berkeley Redevelopment Agency) and the Rent Stabilization Board.

Fund Accounting

A fund is a separate fiscal and accounting entity with a separate set of accounting records. City funds are organized within fund groups that include General Funds, Special Revenue Funds, Enterprise Funds, Internal Service Funds, Grant Funds, Bond Funds, Debt Service Funds, and Trust Funds. For example, a separate fund within the Grant Funds category is used to account for the funds received by the City through the Federal Community Development Block Grant (CDBG) Program.

The use of Fund Accounting is one of the basic requirements of generally accepted accounting principles (GAAP) for government and one of the major differences between government and commercial accounting. It requires separate record keeping for each individual fund that a government uses.

Accounting Practices

The accounting and reporting policies of the City conform to generally accepted accounting principles (“GAAP”) applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (“GASB”), which includes all statements and interpretations of the National Council on Governmental Accounting unless modified by the GASB, and those principles prescribed by the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units.

Basis of accounting refers to the timing of when revenues and expenditures are reported in the financial statements. The governmental fund types and agency funds use the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available.

All proprietary fund types and pensions trust funds use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Debt Limit

As a Charter City, the City of Berkeley is not subject to the debt limit restrictions that govern general law cities in California. Nonetheless, the City is well below that debt limit even with the passage of several bond measures: Measure G (1992) for the seismic retrofit of fire stations, the Public Safety Building, and fire safety improvements; Measure S (1996) for the seismic strengthening and renovation of the Library, Civic

BUDGET PRACTICES

Center, and various downtown improvements; Measure Q (2000) for the purchase of Firefighting Equipment; Measure I (2002) for a new animal shelter; and Measure FF (2008) for the renovation, construction, seismic, and disabled access improvements, and expansion of program areas at the City's four neighborhood branch libraries. Measure M for streets and watershed improvements was passed in November 2012 and the bond proceeds have not been issued as of yet. Debt Limit information is further detailed in the Financial Summary section.

Bond Rating

The City currently maintains a tax-backed rating of "Aa2" and "AA+" from Moody's Investors Service and Standard & Poor's respectively. These ratings put the City in the top 25% of all California cities that maintain tax-backed ratings. Of the 482 incorporated cities in California, only 201 maintain Standard & Poor's ratings and only 79 maintain a rating from Moody's Investors Service.

Budgetary Basis of Accounting

The budgetary basis of accounting determines when a government charges expenditures against an adopted budget appropriation, or when it credits revenue to its funds for budgeting purposes. Although the City presents financial statements in its Comprehensive Annual Financial Report (CAFR) in accordance with GAAP, the budget is adopted on a modified cash basis. The major areas of difference between the two basis of accounting are as follows:

- ❑ For budgetary purposes, revenues are recorded when received. Under GAAP, revenues are recorded when earned.
- ❑ For budgetary purposes, interfund loans and repayments (i.e., "interfund transfers") are recorded as expenditures and revenues. Under GAAP, these transactions are reclassified as increases or reductions in the "due to/due from" accounts.
- ❑ In recognition of these differences, companion financial statements are presented in the CAFR according to the budgetary basis of accounting and a detailed schedule is provided that reconciles the results of applying the two different basis of accounting.

Appropriation Authority

The City Council adopts the budget by June 30 through the passage of an Annual Appropriation Ordinance (AAO). This ordinance sets expenditure limits at the fund level for the City's General Fund, special funds, debt service funds, capital projects funds, enterprise funds, and all internal service funds except the Payroll Deduction Trust Fund, the Catastrophic Loss Trust Fund, Retiree Medical Trust Funds, and the Pension Annuity Fund.

Throughout the year, supplemental appropriations are approved through amendments to the AAO, and require a two-thirds super-majority vote of the City Council. The City Manager is authorized to transfer budgeted amounts between departments or programs within any fund. The Council must approve any transfer that alters the total appropriations of any fund.

BUDGET PRACTICES

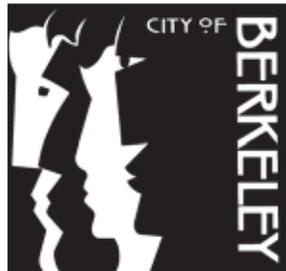
All appropriated amounts lapse at year end and are subject to re-appropriation in the following fiscal year, subject to City Council approval.

Encumbrances

Encumbrance accounting is used to designate funds for purchase orders, contracts and other commitments until actually expended. Encumbrances outstanding at year-end are carried into the next fiscal year, but the related budget authority is subject to re-appropriation by Council.

The Budget as a Living Document

The budget is intended to be a flexible document representing revenue and expenditure data. The current document presents audited actual data for FY 2011, FY 2012, and FY 2013, and the adopted budget figures for FY 2014 and FY 2015.



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**SUMMARY OF FY 2014 & FY 2015 ADOPTED BUDGET
By Funding Source**

Fund Description	Adopted FY 2014		Adopted FY 2015	
	Revenue ^(b)	Expenses	Revenue ^(b)	Expenses
General Fund Discretionary	\$ 150,800,550	\$ 150,696,744	\$ 153,084,903	\$ 153,185,293
Special Revenue Funds				
Emergency Disabled Services	1,022,302	1,022,302	1,042,748	1,042,748
Paramedic Tax	3,197,334	3,162,516	3,225,009	3,192,793
Parks Tax ^(a)	9,669,190	10,059,499	9,860,914	10,160,781
Downtown Berkeley Prop & Improv. District	1,005,000	1,000,000	1,005,000	1,000,000
Measure GG - Fire Prep Tax	4,095,987	3,527,223	4,177,907	3,535,019
Street Light Assess. District ^(a)	2,023,244	2,021,958	2,023,244	2,047,488
Solano Avenue Bus. Imp Dist.	35,000	35,000	35,000	35,000
Downtown Business Imp. Dist.	5,000	5,000	5,000	5,000
Telegraph Pro Bus. Imp. Dist.	275,418	275,418	263,000	263,000
N. Shattuck Bus. Imp. Dist.	166,466	166,466	166,466	166,466
Enterprise Funds				
Refuse ^{(a)(e)}	34,068,927	34,392,275	35,249,134	35,245,818
Marina Operation ^(a)	5,097,629	5,654,633	5,097,629	5,694,879
Sewer ^(a)	12,919,508	17,983,891	12,801,227	18,115,405
Clean Storm Water	2,302,963	2,273,400	2,310,343	2,288,520
Private Sewer Lateral	238,218	218,422	240,501	221,145
Permit Service Center ^(a)	8,733,928	9,028,088	9,159,980	9,094,194
Off Street Parking	3,504,428	2,748,226	3,504,428	2,764,115
Parking Meter ^(a)	6,457,628	6,447,756	6,454,341	6,781,311
Unified Program - Toxics ^(a)	731,000	904,372	731,000	914,173
Building Management (1947 Center St.) ^(a)	2,476,016	3,276,679	2,493,717	3,355,929
Gas / Sales Tax Street Improvement Funds ^(a)	5,943,938	6,500,230	6,120,866	6,341,837
Bonds ^(b)	204,836	3,273,106	203,336	100,000
Debt Service Funds	8,280,731	8,865,108	8,325,629	8,879,115
Grant Funds ^(c)	24,549,792	26,493,710	24,532,947	26,083,170
Internal Service Funds ^(a)	23,518,138	22,975,556	23,770,118	24,321,774
Other Funds				
Capital Improvement Fund ^(a)	4,434,453	6,649,072	4,848,269	6,119,943
Public Liability	1,695,888	1,633,088	1,695,888	1,636,797
Library	16,156,270	16,130,691	16,473,685	16,254,141
Rent Board ^(d)	3,825,000	4,020,000	3,825,000	4,020,000
Successor Agency	1,824,268	1,329,633	1,199,988	1,211,674
Playground Camp ^(a)	2,253,240	2,348,725	2,253,240	2,351,148
Health State Aid Realignment Trust ^(c)	3,603,018	3,599,167	3,603,018	3,611,923
Other Funds ^(a)	4,868,245	5,531,597	3,799,184	4,039,596
Revenue & Expenditure Subtotals:	\$ 349,983,553	\$ 364,249,551	\$ 353,582,659	\$ 364,080,195
Housing Authority ^(f)	46,490	46,490	16,490	16,490
Revenue & Expenditure Totals:	\$ 350,030,043	\$ 364,296,041	\$ 353,599,149	\$ 364,096,685

(a) Revenues do not reflect use of fund balances which are added to balance revenues with appropriations.

(b) Revenues for Bond Projects collected in prior fiscal years.

(c) FY 2014 & FY 2015 grant revenues and expenditures will be adjusted to match once award amounts are known.

(d) Rent Board FY 2014 Adopted Revenue and Expenditure Figures do not reflect what was actually approved by the Rent Stabilization Board.

(e) Refuse Fund FY 2015 Revenues include a loan of \$614,857 from the Workers' Compensation Fund

(f) Berkeley Housing Authority FY 2014 & FY 2015 Budget Amounts are for expenditures to be reimbursed back to the City.

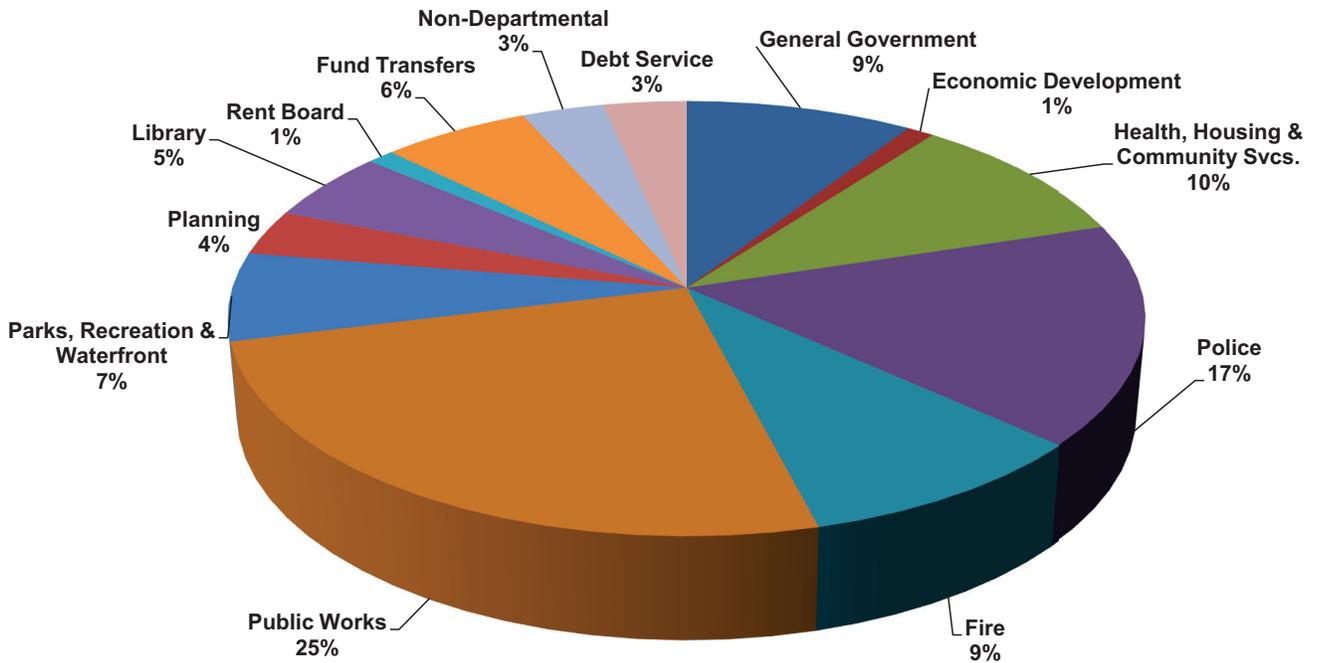
Summary of Expenditures by Department - All Funds

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
Mayor & Council	1,641,215	1,691,284	1,706,149	1,753,239	1,766,390
Auditor	1,888,753	2,024,290	2,044,256	2,160,366	2,188,814
Police Review Commission	457,672	360,307	488,526	535,837	539,333
City Manager	4,712,635	4,662,661	4,692,692	4,952,134	5,017,837
Office of Economic Development	2,450,930	3,590,295	3,710,268	4,024,853	4,030,018
Information Technology	7,896,573	7,716,711	8,975,620	7,536,393	7,597,275
City Attorney	3,546,313	4,926,479	3,442,297	3,950,423	3,975,274
City Clerk	2,010,283	1,507,580	1,963,304	1,930,981	1,941,935
Finance	6,846,962	6,961,406	6,920,204	7,281,729	7,370,689
Human Resources	2,894,562	2,852,904	2,812,261	3,211,709	3,238,052
Health Services ⁽¹⁾	22,285,848				
Housing & Community Services ⁽¹⁾	16,893,834				
Health, Housing & Community Services ⁽¹⁾		34,903,775	34,077,594	36,331,934	35,819,509
Police	56,887,625	57,453,089	57,748,694	59,747,528	60,242,742
Fire	31,028,934	32,289,248	31,244,878	33,452,802	34,251,681
Public Works	88,652,610	96,630,484	92,344,987	90,455,043	92,358,983
Parks, Recreation & Waterfront	22,606,810	22,665,617	24,093,527	23,845,031	24,016,669
Planning	11,162,993	10,647,217	11,055,118	12,277,269	12,256,014
Library	17,249,049	23,584,859	23,743,862	21,235,497	16,628,234
Rent Board	3,647,540	3,696,306	3,985,087	3,999,042	3,998,920
Non-Departmental	48,004,141	49,501,518	59,028,146	45,567,741	46,841,826
Gross Expenditure:	\$352,765,282	\$367,666,030	374,077,470	364,249,551	364,080,195
Berkeley Housing Authority ⁽²⁾	1,798,592	1,723,793	138,374	46,490	16,490
Gross Appropriations:	354,563,874	369,389,823	374,215,844	364,296,041	364,096,685
Less: Dual Appropriations	(49,261,780)	(54,686,298)	(57,637,345)	(50,662,994)	(53,109,846)
Net Expenditure:	\$305,302,094	\$314,703,525	\$316,578,499	\$ 313,633,047	\$ 310,986,839

(1) In FY 2012, the Departments of Health Services and Housing & Community Services merged to become the Department of Health, Housing & Community Services.

(2) Berkeley Housing Authority has been a separate entity since FY 2008; FY 2014 & FY 2015 budget amounts are for expenditures to be reimbursed back to the City.

All Funds Expenditures by Department
FY 2014 & FY 2015 Biennial Budget
\$728,392,726 (Gross)
\$624,619,886 (Net)



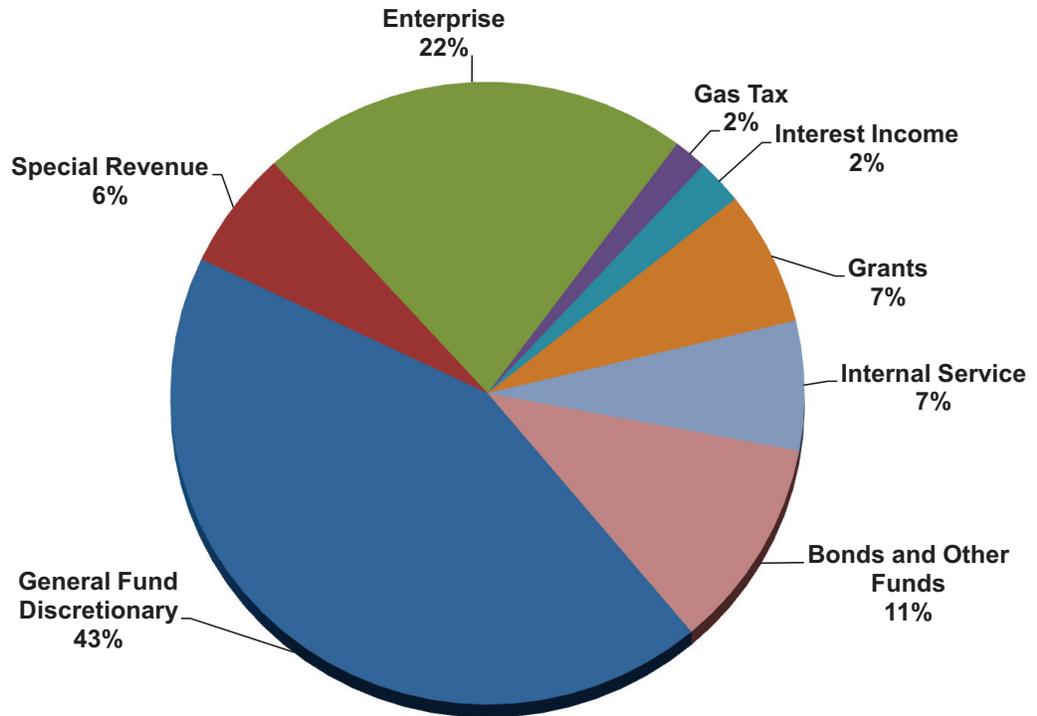
REVENUE BY FUNDING SOURCE

Fund Description	Actual Revenue FY 2012	Actual Revenue FY 2013	Adopted Revenue FY 2014	Adopted Revenue FY 2015
10 General Fund Discretionary	\$147,938,754	\$150,210,450	\$ 150,800,550	\$ 153,084,903
Special Revenue Funds				
18 Emergency Disabled Services	942,177	984,051	1,022,302	1,042,748
160 Paramedic Assessment/Tax	2,925,785	3,110,933	3,197,334	3,225,009
450 Landscape Assessment/Parks Tax	9,254,777	9,542,084	9,669,190	9,860,914
451 Downtown Berkeley Prop & Improv. District	948,856	969,769	1,005,000	1,005,000
455 Fire Assessment District	0			
456 Measure GG - Fire Prep Tax	3,775,895	3,917,791	4,095,987	4,177,907
470 Street Light Assess. District	1,918,417	2,052,466	2,023,244	2,023,244
471 DST #47 Miller/Stevenson	0	553	-	-
472 Sustainable Energy Finance District	0	4,910	-	-
474 Solano Avenue Business Imp. District	-128	52,888	35,000	35,000
475 Underground Assess. Districts	0	0	-	-
476 Downtown Business Imp. District	17,105	4,613	5,000	5,000
477 Telegraph Bus Pro Imp District	217,497	226,933	275,418	263,000
478 N. Shattuck Bus. Imp. Dist.	163,389	165,672	166,466	166,466
Enterprise Funds				
820 Refuse ^(a)	33,234,170	33,861,186	34,068,927	35,249,134
825 Marina Operation	5,336,300	5,230,735	5,097,629	5,097,629
830 Sewer	12,641,754	13,315,067	12,919,508	12,801,227
831 Clean Storm Water	2,525,188	2,467,033	2,302,963	2,310,343
832 Private Sewer Lateral	222,962	577,473	238,218	240,501
833 Permit Service Center	8,223,051	9,249,750	8,733,928	9,159,980
835 Off Street Parking	3,579,371	3,781,582	3,504,428	3,504,428
840 Parking Meter	6,242,818	6,496,735	6,457,628	6,454,341
845 Unified Program - Toxics	724,453	835,264	731,000	731,000
850 Building Management - 1947 Center St.	2,984,584	2,632,711	2,476,016	2,493,717
Gas / SalesTax Street Improvement Funds	6,348,872	7,360,154	5,943,938	6,120,866
Bond Funds				
Measure FF - Branch Libraries	5,508	17,486	1,500	-
Measure G Bond Capital Imprvmnts	45,096	3,253	-	-
Measure S Bond Capital Imprvmnts	17,885	952	-	-
640 BJPFA Lease Revenue Bonds	0	0	103,336	103,336
656 00 Mello-Roos - Fire Equipment	352,647	100,002	100,000	100,000
676 Meas I - Animal Shelter	148	13	-	-
Debt Service Funds				
710 Debt Service Fund	533,434	473,295	473,250	473,250
714 09 Measure FF Library Debt Service	1,582,903	1,654,837	1,604,969	1,604,969
720 99 Lease Re Bds BJPFA \$9M	690,951	5,829,505	456,963	500,317
721 SPL Tax Bds CFD#1 ML-ROOS	986,413	992,638	-	0
723 2002 G.O. Refunding Bonds	1,501,855	1,505,385	1,463,321	1,463,321
Other Debt Service	4,171,530	3,973,698	4,282,228	4,283,772
Grant Funds				
Federal Grants	11,054,210	7,320,500	6,752,223	6,752,223
State/County Grants	22,578,337	20,919,526	17,583,988	17,567,143
Other Grants	439,606	580,696	213,581	213,581
Internal Service Funds				
488 Employee Training Fund	500,000	500,000	500,000	500,000
860 Equipment Replacement ^(b)	3,477,681	4,472,629	3,743,406	3,743,406
865 Equipment Maintenance ^(b)	7,942,984	7,474,062	6,461,013	6,461,013
866 Building Maintenance Fund ^(b)	3,596,254	3,616,367	3,588,738	3,822,226
870 Warehouse	309,718	325,824	544,147	544,147
873 PC Replacement	430,812	380,826	382,998	382,998
875 Workers Compensation	8,788,113	7,967,786	8,297,836	8,316,328
Other Funds				
610 Capital Improvement Fund	6,110,931	5,305,154	4,434,453	4,848,269
881 Public Liability	1,556,325	1,752,987	1,695,888	1,695,888
301 Library	14,909,060	15,488,692	16,156,270	16,473,685
440 Rent Board	3,886,600	3,911,005	3,825,000	3,825,000
Redevelopment Agency	674,093	0	0	0
Successor Agency	3,595,675	2,746,208	1,824,268	1,199,988
330 Playground Camp	2,029,897	2,072,410	2,253,240	2,253,240
958 Hlth State Aid Realign Trust	3,604,553	3,583,097	3,603,018	3,603,018
Other Funds	4,619,753	5,254,050	4,868,245	3,799,184
Revenue Subtotals:	\$360,159,019	\$365,273,686	\$349,983,553	\$353,582,659
Housing Authority ^(c)	1,615,759	206,640	46,490	16,490
Revenue Totals:	\$361,774,778	\$365,480,326	\$350,030,043	\$353,599,149

(a) Refuse Fund FY 2015 Revenues include a loan of \$614,857 from Workers' Compensation Fund

(b) Revenues will be adjusted in FY 2015 per new internal rate charges

Revenue By Funding Source
FY 2014 & FY 2015
Biennial Budget
\$703,629,192
(Excludes Use of Fund Balances)



AVAILABLE CASH BY FUNDING SOURCE

Fund Description	Balance 7/1/2012	Actual Revenue FY 2013	Actual Expenses FY 2013	Balance 6/30/2013	Adopted Revenue FY 2014	Adopted Expenses FY 2014	Projected Balance 6/30/2014	Adopted Revenue FY 2015	Adopted Expenses FY 2015	Projected Balance 6/30/2015
10 General Fund Discretionary	\$ 20,175,603	\$ 150,210,450	\$ 145,852,462	\$ 24,533,591	\$ 150,800,550	\$ 150,696,744	\$ 24,637,397	\$ 153,084,903	\$ 153,185,293	\$ 24,537,007
Special Revenue Funds										
18 Emergency Disabled Services	456,207	984,051	965,048	475,210	1,022,302	1,022,302	475,210	1,042,748	1,042,748	475,210
160 Paramedic Tax	37,178	3,110,933	2,958,533	189,578	3,197,334	3,162,516	224,396	3,225,009	3,192,793	256,612
450 Parks Tax	1,779,776	9,542,084	9,568,825	1,753,035	9,669,190	10,059,499	1,362,726	9,860,914	10,160,781	1,062,859
451 Downtown Berkeley Prop & Improv. District	106,273	969,769	972,118	103,924	1,005,000	1,000,000	108,924	1,005,000	1,000,000	113,924
456 Measure GG - Fire Prep Tax	797,283	3,917,791	3,129,995	1,585,079	4,095,987	3,527,223	2,153,843	4,177,907	3,535,019	2,796,731
470 Street Light Assess. District	(9,567)	2,052,466	1,958,619	84,280	2,023,244	2,021,958	85,566	2,023,244	2,047,488	61,322
471 DST #47 Miller/Stevenson	(255,092)	553	3,723	(258,262)	-	-	(258,262)	-	-	(258,262)
472 Sustainable Finance Energy District	(4,909)	4,910	-	1	-	-	1	-	-	1
474 Solano Avenue Business Imp. District	3,010	52,888	8,429	47,469	35,000	35,000	47,469	35,000	35,000	47,469
475 Underground Assess. Districts	(108,871)	-	4,613	(108,871)	-	5,000	(108,871)	5,000	5,000	(108,871)
476 Downtown Business Imp. District	-	226,933	212,724	83,965	275,418	275,418	83,965	263,000	263,000	83,965
477 Telegraph Pro Bus. Imp. District	69,756	165,672	166,465	40,195	166,466	166,466	40,195	166,466	166,466	40,195
478 N. Shattuck Bus. Imp. District	40,988									
Enterprise Funds										
820 Refuse	124,723	33,861,186	34,195,453	(209,544)	34,068,927	34,392,275	(532,892)	35,249,134	35,245,818	(529,576)
825 Marina Operation	1,406,857	5,230,735	5,190,282	1,447,310	5,097,629	5,654,633	890,306	5,097,629	5,694,879	293,056
830 Sewer	14,351,910	13,315,067	15,375,710	12,291,267	12,919,508	17,983,891	7,226,884	12,801,227	18,115,405	1,912,706
831 Clean Storm Water	1,345,392	2,467,033	2,227,328	1,585,097	2,302,963	2,273,400	1,614,660	2,310,343	2,288,520	1,636,483
832 Private Sewer Lateral	(315,341)	577,473	212,185	49,947	238,218	218,422	69,743	240,501	221,145	89,099
833 Permit Service Center	2,063,131	9,249,750	8,591,631	2,721,250	8,733,928	9,028,088	2,427,090	9,159,980	9,094,194	2,492,876
835 Off Street Parking	9,669,184	3,781,582	2,519,623	10,931,143	3,504,428	2,748,226	11,687,345	3,504,428	2,764,115	12,427,668
840 Parking Meter	1,917,155	6,496,735	6,633,153	1,780,737	6,457,628	6,447,756	1,790,609	6,454,341	6,781,311	1,463,639
845 Unified Program (Toxics)	757,645	835,264	1,002,661	590,248	731,000	904,372	416,876	914,173	914,173	233,703
850 Building Management - 1947 Center St...	6,429,061	2,632,711	5,973,918	3,087,854	2,476,016	3,276,679	2,287,191	2,493,717	3,355,929	1,424,979
Gas / Sales Tax Street Improvement Funds	4,172,684	7,360,154	7,889,232	3,643,606	5,943,938	6,500,230	3,087,314	6,120,866	6,341,837	2,866,343
Bond Funds										
Measure FF - Branch Libraries	13,726,851	17,486	8,498,926	5,245,411	1,500	3,173,106	2,073,805	-	-	2,073,805
Measure G Bond Capital Imprvmnts	2,204,864	3,253	712,505	1,495,612	-	-	1,495,612	-	-	1,495,612
Measure S Bond Capital Imprvmnts	631,527	952	166,830	465,649	-	-	465,649	-	-	465,649
640 BJPPA Lease Revenue Bonds	953,155	107,569	107,569	845,586	103,336	-	948,922	103,336	-	1,052,258
656 00 Mello-Roos - Fire Equipment	2,194	100,002	37,379	64,817	100,000	100,000	64,817	100,000	100,000	64,817
676 Measure I - Animal Shelter	13,216	13	9,317	3,912	-	-	3,912	-	-	3,912
Debt Service Funds										
710 Debt Service Fund	91,741	473,295	475,892	89,144	473,250	426,882	135,512	473,250	379,382	229,380
714 09 Measure FF Library Debt Service Fund	1,493,324	1,654,837	1,606,759	1,541,402	1,604,969	1,605,759	1,540,612	1,604,969	1,609,059	1,536,522
720 99 Lease Re Bds BJPPA \$9M	124,116	5,829,505	6,888,270	(934,649)	456,963	459,563	(937,249)	500,317	502,917	(939,849)
721 SPL Tax Bds CFD#1 ML-ROOS	3,248,002	992,638	870,266	3,370,374	-	876,121	2,494,253	-	879,727	1,614,526
723 2002 G.O. Refunding Bonds	954,403	1,505,385	1,457,483	1,521,814	1,463,321	1,458,220	1,526,915	1,463,321	1,457,345	1,532,891
Other Debt Service	5,566,336	3,973,698	4,017,082	5,522,952	4,282,228	4,038,563	5,766,617	4,283,772	4,050,685	5,999,704
Grant Funds										
Federal Grants	(303,062)	7,320,500	7,356,564	(339,126)	6,752,223	7,017,996	(564,001)	6,752,223	6,832,177	(643,955)
State/County Grants	7,929,407	20,919,526	18,808,709	9,230,757	17,583,988	19,318,985	7,472,194	17,567,143	19,092,120	5,947,217
Other Grants	(487,400)	580,696	198,143	(104,847)	213,581	156,729	(47,995)	213,581	158,873	6,713

AVAILABLE CASH BY FUNDING SOURCE

Fund Description	Balance 7/1/2012	Actual Revenue FY 2013	Actual Expenses FY 2013	Balance 6/30/2013	Adopted Revenue FY 2014	Adopted Expenses FY 2014	Projected Balance 6/30/2014	Adopted Revenue FY 2015	Adopted Expenses FY 2015	Projected Balance 6/30/2015
Internal Service Funds										
488 Employee Training Fund	120,523	500,000	377,547	242,976	500,000	507,132	235,844	500,000	508,738	227,106
860 Equipment Replacement	7,849,250	4,472,629	5,322,636	6,999,243	3,743,406	4,579,580	6,163,069	3,743,406	5,059,408	4,847,067
865 Equipment Maintenance	1,865,499	7,474,062	8,661,331	678,230	6,461,013	7,204,204	(64,961)	6,461,013	7,292,783	(896,731)
866 Building Maintenance Fund	57,102	3,616,367	3,648,762	24,707	3,588,738	3,586,691	26,754	3,822,226	3,730,323	118,657
870 Central Services	(184,103)	325,824	312,707	(170,986)	544,147	382,301	(9,140)	544,147	384,744	150,263
873 Computer & Server Replacement	689,673	380,826	285,438	785,061	382,998	383,000	785,059	382,998	383,000	785,057
875 Workers Compensation	14,886,918	7,967,786	6,306,960	16,547,744	8,297,836	6,332,648	18,512,932	8,316,328	6,962,778	19,866,482
Other Funds										
610 Capital Improvement Fund	10,084,054	5,305,154	6,976,465	8,412,743	4,434,453	6,649,072	6,198,124	4,848,269	6,119,943	4,926,450
881 Public Liability	904,287	1,752,987	1,165,105	1,492,169	1,695,888	1,633,088	1,554,969	1,695,888	1,636,797	1,614,060
301 Library	2,267,978	15,488,692	14,688,414	3,068,256	16,156,270	16,130,691	3,093,835	16,473,685	16,254,141	3,313,379
440 Rent Board	1,059,743	3,911,005	4,173,648	797,100	3,825,000	4,020,000	602,100	3,825,000	4,020,000	407,100
Redevelopment Agency	-	-	-	-	-	-	-	-	-	-
Successor Agency	2,173,612	2,746,208	3,673,326	1,246,494	1,824,268	1,329,633	1,741,129	1,199,988	1,211,674	1,729,443
330 Playground Camp	1,223,188	2,072,410	1,840,506	1,455,092	2,253,240	2,348,725	1,359,607	2,253,240	2,351,148	1,261,699
958 Hlth State Aid Realign Trust	(357,451)	3,583,097	3,641,708	(416,062)	3,603,018	3,599,167	(412,211)	3,603,018	3,611,923	(421,116)
Other Funds	7,831,008	5,254,050	6,288,098	6,655,133	4,868,245	5,531,597	5,991,781	3,799,184	4,039,596	5,751,369
Revenue & Expenditure Subtotals:		365,273,686	374,187,075	349,983,553	349,983,553	364,249,551	177,871	353,582,659	364,080,195	177,871
Berkeley Housing Authority	-	206,640	28,769	177,871	46,490	46,490	177,871	16,490	16,490	177,871
Revenue & Expenditures Total:		365,480,326	374,215,844	350,030,043	350,030,043	364,296,041	177,871	353,599,149	364,096,685	177,871

Notes: Most Funds with a negative "Available Balance" indicate a "receivable". For instance, a **grant reimbursement** is pending/in process.

Negative "Available Balances" in the Bond Funds are a result of the requirement to have a budget in order to encumber construction contracts. However, bonds are issued and the proceeds are deposited into these Funds in accordance with the project's "cash flow" needs.

DEBT LIMIT COMPUTATION (June 30, 2012)

The City of Berkeley is a charter city and, as such, does not have a debt limit. However, if it were a general law city, its legal debt limit and debt limit margin would be the following:

Total FY 2012 assessed valuation (less other exemptions)	<u>\$12,526,485,000</u>
Debt limit (15% of assessed value)	1,878,973,000
Amount of debt applicable to the debt limit	<u>79,075,000</u>
Legal debt margin (if Berkeley were a general law city)	<u>\$1,799,898,000</u>

Effects of Existing Non-Tax-Supported Debt levels on Current and Future City Operations

The City's existing debt levels are not expected to significantly impact current operations since the general obligation bonds are entirely tax-supported and the City has identifiable sources of debt repayment for its governmental revenue bonds and its enterprise lease revenue bonds and certificates of participation, as follows:

Governmental Revenue Bonds

Description	Principal Outstanding at June 30, 2012	Year of Final Maturity	Debt Service Due in FY 2014	Debt Service Due in FY 2015
Theatre Facility and Park Land Acquisition Bonds	7,010,000	2029	456,963	500,317
Refunding Pension Obligation Bonds	1,865,000	2018	424,250	376,750
Total Governmental Revenue Bonds	\$8,875,000		\$881,213	\$877,067

- Theatre Facility and Park Land Acquisition Bonds: These bonds will not negatively impact current or future City operations since they have been supported by Capital Improvement Fund transfers since FY 2001. The bonds were issued to help address two City priorities: (1) Obtaining land to build playgrounds and (2) supporting the arts, through the construction of a new Berkeley Repertory Theatre.
- Refunding Pension Obligation Bonds: These bonds were issued to purchase a Guaranteed Investment Contract (GIC) and risk agreement that provides pension benefit payments to members of the Safety Members Pension Fund. These bonds won't negatively impact current or future City operations since the city has a legal obligation to pay the pension benefits. If the City had not incurred the liability to purchase the GIC, the City would have to use General Fund cash to fund the

DEBT LIMIT COMPUTATION (June 30, 2012)

pension benefits. In addition, the income earned on the GIC (9.68%) is pretty high compared to the rates currently available in the market.

Also, it should be pointed out that on December 1, 2003, the City significantly reduced its non-tax-supported debt level by paying off \$20.5 million in 1996 Refunding Lease Revenue Bonds, in order to save the General Fund annual debt service subsidy payments of over \$1 million through FY 2015.

Enterprise Funds Lease Revenue Bonds and COP's

Description	Principal Outstanding at June 30, 2010	Year of Final Maturity	Debt Service Due in FY 2014	Debt Service Due in FY 2015
Garage Improvement Bonds	\$3,650,000	2022	\$455,144	\$465,144
Certificates of Participation for Acquisition of 1947 Center Street	24,665,000	2033	1,494,049	1,635,795
Certificates of Participation for Acquisition and Construction of Animal Shelter	5,750,000	2040	409,725	411,269
Total Enterprise Funds Lease Revenue Bonds and COP's	\$34,065,000		\$2,358,918	\$2,512,208

- Garage Improvement Bonds: These bonds won't negatively impact current or future City operations since they are entirely supported by fees from the parking garages and mall leases.
- Certificates of Participation for Acquisition of 1947 Center Street Building: The purchase of this building was viewed as a prudent financial decision because it gave the City the opportunity to house several City departments that were leasing space. The elimination of these lease costs plus the lease income from other tenants in the building offsets the debt service costs on the COP's. In addition, the City is building equity in the building. For these reasons, these bonds won't negatively impact current or future City operations.

On October 2, 2012, the City Council authorized the refinancing of the 2003 Certificates of Participation and the 1999 Lease Revenue Bonds, in order to benefit from the decline in interest rates. The 2003 Certificates of Participation carried an average interest rate of 4.67%, and the City was able to refinance them (along with the 1999 Lease Revenue Bonds) at an average interest rate of 3.9%. The refunding bonds were issued on October 24, 2012, and will result in present value savings of \$5.7 million over the life of the 2012 Refunding Lease Revenue Bonds.

City of Berkeley
FY 2014 - FY 2015 Debt Service Details

Account Number	Account Description	FY 2014	FY 2015	Total
723-9902-470-8210	Principal Payment	1,090,000	1,145,000	2,235,000
723-9902-470-8225	<u>Interest Payment</u>	365,720	309,845	675,565
	2002 GO Refunding Bond(Refunded Measure G Sr A & B)	1,455,720	1,454,845	2,910,565
725-9902-470-8210	Principal Payment	155,000	185,000	340,000
725-9902-470-8225	<u>Interest Payment</u>	152,193	143,693	295,886
	2007 A GO Refunding Bond(Refunded Measure G Sr C)	307,193	328,693	635,886
718-9902-470-8210	Principal Payment	1,450,000	1,500,000	2,950,000
718-9902-470-8225	<u>Interest Payment</u>	1,294,218	1,235,218	2,529,436
	2007B GO Refunding Bond(Refunded Measure S Sr A, B & C)	2,744,218	2,735,218	5,479,436
710-9902-470-8210	Principal Payment	350,000	320,000	670,000
710-9902-470-8225	<u>Interest Payment</u>	74,250	56,750	131,000
	1998 Pension Refunding Bonds	424,250	376,750	801,000
720-9902-470-8210	Principal Payment	203,770	252,956	456,726
720-9902-470-8225	<u>Interest Payment</u>	253,193	247,361	500,554
	2012 Refunding Lease Revenue Bonds(Refunding of 1999 Lease Revenue Bonds)	456,963	500,317	957,280
721-9902-470-8210	Principal Payment	515,000	540,000	1,055,000
721-9902-470-8225	<u>Interest Payment</u>	240,429	218,333	458,762
	2002 Special Tax bonds- Measure Q(Mello Roos)	755,429	758,333	1,513,762
722-9902-470-8210	Principal Payment	35,000	35,000	70,000
722-9902-470-8225	<u>Interest Payment</u>	63,190	61,764	124,954
	2004 Thousand Oaks Hts Ltd. Obligation Improvement Bonds	98,190	96,764	194,954
860-5703-410-8210	Principal Payment	431,149	450,241	881,390
860-5703-410-8225	<u>Interest Payment</u>	121,945	102,853	224,798
	2009 Fire Engine Lease	553,094	553,094	1,106,188
835-9902-470-8210	Principal Payment	320,000	330,000	650,000
835-9902-470-8225	<u>Interest Payment</u>	135,144	135,144	270,288
	Off-Street Parking Fund(2005 Series A Revenue Bonds)	455,144	465,144	920,288
937-9902-470-8210	Principal Payment	870,000	905,000	1,775,000
937-9902-470-8225	<u>Interest Payment</u>	76,918	42,988	119,905
	BRA - 2005 Refunding Tax Allocation Bonds	946,918	947,988	1,894,905
850-9902-470-8210	Principal Payment	666,230	827,044	1,493,274
850-9902-470-8225	<u>Interest Payment</u>	827,819	808,751	1,636,571
	2012 Refunding Lease Revenue Bonds(Refunding of 2003 COP)	1,494,049	1,635,795	3,129,845
825-5903-450-8210	Principal Payment	134,768	140,833	275,601
825-5903-450-8225	<u>Interest Payment</u>	25,945	19,880	45,826
	Notes Payable Harbor Construction # 4	160,713	160,713	321,426
825-5903-450-8210	Principal Payment	137,885	144,232	282,117
825-5903-450-8225	<u>Interest Payment</u>	347,834	341,487	689,321
	Notes Payable Harbor Construction # 5	485,719	485,719	971,438
048-9902-470-8210	Principal Payment	26,000	26,000	52,000
048-9902-470-8225	<u>Interest Payment</u>	13,467	12,198	25,665
	HUD 108 Loan - Adeline Apartments	39,467	38,198	77,665
048-9902-470-8210	Principal Payment	183,000	-	183,000
048-9902-470-8225	<u>Interest Payment</u>	4,419	-	4,419
	BHA -- HUD 108 Loan	187,419	-	187,419

City of Berkeley
FY 2014 - FY 2015 Debt Service Details

Account Number	Account Description	FY 2014	FY 2015	Total
048-9902-470-8210	Principal Payment			
048-9902-470-8225	<u>Interest Payment</u>	2,000	2,000	4,000
	HUD 108 Loan-UNA	17,548	17,537	35,086
		<u>19,548</u>	<u>19,537</u>	<u>39,086</u>
938-9902-470-8210	Principal Payment	22,000	23,000	45,000
938-9902-470-8225	<u>Interest Payment</u>	36,080	34,280	70,360
	Savo Island Debt Service	58,080	57,280	115,360
728-9902-470-8210	Principal Payment	10,262	10,995	21,258
728-9902-470-8225	<u>Interest Payment</u>	20,545	19,828	40,373
	Sustainable Financing Energy District	30,807	30,824	61,631
726-9902-470-8210	Principal Payment	155,000	160,000	315,000
726-9902-470-8225	<u>Interest Payment</u>	285,038	279,526	564,564
	2008 GO Bonds-Measure I- Animal Shelter	440,038	439,526	879,564
714-9902-470-8210	Principal Payment	165,000	175,000	340,000
714-9902-470-8225	<u>Interest Payment</u>	488,963	480,563	969,525
	2009 GO Bonds, Measure FF - Branch Libraries	653,963	655,563	1,309,525
714-9902-470-8210	Principal Payment	325,000	340,000	665,000
714-9902-470-8225	<u>Interest Payment</u>	625,106	611,806	1,236,913
	GO Bonds, Series 2010- Measure FF - Branch Libraries	950,106	951,806	1,901,913
729-9902-470-8210	Principal Payment	100,000	105,000	205,000
729-9902-470-8225	<u>Interest Payment</u>	309,725	306,269	615,994
	2010 COP (Animal Shelter)	409,725	411,269	820,994
820-5612-432-8210	Principal Payment	353,658	366,145	719,803
820-5612-432-8225	<u>Interest Payment</u>	56,178	43,691	99,869
	2011 Recycling Carts	409,836	409,836	819,672
	Total Principal	7,700,723	7,983,445	15,684,168
	Total Interest	5,835,866	5,529,766	11,365,632
	Total Debt Service	13,536,590	13,513,211	27,049,800

GANN APPROPRIATIONS LIMITATION
Actual for FY 2013, Projected For FY 2014, and FY 2015

Fiscal 2012 Gann Appropriation Limitation	\$166,099,257
Add: Fiscal Library Relief Tax	15,028,438
Emergency Medical Services Special Tax	2,484,633
Park Maintenance, City Trees and Landscaping Special Tax	9,309,080
Emergency Paratransit Tax	967,511
Disaster Fire Protection Tax	985,734
Fire Protection and Emergency Response and Preparedness	<u>3,879,323</u>
Total Gann Appropriations Limitation FY 2013	198,753,976
Appropriation Subject to Gann Limitation FY 2013	<u>151,425,463</u>
Excess of Limitation Over Appropriation FY 2013	<u>\$47,328,513</u>
% Under Gann Limit-for FY 2013	<u>23.81%</u>
Fiscal 2013 Gann Appropriation Limitation	\$176,714,993
Add: Fiscal Library Relief Tax	15,870,770
Emergency Medical Services Special Tax	2,561,235
Park Maintenance, City Trees and Landscaping Special Tax	9,586,190
Emergency Paratransit Tax	1,022,302
Disaster Fire Protection Tax	985,734
Fire Protection and Emergency Response and Preparedness	<u>4,095,987</u>
Total Projected Gann Appropriations Limitation FY 2014	210,837,211
Appropriation Subject to Gann Limitation FY 2014	<u>155,523,121</u>
Excess of Limitation Over Appropriation FY 2014	<u>\$55,314,090</u>
Projected % Under Gann Limit-Projected for FY 2014	<u>26.24%</u>
Fiscal 2014 Gann Appropriation Limitation	\$183,783,592
Add: Fiscal Library Relief Tax	16,188,185
Emergency Medical Services Special Tax	2,612,459
Park Maintenance, City Trees and Landscaping Special Tax	9,777,914
Emergency Paratransit Tax	1,042,748
Disaster Fire Protection Tax	985,734
Fire Protection and Emergency Response and Preparedness	<u>4,177,907</u>
Total Projected Gann Appropriations Limitation FY 2015	218,568,539
Projected Appropriation Subject to Gann Limitation FY 2015	<u>158,455,556</u>
Projected Excess of Limitation Over Appropriation FY 2015	<u>\$60,112,983</u>
Projected % Under Gann Limit-Projected for FY 2015	27.50%

(1) The GANN Limit override to raise the spending limit for the special taxes are required to be renewed by voters every four years. The date the next GANN Limit override is to be submitted to voters is November 8, 2016.

ANNUAL IMPACT OF CITY OF BERKELEY FEES TAXES ON HOMEOWNER

FY 2010 - FY 2016

(excludes other jurisdictions: School District, Peralta College, etc.)

	ACTUAL				PROJECTION		
	2010	2011	2012	2013	2014	2015	2016
Home average square feet = 1900 SF							
Average Home Assessed Value	\$343,852	\$347,291	\$358,057	\$370,589	\$382,077	\$395,450	\$413,245
Exemption:	-7,000	-7,000	-7,000	-7,000	-7,000	-7,000	-7,000
Average Home Assessed Value (Net)	\$336,852	\$340,291	\$351,057	\$363,589	\$375,077	\$388,450	\$406,245
Property Tax	\$3,369	\$3,403	\$3,511	\$3,636	\$3,751	\$3,884	\$4,062
Measure S - Civic Center Seismic Improvements	84	68	70	73	75	78	81
Measure G - Safety Bldgs Seismic Improvements	45	44	46	47	49	50	53
Measure I - Animal Shelter	3	7	7	7	8	8	8
Measure FF - Library Seismic Seismic Improvements	37	44	42	44	43	47	49
Measure Q - Fire Equipment	24	24	24	24	24	24	24
Measure M - Streets/Watershed*	0	0	0	0	26	27	28
Sanitary Sewer	245	245	245	245	245	252	260
Parks Tax	212	216	222	223	232	236	239
Emergency Disabled Services	22	22	23	24	25	25	26
Street Light Assessment District	21	21	21	21	21	21	21
Refuse Disposal*	325	365	340	347	355	366	377
Library Tax	301	306	314	326	343	348	354
Paramedic Tax	57	58	59	61	62	63	64
Fire Protection/Emergency Response	116	79	81	84	89	90	91
Stormwater Program Fee	34	34	34	34	34	34	34
TOTAL	\$4,895	\$4,935	\$5,038	\$5,195	\$5,381	\$5,553	\$5,770

GENERAL ASSUMPTIONS

Very low income households refund applies to: Sanitary Sewer Fee, Library, Paramedic, Parks, CFD-1, Fire Protection Taxes & Cleanstorm Fee

Basic 1% County Property Tax: based on an average assessed value (City receives 32.5% of the 1%)

Sanitary Sewer Fee: \$0 increase in FY 2014, 3% increase thereafter

Parks & Paramedic Tax: 2.381% increase in FY 2014, 1.5% increase thereafter

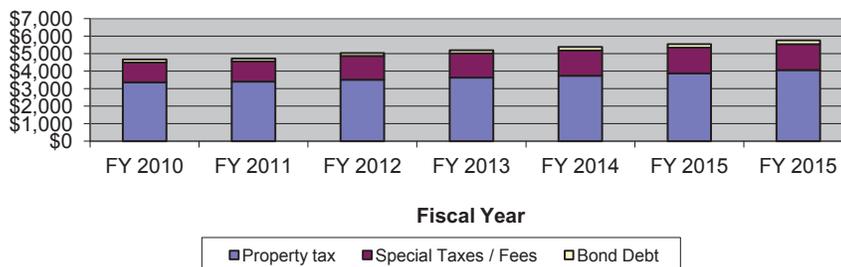
Emergency Disabled & Library Tax: 5.12% increase in FY 2014, 1.5% increase thereafter

Fire Protection/Emergency Response Tax: 5.12% increase in FY 2014, 1.5% increase thereafter

Refuse Fees: 2.381% increase in FY14; 3% increase thereafter

***Measure M Bond Measure - Streets/Watershed:** Was passed in November 2012; Bond proceeds have not been issued as of yet. However a rate was proposed for Council approval in order to facilitate debt issuance and payment starting in FY 2014.

Impact of City Taxes and Fees on Average Homeowner

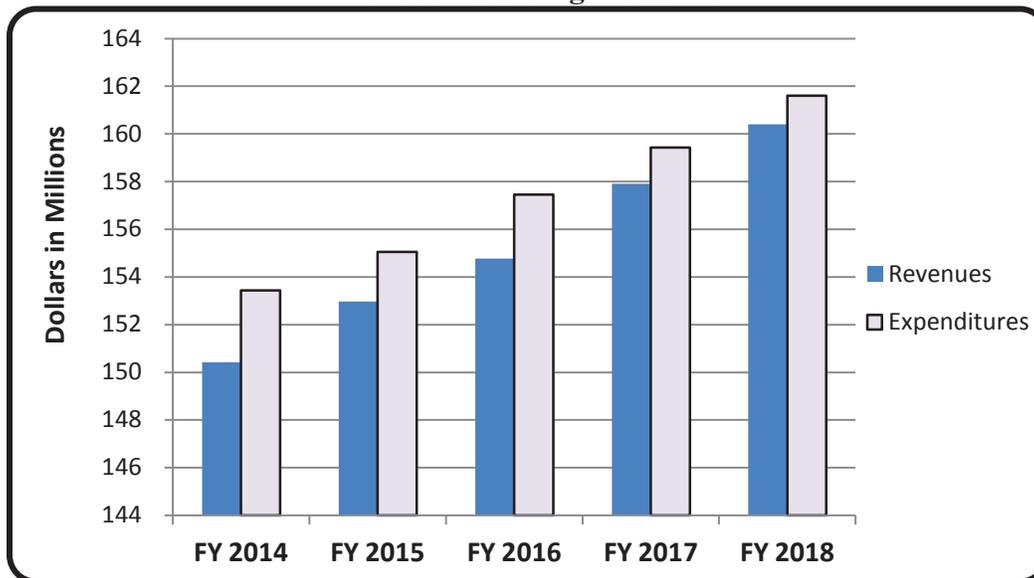


FIVE-YEAR FORECAST ASSUMPTIONS (ALL FUNDS)

One of the adopted Council fiscal policies is long-term planning. We review the budget in the context of a multi-year plan. Since we anticipate a slow economic recovery with modest revenue growth and ongoing cost increases in FY 2014 and beyond, we will continue to update projections.

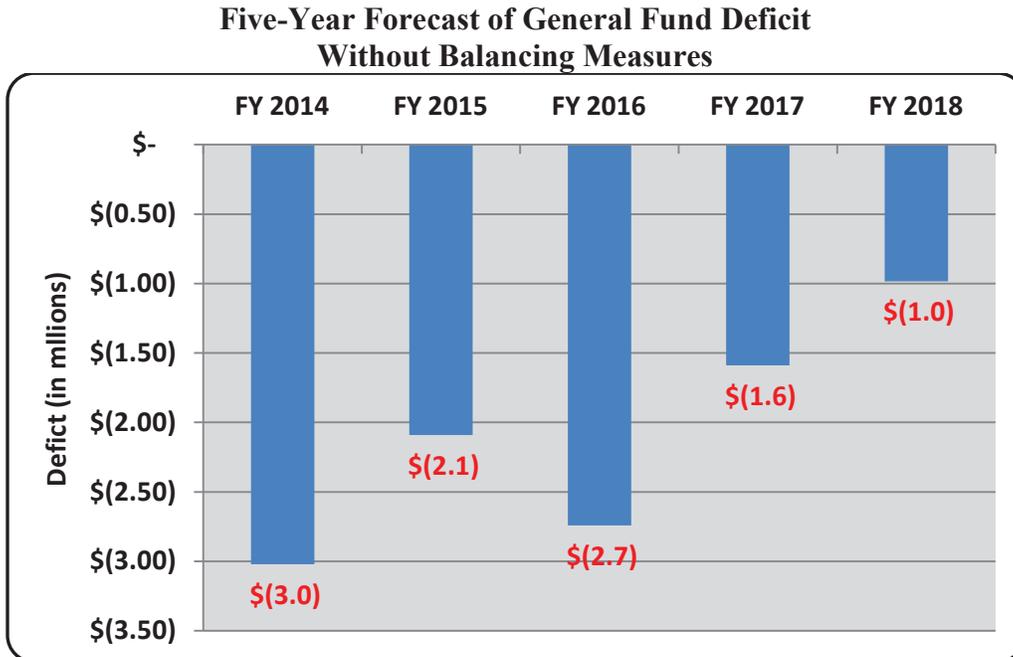
Below is the General Fund Five-Year forecast – without balancing measures. Although some revenues are increasing modestly, without balancing measures expenditures will continue to outpace revenues.

**Five-Year Forecast of General Fund
Comparison of Revenues and Expenditures
Without Balancing Measures**



The impact of increasing costs combined with a lack of corresponding growth in revenues results in a projected structural deficit in the General Fund and several of the other major funds if recurring expenditure reductions are not taken. Before imposing any balancing measures, the General Fund faces estimated deficits of \$3 million in FY 2014 and \$2.1 million in FY 2015.

FIVE-YEAR FORECAST ASSUMPTIONS (ALL FUNDS)



These projected deficits do not include fully addressing other needs such as capital and unfunded liabilities. In order to eliminate the forecasted General Fund structural deficits recurring expenditure reductions are proposed.

The General Fund, however, is less than half of the City's total budget. The projected shortfall for all funds (the General Fund plus all special funds) is \$6.5 million in FY 2014, increasing to \$8.6 million in FY 2015, without balancing measures. The measures included in the budget to address the shortfall for all funds are spread across multiple departments and funding sources. Included as part of the balancing plan are increased revenues of \$200,000, which are a result of the increased rates for the Residential Parking Program and increased revenue anticipated by the ongoing success of the recreational programs. In addition, several funds going into deficit reduced expenditures. Significant reductions were made in several of the Health funds including CDBG, Alameda County Grants, and Public Health Realignment. Additional reductions were made in the Parks Tax Fund, Refuse Fund, and Marina Fund¹

¹ Refer to the Balancing Plan for details on other reductions.

FIVE-YEAR FORECAST ASSUMPTIONS (ALL FUNDS)

Significant Expenditure Reductions to Special Funds

Fund	Name	Amount
165	Alameda County Grants	(190,474)
370	CDBG	(174,482)
450	Parks Tax Fund	(367,536)
820	Refuse Collection & Disposal	(307,547)
825	Marina Fund	(129,492)
958	Public Health Realignment	(101,468)
Total		\$1,270,999

To balance the budget there were reallocation of assignments and cost shifts from funds facing deficits to stronger and healthier funds. This includes a cost shift of Parking Enforcement Officers to the Parking Meter Fund (840), saving the General Fund \$420,000. Other special funds continue to rely on fund balance through FY 2015, but may face problems in FY 2016 if expenditures are not reduced or additional revenue is not realized.

In FY 2015 the Refuse Fund faces a deficit of \$615,000, if capital costs are reduced significantly. The budget included a loan to the fund to cover the deficit. This loan will be necessary if no fee increase is approved.

The General Fund and Other Funds sections of this book include detailed discussions of five-year forecasts for the General Fund and other key operating funds supported by special taxes, assessments, and fees. A five-year forecasting model enables the Council to act more strategically and to understand the long-term impact of its decisions.

For example, a decision to fund a recurring expenditure of \$100,000 a year may at first seem less costly than funding a one-time capital expenditure of \$200,000. But, over a five-year period, the recurring expenditure has a \$500,000 cost as opposed to the \$200,000 one-time capital expenditure.

Given the State required restrictions on raising new revenues for all new or increased taxes (Proposition 218), it is particularly important to understand the long and short-term fiscal impact of policy decisions.

- ❑ What are the long-term fiscal consequences of employee pay and benefit policies?
- ❑ What are the long-term impacts of continuing to defer maintenance?
- ❑ Should the voters be asked to approve tax increases to support capital improvements in major program areas such as Parks and Streetlights, or focus on public safety, or some combination of these program areas?

FIVE-YEAR FORECAST ASSUMPTIONS (ALL FUNDS)

The five-year forecast also serves to identify potential future impacts that require fiscal planning. Early planning for changes in baseline expenditures is needed to ensure continued financial stability for the organization. Examples of such issues in the FY 2014 & FY 2015 Adopted Budget include:

- ❑ Increases in CalPERS retirement contribution rates
- ❑ Increases in health care costs
- ❑ Impacts from a weak economy
- ❑ Impacts of increased funding of underfunded or unfunded liabilities
- ❑ Possible impacts from the re-negotiation of labor contracts

A variety of assumptions and factors drive the forecast, such as labor costs, inflation, federal and state spending cuts, statewide initiatives, short-term tax shortfalls, and unforeseen emergencies. These assumptions impact revenue and expenditure projections and variations can cause wide swings in budget balancing strategies.

Inflation

Inflation is an important factor, directly impacting City revenues and expenditures. Inflation-sensitive revenue, such as sales and business license taxes, make up a significant portion of the General Fund budget. Inflation in the Bay Area has increased on the average of 1.96% over the last five years.

CONSUMER PRICE INDEX

Change from previous year (April to April)

YEAR	% INCREASE
2004	0.5
2005	2.1
2006	3.2
2007	3.3
2008	2.9
2009	0.8
2010	1.7
2011	2.8
2012	2.1
2013	2.4
5-Year Average	1.96

U.S. Bureau of Labor Consumer Price Index All Urban Consumer

The established growth index for the Parks Tax and the Emergency Medical Services Tax (Paramedic Tax) is the April Consumer Price Index (CPI). The Emergency Services for the Disabled Tax, the Library Tax, and the Measure GG Fire Services and Disaster Preparedness Tax growth is either the higher of the CPI or the Personal Income Growth (PIG). As a result of the FY 2013 April CPI being lower than the PIG, all of the adopted tax rates, except for the Parks Tax and Paramedic Tax, for FY 2014 were set with an increase of 5.120%. The Parks Tax and Paramedic Tax rates were set with an increase of 2.381%. For FY 2015, an increase of 2% is assumed for all tax rates.

FIVE-YEAR FORECAST ASSUMPTIONS (ALL FUNDS)

Population

Based on data from the 2010 Census, Berkeley's population grew by almost 5% compared to the 2005-07 American Community Survey (ACS) ¹ data. Some revenues, such as Motor Vehicle In-Lieu, are based on population.

Staffing Costs

Salary and benefit costs make up approximately 61% of the citywide budget and 77% of the General Fund. Five-year forecasts include adjustments to cover the costs of negotiated compensation packages per the various labor contracts.

- Civilian: Zero cost of living increase in FY 2014 and FY2015
- Fire: Zero cost of living increase in FY 2014 and FY 2015
- Police: Zero cost of living increases in FY 2014 and FY 2015

The City's projected revenue growth is not expected to keep up with increases in benefits. Any increase in salaries without an equal or greater reduction in expenditures will significantly increase the General Fund structural deficit.

Escalating Costs in FY 2014 & FY 2015

Controlling labor costs is the primary method to manage expenditures and address the City's structural deficit. However, there are other costs related to the operation of the City organization which have also experienced increases that must be managed.

CalPERS

Rising pension and health care costs are primary contributors to the projected General Fund deficit in FY 2014 and FY2015.

On March 14, 2012, CalPERS' Board of Administration voted to reduce the discount rate from 7.75 percent to 7.5 percent. The .25 percent reduction in the discount rate means that employer rates must now make up the amount that CalPERS is no longer assuming will come from investment returns. For the next biennial budget, FY 2014 and FY 2015, the City is using the following rates (which are a percent of payroll) from CalPERS for 2014 and estimated for 2015.

	FY 2013	FY 2014 PERS Actual	FY 2015*	FY 2016*	FY 2017*	FY 2018*	Cumulative Growth from FY 2013	% Growth from FY 2011
Miscellaneous	19.2%	20.9%	21.1%	21.6%	21.8%	21.9%	2.7%	14.1%
Police	42.0%	45.7%	45.9%	46.2%	46.1%	46.0%	4.0%	9.53%
Fire	29.1%	31.5%	32.0%	32.4%	32.7%	33.0%	3.9%	13.4%

*Estimates from the City's actuary based on PEPR A²

The rising CalPERS rates alone will increase the City's costs by almost \$3.8 million for all funds, over the next two-year period. A critical assumption to the rate impacts is the

² Pension reform legislation that was passed in 2012 that is now in effect as of January 1, 2013

FIVE-YEAR FORECAST ASSUMPTIONS (ALL FUNDS)

level of confidence we have in the CalPERS annualized rate of return of 7.5%. If returns are less than 7.5%, rates will increase even more.

Based on an actuarial valuation of the City's assets held by CalPERS, the City's plans are currently funded as follows: Police Safety 70%; Fire Safety 85%; and Miscellaneous 82%. Should the City wish to ensure that the Police Safety Plan achieves a funding level of 80% on an actuarial basis within 10 years, the City's actuary estimated that the City would need to contribute an additional \$2.5 million to the Police Safety Plan each year for 10 years. If the time period to achieve the 80% funded level on an actuarial basis for the Police Safety Plan was extended to 15 years, the City would need to contribute an additional \$1.7 million to that plan each year for 15 years.

Medical & Dental Insurance

The City funds medical benefits up to the Kaiser family rate. For those employees that chose Health Net as their provider, the employee pays the difference between the Kaiser and Health Net rate. While we have experienced unusually low health rate increases in FY 2012 and FY 2013, our outside brokers have advised us to plan for larger increases in FY 2014 reflective of historical trends. Since 2000, health premium increases have ranged from 4 percent to 20 percent. The average annual increase for the Kaiser medical active plan has been 9.26 percent per year over the last 10 years. The baseline budget for FY 2014 reflects a rate increase for the Kaiser medical plan at 9 percent. The average increase for dental has been 4.60 percent per year over the last 10 years. The FY 2014 baseline budget reflects an increase in dental cost of 5 percent.

These rate increases and resultant costs have a significant impact on the City's budget. The City's total budget is projected to pay out \$19.8 million in health and dental insurance in FY 2014 and \$22.0 million in FY 2015.

Sick Leave and Vacation

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. In FY 2002, the City learned that it had achieved a position where it had enough funds in its account with CalPERS that it did not need to pay CalPERS the miscellaneous employee contribution rate for FY 2002. The adopted FY 2002 and FY 2003 Biennial Budget included provisions setting aside approximately six percent of what would have been the contribution for the miscellaneous plan in those years in a dedicated fund to be used for payouts of unused and terminal sick and vacation benefits. In addition, this fund receives an annual transfer of funds based on a percentage of payroll in all funds.

Over the years the fund balance created by the initial transfer in 2002/2003 has been depleted. At the end of FY 2012, expenditures from the fund exceeded revenues by approximately \$500,000 and General Funds were used to cover those costs. In order to correct the shortfall and strengthen the fund, the rates were adjusted for FY 2014. The FY 2014 calculated rates will increase from 3.25 percent of base salary for sworn employees to 3.75 and from 1.25 percent of salary for all other employees to 1.90 percent. The result is a \$233,000 increased cost to the General Fund and a \$744,000

FIVE-YEAR FORECAST ASSUMPTIONS (ALL FUNDS)

increased cost on an all funds basis in FY 2014. Going forward, staff projects that these rate increases will balance the revenues and expenditures within this fund.

Legal and Liability Costs

Claims in excess of \$350,000 are covered by the Bay Cities Liability pool, in which the City is one of 18 member jurisdictions. The City's pool premium is established through an annual actuarial analysis. The City is self-insured for liability claims below \$350,000, as well as certain labor-related claims. The City maintains a Catastrophic Loss Fund and a Public Liability Fund to deal with these types of costs.

The Bay Cities insurance premium is funded primarily from the Catastrophic Loss Fund. As insurance premium costs have increased over the years, the fund balance in the Catastrophic Loss Fund has been depleted. This fund is also funded by annual transfers from the General Fund and special funds. In order to avoid depletion of the fund balance entirely, the FY 2014 Budget included an increase in the transfers to this fund of approximately \$700,000.

External Factors

External Factors beyond local control will likely have a significant impact on the City over the next five years and will require changes to the Five-Year Forecast.

Local Economy

General economic conditions in the region have a notable impact on the City's General Fund revenues. Overall, General Fund revenues are projected to grow at a nominal rate of 1%-2% per year over the next five years.

State Budget

The state's economic recovery, prior budget cuts, and the additional, temporary taxes provided by Proposition 30 have combined to bring California to the possible end of a decade of severe state budget challenges. The State Budget, which was passed by the legislature and signed by the Governor in June 2013, addressed a \$1.9 billion budget problem for the next fiscal year. This was a dramatically smaller budget problem in 2013-14 compared to what the state has faced in recent years.

Federal Budget

According to the Legislative Analyst's Office (LAO) the nation's recovery from the recession has been slow by historical standards. To date, GDP growth since the recession has been in the range of 2 percent per year, and according to the LAO's forecast, it will remain between 2 percent and 3 percent per year in all but one year between now and 2018. United States employment is forecast to grow at 2 percent or less each year through 2018.

On May 29, 2013, the City received notification from the U.S. Department of Housing and Urban Development of the Federal Fiscal Year 2013 allocations for the Community Planning and Development (CPD) formula programs, which provide funding for housing, community and economic development activities, and assistance for low- and moderate-income persons and special populations across the country. Of the actual amounts awarded \$82,920 will be available to cover staffing costs associated with

FIVE-YEAR FORECAST ASSUMPTIONS (ALL FUNDS)

administering the Community Develop Block Grant (CDBG), HOME, and Emergency Solutions Grant (ESG) programs. The additional funding of \$412,871 from CDBG and HOME, not allocated to planning and administration, will be available for the Housing Trust Fund. The reduced level of ESG funding means that there will be less funding available for rental subsidies to prevent homelessness and rapidly re-house homeless households.

Special Funds Facing Deficits

In addition to the projected deficits in the General Fund, several other major funds require balancing measures in FY 2014 and FY 2015. For funds that appear to be going into deficit in the long run, the target reduction for departments operating out of these funds is to balance the fund in FY 2014, however that may not be achievable in all cases. Each fund facing a deficit will have a different target reduction determined by the amount of the deficit.

UNFUNDED LIABILITIES (employee benefits) SUMMARY

The City of Berkeley, like most other cities throughout the state, as well as the state of California itself, faces significant long-term costs in the areas of employee and retiree costs. These are often referred to as “unfunded liabilities.” Unfunded liabilities are defined as identifiable obligations of an organization for which the organization does not have 100% of the funding (cash or other assets) set aside to cover the cost should all obligations become immediately due. Generally, an organization manages a balance between funding a portion of all of those obligations and the associated risk that the obligations will be due at the same time. This balance is considered the practical and responsible approach since payment demands of these obligations rarely, if ever, occur simultaneously. The alternative would be to 100% fund the obligations causing a great portion of the City’s cash to be reserved and not available for funding City services and operations.

The City actively manages its unfunded or under-funded liabilities, and completes annual actuarial valuations for most of the benefits. These valuations consider the economic, demographic and historical composition of the benefit programs and establish amounts that the City should set aside each year to fund its benefit-related financial obligations. In today’s economic climate it is critical that the City continue to manage its liabilities to ensure long-term fiscal stability. On May 29, 2012, the City Council adopted Resolution No. 65,748N.S. “Requiring that the City Manager Develop and Publish a Biennial Report of Current Liabilities and Projections of Future Liabilities.”

¹The first iteration of this report was presented at the February 19, 2013, Council Worksession. The report presented several options for contributing to funding of long term obligations and a number of them are included in the proposed budget as City policies. The following chart indicates the funded status of the City’s various benefits based on the most recent actuarial valuations.

Unfunded Liabilities Valuation as of 7/1/12 (in millions)	Actuarial Assets	Actuarial Liabilities	Unfunded Liability	% Funded
CalPERS (all plans)*	972.30	1222.00	249.70	80%
Worker’s Compensation	14.90	28.40	13.50	52%
Non-sworn Retiree Medical	12.66	36.54	23.89	35%
Police Retiree Medical (new)	0.00	17.25	17.25	0%
Police Retiree Medical (closed)	6.25	41.45	35.20	15%
Fire Retiree Medical	6.35	12.02	5.67	53%
Safety Members Pension Fund**(closed)	2.25	5.91	3.66	38%
Sick & Vacation payouts***	0.00	14.11	14.11	0%
SRIP I Disability	0.00	13.24	13.24	0%
Police Sick Leave Entitlement (closed)	0.32	0.47	0.15	68%
	\$1,015.03	\$1,391.40	\$376.37	73%

*Valuation date is 6/30/11. The percent of unfunded liability in the chart above is based on the Actuarial Value of the Assets, which assumes smoothing over time. If the Market Value of Assets is used to perform the calculation the CalPERS funded status would be 71%.

**Valuation date 7/1/2011 (closed)

*** Valuation date 9/15/12

¹ http://www.ci.berkeley.ca.us/Clerk/City_Council/2013/02Feb/Documents/2013-02-19_Worksession_Item_01b_Projections_of_Future_Liabilities.aspx

UNFUNDED LIABILITIES (employee benefits) SUMMARY

Overall, the cumulative total of the City's funding level for its benefit is 73%. However, there are several benefit categories that have low funding levels. The table above lists the City's key benefit categories as well as the unfunded or underfunded liability. Each of these benefits differ in how their funding methodology is structured; some are considered "pay as you go" and others are pre-funded to achieve a certain level of funding within a specified period of time. Several of the benefit programs have closed to new enrollees and are being phased out such as the SRIP I Disability, the Safety Members Pension Fund, the Police Sick Leave Entitlement and the previous Police Retiree Medical program (which has been replaced with a new retiree medical plan that is less costly to the City).

California Public Employee Retirement System (CalPERS)

Benefit history & summary

Retirement rates continue to represent one of the most significant citywide budgetary pressures. The City provides retirement benefits for employees through its participation in the California Public Employees' Retirement System (CalPERS). This is a defined benefit pension plan funded by a combination of employee contributions that are set by statute and employer contributions that fluctuate from year to year based on an annual actuarial valuation performed by CalPERS. When CalPERS performs its actuarial analysis, it uses data from two years previous; for example, the employer rates for Fiscal Year 2013 were based on data as of June 30, 2010. The City receives its actual rates from CalPERS in the fall of the year preceding the fiscal year; for FY 2014, the City received its rates in November of 2012. The City retains an outside actuary to review the City's PERS plans each year and advise the City on the funded status of the plans and project employer rates for future years. The City's uses its own actuary's analysis for budgeting purposes as PERS projections have not always been accurate.

The City contributes to three plans in the CalPERS system: Police Safety Plan, Fire Safety Plan, and the Miscellaneous Employee plan. All full-time and part-time benefited employees are required to participate in CalPERS. Benefits vest after five years of service and are based on the employees' years of service, age at time of retirement and single highest year of compensation. The three plans are independent of one another with different contract plan amendments negotiated over the years through the collective bargaining process. Assets and liabilities of each plan are segregated with no cross subsidization from one plan to another. For the Miscellaneous plan, the City pays both the employer share of the contribution and the additional 8%² employee share. Each of the plans has different rates for the City's annual employer contribution which are generally based on the demographics of the plan participants and the value of investment returns of the City's assets in the CalPERS system.

² New Miscellaneous employees hired on or after January 1, 2013, who were not previously members of CalPERS and are represented by bargaining units that did not have a contract in place as of December 31, 2012, are required to contribute 6.75% to the retirement plan as set forth in the pension reform legislation approved this past fall by the state legislature.

UNFUNDED LIABILITIES (employee benefits) SUMMARY

CalPERS calculates the value of the City’s plan assets using two different methods: 1) the actuarial value of assets (AVA) and 2) the market value of assets (MVA). According to CalPERS, the actuarial value of assets used for funding purposes is obtained through an asset smoothing technique where investment gains and losses are partially recognized in the year they are incurred, with the remainder recognized over subsequent years. The market value of assets values the assets based on the current value of assets held by the plan at the end of a fiscal year and reflects the solvency of the plan at that point in time. CalPERS rates are set using the actuarial value of assets in order to avoid large fluctuations from year to year in a city’s required contribution. This aids in budget planning and avoids volatility.

Funding status

On March 14, 2012, CalPERS’ Board of Administration voted to reduce the discount rate from 7.75 percent to 7.5 percent. The .25 percent reduction in the discount rate means that employer rates must now make up the amount that CalPERS is no longer assuming will come from investment returns. For the next biennial budget, FY 2014 and FY 2015, the City is using the following rates (which are a percent of payroll) from CalPERS for 2014 and estimated for 2015.

	FY 2013	FY 2014 PERS Actual	FY 2015*	FY 2016*	FY 2017*	FY 2018*	Cumulative Growth from FY 2013
Miscellaneous	19.2%	20.9%	21.1%	21.6%	21.8%	21.9%	2.7%
Police	42.0%	45.7%	45.9%	46.2%	46.1%	46.0%	4.0%
Fire	29.1%	31.5%	32.0%	32.4%	32.7%	33.0%	3.9%

*Estimates from the City’s actuary based on PEPRA³

A critical assumption to the rates is the level of confidence we have in the CalPERS annualized rate of return of 7.5%. If returns are less than 7.5%, rates will increase even more.

Below are the funding levels of the three plans in the CalPERS system: Miscellaneous Employee Plan, Police Safety Plan, and Fire Safety Plan. Based on the market value of assets, the pension plan is about 71% funded. However, the actuarial value of assets reflects a longer term view with the gains and losses realized over a period of years. . Based on the actuarial value of assets, all of the pension plans combined are about 80% funded.

³ Pension reform legislation that was passed in 2012 that is now in effect as of January 1, 2013

UNFUNDED LIABILITIES (employee benefits) SUMMARY

California Public Employees' Retirement System Annual Valuation Based on the Market Value of the Assets as of June 30, 2011 (dollars in millions)

	Market Value of Assets	Actuarial Liabilities	Unfunded Liability	% Funded
Miscellaneous	518.8	709.3	190.5	73.1
Police	192.0	304.4	112.4	63.1
Fire	157.8	208.3	50.5	75.8
Total	868.6	1222.0	353.4	71.1

California Public Employees' Retirement System Annual Valuation Based on the Actuarial Value of the Assets as of June 30, 2011 (dollars in millions)

	Actuarial Assets	Actuarial Liabilities	Unfunded Liability	% Funded
Miscellaneous	580.5	709.3	128.9	81.8
Police	214.5	304.4	89.9	70.5
Fire	177.3	208.3	30.9	85.1
Total	972.3	1222.0	249.7	79.5

Funding Policy; Pension Reform Legislation and Local Policies

In the late 1990's CalPERS communicated to local contracting agencies that cities were "super-funded" and that CalPERS did not anticipate significant rate increases, also indicating that enhanced benefits would be affordable. This has proven not to be true and the volatility of CalPERS employer rates has negatively impacted the City's budget. In an attempt to respond to this issue on behalf of all participating CalPERS agencies, in fall 2012, the state Legislature approved legislation (AB340) which established a new tier of pension benefit for employees newly hired into the CalPERS system. The legislation commonly referred to as PEPRA (Public Employees Pension Reform Act), establishes a new retirement calculation (2% at 62 for Miscellaneous employees and 2.7% at 57 for public safety employees), generally requires new employees to contribute the employee share of the rate and will result in lower rates for employers in the long term. However, the impacts of PEPRA will not address all of the City's long term challenges with this benefit. Accordingly, a new fiscal policy is being proposed, which will work towards resolving some of the long-term problems. In FY 2013 the City refinanced the bonds for 1947 Center Street and the 2003 COP Building Acquisition. As discussed in the February 19, 2013, report on projections of future liabilities, a policy is proposed in this budget which requires the savings realized from the bond refinancing to be deposited into the CalPERS Savings Fund (fund 933) to help offset the rising costs of the retirement benefit. Appropriations from this fund would be proposed with each annual budget as needed.

UNFUNDED LIABILITIES (employee benefits) SUMMARY

Workers' Compensation

Benefit history & summary

Workers' compensation system is a no-fault system, meaning that injured employees need not prove the injury was someone else's fault in order to receive workers' compensation benefits for an on-the-job injury. The workers' compensation system is premised on a trade-off between employees and employers -- employees should promptly receive the statutory workers' compensation benefits for on-the-job injuries, and in return, the workers' compensation benefits are the exclusive remedy for injured employees against their employer, even if the employer negligently caused the injury. The workers' compensation system has an extensive statutory scheme for determining compensability, payment and provision of benefits and payment for various medical and legal services that are part of treating the injured worker.

Funding status

The City is required by law to provide workers' compensation coverage for its employees. The City is self insured for workers' compensation. The City began its self-insured worker's compensation program on March 1, 1975. In 2005 the City established a formula for assessing charges across all City departments and programs. Payments are made to the Worker's Compensation Self-Insurance Internal Service Fund by transfers from all City funds. Since that time, the Fund has been able to both pay claims and costs, as well as build up a balance. In FY 2012, the City transferred \$8.8 million into the Fund. On average, the annual amount paid out for claims is approximately \$4.5 million and the total annual expenditure from the fund, including claims paid, administrative, and other costs as of June 30, 2012 was \$7.7 million. The fund balance as of June 30, 2012 was \$14.9 million.

The actuarial estimate for the program's liability for outstanding claims was \$28.4 million as of June 30, 2012. This represents estimates of amounts to ultimately be paid for reported claims and upon past experience, recent claim settlement trends, and other information. It is the City's practice to obtain an actuarial study on an annual basis for this fund. The actuary recommends that the funding amount be sufficient to bring funding to the 75% to 85% confidence level. In the seven years since the City established the formula for assessing charges to departments, the Fund has achieved a 52.5% funding level, with the balance being increased each year. The funding for this program is a good example of how an underfunded liability can be successfully addressed over time.

Workers Compensation as of June 30, 2012				
Plan Assets	Estimated Liability	Funding Target	Unfunded Liability	% Funded
\$ 14,886,917	\$ 28,374,000	between 75% and 85% confidence level	\$ 13,487,083	52.5%

UNFUNDED LIABILITIES (employee benefits) SUMMARY

Based on the analysis contained in the most recent actuarial study, rates have been updated for FY 2014 and FY 2015, resulting in an annual contribution of \$8.4 million.

Class Code	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
7706 - Firefighter	8.68%	10.82%	10.42%	11.70%	11.70%
7720 - Police	8.46%	7.98%	7.58%	8.23%	8.23%
8810 - Office	2.21%	2.07%	1.67%	1.78%	1.78%
9410 - Field	8.32%	4.91%	4.51%	4.72%	4.72%
9420 - Laborer	17.43%	18.18%	17.78%	19.96%	19.96%

Staff prepares regular status reports for Council regarding the City's Workers' Compensation experience. We have accrued a fund balance based on rates established through actuarial analysis and consider the current 52.5% level of funding to be adequate for the City's claim history and annual costs.

Safety Members Pension Fund (closed plan)

Benefit history & summary

The Safety Members Pension Fund (SMPF) is a single-employer defined benefit pension plan for fire and police officers who retired before March 1973. In March 1973, all active fire and police officers were transferred from SMPF to CalPERS. The SMPF is closed to new enrollees as any Police Officer or Fire Fighter hired after March 1973 was enrolled in CalPERS. The Safety Members Pension Board administers the plan. The authority under which benefit provisions are established or may be amended is the Berkeley Municipal Code chapters 4.20, 4.24, 4.28 and 4.32.

Service and disability retirement benefits from the SMPF are based on a percentage of salary at retirement, multiplied by years of service. Benefits are adjusted annually by either:

- Current active salary increases (based on the same rank at retirement) or
- The income in the California Consumer Price Index (with a 1% minimum and a 3% cap). SMPF also provides surviving spouse benefits.

Government Accounting Standards Board Statement No. 27 requires the City to determine the plan's annual pension cost (APC) based on the most recent actuarial valuation. The APC equals the plan's annual required contribution (ARC), adjusted for historical differences between the ARC and amounts contributed. The actuary has determined the City's annual required contribution and amounts contributed. The actuary has determined the City's ARC is the greater of (a) a 20-year amortization of the unfunded actuarial liability, or (b) actual benefit payments made for the year.

UNFUNDED LIABILITIES (employee benefits) SUMMARY

Funding Status

The City pays SMPF benefits on a pay-as-you-go basis. In February 1989, the Berkeley Civic Improvement Corporation purchased, on behalf of the City, a Guaranteed Income Contract (GIC) from Massachusetts Mutual. This contract provides annual payments through 2019 and an annual guaranteed 9.68% rate of return (net of expenses). The City pays the difference between actual benefit payments and contract provided annual payments.

In FY 2012, the City's payment was \$1,338,800 The City contributed this amount for the year through a \$539,000 payment from the GIC plus \$799,800 paid from the General Fund. By FY 2018, staff estimates the subsidy will drop below \$100,000, as there are 20 participants remaining in the plan, with ages ranging from 82 to 99, with an average of 90.7 years.

Funding Policy

This budget proposes a policy that as the General Fund subsidy to the SMPF declines over the next several years, the amount of the annual decrease is used to help fund the new Police Employee Retiree Health Plan (fund 903). That plan is further discussed below. This fiscal policy would help address one of the underfunded long-term benefit obligations.

Safety Members Pension Fund Summary of Benefit Payments					
FY	Benefit Payments		Payments from Mass. Mutual GIC		General Fund
2008	\$1,783,940	(1)	-\$832,000	(1)	\$951,940
2009	1,736,185	(1)	-745,376	(1)	990,809
2010	1,666,559	(1)	-665,168	(1)	1,001,391
2011	1,554,836	(1)	-596,000	(1)	958,836
2012	1,338,800	(1)	-539,000	(1)	799,800
2013	1,174,920	(2)	-484,000	(1)	690,920
2014	1,011,040	(2)	-435,000	(1)	576,040
2015	847,160	(2)	-397,201	(1)	449,959
2016	683,280	(2)	-360,091	(1)	323,189
2017	519,400	(2)	-329,000	(1)	190,400
2018	355,520	(2)	-298,000	(1)	57,520
2019	191,640	(2)	-100,000	(1)	91,640
2020	27,760	(2)			27,760
2021	0	(2)			0

(1) Actual amount

(2) Estimated amount based on the average decline in benefit payments over the last two fiscal years

UNFUNDED LIABILITIES (employee benefits) SUMMARY

Retiree Medical Benefits:

In most cases the City's actual contribution to each plan on an annual basis is based on the actuarially established "Annual Required Contribution" or the benefit levels agreed to in each of the labor contracts, as a percent of payroll. However, some of the plans are funded on a "pay-as-you-go" basis. Funding on a pay-as-you-go basis is sufficient to cover the annual benefit payments made from the plan assets, but impacts the ability to achieve the long term funding targets.

Retiree Medical Benefit Plan: Non-sworn employees

Benefit history & summary

Beginning June 28, 1998, the City made available a Retiree Health Premium Assistance Plan (Retiree Medical) to each qualifying employee and his/her spouse or domestic partner. The plan design was established through benefit and actuarial consultants as well as tax counsel. The intent by the City and its unions was to establish the benefit and prefund the benefit over a 30 year amortization period. The plan design includes, a service vesting period and a sliding scale of percentage the City will contribute based on years of service. In addition, if during the term of the Memorandum of Understanding the premiums for such health insurance are increased, the amount the City contributes shall increase no more than 4.5% above the previous year's contribution.

The retiree is required to pay the difference between the City's monthly contribution and the actual monthly insurance premium charged by the health plan he/she has elected for retiree medical coverage.

Funding status

The City provides these post-retirement health insurance benefits in accordance with labor contracts between the City and various collective bargaining units. The labor contracts all have language that provides that if the City's funding of this benefit is insufficient to fully fund the retiree medical benefits, the City shall not be required to increase its funding. In the event that there are insufficient funds in the trust to cover the City's contribution, the City and the unions agree to meet and confer regarding the City's distribution of its contribution. The City's strategy for funding the Retiree Health Premium Assistance Plan is to fund based on a level percentage of payroll which varies generally between 1% and 4.7%. The funding variance is driven by different benefit levels contained in each of the labor contracts.

As noted above, the City agreed, as part of collective bargaining, to changes in the benefits among the bargaining units and changes in the dollar amount of the City's contributions. For this reason, the assets and liabilities were segregated based on representation units within bargaining organizations and separate plan documents and trust agreements were created to make the plans more manageable in future years and avoid cross subsidization of benefits.

UNFUNDED LIABILITIES (employee benefits) SUMMARY

On October 15, 2012, the City received an actuarial study of the Retiree Health Premium Assistance Plans as of July 1, 2012, and has calculated the required Annual Required Contribution (ARC), the Annual Other Post Employment Benefit (OPEB) Expenses and the Net OPEB obligation in accordance with GASB 45. This actuarial study segregated plan assets and liabilities among seven different plans and established funding levels for each plan based on the difference in benefit levels.

As of July 1, 2012, the plan was 34.6% funded. The actuarial accrued liability for the benefits was \$36.5 million, and the actuarial value of assets was \$12.7 million, resulting in an unfunded accrued liability of \$23.9 million.

Retiree Medical Benefit Plan: Sworn Fire employees

Benefit history & summary

The Fire Retiree Medical Benefit provides assistance with the payment of medical premiums for retired and former sworn fire employees, plus spouse or domestic partner assistance for former employees who retired after July 1, 1997. Eligibility is based on years of service with the Berkeley Fire Department with a vesting period of ten years and the retiree must be at least 50 years of age unless the employee retired as a result of disability.

The benefit amount the City contributes toward payment of the medical premiums is determined by a sliding scale based on years of sworn service with the Berkeley Fire Department and ranges from 25% for 10 years of service up to 100% after 25 years of service. The contribution is tied to the Kaiser single or two party rates for employees who retired on or after July 1, 2006. Like the non-sworn retiree medical benefit, the City's contribution to annual premium increases is capped at 4.5% per calendar year. For employees employed prior to July 1, 2006 but after July 1, 1997, contribution amounts are tied to the Health Net Senior Advantage or Health Net Standard rate as applicable.

Funding status

Based on sound actuarial advice at the time of original plan design, the plan was structured to cap the annual employer contribution to 4.5% and to pre-fund these benefits at a 70% level using a 30-year amortization. We are roughly 16 years into the life of these plans and are funding based on this strategy. The rate of increase in health care premiums has outpaced the amount the City contributes so the retiree must pay a higher proportion of the premium costs.

The City provides this post-retirement health insurance benefit, in accordance with labor contracts between the City and the Berkeley Fire Fighters Association/I.A.F.F. Local 1227. The City's strategy for funding the retiree health benefit is to fund based on a level percentage of payroll, which is currently 5.7% of payroll based on the actuarial analysis performed Milliman.

On September 10, 2012, the City received an actuarial study of the Fire Employees Retiree Health Plan as of July 1, 2012 and has calculated the required Annual Required Contribution (ARC), the Annual Other Post Employment Benefit (OPEB) Expenses and the Net OPEB obligation in accordance with GASB 45.

UNFUNDED LIABILITIES (employee benefits) SUMMARY

As of July 1, 2012, the plan was 52.8% funded. The actuarial accrued liability for the benefits was \$12.0 million, and the actuarial value of assets was \$6.3 million, resulting in an unfunded accrued liability of \$5.7 million.

Retiree Medical Benefit Plan: Sworn Police employees

Benefit history & summary

The Berkeley Police Association negotiated a post employment benefit in 1989 that was intended to provide assistance for the payment of medical insurance premiums, with payments commencing 10 years after the employee retired. This is referred to as the Police Retiree Income Plan.

There is a sliding scale on the percentage the City is required to pay the retiree and spouse/domestic partner. For former sworn Police employees who retired prior to July 2007, the City contributes 25% of the active two-party Kaiser rate after 10 years of service. This percentage increases to 100% after 25 years of service. For former sworn Police employees who retired after July 2007, the City contributes 25% of the active two-party Kaiser rate after 10 years of service, and this percentage increases to 100% after 20 years of service.

Through the negotiation process, in 1997, the waiting period for receipt of the benefit was reduced from 10 years after retirement to 5 years after retirement; and in 2007, it was further amended to reduce the waiting period to 2 years after retirement. The program has a 10 year vesting period. The amount the City pays is tied to the active two-party Kaiser rate until the death of the retiree and spouse/domestic partner. There is currently no limit to the City's contribution, and the benefits are payable for the retiree's lifetime. This Police Retiree Income Plan is now closed to new retirees and has been replaced by a new plan.

In 2012 the City and the Berkeley Police Association agreed to a new Retiree Medical plan that provides health insurance premium payments, rather than the pre-existing cash payments, to retirees. The original plan is now a "closed" plan meaning that employees who retire after September 2012 will receive benefits from the new plan. However, the original plan must still make benefit payments to existing retirees and thus must continue to be funded until those payment obligations cease. The City obtains actuarial reports for each of these plans about every two years and the City's Finance Director is responsible for investing the assets in these plans. The results of that investment activity are provided to the City Council in the Director's regular Investment Report.

Funding status

The Police Retiree Income Plan (closed) is based on medical premiums; it is paid directly to the retired Police and spouse/domestic partner regardless of whether they are enrolled in the City's retiree medical plan. Benefits are paid from a Section 401(a) trust and are taxable to retirees when they are received. The Section 401(a) trust was written by outside tax counsel and a Determination Letter was obtained from the Internal Revenue Service. Therefore, this plan is considered a supplemental income benefit plan subject to accounting requirements defined by the Government Accounting Standards Board (GASB) Statement No. 27, Accounting and Financial Reporting by Employers for Pensions.

UNFUNDED LIABILITIES (employee benefits) SUMMARY

Because the benefit is post-employment cash payments to the retiree and spouse/domestic partner, the City makes tax deductions before any payments are made under the plan.

On November 2, 2012, the City received an actuarial analysis of the closed plan as of July 1, 2012. This valuation establishes the required Annual Required Contribution (ARC), the Annual Other Post Employment Benefit (OPEB) Expenses and the Net OPEB obligation in accordance with and GASB 27.

As of July 1, 2012, the plan was 15% funded. The actuarial accrued liability for the benefits was \$41.4 million, and the actuarial value of assets was \$6.2 million, resulting in an unfunded accrued liability of \$35.2 million. Currently, the ARC is \$1,829,234 and the City's annual contribution is \$1,470,202.

On November 2, 2012, the City received an actuarial analysis of the new plan. As of July 1, 2012, the plan was 0% funded (the Plan had not yet been presented to the City Council as part of the new labor agreement which was subsequently approved by the Council in September 2012). The actuarial accrued liability for benefits was \$17.3 million, and the actuarial value of assets was \$0, resulting in an unfunded accrued liability of \$17.3 million. Currently, the ARC is \$2,347,270 and the expected annual payment (pay- as- you- go) for FY 2013 is \$21,745.

The proposed budget includes a policy for funding the new plan with savings realized through the decrease in the General Fund subsidy to the Safety Members Pension Fund. This is described above under the Safety Member Pension Fund.

Police Retiree Sick Leave Entitlement (SLE) plan (closed plan)

Benefit history & summary

The City's 1984 to 1989 Memorandum Agreement with the Berkeley Police Association provided that effective July 1, 1984, a retiring employee could elect health insurance coverage, at City expense, at the Kaiser two-party rate up to a sum not to exceed his/her daily rate at the time of retirement, in lieu of the sick leave payout provided elsewhere in the contract. At that time there was no retiree medical coverage for any employees and a similar benefit was negotiated with other unions and for unrepresented employees. For all employees this benefit ceased with the creation of a formal retiree medical benefit in the late 1990s. Police retained this benefit in 1989 when they negotiated their separate retiree supplemental income benefit plan discussed above; however, the benefit was closed to new retirees with the creation of the new Retiree Medical plan in 2012.

Benefits are payable based on the retiree's unused accrued sick leave hours upon retirement. The memorandum of understanding provides that the duration of medical coverage will be computed as follows: the payout amount, after taxes are deducted, shall be divided by the monthly cost in effect on the date of retirement (including both the cost to the City and the cost to the employee) of the medical plan in which the employee is enrolled on the date of retirement. That computation will produce the number of months for which the City will pay, and the payout of any residual amount. A

UNFUNDED LIABILITIES (employee benefits) SUMMARY

trust fund account will be established by the City in its accounting records for each retiree who elects this option. The retiree's individual account will be reserved and available for premium payments until exhausted.

Effective December 23, 2012, active members will no longer be eligible to convert sick leave balances to monthly health insurance coverage. This is a closed plan. Retired members on or before this date will continue to receive monthly health insurance benefits under the terms of the plan in effect prior to the change on December 23, 2012. Therefore, the Sick Leave Conversion Plan will no longer have a liability for active members.

Funding status

On August 17, 2012, the City received an actuarial analysis of the closed plan. As of July 1, 2012, the plan was 68% funded. The actuarial accrued liability for benefits was \$0.5 million, and the actuarial value of assets was \$0.3, resulting in an unfunded accrued liability of \$0.2 million. Currently, the ARC is \$61,139 and the expected annual payment (pay-as-you-go) for FY 2013 is \$61,139. As of February 15, 2013, the Police Retiree Sick Leave Entitlement Plan had 15 retirees in it, which will drop to 5 retirees within 2 years.

SRIP I Disability (closed plan)

Benefit history & summary

Non-sworn employees were enrolled in both Social Security and in CalPERS prior to January 1980. On May 13, 1980, the City Council authorized the City Manager to begin the process of withdrawing non-sworn employees from Social Security. On March 30, 1982 non-sworn employees voted to withdraw from Social Security and accept the alternate Supplementary Retirement and Income Plan (SRIP I). On January 1, 1983, Ordinance No. 5450-N.S. established SRIP I, which consists of two (2) separate components. The first component is a money purchase pension plan established under Internal Revenue Code Section 401(a). The second component of SRIP I is a disability benefit that was intended to substitute for the disability benefit provided under Social Security.

Benefits are payable for the disabled participant's lifetime or until recovery from disability. Currently, the City pays the monthly cost of the monthly disability benefits on a pay-as-you-go basis.

Funding status

The City is self-insured for SRIP I disability payments. SRIP I was closed to new participants on July 1, 1988. As of June 30, 2012, there were a total of 111 closed group participants, 35 active employees and 76 disabled participants receiving benefits. This plan has no reserves and relies on annual contributions from the General Fund as well as other funds. The City funds these benefits on a pay-as-you-go basis, which is sufficient to cover the annual benefit payments. The amount of contributions as a percent of payroll needed to fund expected benefit payments for the next fiscal year is equal to 1.673% of payroll. This amount is expected to decrease to about 0.37% of payroll after 15 years and to about 0.04% of payroll after 30 years. The unfunded

UNFUNDED LIABILITIES (employee benefits) SUMMARY

liability as of June 30, 2012, the most recent actuarial study, was \$13,329,000, with an expected annual payment of \$1,526,000 for FY 2013.

Sick & Vacation Payout Fund

Benefit history & summary

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. The City records the cost of vested vacation and sick leave as "earned." Earned vacation and sick leave that is taken during the year is payable from the fund(s) to which the employee's salary or wage is charged. The vested sick and vacation balances for employees who retire or otherwise leave the City are paid from the Sick Leave and Vacation Payouts Fund at the time of departure.

In FY 2005, the Budget Office created a special fund to cover the liability incurred by the accrual of excess sick and vacation benefits. As employees leave the City, these earned balances are paid to the employee. In past years this payout was unbudgeted. A major problem with unfunded vacation and sick leave obligations is that liabilities are calculated at any point in time on the basis of the highest rates earned by the employee. Therefore, the unpaid liability for each employee goes up with every COLA, step increase, and/or promotion, and is difficult to project at any one point in time, as the amounts do not remain static.

Funding status

In FY 2002, the City learned that it had achieved a position where it had enough funds in its account with CalPERS that it did not need to pay CalPERS the miscellaneous employee contribution rate for FY 2002. The adopted FY 2002 and FY 2003 Biennial Budget included provisions setting aside approximately six percent of what would have been the contribution for the miscellaneous plan in those years in a dedicated fund to be used for payouts of unused and terminal sick and vacation benefits. In addition, this fund receives an annual transfer of funds based on a percentage of payroll in all funds.

Over the years the fund balance created by the initial transfer in 2002/2003 has been depleted. At the end of FY 2012, expenditures from the fund exceeded revenues by approximately \$500,000 and General Funds were used to cover those costs. In order to correct the shortfall and strengthen the fund, the rates were adjusted for FY 2014. The FY 2014 calculated rates will increase from 3.25 percent of base salary for sworn employees to 3.75 and from 1.25 percent of salary for all other employees to 1.90 percent. Going forward, staff projects that these rate increases will balance the revenues and expenditures within this fund.

On November 6, 2012, the City received an actuarial analysis of the sick leave reserve balance. The actuary estimated the current reserve balances if available sick leave hours were converted to cash payments. The sick leave reserve balance as of September 15, 2012, for all current employees was \$3,226,000 for Non-Sworn and Fire and \$2,292,000⁴ for Police.

⁴ At January 1, 2013

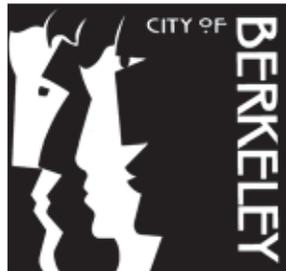
UNFUNDED LIABILITIES (employee benefits) SUMMARY

On October 5, 2012, the City received an actuarial analysis of the vacation leave reserve balance. The actuary estimated the current value (as of September 15, 2012) of all unused vacation leave hours if they were all converted to cash payments. The estimated vacation hours reserve balance as of September 15, 2012, was \$8,596,000⁵.

Current contracted actuarial/consultant companies:

Benefit Category	Contractor	Type of Service
CalPERS	Bartel Associates (John Bartel)	Actuary
Workers' Compensation	Bickmore Risk Services & Consulting	Actuary
Workers' Compensation	Farley Consulting Services	Claims audit
Retiree Medical Health (all plans)	Milliman	Actuary
Police Retiree SLE	Milliman	Actuary
Safety Members Pension Fund	AON Hewitt	Actuary
SRIP	Milliman	Actuary
Sick Leave and Vacation	Milliman	Actuary
All plans as needed	Hansen Bridgett	Tax Counsel

⁵ Capped at 320 hours per each employee except Police and Fire employees.



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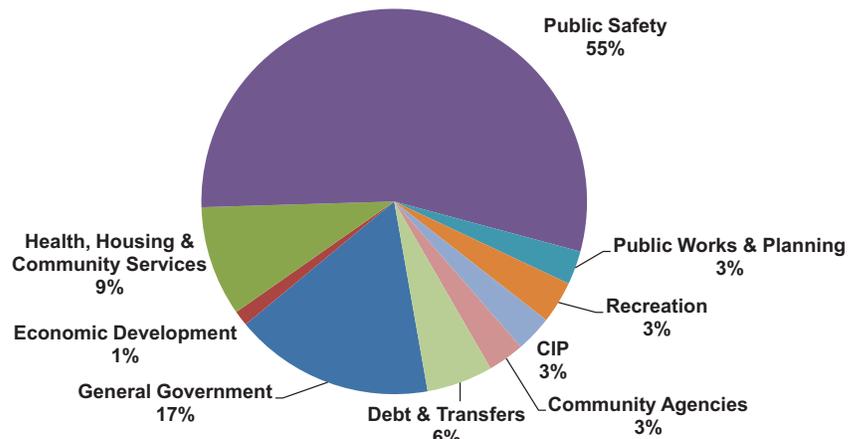
Summary of Expenditures by Department - General Fund

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
Mayor & Council	1,641,215	1,691,284	1,706,149	1,753,239	1,766,390
Auditor	1,780,856	1,924,778	1,924,656	2,020,158	2,042,941
Police Review Commission	457,672	360,307	488,526	535,837	539,333
City Manager	4,431,675	4,482,087	4,414,612	4,716,201	4,780,793
Office of Economic Development	1,762,322	1,877,176	1,898,202	1,939,004	1,955,592
Information Technology	5,658,667	5,434,894	5,203,863	4,861,456	4,900,480
City Attorney	1,912,003	2,142,745	2,212,760	2,252,298	2,272,891
City Clerk	2,010,283	1,507,580	1,963,304	1,930,981	1,941,935
Finance	5,022,946	5,266,759	5,262,578	5,381,523	5,444,799
Human Resources	1,835,569	1,782,519	1,734,270	1,905,011	1,920,140
Health Services ⁽¹⁾	6,530,462				
Housing & Community Services ⁽¹⁾	5,149,070				
Health, Housing & Community Services ⁽¹⁾		11,307,482	11,345,141	12,045,968	12,155,330
Police	53,473,876	53,790,401	55,030,664	55,461,475	55,947,311
Fire	25,568,053	25,849,368	25,405,453	26,963,283	27,725,493
Public Works	2,641,401	2,702,309	2,333,305	2,590,838	2,615,995
Parks, Recreation & Waterfront	5,950,067	5,225,382	5,155,636	5,372,250	5,404,201
Planning	1,509,064	1,396,157	1,513,689	1,672,315	1,686,495
Community Agencies	5,007,619	4,434,612	4,437,465	4,660,965	4,660,965
Non-Departmental	13,302,212	16,309,086	13,822,189	14,633,942	15,424,209
Subtotal:	\$145,645,032	\$147,484,926	\$145,852,462	\$150,696,744	\$153,185,293
Berkeley Housing Authority ⁽²⁾	44,751				
Total General Fund	\$145,689,783	\$147,484,926	\$145,852,462	\$150,696,744	\$153,185,293

(1) In FY 2012, the Departments of Health Services and Housing & Community Services merged to become the Department of Health, Housing & Community Services.

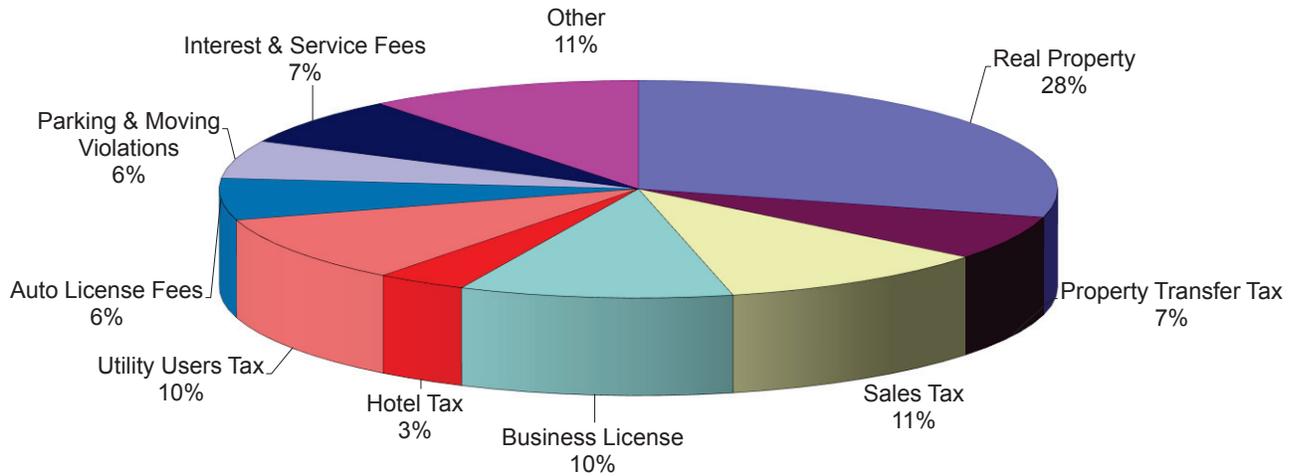
(2) Berkeley Housing Authority has been separate entity since FY 2008.

General Fund Expenditures by Service Area FY 2014 & FY 2015 Biennial Budget \$303,882,037



**FY 2014 AND FY 2015
ADOPTED GENERAL FUND REVENUES
SUMMARY**

	Actual Revenue FY 2011	Actual Revenue FY 2012	Actual Revenue FY 2013	Adopted Revenue FY 2014	Adopted Revenue FY 2015
Real Property	\$37,638,086	\$38,820,292	\$40,210,337	\$41,180,566	\$42,621,886
Property Transfer Tax	9,111,631	8,422,912	11,663,871	10,000,000	10,000,000
Unsecured Property	2,341,601	2,447,266	2,298,523	2,447,266	2,447,266
Sales Tax	14,218,084	14,910,245	15,708,699	15,972,075	16,291,517
Business License	13,955,148	15,645,924	15,267,280	15,852,545	16,140,126
Hotel Tax	4,164,608	4,918,033	5,561,261	5,234,447	5,339,136
Utility Users Tax	14,396,426	14,231,620	14,350,002	15,011,223	15,311,447
Auto. In-Lieu	8,819,730	8,533,915	8,679,256	9,259,210	9,574,532
Parking Fines	9,074,481	8,664,368	8,013,537	8,285,000	8,285,000
Moving Violations	289,864	228,447	248,798	300,000	300,000
Interest	5,447,352	4,766,026	3,320,372	3,200,000	2,800,000
Service Fees	7,681,180	8,210,297	8,170,473	7,804,619	7,962,092
SUB-TOTAL	\$127,138,191	\$129,799,345	\$133,492,409	\$134,546,951	\$137,073,002
Other Revenues	17,204,462	18,139,409	16,718,041	16,253,599	16,011,901
TOTAL	\$144,342,653	\$147,938,754	\$150,210,450	\$150,800,550	\$153,084,903



KEY GENERAL FUND REVENUES

REAL PROPERTY TAXES

Under the State Constitution, Real Property Taxes (Property Taxes) are applied to all taxable real and personal property (i.e., possessory interest, and other personal property considered to be permanently attached to the property), and are set at 1% of the assessed value. The Alameda County Assessor maintains property tax assessment rolls that account for all property. Property Taxes are adjusted per the following:

- ❑ The assessed value of real property that has not changed ownership increases by the change in the California Consumer Price Index up to a maximum of 2% per year.
- ❑ Property that changes ownership; is substantially altered; is newly constructed; “state-assessed” rather than “local-assessed” property; and personal property (i.e., possessory interest, and other personal property considered to be permanently attached to the property), is assessed at the full market value in the first year, and subject to the 2% cap, thereafter.

In 1979, in order to mitigate the loss of Property Tax revenues after approval of Proposition 13, the State legislature approved AB 8. This action was approved to provide a permanent method for allocating the proceeds from the 1% property tax rate, by allocating revenues back to local governments based on their historic shares of property tax revenues. As part of the State’s 1993-94 budget, the AB 8 formula was altered requiring another ongoing shift in City Property Tax revenue to K-12 schools and community colleges (Education Revenue Augmentation Fund or ERAF).

Proposition 1A, enacted in November 2004, provides protection for local property taxes, sales taxes, and VLF revenues by prohibiting the State Legislature from taking any action that would:

- ❑ Reduce the local Bradley Burns Uniform sales and Use Tax rate or alter its allocation.
- ❑ Decrease VLF revenue from the 0.65% rate without providing replacement funding.
- ❑ Shift property taxes from cities, counties or special districts except under certain circumstances.

However, under Proposition 1A, the State was given the ability to “borrow” local revenues to be paid back within three years with interest. The State’s FY 2010 budget was passed on July 28, 2009, and one budget bill that passed (AB x414) suspended Proposition 1A and authorized the borrowing of \$1.9 billion in property tax funds from local governments and shifted them to supplemental revenue augmentation funds to be used for K-12 schools, courts, prisons, Medi-Cal, and hospitals. Berkeley’s share of that amount borrowed was approximately \$4.2 million. Another budget bill (AB x415) instructed county auditors to shift 8 percent of each local government’s share of property taxes to the Supplemental Revenue Augmentation Fund. The bill also requires the State to repay the borrowed funds by June 30, 2013, and contains language to allow local governments to securitize the loans made to the State (i.e., issue bonds collateralized by the loans to be repaid to cities by the state), and caps the interest that can be paid on the bonds at 8 percent. If a city participates in the securitization program, the State will pay the cost of their interest up to 8 percent. If a city decides not to securitize the loan, the State will pay the city an interest rate to be determined by the State Controller not to exceed 6 percent. In FY 2010, the City of Berkeley participated in the securitization program and received the exact amount borrowed by the State under

KEY GENERAL FUND REVENUES

REAL PROPERTY TAXES *cont.*

Proposition 1A. As a result, the State's borrowing had no impact on the financial position of the City.

The City's Property Tax is collected by Alameda County. The City currently receives approximately 32.57% of the 1% countywide real property tax levied within the City limits, and most of the revenue is received in December and April. These percentages do not take into consideration the contributions made to the former redevelopment projects.

Allocation Of County- Wide Property Tax	Agency/Jurisdiction Allocation	% Allocated
	City of Berkeley	32.57
	County General Fund	15.06
	Schools	42.85
	Special Districts	9.52
	Total 1% Countywide Tax Allocation	100.00

Analysis of Real Property Tax

Factors that affect the revenue generated by property taxes are:

- ❑ Changes in assessed values, which are caused by inflation adjustments up to 2%, construction activity, and sales of properties;
- ❑ Economic growth in the Bay Area; and
- ❑ The rate of collection.

Changes in Taxable Assessed Values & Collection Rate

Description	2011	2012	2013	2014
Taxable Assessed Value (\$1,000)	\$12,029,116	\$12,407,659	\$12,717,140	Pending Final County Information
\$ Change Assessed Value (\$1,000)	63,759	378,543	309,481	
% Change Assessed Value	.5%	3.15%	2.49%	
% Prop Tax Collected	97.6%	98.0%	Not available	

FY 2013 Secured Property Tax revenues totaled \$40,210,337, which was \$1,390,045 or 3.58% more than the \$38,820,292 received in FY 2012. The FY 2013 total of \$40,210,337 is \$342,254 less than the adopted budget amount of \$40,552,591. During FY 2013, the revenue projection was lowered because the County Assessor made AB 8 reassessments that lowered the City's assessed value growth rate down from an expected 4% to 2.49%. This decline was partially offset by a reduction in property tax collection fees that the City was being overcharged by the County.

KEY GENERAL FUND REVENUES

REAL PROPERTY TAXES cont.

The growth in annual property tax revenues is generally close to the growth in annual assessed values. Differences between the two result primarily from reassessment refunds and changes in delinquency rates.

Forecast of Property Tax Revenue

The revenue projection for Real Property Tax revenue is primarily based on the annual County Assessor's Office estimate of assessed values, which is provided in June each year. The difference between the estimate in June and the actual certification in August is generally small. Real Property Tax revenue is currently projected to grow at 4.0% in FY 2014 and 3.5% in FY 2015 and FY 2016. Staff updates these original Adopted Budget projections quarterly.

REAL PROPERTY TAXES	Actual Revenue			Projected Revenue		
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Total Collections	\$37,638,086	\$38,820,292	\$40,210,337	\$41,818,750	\$43,282,407	\$44,797,290
\$ Change	\$237,407	\$1,182,206	\$1,390,045	\$1,608,413	\$1,463,657	\$1,514,883
% Change	.63%	3.1%	3.6%	4.0%	3.5%	3.5%

KEY GENERAL FUND REVENUES

SUPPLEMENTAL REAL PROPERTY TAXES

Supplemental Taxes are the result of the reassessment of property as of the 1st day of the month following either an ownership change or completion of new construction. In most cases, this reassessment results in one or more supplemental tax bills being sent to the property owner during the year, in addition to the annual property tax bill.

The Assessor determines the new value of the property based on the current market, and then calculates the difference between the new value (set at the time of purchase or completion of new construction) and the old value (set on January 1st of the previous fiscal year). The result is the supplemental assessment value. Once the new assessed value of a property has been determined, the Assessor will send a notification of the amount to be assessed to the owner.

Analysis of Supplemental Real Property Tax

Factors that affect the revenue generated by Supplemental Taxes are the sales of real property and/or new construction in the City that occurs after the assessment lien date (of January 1st) until the end of the fiscal year, June 30th.

For FY 2013, Supplemental Tax revenue totaled \$729,792, which is an increase of \$159,482 or 28.0% from the \$570,310 received in FY 2012. The amount of \$729,792 received in FY 2013 was \$99,792 more than the adopted budget amount of \$630,000.

Forecast of Supplemental Real Property Tax Revenue

Supplemental Tax revenues are very volatile and are projected to remain relatively flat in FY 2014 through FY 2016.

SUPPLEMENTAL REAL PROPERTY	Actual Revenue			Projected Revenue		
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Total Collections	\$654,455	\$570,310	\$729,792	\$630,000	\$630,000	\$630,000
\$ Change	54,744	(84,145)	159,482	(99,792)	0	0
% Change	9.1%	(12.9%)	28.0%	(13.7%)	0	0

KEY GENERAL FUND REVENUES

PROPERTY TRANSFER TAXES

The Property Transfer Tax (Transfer Tax) rate set by the City of Berkeley is 1.5% of the value of consideration paid for the documented sale of real property or any transfer of interest in real property. The tax is due when the documents of transfer are recorded with the County. Title companies collect the tax as part of the sale closing process, and remit the funds to Alameda County when sales or transfers are finalized. Penalties are imposed on delinquent payments, and interest is charged from the date of delinquency until paid. Alameda County remits the amounts due monthly, and the amounts are credited to the General Fund.

Seismic Retrofit Rebate Program. In Berkeley, a portion of Transfer Taxes are used to fund the City's Seismic Retrofit Rebate Program for residential housing. Upon transfer of a qualifying residential property, the buyer may voluntarily choose to reserve up to 1/3 of the total Transfer Tax to perform voluntary seismic upgrades as specified by the City.

Property owners have up to one year after the recording of the sale to complete the seismic work and file for the rebate. An extension for good cause may be requested in writing up to one year past the original deadline date, provided the request is made prior to the one-year filing deadline.

Analysis of Property Transfer Tax

Because Property Transfer Tax is tied directly to all real property sales, it is a volatile revenue source, and difficult to predict more than one year at a time. Factors that affect the revenue generated by Transfer Taxes are the sale price of property and the frequency with which property is sold. These immediate factors are driven by the availability of mortgage loans, the level of long-term interest rates, the supply and demand for real estate in Berkeley, and general economic growth in the Bay Area.

For FY 2013, Property Transfer Tax revenue increased \$3,240,959 or 38.5%, to \$11,663,871, from \$8,422,912 received in FY 2012. The increase was due to an increase in the dollar value of property sales for FY 2013, which totaled \$818,455,700, or \$246,819,424 (43.2%) more than the \$571,636,276 in FY 2012. This increase was accomplished by an increase in the number of property sales from 853 to 954, and an increase in the average sales price from \$670,148 to \$857,920..

KEY GENERAL FUND REVENUES

PROPERTY TRANSFER TAXES *cont.*

Forecast of Transfer Tax Revenue

Staff is forecasting Transfer Tax revenues of \$10 million in both FY 2014 and FY 2015, net of budgeted seismic retrofit rebates, and \$9 million in FY 2016. However, it should be noted that the projected levels of Transfer Tax revenue in FY 2014 through FY 2016 are still below the City's baseline of \$10.5 million. This was considered to be a level staff did not believe that Transfer Tax revenue would drop below, and any amounts above this baseline were considered to be non-recurring (one-time) revenue, available for one-time expenditure allocations only.

PROPERTY TRANSFER TAX	Actual Revenue			Projected Revenue		
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Total Collections	\$9,111,631	\$8,422,912	\$11,663,871	\$10,000,000	\$10,000,000	\$9,000,000
\$ Change	1,123,961	(688,719)	3,240,959	(1,663,871)	0	(1,000,000)
% Change	14.1%	(7.6%)	38.5%	(14.3%)	0%	(10.0%)

KEY GENERAL FUND REVENUES

VEHICLE IN-LIEU TAX / LICENSE FEES (VLF)

Motor Vehicle In-Lieu Tax (VLF) is a tax imposed by the State on the ownership of a registered vehicle. VLF is collected by the State Department of Motor Vehicles (DMV) and more than 95% of these fees are divided equally between counties and cities, and their aggregate shares are distributed in proportion to the respective populations of the cities and counties. The State withholds less than 5% of these fees for the support of the Department of Motor Vehicles. Until 1998-99, the annual license fee was 2% of the market value of the vehicle as determined by the DMV. In 1998-99, the State reduced the license fees by 25%, but agreed to backfill local jurisdictions for this loss in revenue.

In 2004, the Governor lowered the annual VLF to 0.65%, from 2.0%. In the budget agreement between the Governor and cities and counties, the Governor agreed to backfill the 1.35% difference in VLF with property taxes from the Education Revenue Augmentation Fund (ERAF), in exchange for cities and counties taking cuts of \$350 million in FY 2005 and FY 2006. Berkeley's share of the cut was \$1.83 million in both FY 2005 and FY 2006. Beginning in FY 2006, this property tax in lieu of VLF will grow at the same rate as the change in gross assessed valuation of taxable property in the City from the prior year.

Analysis of VLF

Factors that have affected the revenue generated by VLF in the past include the sales of new vehicles in California, DMV administrative costs, and the proportion of Berkeley's population to the total for the State and County. Starting in FY 2006, the rate of growth in the assessed values of properties also impacted VLF revenues, as the amount of the VLF paid increases by the change in gross assessed values of taxable properties.

For FY 2013, VLF revenue totaled \$8,679,256, which is \$145,341 or 1.7% more than the \$8,533,915 received in FY 2012.

Forecast of VLF Revenue

VLF revenue projections are based on trend analysis, growth in assessed value and communications with the State Controller's Office staff about new vehicle sales and DMV administrative costs reported. VLF revenue is tied to the change in gross assessed values of taxable properties, which accounts for the growth reflected in FY 2014 through FY 2016.

VLF	Actual Revenue			Projected Revenue		
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Total Collections	\$8,819,690	\$8,533,915	\$8,679,256	\$8,983,030	\$9,297,436	\$9,622,846
\$ Change	274,548	(285,775)	145,341	303,774	314,406	325,410
% Change	3.2%	(3.2%)	1.7%	3.5%	3.5%	3.5%

KEY GENERAL FUND REVENUES

PERSONAL PROPERTY TAXES (Unsecured Property)

Personal property tax is assessed at the rate of 1% of the market value on a business' personal property, such as office furniture, machinery, boats, aircraft and other equipment. The tax is billed and collected by Alameda County in a single installment due August 31st, and most of the amount due to the City is remitted in September and credited to the General Fund.

Analysis of Personal Property Taxes

Factors that affect the revenue generated by taxes on personal property are business capital expenditures growth, and the collection rate. The growth in annual personal property tax revenues should generally be close to the growth in annual assessed values, except for significant changes in collection rates. In addition, prior years' personal property levies collected in the current year and refunds are included in the total and can cause significant variances.

For FY2013, Unsecured Property Tax revenues totaled \$2,298,523, which was \$148,743 or 6.1% less than the \$2,447,266 received in FY 2012.

Forecast of Personal Property Tax Revenue

Projections anticipate an increase back to the \$2.4 million level in FY 2014 through FY 2016.

Trend Of
Primary
Variables

Description	Changes in Taxable Assessed Values and Collection Rate			
	2011	2012	2013	2014
Assessed Value (\$1,000) *	\$677,755	\$667,638	\$673,015	\$677,015
\$ Change Assessed Value	(42,350)	(10,117)	5,377	4,000
% Change Assessed Value	(5.9)%	(1.5)%	.8%	.6%
Property Taxes Levied	2,550,791	2,697,922	Not Available Yet	Not Available Yet
% Prop Tax Collected	92.5%	90.4%	Not Available Yet	Not Available Yet

PERSONAL PROPERTY TAX	Actual Revenue			Projected Revenue		
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Total Collections	\$2,341,601	\$2,441,601	\$2,298,523	\$2,447,266	\$2,447,266	\$2,447,266

KEY GENERAL FUND REVENUES

SALES TAXES

Sales Tax is an excise tax imposed on retailers for the privilege of selling or leasing tangible personal property. The Use Tax is an excise tax imposed for the storage, use, or other consumption of tangible personal property purchased from any retailer. The proceeds of sales and use taxes imposed within the boundaries of Berkeley are distributed by the State to various agencies, with the City of Berkeley receiving 1% of the amount collected. In March 2004, voters of California approved Proposition 57, the California Economic Recovery Bond Act. Legislative provisions implementing Proposition 57 provide for a swapping of ¼ cent to be used by the State to repay the bonds, effective July 1, 2004. The so called “triple flip” provisions consist of (a) a reduction of the Bradley Burns Local Sales and Use Tax rate by ¼% in tandem with a new ¼% state rate to fund fiscal recovery bond repayment; (b) repayment to cities and counties with additional local property tax previously allocated to local schools; and (c) repayment to local schools with State general funds.

Effective April 1, 2009, the State sales and use tax rate was increased by 1%, from 8.75% to 9.75%. This 1% tax rate increase expired on July 1, 2011. However, Proposition 30, temporary Taxes to Fund Education, was approved by voters at the state-wide election on November 6, 2012. This measure provided for an increase in the tax rate of .25% for four years (January 1, 2013 through December 31, 2016).

The total sales tax rate for Alameda County is currently 9.00% and distributed as follows:

Distribution of Sales Tax Collected within Alameda County

Agency	Distribution %
State of California	5.50%
State Public Safety Fund (Proposition 172)	0.50%
State Fiscal Recovery Fund, to pay off Economic Recovery Bonds	.025%
State Education Protection account	0.25%
City of Berkeley (including .25% Triple Flip reimbursement)	1.00%
Alameda County Transportation Improvement Authority	0.50%
Alameda County Essential Health Care Services	0.50%
Alameda County BART	0.50%
Total Sales Tax	9.00%

Analysis of Sales Tax

Factors that affect the revenue generated by Sales Tax include:

- ❑ Overall economic growth in the Bay Area and competition from neighboring cities;
- ❑ Growth rate of specific dominant commercial/industrial sectors in Berkeley;
- ❑ Berkeley’s business attraction/retention efforts, especially on retail establishments; and
- ❑ Catalog and Internet sales
- ❑ Success of the City’s Use Tax project

KEY GENERAL FUND REVENUES

SALES TAXES *cont.*

For FY 2013, Sales Tax revenue totaled \$15,708,699, which is \$798,454 or 5.4% more than the \$14,910,245 received in FY 2012. The economic segments that accounted for most of the increase were the following: *Furniture/Appliances* +\$129,298; *Bldg. Materials* +\$54,055; *Restaurants* +\$160,899; *New Auto Sales* +\$143,859; *Drug Stores* +\$50,717; *Light Industry* +\$45,483 and, *Electronic Equipment* +\$74,287.

Forecast of Sales Tax Revenue

Annual Sales Tax revenue is projected to increase by 2.5% in FY 2014 and 2.0% in FY 2015 and FY 2016.

SALES TAX	Actual Revenue			Projected Revenue		
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Total Collections	\$14,218,084	\$14,910,245	\$15,708,699	\$16,093,947	\$16,415,826	\$16,744,142
\$ Change	1,524,901	692,161	798,454	385,248	321,879	328,316
% Change	12.0%	4.9%	5.4%	2.5%	2.0%	2.0%

KEY GENERAL FUND REVENUES

BUSINESS LICENSE TAX

A tax receipt (colloquially called a “business license”) is issued each year upon payment of a Business License Tax (BLT), which is either a fixed amount or based on a varying percentage of the prior year’s gross receipts, depending on the type of business. The Business License must be renewed on January 1st each year, and the required tax is delinquent if paid after February 28th.

Analysis of Business License Tax

Factors that affect the BLT revenue are:

- ❑ Number of business renewals;
- ❑ Commercial and industrial growth rates;
- ❑ Attraction/loss of businesses;
- ❑ Economic growth in the Bay Area; and
- ❑ Results of Finance BLT collection activity; and the City Auditor’s and Finance Department audit programs.

For FY 2013, BLT revenue totaled \$15,267,280, which is \$378,695 or 2.4% less than the \$15,645,975 received in FY 2012. The BLT decrease reported for FY 2013 is primarily accounted for by the one-time cleanup of the BLT suspense account in FY 2012 totaling approximately \$400,000.

Forecast of Business License Tax Revenue

The BLT revenues are projected to increase by 3.1% in FY 2014, 2.6% in FY 2015 and 1.8% in FY 2016.

BUSINESS LICENSE TAX	Actual Revenue			Projected Revenue		
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Total Collections	\$13,955,148	\$15,645,924	\$15,267,280	\$15,737,545	\$16,140,126	\$16,435,759
\$ Change	449,190	1,690,776	(378,644)	470,265	402,581	295,633
% Change	3.3%	12.1%	(2.4%)	3.1%	2.6%	1.8%
# of Licenses (calendar year)	13,875	13,837				

KEY GENERAL FUND REVENUES

UTILITY USERS TAX

Utility Users Tax (UUT) has generally been a steady and reliable source of General Fund revenue for most cities, and is Berkeley's 4th. largest source of GF revenue. Utility Users Tax is charged at the rate of 7.5% to all users of a given utility (electricity, gas, telephone, cable, and cellular), other than the corporation providing the utility (a utility company's consumption of all utilities used in the production or supply of their service is not taxed). The tax is not applicable to State, County, or City agencies, or to insurance companies and banks.

Analysis of UUT

Some factors that affect the revenue generated by UUT are:

- Consumption/use of gas, electricity, telecommunication services, cable, and cellular;
- Regulatory actions, including deregulation and re-regulation;
- PUC rate changes;
- Market forces;
- Evolution of technology; and
- Legislative actions at State and Federal levels

About 60% of UUT revenues are generated from gas and electric services and 40% from telecommunications:

UUT revenue in FY 2013 increased by \$118,382 or .8%, to \$14,350,002 from the \$14,231,620 received in FY 2012. However, the \$14,350,002 collected in FY 2013 was \$366,883 or 2.5% less than the adopted budget amount of \$14,716,885.

KEY GENERAL FUND REVENUES

UTILITY USERS TAX *cont.*

Forecast of UUT Revenues

UUT is expected to increase approximately 2.0% in FY 2014 through FY2016. This projected increase is due to expected increases in natural gas and electricity rates, continued growth in cable and cellular telephone categories, and flat growth in land-line phones. Projections are based on current trend analysis, rate changes and consultation with the City's Energy Officer.

UTILITY USERS TAX	Actual Revenue			Projected Revenue		
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Total Collections	\$14,396,426	\$14,235,120	\$14,350,002	\$14,637,002	\$14,929,742	\$15,228,337
\$ Change	(15,650)	(161,306)	114,882	287,000	292,740	298,595
% Change	1.6%	(1.1%)	.8%	2.0%	2.0%	2.0%
Cable	1,468,366	1,251,832	1,550,496	1,581,506	1,613,136	1,645,399
Gas/Elec	8,359,942	8,554,751	8,203,483	8,367,553	8,534,904	8,705,602
Phone	1,773,075	1,876,476	1,943,961	1,982,840	2,022,497	2,062,947
Cellular	2,795,043	2,552,061	2,652,062	2,705,103	2,759,205	2,814,389

KEY GENERAL FUND REVENUES

FRANCHISE FEES: CABLE - ELECTRIC - GAS

Cable Franchise.

Prior to the passage of State Bill AB2987, Federal and State laws allowed cities to grant franchises to cable companies to use the public right-of-way (PROW) to install and provide video service. The cable company, in turn, applied for a permit to install the video facilities. The permit also allowed for maintenance work once the installation was complete. Under the current franchise agreement, the cable company pays Berkeley an annual franchise fee of 5% of gross revenues, in quarterly installments. In addition, they support the Public Access Channel programming (B-TV). The cable franchise expired on November 12, 2007. State Bill AB 2987 allows companies to apply for statewide cable television franchises, and the bill maintains the City's 5% franchise fee. In addition to the 5% franchise fee, the bill allows the City to receive an additional fee of 1% of the gross revenue for Public, Educational and Government (PEG) purposes.

Electric & Gas Franchises.

These franchise fees (ultimately paid by the consumer) are variable fees based on gross receipts for the sale of electricity or gas within the City, and is the greater of these two calculations:

1. Electric or Gas Franchise Ordinance: 2% of gross receipts attributable to miles of line operated; or
2. 1937 Act Computations: gross receipts within the City times 0.5%.

Electric/Gas franchise fees are paid annually to the General Fund. Electric and gas franchise payments are based on two methods of calculating gross receipts. The electric/gas company must complete both calculations, and the payment made is the greater amount. In addition, the PUC approved a franchise fee surcharge since PG&E no longer handles all energy service, in order to prevent cities from losing franchise revenue generated by third parties. The surcharge is an estimate of the amount of revenues generated by third parties multiplied by the franchise fee rate.

Analysis of Franchise Fees

For FY 2013, Franchise Fee revenue totaled \$1,577,739, which is \$187,749 or 10.6% less than the \$1,765,488 received for in FY 2012.

KEY GENERAL FUND REVENUES

FRANCHISE FEES: CABLE - ELECTRIC – GAS cont.

Forecast of Franchise Fee Revenue

Franchise Fee revenues are projected to increase slightly in FY 2014 through FY 2016.

FRANCHISE FEES	Actual Revenue			Projected Revenue		
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Total Collections	\$1,769,899	\$1,765,489	\$1,577,739	\$1,800,799	\$1,841,403	\$1,878,231
Cable	913,097	887,353	739,913	912,244	935,077	953,779
Electric	511,087	511,270	516,997	531,309	541,935	552,774
Gas	345,715	366,866	320,829	357,246	364,391	371,679

KEY GENERAL FUND REVENUES

TRANSIENT OCCUPANCY TAXES

Transient Occupancy Tax (TOT) is assessed at the rate of 12% on the room charge for rental of transient lodging when the period of occupancy is 30 days or less. This is sometimes referred to as a “hotel tax.” Hotel guests pay the 12% tax.

Analysis of TOT

Factors that affect the revenue generated by TOT are: the number of hotel rooms available for occupancy; their level of occupancy; and the average room rates charged. Economic cycles that impact personal or business discretionary spending also impact travel, and thus affect the number of occupied rooms in a particular economic cycle.

Transient Occupancy Tax (TOT) revenue increased by \$643,228 or 13.1% in FY 2013 to \$5,561,261, from \$4,918,033 in FY 2012. *This increase was due to double digit growth at half of the 12 major hotels tracked by City staff, as hotel operators indicated they achieved increases in both occupancy rates and average room rates.*

Forecast of TOT Revenue

The Adopted Budget TOT revenue forecast is based on projections for the 12 largest hotels (TOT = number of rooms times hotel’s estimate of occupancy rate times average room rate). Revenues are currently projected to increase at a rate of 2.0% in FY 2014 through FY 2016.

TRANSIENT OCCUPANCY TAX	Actual Revenue			Projected Revenue		
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Total Collections	\$4,164,608	\$4,918,033	\$5,561,261	\$5,672,486	\$5,785,936	\$5,901,655
\$ Change	516,915	753,425	643,228	111,225	113,450	115,719
% Change	14.2%	18.1%	13.1%	2.0%	2.0%	2.0%

KEY GENERAL FUND REVENUES

INTEREST INCOME

The City employs a strict cash management program to ensure that all available funds are invested to earn the maximum yield consistent with safety and liquidity. Invested money is pooled and each of the funds receives interest income based on its share of monthly net cash balances. Short-term securities are purchased at a discount (the interest income earned by the City is the difference between the price paid by the City and the par value of the bonds). Long-term securities purchased by the City pay an interest coupon (generally semi-annually). Interest is allocated from the General Fund each month to other designated City funds, based on their net cash balances.

Analysis of Interest Income

For FY 2013, Interest Income totaled \$3,320,372, which was \$1,445,654 or 30.3% less than the \$4,766,026 received in FY 2012. It was also \$679,628 less than the adopted budget amount of \$4,000,000. This revenue source was lower than the adopted budget total because the Federal Reserve Board (the Fed) continued to extend its aggressive program to keep short-term rates close to zero and medium-term interest rates at about 1%. As a result, as the high yielding securities held by the City matured, the City achieved a return on investments close to zero percent on the replacement securities that needed to be held in short-term investment vehicles (for liquidity purposes) and approximately 1% for replacement securities with longer maturity dates.

Forecast of Interest Income

Interest Income projections are made by taking the existing investments and multiplying by the effective yield, and adding the calculation for estimated interest income on future investments (estimate of amounts to be invested in the various maturities, times the estimate of the applicable interest rate). The interest rate environment for the last several years has been an extremely difficult one to invest in because the Federal Reserve forced short-term rates to fall to a rate close to zero and implemented a program to buy nearly two trillion dollars of Treasuries and mortgage-backed securities in order to force mortgage rates to historic lows. This has caused many cities' interest income to be cut in half, or worse. One hopeful sign is the recent increase in medium term interest rates.

INTEREST INCOME	Actual Revenue			Projected Revenue		
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Total Collections	\$5,442,408	\$4,766,026	\$3,320,372	\$3,200,000	\$2,800,000	\$2,800,000

KEY GENERAL FUND REVENUES

PARKING FINES

AB 408 decriminalized parking violations, changing punishment from a criminal penalty to a civil liability. In doing so, it substituted a system of citations and civil penalties, to be adjudicated by an administrative structure within the city or other agency rather than the court system. This structure was intended to allow cities more control and efficiency in the administration of parking fines.

Analysis of Parking Fines

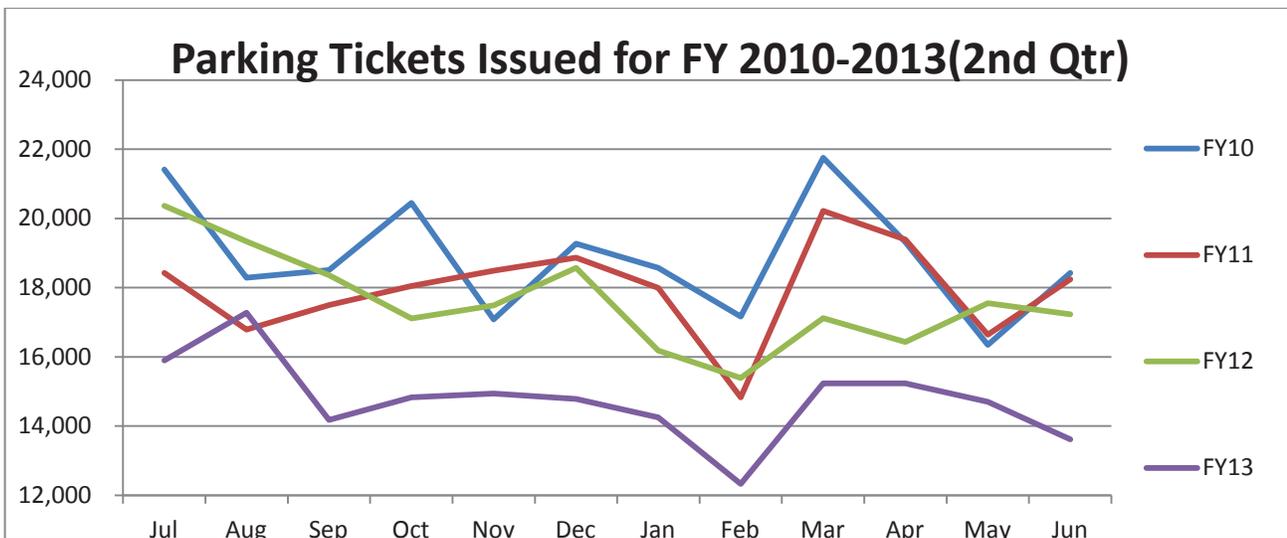
Factors that affect the revenue generated by Parking Fines include:

- Amounts established for payment of parking tickets and related charges
- Number of working parking meters
- Collections using a professional collections agency and also registration holds with DMV and/or liens with the Franchise Tax Board

For FY 2013, Parking Fines revenue (excluding booting collections) decreased \$650,832 or 7.5% to \$8,013,537, from \$8,664,369 for in FY 2012. *This decrease in Parking Fines revenue resulted from a 33,947 or 16.1% decline in ticket writing, from 211,232 in FY 2012 to 177,285 in FY 2013.*

The vehicle booting program, which started in October 2011, declined less than expected during FY 2013. During that period, booting collections totaled \$468,733, down \$351,381 or 42.8% from the total of \$820,114 received in FY 2012. The total of \$468,733 received in FY 2013 was \$118,733 more than the adopted budget amount of \$350,000.

After hitting a high of \$11.9 million in revenue and 312,005 tickets written in FY 2007, Parking Fines revenue and ticket writing has declined nearly every year since then. The graph below shows the year-over-year declines in ticket writing from FY 2010 through FY 2013, as follows:



KEY GENERAL FUND REVENUES

PARKING FINE REVENUE	Actual Revenue			Projected Revenue		
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Total Net Regular Collections	\$9,098,431	\$8,664,369	\$8,013,537	\$8,285,000	\$8,285,000	\$8,285,000
Total Booting Collections		820,114	468,733	350,000	350,000	350,000
Total Collections	9,098,431	9,484,483	8,482,270	8,635,000	8,635,000	8,635,000
\$ Change	77,396	386,052	(1,002,213)	152,730	0	0
% Change	.9%	4.2%	(10.6%)	1.8%	0%	0%
Parking Citations	216,413	211,232	177,285			

Forecast of Parking Fine Revenue

- Revenue projections are based on: an estimate of valid tickets issued times the average ticket price times the collection rate (including use of a collection agency, registration holds with DMV and/or liens with the Franchise Tax Board) minus Jail Construction Fund payments.

KEY GENERAL FUND REVENUES

AMBULANCE FEES

By agreement with Alameda County, the City of Berkeley is the exclusive provider of all emergency ground ambulance service within the City limits. The contract began in July 1, 1999 and has been extended to October 31, 2016. The specific ambulance fee depends on the type of service delivered. Clients and clients' insurance companies are billed monthly by an outside agency (ADPI) that also maintains the City's accounts receivable subsidiary records. The Fire Department receives the remitted amounts and the revenues are credited to the General Fund.

Analysis of Ambulance Fees

For FY 2013, Ambulance Fee revenue totaled \$4,134,875, which is \$255,007 or 3.0% more than the \$4,014,782 received in FY 2012. The total of \$4,134,875 collected was \$262,538 more than the adopted budget amount of \$3,872,337.

Forecast of Ambulance Fee Revenue

Projections are based on trend analysis and discussions with Fire Department staff for estimates of each type of service, and the total collections rate. This revenue source is projected to increase by 3.0% in FY 2014 through FY 2016.

AMBULANCE FEES	Actual Revenue			Projected Revenue		
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Total Collections	\$3,759,775	\$4,014,782	\$4,134,875	\$4,258,921	\$4,386,689	\$4,518,290
\$ Change	210,474	(204,150)	120,093	124,046	127,768	131,601
% Change	5.9%	(5.4%)	3.0%	3.0%	3.0%	3.0%

FINANCIAL FORECASTS: OTHER OPERATING FUNDS

INTRODUCTION

This section contains financial forecasts for eleven of the City's key operating funds, which can be described in these broad categories:

SPECIAL REVENUE/GRANT FUNDS are revenue sources legally restricted to a specific purpose, service or program and include tax-based revenues:

- ❑ Parks Tax Fund
- ❑ Library Tax Fund
- ❑ Paramedic Tax Fund

SPECIAL ASSESSMENT FUNDS account for revenues and expenditures related to the financing of public improvements or services:

- ❑ Clean Storm Water Fund
- ❑ Streetlight Assessment District Fund
- ❑ Measure B Fund

ENTERPRISE FUNDS are used to support the expenditures of a specific service or program and revenue is derived through the collection of the fees associated with providing the service/program.

- ❑ Permit Service Center
- ❑ Sanitary Sewer Fund
- ❑ Refuse Fund
- ❑ Parking Meter Fund
- ❑ Marina Enterprise Fund

A number of these funds face shortfalls and require balancing measures to close these gaps. Revenue growth is limited by statutory "caps" on certain funds, specifically, the Clean Storm Water and the Streetlight Assessment funds since revenues have been essentially frozen since the passage of Proposition 218. Several "special tax" revenue funds are limited in terms of revenue growth to the rate of inflation (i.e. Bay Area Consumer Price Index (CPI), which is increased at 2.381% for FY 2014. The City has no discretion in increasing revenues in these funds without voter-approval. The impacts of the economy on our enterprise funds, particularly the Refuse, Permit Service Center and Parking Meter funds have caused significant revenue losses. Nonetheless, expenditures within these funds are projected to increase as a result of many of the same factors that impact the General Fund (e.g., salary cost-of-living increases, health benefit costs and retirement costs).

FINANCIAL FORECASTS: OTHER OPERATING FUNDS

PARKS TAX FUND

This is a special tax charged to Berkeley property owners on a square foot basis and is used to fund the maintenance of parks, city trees, and landscaping in the City of Berkeley. Berkeley voters approved the tax in May 1997 to replace the Landscape Assessment District. The tax rate was initially set by the voters and is adjusted annually based on the Consumer Price Index (CPI). Revenue is based on a square footage calculation and is collected through the property tax bill.

Analysis

As it stands right now, the fund balance remains healthy through FY 2016. Available fund balance is being reduced by an annual shortfall. The FY 2014 & FY 2015 Adopted Budget includes \$410,559 in balancing measures. A ballot measure to increase the Parks Tax could be considered for the November 2014 election, which if approved would result in additional revenue in FY 2016.

Fund Forecast

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
	Actual	Actual	Adopted	Adopted	Projected
Beginning Balance	2,396,305	1,779,775	1,753,034	1,362,725	1,062,858
Revenues	9,254,777	9,542,084	9,669,190	9,860,914	10,056,472
Parks Tax	9,187,722	9,472,870	9,586,190	9,777,914	9,973,472
Other Revenue	67,055	69,214	83,000	83,000	83,000
Expenditures	9,871,307	9,568,825	10,059,499	10,160,781	10,386,389
Personnel	6,927,629	7,045,871	7,419,001	7,520,283	7,745,891
Non-Personnel	2,304,578	2,363,227	2,297,060	2,297,060	2,297,060
Capital Improvements	639,100	159,727	343,438	343,438	343,438
Annual Surplus/Shortfall	-616,530	-26,741	-390,309	-299,867	-329,917
Ending Balance	1,779,775	1,753,034	1,362,725	1,062,858	732,941

Revenue Assumptions

- Annual tax rate increases are tied to Bay Area CPI Index only
- FY 2014 tax set at 2.381% increase
- FY 2015 through FY 2016 assumes a 2% increase in Parks Tax

Expenditures Assumptions

- FY 2014 and FY 2015 Adopted Personnel includes no COLA and updated benefit rates.
- FY 2016 Projected Personnel assumes no COLA and a 3% increase for all benefit costs.

FINANCIAL FORECASTS: OTHER OPERATING FUNDS

LIBRARY TAX FUND

The Library Tax Fund provides funding for the Berkeley Public Library system. The primary source of revenue to the fund is the Library Tax, which was originally established in 1980 and reauthorized in 1988. The City Council sets the tax rate annually through an ordinance and the tax rate is indexed to the greater of either the Bay Area Consumer Price Index or the per capita Personal Income Growth in California. Revenue is based on a square footage calculation and is collected through the property tax bill. Additional revenue to this fund includes the collection of library fees.

Fund Forecast

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
	Actual	Actual	Adopted	Adopted	Projected
Beginning Balance	1,540,809	2,267,969	3,068,247	3,093,826	3,313,370
Revenues	14,909,060	15,488,692	16,156,270	16,473,685	16,798,949
Library Tax	14,606,137	15,253,044	15,870,770	16,188,185	16,511,949
Other Revenue	302,923	235,648	285,500	285,500	287,000
Expenditures	14,181,900	14,688,414	16,130,691	16,254,141	16,900,103
Personnel	11,761,881	11,948,197	12,506,684	12,598,226	12,976,173
Non-Personnel	1,540,556	1,424,535	2,322,007	2,203,915	2,173,930
Library Materials	859,099	990,423	1,152,000	1,277,000	1,500,000
Capital Improvements	20,364	325,259	150,000	175,000	250,000
Annual Surplus/Shortfall	727,160	800,278	25,579	219,544	-101,154
Ending Balance	2,267,969	3,068,247	3,093,826	3,313,370	3,212,216

Revenue Assumptions

- FY 2014 Library Tax increase set at 5.120% increase in Personal Income Growth.
- FY 2015 through FY 2016 assumes a 2% tax increase in Library Tax

Expenditures Assumptions

- FY 2014 and FY 2015 Adopted Personnel includes no COLA and updated benefit rates.
- FY 2016 Projected Personnel assumes no COLA and a 3% increase for all benefit costs.

FINANCIAL FORECASTS: OTHER OPERATING FUNDS

PARAMEDIC TAX FUND

The Paramedic Tax generates around \$2.5 million per year to support the City's Paramedic and Emergency Medical Response services for Berkeley residents. Revenues are collected through a square footage tax on property owners. The tax rate can only be adjusted annually based on the Consumer Price Index (CPI) in the immediate San Francisco Bay Area.

Analysis

Due to the revenue increases being capped by CPI increases and expenditures growing at a higher rate, this fund has experienced significant deficits in the past fiscal years. An annual General Fund subsidy is required to balance the fund. This fluctuates based on staffing composition and related costs. The subsidy increases in FY 2014 and slightly decreases in FY 2015 to keep the fund balanced.

Fund Forecast

	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted	FY 2016 Projected
Beginning Balance	186,233	37,179	189,579	224,397	256,613
Revenues	2,925,785	3,110,933	3,197,334	3,225,009	3,017,967
Paramedic Tax	2,461,088	2,534,483	2,561,235	2,612,459	2,664,708
General Fund Subsidy	464,697	576,450	636,099	612,550	353,259
Expenditures	3,074,839	2,958,533	3,162,516	3,192,793	3,274,581
Personnel	2,613,890	2,550,721	2,695,974	2,726,251	2,808,039
Non-Personnel	460,949	407,812	466,542	466,542	466,542
Annual Surplus/Shortfall	-149,054	152,400	34,818	32,216	-256,613
Ending Balance	37,179	189,579	224,397	256,613	0

Revenue Assumptions

- FY 2014 tax increase set at 2.381%
- FY 2015 through FY 2016 assume a 2% tax increase in Paramedic Tax
- Subsidy increases in FY 2014 and slightly decreases in FY 2015 to keep the fund balanced.

Expenditures Assumptions

- FY 2014 and FY 2015 Adopted Personnel includes no COLA and updated benefit rates.
- FY 2016 Projected Personnel assumes no COLA and a 3% increase for all benefit costs.

FINANCIAL FORECASTS: OTHER OPERATING FUNDS

CLEAN STORM WATER FUND

The Clean Storm Water fund provides the funding for the maintenance and improvement of the City's storm water drainage system to reduce the pollutants in storm water from entering local creeks and the Bay. Revenue to this fund is from the collection of fees charged to every owner of real property in the city of Berkeley and is collected through property taxes.

Analysis

Clean Storm Water Fund revenues are fee-supported and are capped at 1996 levels by Proposition 218, set at flat \$34 fee per year. Without a fee increase, which can only be implemented through a 2/3 approval vote of Berkeley citizens, revenues remain flat and the fund is only able to support basic storm drain maintenance. While the fund is balanced through FY 2016, there is little money allocated for capital improvements and only limited funding to perform minimal system cleaning and maintenance activities.

Fund Forecast

	FY 2012	FY 2013	FY2014	FY2015	FY2016
	Actual	Actual	Adopted	Adopted	Projected
Beginning Balance	756,404	1,345,395	1,585,100	1,614,663	1,636,486
Revenues	2,525,188	2,467,033	2,302,963	2,310,343	2,372,741
Program revenues	2,068,084	2,225,540	2,056,988	2,056,988	2,111,785
UC In-Lieu Payment	456,957	238,811	245,975	253,355	260,956
Miscellaneous		230			
Interest	147	2,452	0	0	0
Expenditures	1,936,197	2,227,328	2,273,400	2,288,520	2,327,116
Personnel	1,146,338	1,169,093	1,271,414	1,286,534	1,325,130
Non-Personnel	536,195	519,714	638,744	638,744	638,744
Capital Improvements	95,100	387,862	200,000	200,000	200,000
Indirect Costs	158,564	150,659	163,242	163,242	163,242
Annual Surplus/Shortfall	588,991	239,705	29,563	21,823	45,625
Ending Balance	1,345,395	1,585,100	1,614,663	1,636,486	1,682,111

Revenue Assumptions

- Fund receives \$200,000 annually (adjusted by CPI) from UC Berkeley settlement agreement for storm drain infrastructure improvements

Expenditures Assumptions

- FY 2014 and FY 2015 Adopted Personnel includes no COLA and updated benefit rates.
- FY 2016 Projected Personnel assumes no COLA and a 3% increase for all benefit costs.

FINANCIAL FORECASTS: OTHER OPERATING FUNDS

STREET LIGHT ASSESSMENT DISTRICT FUND

The Streetlight Assessment District Fund provides for maintenance of the City's traffic signals and pedestrian control devices at 126 of the City's intersections and 7,860 streetlights along the public streets, parking lots, pathways, recreation facilities, and marina. Revenue to this fund is collected through annual property taxes and is capped by Prop 218, allowing for no rate increase to this assessment without voter approval.

Analysis

Since 2000, this fund has required annual subsidy from the General Fund (since the defeat of a November 2000 ballot measure to augment funding through a special tax). An increase in the General Fund subsidy is being used to keep the fund balanced through FY 2015. In FY 2016, the subsidy will either have to be increased or balancing measures implemented to keep the fund balanced.

Fund Forecast

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
	Actual	Actual	Adopted	Adopted	Projected
Beginning Balance	110,947	-9,567	84,280	85,566	61,322
Revenues	1,918,417	2,052,466	2,023,244	2,023,244	2,023,961
Program Revenues	1,389,947	1,380,937	1,351,715	1,351,715	1,352,432
General Fund Subsidy	528,468	671,529	671,529	671,529	671,529
Interest	2				
Expenditures	2,038,931	1,958,619	2,021,958	2,047,488	2,084,957
Personnel	970,512	893,584	959,870	978,845	1,008,210
Non-Personnel	944,305	958,555	956,062	962,582	970,686
Indirect Costs	124,114	106,480	106,026	106,061	106,061
Annual Surplus/Shortfall	-120,514	93,847	1,286	-24,244	-60,996
Ending Balance	-9,567	84,280	85,566	61,322	326

Revenue Assumptions

- Fund revenues are capped by Proposition 218
- General Fund subsidy increased in FY 2013 to keep the fund balanced.

Expenditures Assumptions

- FY 2014 and FY 2015 Adopted Personnel includes no COLA and updated benefit rates.
- FY 2016 Projected Personnel assumes no COLA and a 3% increase for all benefit costs.

FINANCIAL FORECASTS: OTHER OPERATING FUNDS

MEASURE B SALES TAX FUND

The Measure B Sales Tax fund is used to fund capital projects for local streets and roads. A separate Measure B Fund provides revenue for bike and pedestrian safety improvements. The collection of a half-cent sales tax (April 1, 2002 through March 2022) is disbursed to the City of Berkeley and other local jurisdictions on a quarterly basis.

Analysis & Revenue Projections

The Measure B fund balance is presently healthy. The Alameda County Transportation Commission (ACTC) is projecting to increase the sales and use tax revenue for FY 2014 by \$177,000 for the streets and road program.

Fund Forecast

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
	Actual	Actual	Adopted	Adopted	Projected
Beginning Balance	1,985,240	1,483,806	758,886	528,892	583,234
Revenues	2,457,543	2,837,425	2,476,992	2,653,920	2,653,920
Program Revenues	2,457,066	2,835,445	2,476,992	2,653,920	2,653,920
Interest	477	1,980			
Expenditures	2,958,977	3,562,345	2,706,986	2,599,578	2,652,029
Personnel	1,507,288	1,530,375	1,720,722	1,748,373	1,800,824
Non-Personnel	1,451,689	2,031,970	986,264	851,205	851,205
Annual Surplus/Shortfall	-501,434	-724,920	-229,994	54,342	1,891
Ending Balance	1,483,806	758,886	528,892	583,234	585,125

Revenue Assumptions

- Alameda County sales tax revenue, from voter-approved reauthorization of Measure B Tax (April 2002 through March 2022), is projected to increase in FY 2014. The increase is not reflected in the FY 2014 Adopted Budget but is reflected in the FY 2015 Adopted Budget and assumed to continue in FY 2016.

Expenditures Assumptions

- FY 2014 and FY 2015 Adopted Personnel includes no COLA and updated benefit rates.
- FY 2016 Projected Personnel assumes no COLA and a 3% increase for all benefit costs.

FINANCIAL FORECASTS: OTHER OPERATING FUNDS

PERMIT SERVICE CENTER FUND

The Permit Service Center Fund serves as the fund for the collection of zoning fees, building fees, and plan check fees. The fees are established by the City Council through a public hearing and adoption of a resolution establishing a fee schedule.

Analysis & Revenue Projections

While the fund currently maintains a positive fund balance, it does reflect an annual operating shortfall that is offset by using available fund balance. The number of major development projects is expected to increase over the next two years leading to a significant increase in revenues.

Fund Forecast

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
	Actual	Actual	Adopted	Adopted	Projected
Beginning Balance	2,143,355	2,063,123	2,721,242	2,427,082	2,492,868
Revenues	8,223,050	9,249,750	8,733,928	9,159,980	9,434,779
Building Fees	5,363,452	6,388,320	5,884,804	6,180,358	6,365,769
Land Use Fees	1,142,679	1,502,740	1,328,622	1,386,293	1,427,882
Other	1,716,919	1,358,690	1,520,502	1,593,329	1,641,129
Expenditures	8,303,282	8,591,631	9,028,088	9,094,194	9,323,146
Personnel	5,916,825	6,390,380	6,996,402	7,045,400	7,256,762
Non-Personnel	1,644,183	1,544,240	1,328,986	1,346,094	1,363,684
Indirect Costs	742,274	657,011	702,700	702,700	702,700
Annual Surplus/Shortfall	-80,232	658,119	-294,160	65,786	111,633
Ending Balance	2,063,123	2,721,242	2,427,082	2,492,868	2,604,501

Revenue Assumptions

- FY 2014 revenues assume 5% revenue growth over FY 2013
- FY 2015 revenues assume 5% revenue growth over FY 2014
- FY 2016 revenues assume 3% revenue growth over FY 2015

Expenditures Assumptions

- FY 2014 and FY 2015 Adopted Personnel includes no COLA, updated benefit rates, and adds a 1.0 FTE Permit Specialist, a 1.0 FTE Community Services Specialist III, and increases a .50 FTE Senior Planner to .75 FTE.
- FY 2016 Projected Personnel assumes no COLA and a 3% increase for all benefit costs.

FINANCIAL FORECASTS: OTHER OPERATING FUNDS

SANITARY SEWER FUND

Sanitary sewer fees pay for the costs of operation, maintenance, rehabilitation and improvement of the City's sanitary sewers. Sewer service fees are charged to users of the City's sanitary system and are calculated on each hundred cubic feet of water used by each water account serving the premises as established by City Council Resolution. Sewer fees are collected through the payment of the property water bill (EBMUD).

Analysis & Revenue Projections

The Sewer Fund is healthy but reflects an annual operating shortfall that is offset by using available fund balance. Balancing measures will be needed for FY 2016 as the fund is projected to be in deficit.

Fund Forecast

	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted	FY 2016 Projected
Beginning Balance	16,032,889	14,351,910	12,291,267	7,226,884	1,912,706
Revenues	12,641,754	13,315,067	12,919,508	12,801,227	12,795,964
Expenditures	14,322,733	15,375,710	17,983,891	18,115,405	18,394,063
Personnel	6,898,533	7,040,699	9,296,362	9,425,593	9,708,361
Non-Personnel	7,424,200	8,335,011	8,687,529	8,689,812	8,685,702
Other Non-Personnel	2,568,251	2,170,745	2,971,204	2,971,204	2,971,204
Capital Improvements	3,917,187	4,879,335	4,504,406	4,504,406	4,504,406
Private Sewer Lateral Transfer		399,948	88,218	90,501	86,391
Indirect Costs	938,762	884,983	1,123,701	1,123,701	1,123,701
Annual Surplus/Shortfall	-1,680,979	-2,060,643	-5,064,383	-5,314,178	-5,598,099
Ending Balance	14,351,910	12,291,267	7,226,884	1,912,706	-3,685,393

Revenue Assumptions

- The forecast includes does not increase sewer fees
- The forecast includes revenue increases due to pooled interest and connection fees
- Positive fund balance offsets the annual operating shortfall

Expenditures Assumptions

- FY 2014 and FY 2015 Adopted Personnel includes no COLA and updated benefit rates.
- FY 2016 Projected Personnel assumes no COLA and a 3% increase for all benefit costs.

FINANCIAL FORECASTS: OTHER OPERATING FUNDS

REFUSE FUND

The Refuse Fund was created to support the activities related to the removal of waste in the City of Berkeley. Fees for disposal of waste at the City's transfer station and refuse fees charged to owners of premises and places in the City from which garbage is collected generate revenue to this fund. Refuse charges are either collected through the payment of property tax bills or directly paid to the City of Berkeley. Refuse collection fees are established by resolution of the City Council and the conduct of a majority protest process under Proposition 218. Fee amounts are currently determined by the size and number of receptacles, and the frequency of service.

Analysis & Revenue Projections

Over the last two years, annual operating costs in the Refuse Fund have been reduced by approximately \$2.5 million through various cost controls, including the implementation of 1-person routes, which has eliminated a total of 16 FTE. These efforts continue in FY 2014 & FY 2015 with the reduction of \$307,547 and include the elimination of 2.0 FTE vacant Solid Waste Worker positions.

Fund Forecast

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
	Actual	Actual	Adopted	Adopted	Projected
Beginning Balance	716,765	124,723	-209,544	-532,892	-529,576
Revenues	33,234,170	33,861,186	34,068,927	34,634,277	34,924,118
Expenditures	33,823,517	34,195,453	34,392,275	35,245,818	34,956,011
Personnel	16,063,646	16,127,353	16,521,852	16,790,064	16,808,592
Non-Personnel	15,130,105	15,613,909	15,580,930	15,692,137	15,083,083
Capital Improvements	457,155	439,287	300,000	774,124	981,751
Indirect Costs	2,172,611	2,014,904	1,989,493	1,989,493	2,082,585
Annual Surplus/Shortfall	-589,347	-334,267	-323,348	-611,541	-31,893
Ending Balance	127,418	-209,544	-532,892	-1,144,433	-561,469
Inter-fund Loan:				614,857	
Revised Ending Balance	127,418	-209,544	-532,892	-529,576	-561,469

Revenue Assumptions

- FY 2014 Adopted Revenues, FY 2015 Adopted Revenues, and FY 2016 Projected Revenues assume a 2% CPI increase each year over the previous fiscal year for residential, commercial, food waste, city departments, and exempt agencies rates.
- FY 2015 assumes a loan of \$614,857 from the Workers' Compensation Fund. Although the FY 2014 and FY 2015 Proposed Budget assumed a FY 2013 Ending Fund Balance of \$447,106, FY 2013 ended with a \$209,544 deficit. The FY 2014 and FY 2015 resulting deficit will be resolved through an increase in the loan amount. Staff is also developing balancing measures in the form of a FY 2015 proposed rate increase.

Expenditures Assumptions

- FY 2014 and FY 2015 Adopted Personnel includes no COLA and updated benefit rates.
- FY 2016 Projected Personnel assumes no COLA and a 3% increase for all benefit costs.

FINANCIAL FORECASTS: OTHER OPERATING FUNDS

PARKING METER FUND

Parking Meter revenue is generated through coin deposits made by hourly parkers and “pay and display” parking meters from the City’s eight parking meter routes. The collection of this revenue currently generates almost \$5 million annually, and provides the funding for the maintenance, collection and enforcement of parking meters.

Analysis

The Parking Meter Fund is maintaining a healthy fund balance that starts to decline due to revenues remaining relatively flat and annual structural deficit starting in FY 2013 and continuing on forward.

Fund Forecast

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
	Actual	Actual	Adopted	Adopted	Projected
Beginning Balance	965,943	1,917,152	1,780,734	1,790,606	1,463,636
Revenues	6,242,818	6,496,735	6,457,628	6,454,341	6,457,273
Program Revenues	6,242,818	6,496,735	6,457,628	6,454,341	6,457,273
Expenditures	5,291,609	6,633,153	6,447,756	6,781,311	6,797,568
Personnel	3,081,650	3,187,225	3,874,961	4,033,516	3,713,033
Non-Personnel	1,304,614	1,523,706	1,567,795	1,567,795	1,904,535
TXFR to General Fund	905,000	1,005,000	1,005,000	1,005,000	1,005,000
Meter replacement	345	917,222		175,000	175,000
Annual Surplus/Shortfall	951,209	-136,418	9,872	-326,970	-340,295
Ending Balance	1,917,152	1,780,734	1,790,606	1,463,636	1,123,341

Revenue Assumptions

- FY 2014 Adopted Revenues assume a 1% increase over the FY 2013 Actual Revenues.
- FY 2015 Adopted Revenues assume a .5% increase over the prior year based on the revenue trend for the parking area.

Expenditures Assumptions

- FY 2014 and FY 2015 Adopted Personnel includes no COLA, updated benefit rates, and shifts 4 FTE Parking Enforcement Officer position from the General Fund to Parking Meter Fund. In FY 2016, these positions are shifted back to the General Fund.
- FY 2016 Projected Personnel assumes no COLA and a 3% increase for all benefit costs.

FINANCIAL FORECASTS: OTHER OPERATING FUNDS

MARINA FUND

The Berkeley Marina is part of San Francisco Bay and therefore, the property is owned by the State of California. The City holds the Marina in trust for the State and by law the Marina is required to be a self-supporting financial entity. Fees generated from vessels that berth at the Marina, along with the commercial ground leases within the Marina zone, provide the revenue that funds the operations of the Marina.

Analysis

The Marina Fund currently maintains a positive fund balance. However, the fund has been operating at a deficit for several years, and has been spending down the fund reserve annually to cover increasing operations costs and to fund needed capital and major maintenance work.

Fund Forecast

	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted	FY 2016 Projected
Beginning Balance	2,266,839	1,406,855	1,447,308	890,304	293,054
Revenues	5,336,300	5,230,735	5,097,629	5,097,629	5,237,301
Berth Rentals	3,266,733	3,293,872	3,247,746	3,247,746	3,410,133
Marina Leases	1,332,863	1,433,349	1,319,335	1,319,335	1,352,318
Interest	31,510	2,263	46,600	46,000	2,500
Other Fees	705,194	501,251	483,948	484,548	472,349
Expenditures	6,196,284	5,190,282	5,654,633	5,694,879	5,791,154
Personnel	3,256,532	3,058,843	3,168,935	3,209,181	3,305,456
Non-Personnel	1,469,181	1,485,007	1,593,954	1,593,954	1,593,954
Capital Improvements	824,139	0	245,312	245,312	245,312
Debt Service	646,432	646,432	646,432	646,432	646,432
Annual Surplus/Shortfall	-859,984	40,453	-557,004	-597,250	-553,854
Ending Balance	1,406,855	1,447,308	890,304	293,054	-260,800

Revenue Assumptions

- FY 2014 & FY 2015 Adopted Revenues do not include fee increases to be approved by Council on May 21, 2013. Proposal increased berth rental fees by 6%.
- No fee increase assumed for FY 2015
- 5% fee increase assumed for FY 2016

Expenditures Assumptions

- FY 2014 and FY 2015 Adopted Personnel includes no COLA and updated benefit rates.
- FY 2016 Projected Personnel assumes no COLA and a 3% increase for all benefit costs.

FY 2014 AND FY 2015 POSITION CHANGES SUMMARY DETAIL

	Attorney	Auditor	City Clerk	City Manager	OED	Finance	Fire	HHCS	HR	IT	Library	Planning	Police	PRC	PRW	PW	Total
FY 2014 Position Reductions																	
Accounting Office Specialist III						(0.75)											(0.75)
Building Maintenance Supervisor																	(1.00)
Camps Manager																	(0.25)
Community Health Worker Specialist							(0.70)										(0.70)
Community Service Officer													(1.00)				(1.00)
Electrician																(1.00)	(1.00)
Housing Services Manager							(1.00)										(1.00)
Landscape Gardener Supervisor																	(2.00)
Landscape Gardeners																	(4.00)
Office Specialist II						(1.00)				(1.00)							(3.00)
Office Specialist III							(1.00)										(1.00)
Parking Enforcement Officer													(1.00)				(1.00)
Real Property Administrator																	(1.00)
Recreation Coordinator																	(1.00)
Senior Public Health Nurse							(1.00)										(1.00)
Senior Service Aide							(0.80)										(0.80)
Solid Waste Worker																	(2.00)
FY 2014 Reductions Total	-	-	-	-	-	(1.00)	(0.75)	(5.50)	-	(1.00)	-	-	(2.00)	-	(8.25)	(4.00)	(22.50)
FY 2015 Position Reductions																	
None																	-
FY 2015 Reductions Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total FY 2014 & 2015 Reductions	-	-	-	-	-	(1.00)	(0.75)	(5.50)	-	(1.00)	-	-	(2.00)	-	(8.25)	(4.00)	(22.50)
FY 2014 New Positions/Reallocations																	
Assistant Recreation Coordinator																	0.50
Associate Management Analyst							1.00										1.00
Community Services Specialist III												1.00					1.00
Parking Meter Maintenance Worker																1.00	1.00
Permit Specialist												1.00					1.00
Recreation Program Supervisor																	1.00
Recreation Activity Leader																	0.15
Senior Building Maintenance Supervisor																	1.00
Senior Landscape Gardener																	3.00
Senior Management Analyst																	1.00
Senior Planner												0.25					0.25
Supervising Public Health Nurse								1.00									1.00
FY 2014 Position Adds Total	-	-	-	-	-	-	-	2.00	-	-	-	2.25	-	-	5.65	2.00	11.90
FY 2015 New Positions/Reallocations																	
Parking Meter Maintenance Worker																	1.00
Total FY 2014 & 2015 New Positions	-	-	-	-	-	-	-	2.00	-	-	-	2.25	-	-	5.65	3.00	12.90
FY 2014 Hourly Reductions																	
Clinical Psychologist								(0.40)									(0.40)
FY 2014 Hourly Reductions Total	-	-	-	-	-	-	-	(0.40)	-	-	-	-	-	-	-	-	(0.40)
FY 2015 Hourly Reductions																	
None																	-
FY 2015 Hourly Reductions Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

FY 2014 AND FY 2015 POSITION CHANGES SUMMARY DETAIL

	Attorney	Auditor	City Clerk	City Manager	OED	Finance	Fire	HHCS	HR	IT	Library	Planning	Police	PRC	PRW	PW	Total
Total FY 2014 & 2015 Hourly Reductions	-	-	-	-	-	-	-	(0.40)	-	-	-	-	-	-	-	-	(0.40)
FY 2014 New Hourly Positions								0.96									-
Senior Service Aide								0.96									0.96
FY 2015 New Hourly Positions																	0.96
None																	-
Total FY 2014 & 2015 Hourly Adds	-	-	-	-	-	-	-	0.96	-	-	-	-	-	-	-	-	0.96
TOTAL FY 2014 & 2015 POSITION CHANGES*	-	-	-	-	-	(1.00)	(0.75)	(2.94)	-	(1.00)	-	2.25	(2.00)	-	(2.60)	(1.00)	(9.04)

Full Time Position Summary

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
City Attorney	13.00	12.00	12.00	12.00	12.00
City Auditor	14.00	13.00	13.00	13.00	13.00
City Clerk	11.00	10.00	10.00	10.00	10.00
City Manager	27.30	27.30	27.50	27.50	27.50
Economic Development	5.85	5.85	5.85	5.85	5.85
Finance	49.00	48.00	47.00	45.00	45.00
Fire Department	139.75	139.75	139.75	139.00	139.00
Health ^(a)	158.28	-	-	-	-
Housing & Community Services ^(a)	96.26	-	-	-	-
Health, Housing & Community Services ^{(a)(b)}	-	226.79	216.80	208.96	208.96
Human Resources	21.00	20.00	20.00	20.00	20.00
Information Technology	40.00	40.00	38.50	37.50	37.50
Library	113.78	109.70	109.18	111.78	111.78
Mayor and Council	12.00	12.00	12.00	12.00	12.00
Parks, Recreation & Waterfront	161.33	157.33	157.38	154.53	154.53
Planning ^(b)	59.05	58.55	58.05	66.30	66.30
Police Department	294.20	285.20	281.20	279.20	279.20
Police Review Commission	3.50	3.50	3.00	3.00	3.00
Public Works	297.60	292.85	287.60	285.60	286.60
Rent Board	19.85	19.45	21.95	20.45	20.45
FTE Total	1536.75	1481.27	1460.76	1451.67	1452.67

*It should be noted that the FTE totals may not include all hourly FTEs and may vary. Changes that have occurred during FY 2013 are reflected in the FY 2014 figures.

(a) In FY 2012, the Departments of Health Services and Housing & Community Services merged to become the Department of Health, Housing & Community Services.

(b) Effective FY 2014, Rental Housing Safety Program (6.0 FTEs) moved from Health, Housing & Community Services to Planning Department

FY 2014 & FY 2015 POSITION SUMMARY BY DEPARTMENT

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
CITY ATTORNEY'S OFFICE					
Career Employees:					
Assistant City Attorney	1.00	1.00	1.00	1.00	1.00
City Attorney	1.00	1.00	1.00	1.00	1.00
Deputy City Attorney III	6.00	6.00	6.00	6.00	6.00
Legal Office Supervisor	1.00		1.00	1.00	1.00
Paralegal	1.00	1.00	1.00	1.00	1.00
Senior Legal Secretary	3.00	3.00	2.00	2.00	2.00
TOTAL CITY ATTORNEY	13.00	12.00	12.00	12.00	12.00
CITY AUDITOR'S OFFICE					
Accounting Office Specialist III	2.00	1.00	1.00	1.00	1.00
Accounting Technician	2.00	2.00	2.00	2.00	2.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Audit Manager	1.00	1.00	1.00	1.00	1.00
Auditor I	2.00	1.00	1.00	1.00	1.00
Auditor II	2.00	3.00	3.00	3.00	3.00
City Auditor	1.00	1.00	1.00	1.00	1.00
Deputy Auditor for Payroll Mgmt	1.00	1.00	1.00	1.00	1.00
Senior Auditor	2.00	2.00	2.00	2.00	2.00
TOTAL CITY AUDITOR'S OFFICE	14.00	13.00	13.00	13.00	13.00
CITY CLERK'S OFFICE					
Assistant City Clerk	1.00	1.00	1.00	1.00	1.00
Assistant Management Analyst	3.00	2.00	2.00	2.00	2.00
City Clerk	1.00	1.00	1.00	1.00	1.00
Deputy City Clerk	1.00	1.00	1.00	1.00	1.00
Office Specialist III	3.00	3.00	3.00	3.00	3.00
Records Assistant	1.00	1.00	1.00	1.00	1.00
Records Manager	1.00	1.00	1.00	1.00	1.00
TOTAL CITY CLERK'S OFFICE	11.00	10.00	10.00	10.00	10.00
CITY MANAGER'S OFFICE					
Administrative Assistant	1.00	1.00	2.00	2.00	2.00
Administrative Hearing Examiner	0.80	0.80	0.50	0.50	0.50
Administrative Secretary	1.00	1.00	0.00	0.00	0.00
Animal Control Officer	4.00	4.00	4.00	4.00	4.00
Animal Services Assistants	2.50	2.50	3.00	3.00	3.00
Animal Services Manager	1.00	1.00	1.00	1.00	1.00
Assistant Planner	1.00	1.00	1.00	1.00	1.00
Assistant to the City Manager	1.00	1.00	1.00	2.00	2.00
Associate Management Analyst	2.00	2.00	2.00	2.00	2.00
Budget Manager	1.00	1.00	1.00	1.00	1.00
City Manager	1.00	1.00	1.00	1.00	1.00
Code Enforcement Officer II	2.00	2.00	2.00	2.00	2.00
Code Enforcement Supervisor	1.00	1.00	1.00	1.00	1.00
Community Services Specialist I	1.00	1.00	1.00	1.00	1.00

FY 2014 & FY 2015 POSITION SUMMARY BY DEPARTMENT

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
Deputy City Manager	1.00	1.00	1.00	1.00	1.00
Office Specialist II	1.00	1.00	1.00	1.00	1.00
Office Specialist III	1.00	1.00	1.00	1.00	1.00
Secretary to the City Manager	1.00	1.00	1.00	1.00	1.00
Senior Management Analyst	3.00	3.00	3.00	2.00	2.00
TOTAL CITY MANAGER'S OFFICE	27.30	27.30	27.50	27.50	27.50

OFFICE OF ECONOMIC DEVELOPMENT

Civic Arts Coordinator	1.00	1.00	1.00	1.00	1.00
Community Development Project Coordinator	1.00	1.00	1.00	1.00	1.00
Community Services Specialist II	0.85	0.85	0.85	0.00	0.00
Community Services Specialist III				0.85	0.85
Economic Development Project Coordinator	1.00	1.00	1.00	1.00	1.00
Manager of Economic Development	1.00	1.00	1.00	1.00	1.00
Office Specialist III	1.00	1.00	1.00	1.00	1.00
TOTAL OFFICE OF ECONOMIC DEVELOPMENT	5.85	5.85	5.85	5.85	5.85

FINANCE DEPARTMENT

Accountant I	1.00	1.00	1.00	1.00	1.00
Accountant II	2.00	2.00	2.00	2.00	2.00
Accounting Manager	1.00	1.00	1.00	1.00	1.00
Accounting Office Specialist III	4.00	4.00	3.00	3.00	3.00
Accounting Office Specialist Supv	3.00	3.00	3.00	3.00	3.00
Accounting Technician	1.00	1.00	1.00	1.00	1.00
Administrative Secretary	1.00	1.00	1.00	1.00	1.00
Associate Management Analyst	1.00	1.00	1.00	1.00	1.00
Buyer	1.00	1.00	1.00	1.00	1.00
Central Services Aide	1.00	1.00	1.00	1.00	1.00
Contract Administrator	1.00	1.00	1.00	0.00	0.00
Customer Service Supervisor	1.00	1.00	1.00	1.00	1.00
Director of Finance	1.00	1.00	1.00	1.00	1.00
Field Representative	4.00	4.00	4.00	4.00	4.00
General Services Manager	1.00	1.00	1.00	1.00	1.00
Office Specialist II	13.00	12.00	12.00	11.00	11.00
Office Specialist III	2.00	2.00	2.00	2.00	2.00
Revenue Collection Manager	1.00	1.00	2.00	2.00	2.00
Revenue Development Officer	1.00	1.00	0.00	0.00	0.00
Revenue Development Specialist	1.00	1.00	1.00	1.00	1.00
Senior Accountant	3.00	3.00	3.00	3.00	3.00
Senior Buyer	2.00	2.00	2.00	2.00	2.00
Senior Field Representative	1.00	1.00	1.00	1.00	1.00
Systems Accountant	1.00	1.00	1.00	1.00	1.00
TOTAL FINANCE DEPARTMENT	49.00	48.00	47.00	45.00	45.00

FIRE DEPARTMENT

Accounting Office Specialist III	3.75	3.75	3.75	3.00	3.00
Administrative & Fiscal Services Manager	1.00	1.00	1.00	1.00	1.00
Administrative Secretary	1.00	1.00	1.00	1.00	1.00
Assistant Fire Chief	6.00	5.00	5.00	4.00	4.00

FY 2014 & FY 2015 POSITION SUMMARY BY DEPARTMENT

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
Associate Management Analyst	1.00	1.00	1.00	1.00	1.00
Battalion Chief		1.00	1.00	2.00	2.00
Deputy Fire Chief	1.00	1.00	1.00	1.00	1.00
Deputy Fire Marshal	1.00	1.00	1.00	1.00	1.00
Emergency Services Coordinator	1.00	1.00	1.00	1.00	1.00
Fire and Life-Safety Plans Examiner	1.00	1.00	1.00	1.00	1.00
Fire Apparatus Operator	33.00	33.00	33.00	33.00	33.00
Fire Captain	10.00	10.00	10.00	10.00	10.00
Fire Chief	1.00	1.00	1.00	1.00	1.00
Fire Lieutenant	19.00	19.00	19.00	19.00	19.00
Fire Prevention Inspector (Sworn)	1.00	1.00	1.00	1.00	1.00
Fire Prevention Inspector (Civilian)	1.00	1.00	1.00	1.00	1.00
Firefighter	52.00	52.00	52.00	52.00	52.00
Office Specialist III	3.00	3.00	3.00	3.00	3.00
Paramedic Supervisor I	3.00	3.00	3.00	3.00	3.00
TOTAL FIRE DEPARTMENT	139.75	139.75	139.75	139.00	139.00

HEALTH SERVICES

Career Employees:

Accountant I	
Accounting Office Specialist III	1.00
Accounting Office Specialist Sup	0.00
Administrative Assistant	1.00
Administrative Secretary	0.00
Assistant Environmental Health Specialist	0.00
Assistant Management Analyst	1.00
Assistant Mental Health.Clinician	2.90
Associate Management Analyst	4.00
Clinical Psychologist	2.50
Community Health Worker	3.00
Community Health Worker Specialist	9.80
Community Services Specialist I	2.00
Community Services Specialist II	2.00
Deputy Director of Health	1.00
Director of Health	1.00
Health Admin/Financial Spec	2.00
Health Educator	0.00
Health Nutrition Program Coordinator	0.00
Health Officer (Certified)	1.00
Health Planning, Education & Promotion Supervisor	1.00
Health. Services Program Specialist	7.70
Health Services Supervisor	2.00
Information System Specialist	0.00
Information Systems Support Technician	0.00
Manager of Aging Services	0.00
Manager of Environmental Health	1.00
Manager, Family Health & Nursing Services	1.00
Manager of Health Promotion	0.00
Manager of Mental Health Services	1.00
Mealsite Coordinator	0.00
Mental Health Clinician I	1.50
Mental Health Clinician II	9.30

FY 2014 & FY 2015 POSITION SUMMARY BY DEPARTMENT

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
Mental Health Program Supervisor	5.00				
Mid-Level Practitioner	1.20				
Mini Bus Driver	0.00				
Nutritionist	0.75				
Office Specialist II	16.60				
Office Specialist III	5.00				
Office Specialist Supervisor	1.00				
Psychiatric Social Worker I	9.40				
Psychiatric Social Worker II	8.30				
Psychiatrist II & III	2.30				
Psychiatrist Supervisor	0.50				
Public Health Nurse	14.95				
Public Health Program Physican (Cert)	0.00				
Registered Environmental Health Specialist	5.00				
Registered Nurse	2.70				
Senior Citizen Center Director	0.00				
Senior Community Health Specialist	2.00				
Senior Environmental Health Specialist	2.00				
Senior Health Management Analyst	1.00				
Senior Health Services Program Specialist	4.00				
Senior Management Analyst	1.00				
Senior Mental Health Clinician	2.00				
Senior Psychiatric Social Worker	2.00				
Senior Public Health Nurse	1.00				
Senior Service Aide	0.00				
Senior Service Assistant	0.00				
Senior Systems Analyst	1.00				
Supervising Public Health Nurse	1.00				
Vector Control Technician	3.00				
Youth Services Advisor	0.00				
Total Career Employees	151.40	0.00	0.00	0.00	0.00
Hourly Employees:					
Community Health Worker	0.88				
Community Health Worker Specialist	0.37				
Community Services Specialist I & II	0.08				
Information Systems Specialist	0.20				
Intern	1.04				
Mental Health Clinician I&II	1.00				
Mid-Level Practioner	1.20				
Physician	0.17				
Psychiatric Social Worker I & II	0.39				
Psychiatrist II & III	0.15				
Public Health Nurse	0.58				
Public Health Program Physician	0.03				
Registered Nurse	0.11				
Senior Health Management Analyst	0.10				
Senior Management Analyst	0.28				
Youth Enrollee Intern	0.30				
Total Hourly Employees	6.88	0.00	0.00	0.00	0.00
TOTAL HEALTH SERVICES	158.28	0.00	0.00	0.00	0.00

FY 2014 & FY 2015 POSITION SUMMARY BY DEPARTMENT

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
HOUSING & COMMUNITY SERVICES					
Career Employees:					
Accountant I	1.00				
Accountant II	0.00				
Accounting Office Specialist III	2.00				
Administrative Secretary	1.00				
Assistant Architect	1.00				
Assistant Management Analyst	2.00				
Assistant Mental Health Clinician	1.00				
Associate Management Analyst	2.00				
Associate Planner	1.00				
Community Development Project Coordinator	3.00				
Community Service Specialist I	2.00				
Comm Services Specialist II	2.00				
Community Services Spec. III	1.00				
Community Services & Admin Manager	1.00				
Director of Housing & Community Services	1.00				
Employment Program Administrator	1.00				
Housing Inspector	1.00				
Housing Inspector (Certified)	3.00				
Housing Inspector Supervisor	1.00				
Housing Services Manager	1.00				
Manager of Aging Services	1.00				
Manager of Program Planning & Administration	0.00				
Meal Site Coordinator	0.75				
Mini Bus Driver	2.60				
Office Specialist II	5.50				
Office Specialist III	2.00				
Senior Accountant	1.00				
Senior Citizen Center Director	3.00				
Senior Health Services Program Specialist	0.80				
Senior Management Analyst	2.00				
Senior Psychiatric Social Worker	1.00				
Senior Service Aide	0.80				
Senior Service Assistant	6.75				
Senior Planner	0.00				
Senior Weatherization Worker	1.00				
Weatherization Supervisor	1.00				
Weatherization Worker	1.00				
Youth Services Advisor	0.00				
Total Career Employees	58.20	0.00	0.00	0.00	0.00
Hourly Employees:					
Mealsite Coordinator	1.16				
Mini Bus Driver	2.49				
Office Specialist III	0.48				
Senior Service Aide	3.91				
Senior Service Assistant	0.18				
Senior Nutrition Program Supervisor	0.63				
Youth Enrollee Intern	29.21				
Total Hourly Employees	38.06	0.00	0.00	0.00	0.00
TOTAL HOUSING & COMMUNITY SERVICES	96.26	0.00	0.00	0.00	0.00

FY 2014 & FY 2015 POSITION SUMMARY BY DEPARTMENT

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
HEALTH, HOUSING & COMMUNITY SERVICES					
Career Employees:					
Accountant I		1.00	1.00	1.00	1.00
Accounting Office Specialist III		3.00	3.00	3.00	3.00
Administrative & Fiscal Services Manager				1.00	1.00
Administrative Assistant		1.00	0.00	0.00	0.00
Administrative Secretary		1.00	1.00	1.00	1.00
Assistant Architect		0.50	1.00	1.00	1.00
Assistant Environmental Health Specialist				1.00	1.00
Assistant Management Analyst		2.50	2.00	2.00	2.00
Assistant Mental Health Clinician		2.90	3.00	2.90	2.90
Associate Management Analyst		5.00	5.00	6.00	6.00
Associate Planner		1.00	1.00	1.00	1.00
Clinical Psychologist		1.50	0.50	1.00	1.00
Comm Services Specialist II		2.00	2.00		
Community Development Project Coordinator		3.00	3.00	2.00	2.00
Community Health Worker		3.00	3.00	2.00	2.00
Community Health Worker Specialist		10.50	10.50	9.80	9.80
Community Services & Admin Manager		1.00	1.00	1.00	1.00
Community Service Specialist I		6.00	6.00	6.00	6.00
Community Services Specialist II		2.00	1.00	3.00	3.00
Community Services Specialist III		1.00	1.00	1.00	1.00
Deputy Director of Health, Housing & Community Services		1.00	1.00	1.00	1.00
Director of Health, Housing & Community Services		1.00	1.00	1.00	1.00
Employment Program Administrator		1.00	1.00	1.00	1.00
Health Nutrition Program Coordinator		1.00	1.00	1.00	1.00
Health Officer (Certified)		1.00	1.00	1.00	1.00
Health Planning, Education & Promotion Supervisor		1.00	1.00	1.00	1.00
Health Services Program Specialist		6.70	5.70	6.00	6.00
Health Services Supervisor		2.00	2.00	2.00	2.00
Housing Inspector		1.00	1.00	0.00	0.00
Housing Inspector (Certified)		3.00	3.00	1.00	1.00
Housing Inspector Supervisor		1.00	1.00	0.00	0.00
Housing Services Manager		1.00	1.00	0.00	0.00
Manager of Aging Services		1.00	1.00	1.00	1.00
Manager of Environmental Health		1.00	1.00	1.00	1.00
Manager of Mental Health Services		1.00	1.00	1.00	1.00
Manager, Family Health & Nursing Services		1.00	1.00	1.00	1.00
Mealsite Coordinator		0.50	0.50	0.50	0.50
Mental Health Clinical Supervisor		5.00	5.00	5.00	5.00
Mental Health Clinician I		0.50	0.00	0.00	0.00
Mental Health Clinician II		6.90	6.30	6.30	6.30
Mental Health Program Supervisor		4.00	4.00	4.00	4.00
Mid-Level Practitioner		1.20	1.20	1.20	1.20
Mini Bus Driver		1.60	1.60	2.00	2.00
Office Specialist II		18.80	17.80	16.80	16.80
Office Specialist III		7.00	7.00	5.00	5.00
Office Specialist Supervisor		1.00	1.00	1.00	1.00
Psychiatric Social Worker I		1.00	0.00	0.00	0.00
Psychiatric Social Worker II		9.60	12.60	11.60	11.60
Psychiatrist II & III		2.30	2.10	2.10	2.10
Psychiatrist Supervisor		0.50	1.00	1.00	1.00

FY 2014 & FY 2015 POSITION SUMMARY BY DEPARTMENT

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
Public Health Nurse		11.95	10.35	10.35	10.35
Registered Environmental Health Specialist		5.00	5.00	5.00	5.00
Registered Nurse		2.90	2.90	2.90	2.90
Senior Accountant		1.00	1.00		
Senior Citizen Center Director		2.00	2.00	2.00	2.00
Senior Community Development Project Coordinator				1.00	1.00
Senior Community Health Specialist		2.00	2.00	3.00	3.00
Senior Environmental Health Specialist		2.00	2.00	2.00	2.00
Senior Health Management Analyst		1.00	1.00	1.00	1.00
Senior Health Services Program Specialist		3.80	2.80	2.80	2.80
Senior Management Analyst		3.00	3.00	3.00	3.00
Senior Mental Health Clinician		1.00	1.00		
Senior Psychiatric Social Worker		0.00	1.00	2.00	2.00
Senior Public Health Nurse		1.00	1.00	0.00	0.00
Senior Service Aide		0.80	0.80		
Senior Service Assistant		3.75	3.75	3.75	3.75
Senior Weatherization Worker		0.50	0.00		
Supervising Public Health Nurse		1.00	1.00	2.00	2.00
Vector Control Technician		3.00	3.00	2.00	2.00
Weatherization Worker		0.50	0.00		
Total Career Employees		178.70	172.40	164.00	164.00
Hourly Employees:					
Clinical Psychologist			1.00	0.60	0.60
Community Services Specialist I & II		0.50	0.50	0.50	0.50
Intern		2.00	2.00	2.00	2.00
Mealsite Coordinator		1.00	1.00	1.00	1.00
Mental Health Clinician I&II		2.00	2.00	2.00	2.00
Mid-Level Practioner		3.50	3.50	3.50	3.50
Mini Bus Driver		1.50	1.50	1.50	1.50
Physician		0.20	0.20	0.20	0.20
Psychiatric Social Worker I & II		1.00	1.00	1.00	1.00
Psychiatrist II & III		1.00	1.00	1.00	1.00
Public Health Program Physician		0.20	0.20	0.20	0.20
Senior Nutrition Program Supervisor		0.50	0.50	0.50	0.50
Senior Service Aide		3.50	3.50	4.46	4.46
Senior Service Assistant		0.48	0.48	0.48	0.48
Youth Enrollee Intern		30.71	26.02	26.02	26.02
Total Hourly Employees		48.09	44.40	44.96	44.96
TOTAL HOUSING & COMMUNITY SERVICES	-	226.79	216.80	208.96	208.96
HUMAN RESOURCES					
Administrative Secretary	1.00	1.00	1.00	1.00	1.00
Associate Human Resources Analyst	3.00	2.00	2.00	2.00	2.00
Benefits Specialist	1.00	1.00	1.00	1.00	1.00
Director of Human Resources	1.00	1.00	1.00	1.00	1.00
Equal Employment Opportunity & Diversity Officer	1.00	1.00	1.00	1.00	1.00
Human Resources Manager	1.00	1.00	1.00	1.00	1.00
Human Resources Technician	2.00	2.00	2.00	2.00	2.00
Information Systems Support Technician	1.00	1.00	1.00	1.00	1.00
Occupational Health & Safety Coordinator	1.00	1.00	1.00	1.00	1.00
Occupational Health & Safety Specialist	1.00	1.00	1.00	1.00	1.00

FY 2014 & FY 2015 POSITION SUMMARY BY DEPARTMENT

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
Office Specialist II	3.00	3.00	3.00	3.00	3.00
Office Specialist III	2.00	2.00	2.00	2.00	2.00
Senior Human Resources Analyst	1.00	1.00	1.00	1.00	1.00
Training Officer	1.00	1.00	1.00	1.00	1.00
Workers Compensation Analyst	1.00	1.00	1.00	1.00	1.00
TOTAL HUMAN RESOURCES	21.00	20.00	20.00	20.00	20.00

INFORMATION TECHNOLOGY

Accounting Office Specialist Supervisor	1.00				
Accounting Office Specialist III			1.00	1.00	1.00
Applications Programmer/Analyst I	1.00	0.00	1.00	1.00	1.00
Applications Programmer/Analyst II	9.00	9.00	9.50	9.50	9.50
Customer Service Specialist III	7.00	8.00	8.00	8.00	8.00
Customer Service Manager	1.00	1.00	1.00	1.00	1.00
Customer Service Supervisor	1.00	0.00	1.00	1.00	1.00
Director of Information Technology	1.00	1.00	1.00	1.00	1.00
Field Representative	1.00	1.00	0.00	0.00	0.00
Information Systems Manager		1.00	1.00	1.00	1.00
Information Systems Specialist	4.00	5.00	5.00	5.00	5.00
Information Systems Support Technician	4.00	4.00	2.00	2.00	2.00
Office Specialist II	1.00	1.00	1.00	0.00	0.00
Senior Information Systems Specialist	5.00	5.00	3.00	3.00	3.00
Senior Systems Analyst	3.00	4.00	4.00	4.00	4.00
Supervising Systems Analyst	1.00	0.00	0.00	0.00	0.00
TOTAL INFORMATION TECHNOLOGY	40.00	40.00	38.50	37.50	37.50

LIBRARY SERVICES

Career Employees:

Accounting Office Specialist III	1.00	1.00	2.00	2.00	2.00
Accounting Office Specialist Supervisor	1.00	1.00	-	-	-
Administrative & Fiscal Services Manager	1.00	1.00	1.00	1.00	1.00
Administrative Secretary	1.00	1.00	1.00	1.00	1.00
Associate Human Resources Analyst	1.00	1.00	1.00	1.00	1.00
Building Maintenance Mechanic	1.00	1.00	1.00	1.00	1.00
Building Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00
Central Services Aide	1.75	1.75	1.75	1.75	1.75
Circulation Services Manager	1.00	1.00	1.00	1.00	1.00
Deputy Director of Library Services	1.00	1.00	1.00	1.00	1.00
Director of Library Services	1.00	1.00	1.00	1.00	1.00
Information Systems Specialist	3.00	3.00	2.00	2.00	2.00
Information Systems Support Technician			1.00	1.00	1.00
Librarian I/II	18.90	19.10	19.10	19.30	19.30
Library Aide	18.50	18.13	17.25	17.00	17.00
Library Assistant	15.10	14.50	14.50	14.50	14.50
Library Info Systems Administrator	1.00	1.00	1.00	1.00	1.00
Library Literacy Program Coordinator	1.00	1.00	1.00	1.00	1.00
Library Services Manager	3.00	2.00	2.00	2.00	2.00
Library Special Services Coordinator	1.00				
Library Specialist I	3.00	3.00	3.00	3.00	3.00
Library Specialist II	13.80	13.30	13.30	14.20	14.20

FY 2014 & FY 2015 POSITION SUMMARY BY DEPARTMENT

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
Office Specialist II	1.00	1.00	1.00	1.00	1.00
Senior Librarian	3.00	2.00	2.00	2.00	2.00
Supervising Librarian	7.00	7.00	7.00	7.00	7.00
Supervising Library Assistant	9.00	9.00	9.00	9.00	9.00
Tool Lending Specialist	2.13	2.08	2.08	2.08	2.08
Total Career Employees	112.18	107.85	106.98	107.83	107.83
Hourly Employees::					
Library Page		1.05	1.40	3.15	3.15
Youth Enrollees	1.60	0.80	0.80	0.80	0.80
Total Hourly Employees	1.60	1.85	2.20	3.95	3.95
TOTAL LIBRARY SERVICES	113.78	109.70	109.18	111.78	111.78

MAYOR & COUNCIL

Assistant to Mayor	3.00	3.00	3.00	2.00	2.00
Secretary to Mayor					
Administrative Secretary					
Legislative Aides	9.00	9.00	9.00	10.00	10.00
TOTAL MAYOR AND COUNCIL	12.00	12.00	12.00	12.00	12.00

PARKS RECREATION & WATERFRONT

Career Employees:

Accounting Office Specialist III	2.95	2.95	3.00	3.00	3.00
Accounting Office Specialist Supervisor	1.00	1.00	1.00	1.00	1.00
Administrative & Fiscal Services Manager	1.00	1.00	0.00	0.00	0.00
Administrative Secretary	1.00	1.00	1.00	1.00	1.00
Aquatics Facilities Supervisor	2.00	2.00	2.00	2.00	2.00
Aquatics Specialist II		0.50	0.50	0.50	0.50
Assistant Recreation Coordinator	3.50	3.50	3.50	4.00	4.00
Associate Management Analyst	1.00	0.00	0.00	0.00	0.00
Building Maintenance Mechanic	9.00	9.00	9.00	9.00	9.00
Building Maintenance Supervisor	2.00	2.00	2.00	1.00	1.00
Camps Manager	1.13	1.38	1.38	1.13	1.13
Community Services Specialist III	1.00	1.00	1.00	1.00	1.00
Deputy Director of Parks Recreation & Waterfront			1.00	1.00	1.00
Director of Parks & Waterfront	1.00	1.00	1.00	1.00	1.00
Forestry Climber	4.00	4.00	4.00	4.00	4.00
Forestry Climber Supervisor	1.00	1.00	1.00	1.00	1.00
Forestry Technician	1.00	1.00	1.00	1.00	1.00
Harbormaster	1.00	1.00	1.00	1.00	1.00
Landscape Architect	2.00	1.00	1.00	1.00	1.00
Landscape Equipment Operator	4.00	4.00	4.00	4.00	4.00
Landscape Gardener	19.00	19.00	19.00	15.00	15.00
Landscape Gardener Supervisor	6.00	6.00	6.00	4.00	4.00
Lifeguard/Swim Instructor	0.50	0.00	0.00	0.00	0.00
Marina Assistant	4.00	4.00	4.00	4.00	4.00
Office Specialist II	5.00	4.00	4.00	4.00	4.00
Parks Superintendent	1.00	1.00	1.00	1.00	1.00
Principal Planner	1.00	1.00	1.00	1.00	1.00
Recreation & Youth Svcs Manager	1.00	1.00	1.00	1.00	1.00

FY 2014 & FY 2015 POSITION SUMMARY BY DEPARTMENT

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
Recreation Activity Ldr.	8.10	7.85	7.85	7.25	7.25
Recreation Coordinator	6.00	6.00	6.00	5.00	5.00
Recreation Program Supervisor	3.00	2.00	2.00	3.00	3.00
Rosarian	1.00	1.00	1.00	1.00	1.00
Senior Building Maintenance Supervisor				1.00	1.00
Senior Forestry Climber	3.00	3.00	3.00	3.00	3.00
Senior Forestry Supervisor	1.00	1.00	1.00	1.00	1.00
Senior Groundskeeper	1.00	1.00	1.00	1.00	1.00
Senior Landscape Gardener				3.00	3.00
Senior Landscape Gardener Supervisor	1.00	1.00	1.00	1.00	1.00
Senior Management Analyst	2.00	2.00	2.00	2.00	2.00
Sports Official	1.50	1.50	1.50	2.00	2.00
Waterfront Manager	1.00	1.00	1.00	1.00	1.00
Total Career Employees	105.68	101.68	101.73	98.88	98.88
Hourly Employees:					
Aquatics Specialist I	3.00	3.00	3.00	3.00	3.00
Aquatics Specialist II	3.00	3.00	3.00	3.00	3.00
Camp Staff Supervisor	1.15	1.15	1.15	1.15	1.15
Camp Staff Leader	4.75	4.75	4.75	4.75	4.75
Camp Staff Member	13.50	13.50	13.50	13.50	13.50
Camp Medical Staff Member	0.35	0.35	0.35	0.35	0.35
Camp Maintenance Mechanic	1.50	1.50	1.50	1.50	1.50
Camps Manager	0.00	0.00	0.00	0.00	0.00
Cashier Attendant	0.50	0.50	0.50	0.50	0.50
Laborer	1.05	1.05	1.05	1.05	1.05
Landscape Gardener Trainee	1.00	1.00	1.00	1.00	1.00
Lifeguard/Swim Instructor	0.00	0.00	0.00	0.00	0.00
Office Specialist II	0.00	0.00	0.00	0.00	0.00
Playground Lead Trainee	1.50	1.50	1.50	1.50	1.50
Recreation Activity Leader	19.00	19.00	19.00	19.00	19.00
Sports Official	2.00	2.00	2.00	2.00	2.00
Sports Field Monitor	1.00	1.00	1.00	1.00	1.00
Swim Center Aide/Manager	2.00	2.00	2.00	2.00	2.00
Vegetation Reduction Supervisor	0.35	0.35	0.35	0.35	0.35
Total Hourly Employees	55.65	55.65	55.65	55.65	55.65
TOTAL PARKS REC & WATERFRONT	161.33	157.33	157.38	154.53	154.53

PLANNING DEPARTMENT

Career Employees:

Accounting Office Specialist III	1.00	1.00	1.00	1.00	1.00
Administrative Secretary	0.00	1.00	1.00	1.00	1.00
Applications Programmer Analyst I	0.00	0.00	0.00	0.00	0.00
Assistant Planner	2.00	3.00	2.00	2.00	2.00
Associate Management Analyst	2.00	2.00	2.00	2.00	2.00
Associate Planner	4.00	4.00	4.00	4.00	4.00
Building and Safety Manager	1.00	1.00	1.00	1.00	1.00
Building Inspector I (certified)	2.00	3.00	1.00	0.00	0.00
Building Inspector II	1.00	1.00	1.00	1.00	1.00
Building Inspector II (certified)	2.00	1.00	3.00	4.00	4.00
Community Services Specialist I	0.50	0.50	0.50	0.50	0.50
Community Services Specialist II	1.00	1.00	1.00	0.00	0.00

FY 2014 & FY 2015 POSITION SUMMARY BY DEPARTMENT

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
Community Services Specialist III	0.85	0.85	0.85	2.85	2.85
Deputy Director of Planning	1.00	1.00	1.00	1.00	1.00
Director of Planning	1.00	1.00	1.00	1.00	1.00
Energy Officer	0.70	0.70	0.70	0.70	0.70
Engineering Inspector	1.00	1.00	1.00	1.00	1.00
Hazardous Material Manager	1.00	1.00	1.00	1.00	1.00
Hazardous Material Specialist II	5.00	4.00	4.00	4.00	4.00
Housing Inspector				1.00	1.00
Housing Inspector (Certified)				2.00	2.00
Housing Inspector Supervisor				1.00	1.00
Land Use Planning Manager	1.00	1.00	1.00	1.00	1.00
Office Specialist II	5.00	4.00	4.50	5.50	5.50
Office Specialist III	3.00	3.00	3.00	4.00	4.00
Permit Center Coordinator	1.00	1.00	1.00	1.00	1.00
Permit Specialist	4.00	4.00	4.00	5.00	5.00
Principal Planner	2.00	2.00	2.00	2.00	2.00
Senior Building Inspector (Housing)	1.00	1.00	1.00	1.00	1.00
Senior Building Plans Engineer	2.00	2.00	2.00	2.00	2.00
Senior Building Plans Examiner	1.00	1.00	1.00	1.00	1.00
Senior Management Analyst	2.00	1.00	1.00	1.00	1.00
Senior Permit Specialist	1.00	1.00	1.00	1.00	1.00
Senior Planner	3.00	3.50	3.50	3.75	3.75
Supervising Building Inspector	1.00	1.00	1.00	1.00	1.00
Total Career Employees	54.05	53.55	53.05	61.30	61.30
Hourly Employees:					
Intern	5.00	5.00	5.00	5.00	5.00
TOTAL PLANNING DEPARTMENT	59.05	58.55	58.05	66.30	66.30

POLICE DEPARTMENT

Career Employees:

Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Assistant Management Analyst	2.00	2.00	2.00	2.00	2.00
Associate Human Resources Analyst	1.00	0.00	0.00	0.00	0.00
Communications Manager		1.00	1.00	1.00	1.00
Community Service Officer	18.00	17.00	16.00	15.00	15.00
Community Service Officer Supervisor	4.00	4.00	4.00	4.00	4.00
Crime Analyst	1.00	1.00	1.00	1.00	1.00
Crime Scene Supervisor	1.00	1.00	1.00	1.00	1.00
Office Specialist II	8.00	8.00	6.00	6.00	6.00
Office Specialist III	5.00	4.00	4.00	4.00	4.00
Office Specialist Supervisor	2.00	2.00	1.00	1.00	1.00
Parking Enforcement Manager				1.00	1.00
Parking Enforcement Representative	27.00	26.00	26.00	25.00	25.00
Parking Enforcement Supervisor	3.00	3.00	3.00	2.00	2.00
Police Captain	3.00	3.00	3.00	3.00	3.00
Police Chief	1.00	1.00	1.00	1.00	1.00
Police Lieutenant	10.00	9.00	9.00	9.00	9.00
Police Officer	138.00	133.00	133.00	133.00	133.00
Police Sergeant	30.00	30.00	30.00	30.00	30.00
Public Safety Business Manager	1.00	1.00	1.00	1.00	1.00

FY 2014 & FY 2015 POSITION SUMMARY BY DEPARTMENT

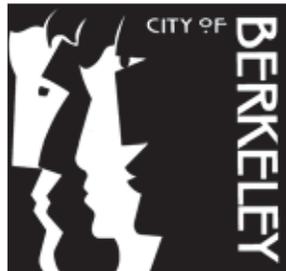
	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
Public Safety Dispatcher II	28.00	28.00	28.00	28.00	28.00
Supervising Public Safety Dispatcher	4.00	4.00	4.00	4.00	4.00
Total Career Employees	288.00	279.00	275.00	273.00	273.00
Hourly Employees:					
Juvenile Bureau Counselor	0.50	0.50	0.50	0.50	0.50
Police Aide	2.00	2.00	2.00	2.00	2.00
School Crossing Guard	3.70	3.70	3.70	3.70	3.70
Total Hourly Employees:	6.20	6.20	6.20	6.20	6.20
TOTAL POLICE DEPARTMENT	294.20	285.20	281.20	279.20	279.20
POLICE REVIEW COMMISSION					
Office Specialist II	0.50	0.50	0.00	0.00	0.00
Office Specialist III	1.00	1.00	1.00	1.00	1.00
Police Review Commission Officer	1.00	1.00	1.00	1.00	1.00
PRC Investigator	1.00	1.00	1.00	1.00	1.00
TOTAL POLICE REVIEW COMMISSION	3.50	3.50	3.00	3.00	3.00
PUBLIC WORKS					
Accounting Office Specialist III	4.00	4.00	4.00	4.00	4.00
Administrative & Fiscal Services Manager	1.00	1.00	1.00	1.00	1.00
Administrative Secretary	2.00	2.00	2.00	2.00	2.00
Architect	1.00	1.00	1.00	1.00	1.00
Assistant Architect	1.00	1.00	1.00	1.00	1.00
Assistant Civil Engineer (Reg)	3.00	4.00	4.00	4.00	4.00
Assistant Management Analyst	2.00	3.00	3.00	3.00	3.00
Assistant Public Works Engineer	2.00	2.00	2.00	2.00	2.00
Assistant Traffic Engineer	2.00	2.00	2.00	1.00	1.00
Associate Civil Engineer	5.00	4.00	4.00	4.00	4.00
Associate Management Analyst	5.00	3.00	3.00	3.00	3.00
Associate Planner	1.60	1.85	1.60	1.60	1.60
Associate Traffic Engineer	1.00	1.00	1.00	1.00	1.00
Building Inspector II (Certified)	1.00	1.00	1.00	1.00	1.00
Building Maintenance Mechanic	7.00	6.00	6.00	6.00	6.00
Chief of Party	2.00	2.00	2.00	2.00	2.00
Communications Technician	3.00	3.00	3.00	3.00	3.00
Community Development Project Coord.	1.00	1.00	1.00	1.00	1.00
Concrete Finisher	3.00	3.00	3.00	3.00	3.00
Construction Equipment Operator	3.00	3.00	3.00	3.00	3.00
Container Maintenance Welder	2.00	2.00	2.00	2.00	2.00
Deputy Director of Public Works	1.00	1.00	1.00	1.00	1.00
Director of Public Works	1.00	1.00	1.00	1.00	1.00
Disability Services Specialist	2.00	2.00	2.00	2.00	2.00
Drafting Aide	1.00	1.00	1.00	1.00	1.00
Drafting Technician	2.00	2.00	2.00	2.00	2.00
Electrical Parts Technician	1.00	1.00	1.00	1.00	1.00
Electrician	8.00	8.00	8.00	7.00	7.00
Engineering Inspector	6.00	6.00	6.00	6.00	6.00
Environmental Compliance Specialist	1.00	1.00	1.00	1.00	1.00
Equipment Superintendent	1.00	1.00	1.00	1.00	1.00

FY 2014 & FY 2015 POSITION SUMMARY BY DEPARTMENT

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
Facilities Maintenance Superintendent	1.00	1.00	1.00	1.00	1.00
Field Representative	1.00	1.00	1.00	1.00	1.00
Groundskeeper	1.00	0.00	0.00	0.00	0.00
Janitor	6.00	6.00	6.00	6.00	6.00
Janitor Supervisor	1.00	1.00	1.00	1.00	1.00
Laborer	19.00	20.00	20.00	20.00	20.00
Lead Communication Technician	1.00	1.00	1.00	1.00	1.00
Lead Electrician	3.00	3.00	3.00	3.00	3.00
Manager of Engineering	1.00	1.00	1.00	1.00	1.00
Mechanic	8.00	8.00	8.00	8.00	8.00
Mechanic Lead	1.00	1.00	1.00	1.00	1.00
Mechanic Supervisor	2.00	2.00	2.00	2.00	2.00
Mechanical Sweeper Operator	5.00	5.00	5.00	5.00	5.00
Office Specialist II	4.00	4.00	4.00	4.00	4.00
Office Specialist III	4.00	4.00	4.00	4.00	4.00
Parking Meter Maint & Collection Suprv	1.00	1.00	1.00	1.00	1.00
Parking Meter Maintenance Worker	4.00	4.00	4.00	5.00	6.00
Parking Meter Mechanic	5.00	5.00	5.00	5.00	5.00
Parking Services Manager	1.00	1.00	1.00	1.00	1.00
Principal Planner	1.00	1.00	1.00	1.00	1.00
Public Works Maintenance Superintendent	1.00	1.00	1.00	1.00	1.00
Public Works Supervisor	6.00	6.00	6.00	6.00	6.00
Real Property Administrator	1.00	1.00	1.00	0.00	0.00
Recycling Program Manager	1.00	1.00	1.00	1.00	1.00
Senior Building Inspector	1.00	1.00	1.00	1.00	1.00
Senior Building Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00
Senior Drafting Technician	1.00	1.00	1.00	1.00	1.00
Senior Electrical Supervisor	1.00	1.00	1.00	1.00	1.00
Senior Equipment Supervisor	1.00	1.00	1.00	1.00	1.00
Senior Management Analyst	2.00	2.00	2.00	3.00	3.00
Senior Public Works Supervisor	2.00	2.00	2.00	2.00	2.00
Senior Solid Waste Supervisor	3.00	3.00	3.00	3.00	3.00
Service Technician	4.00	4.00	4.00	4.00	4.00
Sewer Maintenance Assistant Supervisor	7.00	7.00	7.00	7.00	7.00
Skilled Laborer	15.00	15.00	15.00	15.00	15.00
Solid Waste Loader Operator	1.00	1.00	2.00	2.00	2.00
Solid Waste Supervisor	3.00	3.00	3.00	3.00	3.00
Solid Waste Truck Driver	27.00	27.00	27.00	31.00	31.00
Solid Waste Worker	47.00	44.00	39.00	33.00	33.00
Solid Waste/Recycling Manager	1.00	1.00	1.00	1.00	1.00
Supervising Civil Engineer	3.00	3.00	3.00	3.00	3.00
Supervising Traffic Engineeer	1.00	1.00	1.00	1.00	1.00
Survey Technician	1.00	1.00	1.00	1.00	1.00
Tractor Trailer Driver	6.00	6.00	6.00	6.00	6.00
Traffic Engineering Assistant	1.00	1.00	1.00	2.00	2.00
Traffic Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00
Traffic Maintenance Worker I	3.00	3.00	3.00	3.00	3.00
Traffic Maintenance Worker II	2.00	2.00	2.00	2.00	2.00
Transportation Manager	1.00	1.00	1.00	1.00	1.00
Warehouse Operations Specialist	1.00	1.00	1.00	1.00	1.00
Watershed Resources Specialist	1.00	1.00	0.00	0.00	0.00
Weighmaster	3.00	3.00	3.00	3.00	3.00
Welder Mechanic	1.00	1.00	1.00	1.00	1.00

FY 2014 & FY 2015 POSITION SUMMARY BY DEPARTMENT

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
TOTAL PUBLIC WORKS	297.60	292.85	287.60	285.60	286.60
RENT STABILIZATION BOARD					
Administrative Staff Assistant	1.00	1.00	1.00	1.00	1.00
Assistant Planner		1.00	1.00	1.00	1.00
Assistant Management Analyst				1.00	1.00
Associate Management Analyst	3.00	1.60	1.60	1.60	1.60
Community Services Specialist I	1.00	1.00	1.50	1.00	1.00
Community Services Specialist II	2.00	2.00	4.00	3.00	3.00
Community Services Specialist III		1.00	1.00	1.00	1.00
Deputy Director Rent Stabilization Program	1.00	1.00	1.00	1.00	1.00
Executive Director Rent Board	1.00	1.00	1.00	1.00	1.00
Office Specialist II	2.00	2.00	2.00	2.00	2.00
Office Specialist III	2.00	2.00	1.00	1.00	1.00
Senior Field Representative	1.00	1.00	1.00	-	-
Senior Hearing Examiner	2.85	1.85	1.85	1.85	1.85
Senior Legal Secretary			1.00	1.00	1.00
Senior Planner	1.00				
Staff Attorney I	1.00	2.00	2.00	2.00	2.00
Staff Attorney II	1.00	0.00			
Staff Attorney III	-	1.00	1.00	1.00	1.00
TOTAL RENT STABILIZATION BOARD	19.85	19.45	21.95	20.45	20.45
TOTAL AUTHORIZED FTEs	1536.75	1481.27	1460.76	1451.67	1452.67



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FY 2014 and FY 2015 BUDGET BALANCING PLAN

The FY 2014 and FY 2015 Balancing Plan reduced citywide expenditures by about \$2.6 million and eliminates 9 positions (net) over the next two years. These reductions spread across many departments and different funding sources. When budget cuts of this magnitude occur, the impacts of the cuts vary by the service area from having little impact to a significant reduction or in some cases elimination of programs.

The Balancing Plan 2-Year total for the General Fund proposes \$3.0 million in measures through a combination of recurring cuts and new recurring revenues.

FY 2014 and FY 2015 Two-Year Balancing Plan for the General Fund (dollars in millions)

Balancing Plan	FY 2014	FY 2015	2- Year Total
Reductions	2.8	-	2.8
Revenues	0.2	-	0.2
Total Balancing Plan			3.0

In terms of All Funds, the Balancing Plan 2-Year totals \$2.6 million. The measures included in the budget to address the shortfall for all funds are spread across multiple departments and funding sources. Several funds going into deficit reduced expenditures. Significant reductions were made in several of the Health funds including CDBG, Alameda County Grants, and Public Health Realignment. Additional reductions were made in the Parks Tax Fund, Refuse Fund, and Marina Fund.

Significant Reductions to Special Funds

Fund	Name	Amount
165	Alameda County Grants	(190,474)
370	CDBG	(174,482)
450	Parks Tax Fund	(367,536)
820	Refuse Collection & Disposal	(307,547)
825	Marina Fund	(129,492)
958	Public Health Realignment	(101,468)
Total		\$1,270,999

To balance the budget there were reallocation of assignments and cost shifts to stronger and healthier funds. This includes a cost shift of Parking Enforcement Officers to the Parking Meter Fund (840), saving the General Fund \$420,000. Other special funds continue to rely on fund balance through FY 2015, but may face problems in FY 2016 if expenditures are not reduced or additional revenue is not realized.

In FY 2014 & FY 2015 the Refuse Fund faces deficits of approximately \$530,000. The budget adopted a loan to the fund to cover the deficit. This loan will be necessary and will need to be increased if no fee increase is approved.

FY 2014 and FY 2015 BUDGET BALANCING PLAN

The Adopted Balancing Plan is summarized in the following charts over the next few pages:

- Summary by Department
- Summary by Fund
- Summary by Department and Fund
- Summary by Department and FTEs
- Number of Eliminated Career Positions by Service Area

Following these charts is an Impact Summary section providing a description of the reductions and changes by City service area and a brief description of the related service impact.

**FY 2014 And FY 2015 Adopted Balancing Measures
Summary by Department**

Department	FY 2014 FTE*	FY 2014 Expense Amount	FY 2014 Revenue Amount	FY 2015 FTE*	FY 2015 Expense Amount	FY 2015 Revenue Amount	Two-Year Total
Animal Services Total	-	(32,377)	-	-	-	-	(32,377)
City Attorney Total	-	(47,099)	-	-	-	-	(47,099)
City Clerk Total	-	(30,048)	5,000	-	(35,000)	-	(70,048)
City Manager Total	-	(61,861)	-	-	-	-	(61,861)
Economic Development Total	-	(39,140)	-	-	-	-	(39,140)
Finance Total	(1.00)	(89,155)	-	-	-	-	(89,155)
Fire Total	(0.75)	(554,304)	-	-	-	-	(554,304)
Health, Housing & Community Services Total	(2.94)	(724,977)	-	-	-	-	(724,977)
Human Resources Total	-	-	-	-	-	-	-
Information Technology Total	(1.00)	(106,171)	-	-	-	-	(106,171)
Parks, Recreation & Waterfront Total	(2.60)	(314,878)	100,000	-	-	-	(414,878)
Planning Total	2.25	416,304	-	-	-	-	337,549
Police Total	(2.00)	(701,585)	-	-	-	-	(701,585)
Police Review Commission Total	-	(4,242)	-	-	-	-	(4,242)
Public Works Total	(2.00)	498,927	-	1.00	817,858	848,345	444,694
Z- Non-Departmental Total	-	(412,272)	110,000	-	-	-	(522,272)
Grand Total	(10.04)	(2,202,879)	215,000	1.00	782,858	848,345	(2,585,867)

*FTE Amounts include Career and Hourly Reductions and Additions per the Balancing Plan

**FY 2014 And FY 2015 Adopted Balancing Measures
Summary by Fund**

Fund	Fund Name	FY 2014 FTE*	FY 2014 Expense Amount	FY 2014 Revenue Amount	FY 2015 FTE*	FY 2015 Expense Amount	FY 2015 Revenue Amount	Two-Year Total
10 Total	General Fund	(6.06)	(2,797,753)	200,000	-	(35,000)	-	(3,032,753)
40 Total	HUD	(0.03)	170	-	-	-	-	170
45 Total	ESGP Fund	0.11	(16,600)	-	-	-	-	(16,600)
55 Total	Health (General)	(0.70)	(5,429)	-	-	-	-	(5,429)
56 Total	Targeted Case Management	-	(4,695)	-	-	-	-	(4,695)
63 Total	Mental Health Services Act	-	121,897	-	-	-	-	121,897
86 Total	Comprehensive Family Planning	-	(7,447)	-	-	-	-	(7,447)
165 Total	Alameda County Grants	-	(190,474)	-	-	-	-	(190,474)
175 Total	Senior Supportive Social Services	-	1,213	-	-	-	-	1,213
178 Total	Family Care Support Program	-	(3,897)	-	-	-	-	(3,897)
231 Total	Domestic Violence Fund	-	(30,660)	-	-	-	-	(30,660)
258 Total	Condo Conversion Program	-	(6,820)	-	-	-	-	(6,820)
330 Total	Camps Fund	1.00	125,894	-	-	-	-	125,894
340 Total	CALHome	-	40,716	-	-	-	-	40,716
351 Total	Community Action Program	-	33,019	-	-	-	-	33,019
369 Total	Special Gas Tax Improvement	(0.50)	(40,328)	-	-	(16,625)	-	(56,953)
370 Total	CDBG	(0.44)	(174,482)	-	-	-	-	(174,482)
375 Total	Rental Housing Safety Program	0.44	127,661	-	-	-	-	127,661
391 Total	Measure B Local Streets and Roads	(0.50)	2,451	-	-	(1,500)	-	951
392 Total	Measure B Bike/Ped	-	(39,121)	-	-	(59,451)	-	(98,572)
393 Total	Measure B - Paratransit	-	42,206	-	-	-	-	42,206
397 Total	Vehicle Registration Fee	-	354,121	-	-	586,258	-	940,379
450 Total	Parks Tax Fund	(2.30)	(367,536)	-	-	-	-	(367,536)
470 Total	Streetlight Assessment District	-	54,323	-	-	-	-	54,323
610 Total	Capital Improvement	-	(140)	-	-	-	-	(140)
805 Total	Shelter+Care HUD	-	(14,981)	-	-	-	-	(14,981)
806 Total	Shelter+Care County	-	(2,392)	-	-	-	-	(2,392)
820 Total	Refuse Collection & Disposal**	(1.70)	(307,547)	-	-	-	614,857	(922,404)
825 Total	Marina Fund	(0.70)	(129,492)	15,000	-	-	-	(144,492)
830 Total	Sewer	(0.15)	124,155	-	-	2,283	-	126,438
831 Total	Clean Storm	(0.50)	(2,604)	-	-	-	-	(2,604)
833 Total	Permit Service Center	1.72	271,571	-	-	-	-	192,816
835 Total	Off-Street Parking	(0.15)	87,792	-	-	-	-	64,046
840 Total	Parking Meter	1.00	611,603	-	1.00	272,206	-	883,809
845 Total	Unified Program (CUPA)	-	28,895	-	-	-	-	28,895
850 Total	Building Purchases & Management	(0.48)	(113,681)	-	-	-	-	(113,681)
860 Total	Equipment Replacement	-	(15,976)	-	-	-	-	(15,976)
865 Total	Equipment Maintenance	0.35	625,964	-	-	39,010	-	664,974
866 Total	Building Maintenance	(0.38)	(407,029)	-	-	(4,323)	233,488	(644,840)
875 Total	Workers' Compensation	-	44,512	-	-	-	-	44,512
935 Total	Successor Agency - WBIP	(0.08)	(37,710)	-	-	-	-	(37,710)
958 Total	Public Health Realignment	-	(101,468)	-	-	-	-	(101,468)
959 Total	Tobacco Control Trust Fund	-	(82,779)	-	-	-	-	(82,779)
Grand Total		(10.04)	(2,202,879)	215,000	1.00	782,858	848,345	(2,585,867)

*FTE Amounts include Career and Hourly Reductions and Additions per the Balancing Plan

** Refuse Fund FY 2015 Revenue Amount is a loan from the Workers' Compensation Fund.

**FY 2014 And FY 2015 Adopted Balancing Measures
Summary by Department and Fund**

Department	Fund	Fund Name	FY 2014 FTE*	FY 2014 Expense Amount	FY 2014 Revenue Amount	FY 2015 FTE*	FY 2015 Expense Amount	FY 2015 Revenue Amount	Two-Year Total
	10 Total	General Fund	-	(32,377)	-	-	-	-	(32,377)
Animal Services Total			-	(32,377)	-	-	-	-	(32,377)
	10 Total	General Fund	-	(47,099)	-	-	-	-	(47,099)
City Attorney Total			-	(47,099)	-	-	-	-	(47,099)
	10 Total	General Fund	-	(30,048)	5,000	-	(35,000)	-	(70,048)
City Clerk Total			-	(30,048)	5,000	-	(35,000)	-	(70,048)
	10 Total	General Fund	-	(61,861)	-	-	-	-	(61,861)
City Manager Total			-	(61,861)	-	-	-	-	(61,861)
	10 Total	General Fund	-	(39,140)	-	-	-	-	(39,140)
Economic Development Total			-	(39,140)	-	-	-	-	(39,140)
	10 Total	General Fund	(1.00)	(89,155)	-	-	-	-	(89,155)
Finance Total			(1.00)	(89,155)	-	-	-	-	(89,155)
	10 Total		(0.75)	(554,304)	-	-	-	-	(554,304)
Fire Total			(0.75)	(554,304)	-	-	-	-	(554,304)
	10 Total	General Fund	(1.71)	(258,844)	-	-	-	-	(258,844)
	40 Total	HUD	(0.03)	170	-	-	-	-	170
	45 Total	ESGP Fund	0.11	(16,600)	-	-	-	-	(16,600)
	55 Total	Health (General)	(0.70)	(5,429)	-	-	-	-	(5,429)
	56 Total	Targeted Case Management	-	(4,695)	-	-	-	-	(4,695)
	63 Total	Mental Health Services Act	-	121,897	-	-	-	-	121,897
	86 Total	Comprehensive Family Planning	-	(7,447)	-	-	-	-	(7,447)
	165 Total	Alameda County Grants	-	(190,474)	-	-	-	-	(190,474)
	175 Total	Senior Supportive Social Services	-	1,213	-	-	-	-	1,213
	178 Total	Family Care Support Program	-	(3,897)	-	-	-	-	(3,897)
	231 Total	Domestic Violence Fund	-	(30,660)	-	-	-	-	(30,660)
	258 Total	Condo Conversion Program	-	(6,820)	-	-	-	-	(6,820)
	340 Total	CALHome	-	40,716	-	-	-	-	40,716
	351 Total	Community Action Program	-	33,019	-	-	-	-	33,019
	370 Total	CDBG	(0.44)	(174,482)	-	-	-	-	(174,482)
	375 Total	Rental Housing Safety Program	(0.06)	(24,997)	-	-	-	-	(24,997)
	393 Total	Measure B - Paratransit	-	42,206	-	-	-	-	42,206
	610 Total	Capital Improvement	-	(140)	-	-	-	-	(140)
	805 Total	Shelter+Care HUD	-	(14,981)	-	-	-	-	(14,981)
	806 Total	Shelter+Care County	-	(2,392)	-	-	-	-	(2,392)
	833 Total	Permit Service Center	(0.03)	(383)	-	-	-	-	(383)
	935 Total	Successor Agency - WBIP	(0.08)	(37,710)	-	-	-	-	(37,710)
	958 Total	Public Health Realignment	-	(101,468)	-	-	-	-	(101,468)
	959 Total	Tobacco Control Trust Fund	-	(82,779)	-	-	-	-	(82,779)
Health, Housing & Community Services Total			(2.94)	(724,977)	-	-	-	-	(724,977)
	10 Total	General Fund	-	(44,512)	-	-	-	-	(44,512)
	875 Total	Workers' Compensation	-	44,512	-	-	-	-	44,512
Human Resources Total			-	-	-	-	-	-	-
	10 Total	General Fund	-	(106,004)	-	-	-	-	(106,004)
	830 Total	Sewer	(0.50)	(84)	-	-	-	-	(84)
	831 Total	Clean Storm	(0.50)	(84)	-	-	-	-	(84)
Information Technology Total			(1.00)	(106,171)	-	-	-	-	(106,171)
	10 Total	General Fund	(0.60)	(22,899)	85,000	-	-	-	(107,899)
	330 Total	Camps Fund	1.00	125,894	-	-	-	-	125,894
	450 Total	Parks Tax Fund	(2.30)	(351,705)	-	-	-	-	(351,705)
	825 Total	Marina Fund	(0.70)	(66,168)	15,000	-	-	-	(81,168)
Parks, Recreation & Waterfront Total			(2.60)	(314,878)	100,000	-	-	-	(414,878)
	10 Total	General Fund	-	(37,203)	-	-	-	-	(37,203)
	375 Total	Rental Housing Safety Program	0.50	152,658	-	-	-	-	152,658
	833 Total	Permit Service Center	1.75	271,954	-	-	-	-	193,199
	845 Total	Unified Program (CUPA)	-	28,895	-	-	-	-	28,895
Planning Total			2.25	416,304	-	-	-	-	337,549
	10 Total	General Fund	(2.00)	(1,121,935)	-	-	-	-	(1,121,935)
	840 Total	Parking Meter	-	420,350	-	-	-	-	420,350
Police Total			(2.00)	(701,585)	-	-	-	-	(701,585)
	10 Total	General Fund	-	(4,242)	-	-	-	-	(4,242)
Police Review Commission Total			-	(4,242)	-	-	-	-	(4,242)
	10 Total	General Fund	-	64,142	-	-	-	-	64,142
	369 Total	Special Gas Tax Improvement	(0.50)	(40,328)	-	-	(16,625)	-	(56,953)
	391 Total	Measure B Local Streets and Roads	(0.50)	2,451	-	-	(1,500)	-	951
	392 Total	Measure B Bike/Ped	-	(39,121)	-	-	(59,451)	-	(98,572)
	397 Total	Vehicle Registration Fee	-	354,121	-	-	586,258	-	940,379
	450 Total	Parks Tax Fund	-	(15,831)	-	-	-	-	(15,831)
	470 Total	Streetlight Assessment District	-	54,323	-	-	-	-	54,323
	820 Total	Refuse Collection & Disposal**	(1.70)	(307,547)	-	-	-	614,857	(922,404)
	825 Total	Marina Fund	-	(63,324)	-	-	-	-	(63,324)
	830 Total	Sewer	0.35	124,238	-	-	2,283	-	126,521

**FY 2014 And FY 2015 Adopted Balancing Measures
Summary by Department and Fund**

Department	Fund	Fund Name	FY 2014 FTE*	FY 2014 Expense Amount	FY 2014 Revenue Amount	FY 2015 FTE*	FY 2015 Expense Amount	FY 2015 Revenue Amount	Two-Year Total
	831 Total	Clean Storm	-	(2,520)	-	-	-	-	(2,520)
	835 Total	Off-Street Parking	(0.15)	87,792	-	-	-	-	64,046
	840 Total	Parking Meter	1.00	191,253	-	1.00	272,206	-	463,459
	850 Total	Building Purchases & Management	(0.48)	(113,681)	-	-	-	-	(113,681)
	860 Total	Equipment Replacement	-	(15,976)	-	-	-	-	(15,976)
	865 Total	Equipment Maintenance	0.35	625,964	-	-	39,010	-	664,974
	866 Total	Building Maintenance	(0.38)	(407,029)	-	-	(4,323)	233,488	(644,840)
Public Works Total			(2.00)	498,927	-	1.00	817,858	848,345	444,694
	10 Total	General Fund	-	(412,272)	110,000	-	-	-	(522,272)
Z- Non-Departmental Total			-	(412,272)	110,000	-	-	-	(522,272)
Grand Total			(10.04)	(2,202,879)	215,000	1.00	782,858	848,345	(2,585,867)

*FTE Amounts include Career and Hourly Reductions and Additions per the Balancing Plan

** Refuse Fund FY 2015 Revenue Amount is a loan from the Workers' Compensation Fund.

**FY 2014 And FY 2015 Adopted Balancing Measures
Summary by Department and FTEs (Net)**

Department	FY 2014 FTE*	FY 2015 FTE*
Finance Total	(1.00)	-
Fire Total	(0.75)	-
Health, Housing & Community Services Total	(2.94)	-
Information Technology Total	(1.00)	-
Parks, Recreation & Waterfront Total	(2.60)	-
Planning Total	2.25	-
Police Total	(2.00)	-
Public Works Total	(2.00)	1.00
Grand Total	(10.04)	1.00

**FTE Amounts include Career and Hourly Reductions and Additions per the Balancing Plan*

FY 2014 And FY 2015 Adopted Balancing Measures Number of Eliminated Career Positions by Service Area

Service Area	FY 2014		FY 2015	
	Filled	Vacant	Filled	Vacant
General Government		(1.00)		
Fire		(0.75)		
Health, Housing & Community Services	(1.00)	(4.50)		
Information Technology	(1.00)			
Parks Recreation & Waterfront	(4.25)	(4.00)		
Police		(2.00)		
Public Works		(4.00)		
Totals	(6.25)	(16.25)		

This chart reflects **eliminated** career positions only. It does not include any proposed added career positions, or proposed addition or elimination of any hourly positions. Net decrease of 22.50 FTEs.

BUDGET IMPACT SUMMARIES

FIRE DEPARTMENT BUDGET IMPACT SUMMARY (FY 2014 & FY 2015)

ADOPTED CHANGES	PROGRAMMATIC IMPACTS	GUIDING PRINCIPLES IN DECISION MAKING	LOOKING FORWARD: CORE PROGRAMMATIC ACTIVITIES
<p><u>FY 14 Reductions</u></p> <ul style="list-style-type: none"> • Eliminate vacant Accounting Office Specialist III (0.75 FTE) • Establish annual salary savings target 	<ul style="list-style-type: none"> ➤ Public Safety payroll, purchasing duties, and other accounting duties will be absorbed by existing support staff. ➤ Cost savings due to natural attrition rates. 		<ul style="list-style-type: none"> ➤ The Fire Department's administrative and operational support unit will continue to ensure accurate and timely completion of all payroll and accounting functions. ➤ The Fire Department will continue to provide comprehensive fire protection, emergency medical services, disaster preparedness, and rescue and other related services to the community.

BUDGET IMPACT SUMMARIES

GENERAL GOVERNMENT BUDGET IMPACT SUMMARY (FY 2014 & FY 2015) **Includes: Animal Services, City Attorney, City Clerk, City Manager, Economic Development, Finance, Human Resources, Information Technology, and Police Review Commission**

ADOPTED CHANGES	PROGRAMMATIC IMPACTS	GUIDING PRINCIPLES IN DECISION MAKING	LOOKING FORWARD: CORE PROGRAMMATIC ACTIVITIES
<p>Animal Services</p> <ul style="list-style-type: none"> • FY 2014 Reduce spay/neuter vouchers, BadRap contract, and miscellaneous non-personnel 	<ul style="list-style-type: none"> ➤ Higher reproductive rates and it may be more difficult for pitbulls to be adopted 	<ul style="list-style-type: none"> ➤ <i>Focus on eliminating vacant positions</i> ➤ <i>Propose proportional reductions in general government to reductions in direct services</i> 	<ul style="list-style-type: none"> ➤ Animal Services will continue to provide field services for the cities of Berkeley and Albany, and shelter animals from Berkeley, Albany, Piedmont, and Emeryville.
<p>City Attorney</p> <ul style="list-style-type: none"> • FY 2014 Reduce outside counsel funds 	<ul style="list-style-type: none"> ➤ Level of remaining funding is adequate for projected caseload 	<ul style="list-style-type: none"> ➤ <i>Perform services at levels consistent with standards and practices</i> ➤ <i>Optimize fiscal, administrative, and operational efficiencies in order to maintain resources for the community</i> 	<ul style="list-style-type: none"> ➤ The City Attorney's Office will continue to provide legal advice to minimize liability and ensure conformance to legal constraints.
<p>City Clerk</p> <ul style="list-style-type: none"> • FY 2014 Hire Assistant City Clerk at 80% FTE • FY 2015 Discontinue Ranked Choice Voting postcard 	<ul style="list-style-type: none"> ➤ Minimal impact ➤ Postcard no longer needed 	<ul style="list-style-type: none"> ➤ <i>Maintain an appropriate balance of front-line/support staff and management/supervision</i> 	<ul style="list-style-type: none"> ➤ The City Clerk's Department will continue to provide oversight for legislative proceedings, elections, campaign finance and administration of the Records Management Program.
<p>City Manager</p> <ul style="list-style-type: none"> • Reduce non-personnel budget 	<ul style="list-style-type: none"> ➤ Minimal impact 		<ul style="list-style-type: none"> ➤ The City Manager's Office will continue to build and maintain an effective City government organization; ensure the effective delivery of services; provide management direction and support for the planning, implementation, and evaluation of all city programs; and ensure coordination and consistency in implementing policies and programs approved by the City Council.

BUDGET IMPACT SUMMARIES

GENERAL GOVERNMENT BUDGET IMPACT SUMMARY (FY 2014 & FY 2015) **Includes: Animal Services, City Attorney, City Clerk, City Manager, Economic Development, Finance, Human Resources, Information Technology, and Police Review Commission**

ADOPTED CHANGES	PROGRAMMATIC IMPACTS	GUIDING PRINCIPLES IN DECISION MAKING	LOOKING FORWARD: CORE PROGRAMMATIC ACTIVITIES
<p>Economic Development</p> <ul style="list-style-type: none"> • Reduce professional services contracts for Economic Development & Sustainable Development <p>Finance</p> <ul style="list-style-type: none"> • FY 14 Eliminate vacant Office Specialist II (1.0 FTE) <p>Human Resources</p> <ul style="list-style-type: none"> • Cost shift 25% of a Senior Human Resources Analyst from General Fund to Workers' Compensation 	<ul style="list-style-type: none"> ➤ Reduce ability to expand or initiate new marketing efforts and support local sustainable businesses. ➤ Increase time of processing new, delinquent, and renewal of business license and increase time to schedule and notify appellants of business license hearings. ➤ Increase time of processing RPP permits ➤ Need to allocate processing of taxi script to other Finance staff ➤ No impact 		<ul style="list-style-type: none"> ➤ Economic Development will continue to expand employment and business opportunities for Berkeley residents, entrepreneurs and property owners. ➤ The Finance Department will continue to safeguard City assets, maximize revenues, manage the business of City programs and provide accurate, timely and complete financial information. ➤ The Human Resources Department will continue to ensure that the City employs fair and equitable HR policies and procedures; that recruitment and hiring of

BUDGET IMPACT SUMMARIES

GENERAL GOVERNMENT BUDGET IMPACT SUMMARY (FY 2014 & FY 2015) **Includes: Animal Services, City Attorney, City Clerk, City Manager, Economic Development, Finance, Human Resources, Information Technology, and Police Review Commission**

ADOPTED CHANGES	PROGRAMMATIC IMPACTS	GUIDING PRINCIPLES IN DECISION MAKING	LOOKING FORWARD: CORE PROGRAMMATIC ACTIVITIES
<p>Fund</p> <p>Information Technology</p> <ul style="list-style-type: none"> • FY 14 Eliminate Office Specialist II (1.0 FTE) <p>Police Review Commission</p> <ul style="list-style-type: none"> • Reduce overtime and non-personnel budget 	<ul style="list-style-type: none"> ➤ Impact 311 call intake and increase “abandoned calls” by 2 percent. ➤ Minimal impact 		<p>diverse and skilled applicants is done on the basis of individual qualifications and that employees are provided with ongoing development opportunities.</p> <ul style="list-style-type: none"> ➤ The IT Department will continue to deliver innovative, secure, environmentally sound, and cost effective technologies to support City government and facilitate civic participation. ➤ The PRC will continue to provide a forum for community input in reviewing and evaluating the Berkeley Police Department’s policies, practices, and procedures.

BUDGET IMPACT SUMMARIES
HEALTH, HOUSING & COMMUNITY SERVICES (FY 2014 & FY 2015)

AGING SERVICES

ADOPTED CHANGES	PROGRAMMATIC IMPACTS	GUIDING PRINCIPLES IN DECISION MAKING	LOOKING FORWARD
FY14 Reductions			
<ul style="list-style-type: none"> • Eliminate vacant .80 FTE Senior Service Aide. • Addition of Two- .48 FTE hourly Senior Service Aides. 	<ul style="list-style-type: none"> ➤ Elimination of vacant career position and addition of two .48 FTE hourly position allows for two staff to work together in the kitchen to support high-volume daily lunch program at North Berkeley Senior Center. 	<ul style="list-style-type: none"> ➤ Retain essential services for which there is no viable, accessible alternative; ➤ Provide additional staff resources to meet the customer service demands of high-use programs within the Aging Services Division (North Berkeley Senior Center lunch program); ➤ Optimize fiscal, administrative, and operational efficiencies in order to direct maximum resources to the community; 	<ul style="list-style-type: none"> ➤ Provide two activity centers for Berkeley Seniors; ➤ Provide nutritional hot meal to seniors five days per week at two Senior Center locations ➤ Provide home-delivered hot meals to home-bound seniors up to seven days per week; ➤ Provide social services to seniors in crisis in their homes and senior centers. ➤ Provide transportation to seniors to access senior center services, and participate in recreation and education community events and community health services.
<ul style="list-style-type: none"> • Eliminate 1.0 Office Specialist III 	<ul style="list-style-type: none"> ➤ Office Specialist II positions posted at each center will provide a half day support twice per month away from regular Center activities. 		
<ul style="list-style-type: none"> • Transfer of 1.0 Assistant Management Analyst 	<ul style="list-style-type: none"> ➤ Provides analytic capacity in the Division to support budget, contract and other analyst duties. 		

BUDGET IMPACT SUMMARIES
HEALTH, HOUSING & COMMUNITY SERVICES (FY 2014 & FY 2015)

ENVIRONMENTAL HEALTH			
ADOPTED CHANGES	PROGRAMMATIC IMPACTS	GUIDING PRINCIPLES IN DECISION MAKING	LOOKING FORWARD
FY14 Reductions			
<ul style="list-style-type: none"> • Reduction of non personnel expenses to meet target reduction and maximize the use of grant resources. 	<ul style="list-style-type: none"> ➤ A significant reduction will be made in funds available annually for property abatement of vector control violations. This reduced amount more accurately reflects the actual amounts expended in the last number of years. 	<ul style="list-style-type: none"> ➤ Prioritize non personnel expenses and work within available resources. 	<ul style="list-style-type: none"> ➤ Provide vector control services and prioritize property abatements. ➤ Provide essential equipment, tools, and supplies for inspection staff to conduct inspections, service request and complaint response.

BUDGET IMPACT SUMMARIES
HEALTH, HOUSING & COMMUNITY SERVICES (FY 2014 & FY 2015)

HOUSING & COMMUNITY SERVICES			
ADOPTED CHANGES	PROGRAMMATIC IMPACTS	GUIDING PRINCIPLES IN DECISION MAKING	LOOKING FORWARD
FY14 Reductions			
<ul style="list-style-type: none"> ➤ Reorganize the Housing Services and Community Services and Administration Divisions into one Division and Eliminate a Vacant Housing Services Manager (1.0 FTE) 	<ul style="list-style-type: none"> ➤ This will reduce staff working on housing development and rehabilitation by one FTE. ➤ This will impact the oversight and the breadth of experience available to manage development challenges that arise. ➤ Maintain frontline development support to community partners developing affordable housing. ➤ May slow down some management review of key agreements and compliance issues. 	<ul style="list-style-type: none"> ➤ Retain essential services for which there is no viable, accessible alternative; ➤ Optimize fiscal, administrative, and operational efficiencies in order to direct maximum resources to the community; ➤ Maintain an appropriate balance of front-line/support staff and management/supervision; ➤ Maintain compliance with federal funding requirements. 	<ul style="list-style-type: none"> ➤ Maintain staff support to community partners in developing affordable housing for and delivering services to low-income community members; ➤ Maintain direct services and services provided through community partners to support low-income, elderly and disabled community members to remain and thrive in our community; ➤ Maintain services to homeless and formerly homeless community members including administration of housing subsidies for more than 270 households; ➤ Maintain current effort and continue to pursue leveraged opportunities to provide youth with workforce development experience; ➤ Collaborate with the 2020 Vision initiative to address educational and health inequities in Berkeley; ➤ Value partnerships in our work, with an emphasis on ensuring that each partner makes the best possible use of resources. <p><u>New Initiatives</u></p> <ul style="list-style-type: none"> ➤ Development of Coordinated Intake and Assessment for Homeless Services and alignment with County-wide per HUD mandate.
<ul style="list-style-type: none"> • Housing Code Enforcement to Planning 	<ul style="list-style-type: none"> ➤ Will strengthen oversight of program through integration with Planning department. 		
<ul style="list-style-type: none"> • Reduction in YouthWorks stipend line item by \$19,064 	<ul style="list-style-type: none"> ➤ New level of funding more closely aligns with recent expenditure levels. We expect no adverse impact on program participation by youth. 		
<ul style="list-style-type: none"> • <u>Addition</u> of 1.0 Associate Management Analyst 	<p>Supports budget activities to support Targeted Case Management and MediCal Administrative Activities shared within the Health, Housing & Community Services Department</p>		

BUDGET IMPACT SUMMARIES
HEALTH, HOUSING & COMMUNITY SERVICES (FY 2014 & FY 2015)

MENTAL HEALTH			
ADOPTED CHANGES	PROGRAMMATIC IMPACTS	GUIDING PRINCIPLES IN DECISION MAKING	LOOKING FORWARD
FY 14 Reductions			
<ul style="list-style-type: none"> • Elimination of an hourly <19 hrs/wk Clinical Psychologist position 	<ul style="list-style-type: none"> ➤ The elimination of the position will reduce availability to provide services to children through the Early Periodic Screening Diagnosis and Treatment (EPSDT) program. Psychological testing will be shifted to PhD interns and testing services won't be available in summer when interns are not working. 	<ul style="list-style-type: none"> ➤ Retain essential services, including mental health mobile crisis and homeless outreach services which are funded by the General Fund. ➤ Utilize existing staffing and interns to provide service, on a more limited basis. 	<p><u>Mandated services</u></p> <ul style="list-style-type: none"> ➤ EPSDT services will be provided to all eligible clients by partner agencies of the Unified School District if necessary. <p><u>Efficiencies and fiscal responsibility</u></p> <ul style="list-style-type: none"> ➤ Re-evaluate what service can be provided through our permanent staff or the interns trained by the Division.

BUDGET IMPACT SUMMARIES
HEALTH, HOUSING & COMMUNITY SERVICES (FY 2014 & FY 2015)

PUBLIC HEALTH			
ADOPTED CHANGES	PROGRAMMATIC IMPACTS	GUIDING PRINCIPLES IN DECISION MAKING	LOOKING FORWARD
FY14 Reductions			
<ul style="list-style-type: none"> Elimination of vacant CHWS (Community Health Worker Specialist) (0.7FTE) 	<ul style="list-style-type: none"> Public Health will continue to rely on partnerships with community service providers to meet community needs. 	<ul style="list-style-type: none"> Bring scopes of work into alignment with staff capacity and resources. While this budget brings expenses and revenues into alignment, the cumulative impact of the past 3-5 years of fiscal reductions has yet to be fully and adequately matched by a commensurate reduction in Public Health programs' scope and service. Ensure that expenditures are closely aligned with projected revenues; Perform mandated services at levels consistent with state standards and practices; Assess services through the lens of eliminating health inequities in Berkeley; Optimize fiscal, administrative, and operational efficiencies in order to direct maximum resources to the community; 	<p><u>Essential Services</u></p> <ul style="list-style-type: none"> Maximize the impact of Public Health on eliminating health inequities in Berkeley, within the resources available in this balanced budget. Align program activities with funded staffing levels. Use the 2013 Health Status Report as a guide to the populations, health conditions, and neighborhoods most affected by health inequities, and as a basis for focusing Public Health program activities. Devote staff resources to developing and maintaining community and organizational partnerships which are critical to effective public health service in light of reduced resources. <p><u>Mandated services</u></p> <ul style="list-style-type: none"> Respond to Communicable disease events in our community, in partnership with local health care providers and institutions. Complete and disseminate Berkeley's 2013 Health Status Report to fulfill the essential public health function of monitoring and
<ul style="list-style-type: none"> Elimination of vacant OS II (Office Specialist II) (1.0 FTE) 	<ul style="list-style-type: none"> Creation of the Department level Admin and Fiscal Unit has reduced somewhat the need for office support at the Division level. Cross-training and flexible deployment of office specialist staff is expected to mitigate against significant program impacts from the OSII reduction. 	<ul style="list-style-type: none"> Perform mandated services at levels consistent with state standards and practices; Assess services through the lens of eliminating health inequities in Berkeley; Optimize fiscal, administrative, and operational efficiencies in order to direct maximum resources to the community; 	
<ul style="list-style-type: none"> Consolidation of staff into half of the currently used space at 1947 Center Street, including move of program staff to 830 University 	<ul style="list-style-type: none"> Closer collaboration among WIC, Public Health Clinical services, and program staff relocated to 830 University Ave. Decreased physical capacity to bring on students and interns, due to more crowded working conditions. 	<ul style="list-style-type: none"> Maintain an appropriate balance of front-line/support staff and management/supervision; Locate staff offices in proximity to each other in ways that optimize collaboration and coordination opportunities and improve efficiency. 	
<ul style="list-style-type: none"> Operating expenditure reductions make up the additional reductions necessary to meet the total reduction targets. 	<ul style="list-style-type: none"> Operating costs will be quite constrained in FY14, with limited opportunities for training beyond that mandated and funded by programs. 		

BUDGET IMPACT SUMMARIES
HEALTH, HOUSING & COMMUNITY SERVICES (FY 2014 & FY 2015)

		<ul style="list-style-type: none"> ➤ Balance activities between direct service and prevention, striving to build communities in which everyone has the opportunity to make healthy choices. 	<p>reporting on the health of our community, and inform local public health planning to meet local needs.</p> <ul style="list-style-type: none"> ➤ Maintain mandated functions including physician Health Officer, Director of Nursing, and qualified health educator. <p><u>Efficiencies and fiscal responsibility</u></p> <ul style="list-style-type: none"> ➤ Optimize leveraging of funds: ensure that funds are “matched” to the fullest extent possible; ensure that we draw down maximum funds in each program; ➤ Critically review funding sources for their impact on health status and health inequities in Berkeley, and prioritize optimizing those with the largest impact. ➤ Ensure timeliness and completeness of contracting, reporting and invoicing; <p><u>New Initiatives</u></p> <ul style="list-style-type: none"> ➤ Implement electronic health record. This will improve billing, quality assurance, and program evaluation capabilities. ➤ Demonstrate “meaningful use” of electronic health records, in order to qualify for additional federal incentive payments. ➤ Assess Division readiness for Public Health Accreditation and identify feasibility, resource needs, and timeline for pursuing accreditation. ➤ Prepare for and respond to Health Care Reform, with particular attention to those who continue to fall through the gaps in health care services, such as undocumented residents.
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BUDGET IMPACT SUMMARIES

PARKS, RECREATION & WATERFRONT BUDGET IMPACT SUMMARY (FY 2014 & FY 2015)

ADOPTED CHANGES	PROGRAMMATIC IMPACTS	GUIDING PRINCIPLES IN DECISION MAKING	LOOKING FORWARD: CORE PROGRAMMATIC ACTIVITIES
<p><u>FY 14 Balancing Strategies</u></p> <p>Increase Revenues</p> <ul style="list-style-type: none"> • Increase Recreation Special Fee Class revenues by \$85,000 • Increase Special Event parking charges from \$10 per car to \$15 per car <p>Sustain Programming</p> <ul style="list-style-type: none"> • Create sustainable programming for the Pre-K / Tots Program. <p><u>Program Restructuring Recreation Programs:</u></p> <ul style="list-style-type: none"> • Eliminate 1.0 FTE vacant Recreation Coordinator • Increase .50 FTE Assistant Rec Coordinator (Day Camp) position from 50% to 100% • Increase .60 FTE Recreation Activity Leader to .75 FTE 	<p>Increase due to new program offerings (<i>not an increase in fees charged for existing programs</i>)</p> <p>Will provide new revenue to the Marina Fund to help reduce the structural deficit. The increased charge may slightly reduce current user counts.</p> <p>Replaces Alameda County First 5 funding lost due to ending capacity grant. Funds hourly staff and non-personnel costs.</p> <p>Redistributes responsibilities to other staff and restructures related programs.</p> <p>Increases capacity in the Day Camp program and stabilizes staffing.</p> <p>Increase in hours will help further develop Recreation Fee Class program</p>	<p>Focus on effective programs and continue expanding to maximize offerings to the community.</p> <p>Control the cost impact to event participants and work closely with event sponsors.</p> <p>Sustain a highly successful program that provides recreational and educational opportunities for tots and pre-kindergarten children.</p> <p>Minimize the impacts to direct services and programs while ensuring effective oversight of each Community Center facility.</p> <p>Create a sustainable structure for the Day Camp programs and provide increased capacity for planning and oversight.</p> <p>Focus on effective programs and continue expanding to maximize offerings to the community.</p>	<p><u>Essential Services:</u></p> <p>The Parks Recreation & Waterfront Department will continue to develop and expand quality recreation programs and services to the community.</p> <p>The Parks Recreation & Waterfront Department will continue to prioritize and make sustainable effectively managed, critical recreation programs.</p> <p>The Parks Recreation & Waterfront Department will continue to evaluate program structure as well as content, and work to strategically reduce overhead costs while maintaining direct recreation services to the community.</p>

BUDGET IMPACT SUMMARIES

PARKS, RECREATION & WATERFRONT BUDGET IMPACT SUMMARY (FY 2014 & FY 2015)

ADOPTED CHANGES	PROGRAMMATIC IMPACTS	GUIDING PRINCIPLES IN DECISION MAKING	LOOKING FORWARD: CORE PROGRAMMATIC ACTIVITIES
<ul style="list-style-type: none"> Re-establish 1.0 FTE Recreation Program Supervisor as the Camps Supervisor Reduce 1.0 FTE Camps Manager to a .75 FTE position 	<p>Position was eliminated in the prior budget cycle. Need to restore to reduce span of control for Recreation and Youth Services Manager.</p> <p>Position was temporarily increased from part-time to full-time in the prior budget cycle in the absence of the Rec Program Supervisor position. This is not a year-round position.</p>	<p>Enhance programming and supervision of the resident camps programs operating out of three different locations.</p> <p>Ensure adequate camp oversight and management during both the planning and programming seasons.</p>	
<p><u>Landscape Services:</u></p> <ul style="list-style-type: none"> Eliminate 2.0 FTE vacant Landscape Gardener Supervisor positions Eliminate 3.0 FTE Landscape Gardeners to establish 3.0 FTE Senior Landscape Gardeners Eliminate 1.0 FTE Landscape Gardener Increase funding for California Conservation Corps 	<p>Reduces number of work units from 5 to 3, slightly increases work unit size, and redistributes supervisory work among existing staff.</p> <p>Positions to be filled on a promotional basis so this effectively reallocates existing positions. Will create "lead" opportunities for staff and ease some of the supervisory load from the reduction in work units.</p> <p>Park landscape maintenance will be deferred and services reduced.</p> <p>Provides support for special, seasonal maintenance work in City parks.</p>	<p>Minimize the impacts to direct services and establish sustainable work units.</p> <p>Minimize the impacts to direct services, establish sustainable work units and provide promotional opportunities for staff.</p> <p>Minimize the impacts to direct services, while ensuring adequate maintenance of priority areas.</p> <p>Ensure year-round parks maintenance services by augmenting for seasonal needs.</p>	<p>The Parks Recreation & Waterfront Department will continue to evaluate the cost-efficiencies of ongoing landscape services to the City's many parks, streets and medians, ensuring safety and access to City parks and fields.</p>
<p><u>Facility Maintenance:</u></p> <ul style="list-style-type: none"> Eliminate 1.0 vacant Building 	<p>Allows for restructuring of Parks and Marina facility maintenance services and</p>	<p>Maximize the effectiveness of facility maintenance planning and work</p>	<p>The Parks Recreation & Waterfront Department will continue to evaluate the cost-efficiencies of</p>

BUDGET IMPACT SUMMARIES

PARKS, RECREATION & WATERFRONT BUDGET IMPACT SUMMARY (FY 2014 & FY 2015)

ADOPTED CHANGES	PROGRAMMATIC IMPACTS	GUIDING PRINCIPLES IN DECISION MAKING	LOOKING FORWARD: CORE PROGRAMMATIC ACTIVITIES
Maintenance Supervisor and create new Senior Building Maintenance Supervisor	creates stronger supervision of the activities of both units.	processes.	ongoing maintenance services to the community centers, swimming pools, camps, playground structures, and other park and marina facilities, ensuring safety and access for the community.

BUDGET IMPACT SUMMARIES

PLANNING & DEVELOPMENT BUDGET IMPACT SUMMARY (FY 2014 & FY 2015)

ADOPTED CHANGES	PROGRAMMATIC IMPACTS	GUIDING PRINCIPLES IN DECISION MAKING	LOOKING FORWARD: CORE PROGRAMMATIC ACTIVITIES
<p><u>FY14 changes</u></p> <ul style="list-style-type: none"> • 40% cost shift of an Office Specialist II from GF to PSC fund 	None.	<ul style="list-style-type: none"> ➤ Align administrative support with the proportion of their services dedicated to each fund. 	<ul style="list-style-type: none"> ➤ None
<ul style="list-style-type: none"> • Addition of 1.0 FTE Permit Specialist 	The position will provide adequate customer service at the Permit Center as development activity has picked up.	<ul style="list-style-type: none"> ➤ Meet performance measures, one of which is serving customer within 15 minutes of their arrival at the PSC. ➤ Staffing the Welcome Station with a Permit Specialist will provide the necessary level of expertise and overall knowledge of the development process at the point of customer contact. 	<ul style="list-style-type: none"> ➤ Provide excellent customer service at the PSC, as permit activity remains high. ➤ Revenues continue to exceed projection.
<ul style="list-style-type: none"> • Increase .50 FTE Senior Planner to .75 FTE 	With large projects now coming in, we require more time to process the historic preservation issues in a timely manner.	<ul style="list-style-type: none"> ➤ As this is the only position dedicated to historic preservation and staffed by a historic preservationist planner, the half-time position is not enough to complete the required tasks. ➤ Prior to the recession, our historic preservation position was full time. 	<ul style="list-style-type: none"> ➤ Development community will know that we have resources available to process major projects involving historic designated structures.
<ul style="list-style-type: none"> • Addition of 1.0FTE Community Services Specialist III position 	This position will provide administrative support for the Building Official, including assistance with code enforcement, post-disaster response and building safety assessment program, Phase 2 of the soft story program, and adoption of new building codes, as well as, coordinating and directing B&S office support staff.	<ul style="list-style-type: none"> ➤ The Building Official has broad responsibilities, which have been expanded with the addition of the Rental Housing Safety Program. Administrative support is needed. 	<ul style="list-style-type: none"> ➤ Adoption of a mandatory retrofit program for soft story buildings is a high priority for the City and is consistent with public safety goals. ➤ Adoption of new building codes is a state mandate. ➤ Resuming city operations and building occupancy resumption are essential components for

BUDGET IMPACT SUMMARIES

PLANNING & DEVELOPMENT BUDGET IMPACT SUMMARY (FY 2014 & FY 2015)

ADOPTED CHANGES	PROGRAMMATIC IMPACTS	GUIDING PRINCIPLES IN DECISION MAKING	LOOKING FORWARD: CORE PROGRAMMATIC ACTIVITIES
			continuity of government ➤ Effective code enforcement is a key component in responding to public service requests.

BUDGET IMPACT SUMMARIES

POLICE DEPARTMENT BUDGET IMPACT SUMMARY (FY 2014 & FY 2015)

ADOPTED CHANGES	PROGRAMMATIC IMPACTS	GUIDING PRINCIPLES IN DECISION MAKING	LOOKING FORWARD: CORE PROGRAMMATIC ACTIVITIES
<p><u>FY 14 Reductions</u></p> <ul style="list-style-type: none"> • Relocate Parking Enforcement Personnel to Parking Fund 840 from General Fund (4.0 FTE) • Elimination of vacant PEOs (Parking Enforcement Officers) (1.0 FTE) 	<ul style="list-style-type: none"> ➤ Decrease on General Fund expenditures and increase on parking fund ➤ Level of service will be maintained ➤ Level of service will be decreased ➤ Decreased ability to ensure compliance ➤ Potential loss of revenue ➤ Decreased ability to staff traffic control 	<ul style="list-style-type: none"> ➤ Retain essential public safety services for which there is no viable, accessible alternative; ➤ Retain mandated public safety services for which there is no viable, accessible alternative; ➤ Balance expenditures in between funding sources. ➤ Will re-evaluate effect increase on Parking Fund at end of FY14 ➤ Balance activities between remaining PEOs 	<p><u>Essential Services:</u></p> <ul style="list-style-type: none"> ➤ None of the proposed budgeting measures are from essential public safety services. <p><u>Mandated services</u></p> <ul style="list-style-type: none"> ➤ None of the proposed budgeting measures are from mandated public safety services. <p><u>Services</u></p> <ul style="list-style-type: none"> ➤ Provide parking enforcement services uniformly throughout City ➤ Demand based meter pricing program will dictate an increase in metered parking enforcement. ➤ Modify current scoff-law enforcement hours to start early morning (e.g. 5:30 AM). ➤ Parking Enforcement Unit has developed partnerships with City's Traffic and Transportation and IT Departments and will continue to work with their staff in the development of strategic programs such as traffic congestion management, real-time parking space management, LPR based timed zone enforcement and pay-by-phone parking options. ➤ Utilize new citation management system to enhance customer service, data driven parking

BUDGET IMPACT SUMMARIES

POLICE DEPARTMENT BUDGET IMPACT SUMMARY (FY 2014 & FY 2015)

ADOPTED CHANGES	PROGRAMMATIC IMPACTS	GUIDING PRINCIPLES IN DECISION MAKING	LOOKING FORWARD: CORE PROGRAMMATIC ACTIVITIES
<ul style="list-style-type: none"> • Elimination of CSO (Community Service Officer) (1.0 FTE) 	<ul style="list-style-type: none"> ➤ Reduction in staffing will impact booking procedures and duration ➤ Current minimum staffing levels will necessitate increased backfill overtime usage and possible jailer fatigue ➤ Potential reduction of operating hours necessitating officers to book at Santa Rita 	<ul style="list-style-type: none"> ➤ Jail operations are neither essential nor mandated public safety services ➤ Alternative procedures may be implemented to reduce effect of staffing reduction 	<p>space occupancy monitoring and GIS mapping of enforcement activities.</p> <ul style="list-style-type: none"> ➤ Ensure enforcement to support citywide initiatives such as festivals, special events, etc. is not affected by staff reduction. ➤ Expand detention services to neighboring jurisdictions for additional revenue ➤ Investigate potential “pay for stay” weekend incarceration for DUI arrests in Alameda County <p><u>Efficiencies and fiscal responsibility</u></p>
<ul style="list-style-type: none"> • Defer contributions to Vehicle Replacement Fund Until PEO position attrition occurs 	<ul style="list-style-type: none"> ➤ Minimal effect on operations of department. ➤ Extends the period in which the loss of personnel affects operations 	<ul style="list-style-type: none"> ➤ Deferring payment to an operational cost allows for natural attrition of employees rather than laying off filled positions 	<ul style="list-style-type: none"> ➤ Optimize leveraging of funds <p><u>New Initiatives:</u></p> <ul style="list-style-type: none"> ➤ None
<p><u>FY 15 reductions</u></p> <ul style="list-style-type: none"> • Elimination of vacant PEOs (Parking Enforcement Officers) 	<ul style="list-style-type: none"> ➤ Level of service will be decreased ➤ Decreased ability to ensure compliance 	<ul style="list-style-type: none"> ➤ Balance activities between remaining PEOs 	<ul style="list-style-type: none"> ➤ Parking Enforcement Unit has developed partnerships with City’s Traffic and Transportation and IT Departments and will continue to work with their staff in the development of strategic

BUDGET IMPACT SUMMARIES

POLICE DEPARTMENT BUDGET IMPACT SUMMARY (FY 2014 & FY 2015)

ADOPTED CHANGES	PROGRAMMATIC IMPACTS	GUIDING PRINCIPLES IN DECISION MAKING	LOOKING FORWARD: CORE PROGRAMMATIC ACTIVITIES
	<ul style="list-style-type: none"> ➤ Potential loss of revenue ➤ Decreased ability to staff traffic control 		<p>programs such as traffic congestion management, real-time parking space management, LPR based timed zone enforcement and pay-by-phone parking options.</p> <ul style="list-style-type: none"> ➤ Utilize new citation management system to enhance customer service, data driven parking space occupancy monitoring and GIS mapping of enforcement activities. ➤ Ensure enforcement to support citywide initiatives such as festivals, special events, etc. is not affected by staff reduction.

BUDGET IMPACT SUMMARIES

PUBLIC WORKS BUDGET IMPACT SUMMARY (FY 2014 & FY 2015)

ADOPTED CHANGES	PROGRAMMATIC IMPACTS	GUIDING PRINCIPLES IN DECISION MAKING	LOOKING FORWARD: CORE PROGRAMMATIC ACTIVITIES
<u>FY 14 Changes</u>			
Reduction of Traffic Maintenance overtime	Based on historical actuals, no significant impact as long as service remains at historical levels	General Fund reduction while maintaining current and historical service levels	Continued service at current and historical levels unless service needs increase
Reduction of non personnel budgets in Administration, Environmental Compliance, Streets & Utilities Administration and Traffic Maintenance	No significant impact as long as service levels remain at historical levels	Balance funds while maintaining current and historical service levels	Continued service at current and historical levels unless service needs increase
Reduction of non-personnel budget in Facilities Maintenance	Reducing building maintenance services and supplies budgets will result in less baseline maintenance services to departments and will require departments to pay for non-urgent services and supplies	Internal service fund has a deficit and if personnel were reduced instead, there would be a more significant negative impact on baseline and emergency maintenance service levels; increasing facilities charges would affect all departments paying into the fund	Unable to sustain even these reduced baseline service levels without a rate increase in FY 2015
Increase of utilities budgets for City facilities	Increase based on historical and current utilities costs at various City buildings	Department has historically absorbed utility costs within the operating budget. With the General Fund reduction to the operating budget, the department can no longer absorb the costs.	If the department has to continue funding increased facilities utility costs from the operating budget, program reductions in operations will be necessary.
Increase utilities and maintenance service contract services for street lights program	Increase based on historical and current utility costs and maintenance contract CPI increases	CPI increase and increased utility costs	If funding is not increased, street light maintenance will be delayed and street light outages may result

BUDGET IMPACT SUMMARIES

PUBLIC WORKS BUDGET IMPACT SUMMARY (FY 2014 & FY 2015)

ADOPTED CHANGES	PROGRAMMATIC IMPACTS	GUIDING PRINCIPLES IN DECISION MAKING	LOOKING FORWARD: CORE PROGRAMMATIC ACTIVITIES
<p>Addition of personnel budget for janitorial and maintenance services at the Veteran's Building, Old City Hall and 1947 Center Street</p>	<p>Funding needs to be established for Veteran's Building, Old City Hall and 1947 Center Street maintenance services</p>	<p>Historically, work at Veteran's building has been unfunded. Old City Hall added to City maintenance inventory in FY13. Additional funding authority needed for Center Street</p>	<p>There is no budget for services in Veteran's Building and Old City Hall and no anticipated savings to cover the costs. Funding for 1947 Center Street comes from interdepartmental facilities maintenance charges.</p>
<p>Cost shift to realign administrative support staff with the funds whose work they support</p>	<p>No impact to services or programs; funding being realigned with services provided</p>	<p>Change in administrative staff's responsibilities and funding needs to be changed accordingly</p>	<p>Staff will be funded by the revenue sources that correspond to their assignments</p>
<p>Elimination of 1.0 FTE vacant Electrician and cost shift of 1.0 FTE Lead Electrician onto the funds</p>	<p>Cost shift of 1.0 FTE Lead Electrician onto the funds allocated to Electrician position will offset elimination of 1.0 FTE Electrician and maintain Traffic Signal services but will decrease building maintenance services to 1 day per week for 56 City facilities</p>	<p>No impact to Traffic Signal program and will help alleviate the structural deficit in Building Maintenance Fund</p>	<p>Maintain Traffic Signal services but decrease building maintenance services</p>
<p>Elimination of 1.0 FTE Real Property Administrator</p>	<p>Some property management duties will be assigned to the Community Development Project Coordinator; others will be absorbed by other departments. Some real property consulting services will no longer be provided to operating departments</p>	<p>Alleviate structural deficit in Building Maintenance Fund. Reorganize the City's Property Management responsibilities to achieve some of the services in a more efficient manner.</p>	<p>Assignment of real property duties to other departments will be reviewed to ensure essential activities are covered; centralized records for leases and real property inventory will be maintained</p>

BUDGET IMPACT SUMMARIES

PUBLIC WORKS BUDGET IMPACT SUMMARY (FY 2014 & FY 2015)

ADOPTED CHANGES	PROGRAMMATIC IMPACTS	GUIDING PRINCIPLES IN DECISION MAKING	LOOKING FORWARD: CORE PROGRAMMATIC ACTIVITIES
Addition of 1.0 FTE Senior Management Analyst	Additional administrative and fiscal analysis and oversight of capital project and operations funds and programs and focus on improved project delivery	To realize PW's goal of creating, implementing and monitoring a project delivery system with which to maintain current project load and deliver additional Measure M funded projects; and meet the need for more complex analysis for/ oversight of Refuse and Equipment Funds.	Project delivery system monitoring and more fiscal oversight
Cost shift .25 FTE Principal Planner and .25 FTE Associate Planner	No significant impacts to the Bike and Pedestrian program; staff will need to work in compliance with Vehicle Registration Fee (VRF) guidelines	Overlap in program goals and helps alleviate the structural deficit in Measure B Fund 392	Incorporate complete streets practices with bike and ped programs
Establish funding for complete streets, pavement management, Traffic Signals, and sidewalks programs	Expand existing capital and maintenance programs with Measure F VRF	To appropriate Measure F VRF funding for 1x and baseline programs	Incorporation of complete streets practices and expansion of capital and maintenance activities within existing programs
Addition of OT budget for standby and on-call services in Street Light program	Required standby and on-call services needs to be funded	Based on historical actuals, overtime funding is needed for street light maintenance standby and on-call services	With the existing General Fund transfer in to the Street Light Assessment Fund, fund balance is sufficient to cover the additional cost through FY 2016
Elimination of 2 FTE vacant Solid Waste Workers	Positions eliminated as part of the ongoing implementation of 1-person collection routes	Continued conversion to 1-person collection routes and to help balance the fund	Maintain the existing 1-person collection routes; review route optimization at regular intervals as customer base and staff adjust to new technology and set-out rules
Hold 1 FTE vacant Mechanical Sweeper Operator	Position has been held vacant since FY 2012 and will remain vacant through FY 2015; no additional program impacts	To help balance the Refuse fund	Maintain the existing street sweeping service level

BUDGET IMPACT SUMMARIES

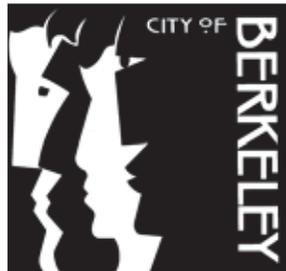
PUBLIC WORKS BUDGET IMPACT SUMMARY (FY 2014 & FY 2015)

ADOPTED CHANGES	PROGRAMMATIC IMPACTS	GUIDING PRINCIPLES IN DECISION MAKING	LOOKING FORWARD: CORE PROGRAMMATIC ACTIVITIES
Establish interfund transfer from Sewer Fund to Private Sewer Lateral Fund	Private Sewer Lateral fees are insufficient to fully fund the administrative costs of the program	To balance the Private Sewer Lateral Fund	Continued administration of the Private Sewer Lateral program
Increase Off-Street Parking non-personnel funding	PARCS equipment annual warranty and CPI increase for parking management services and bank fees	Contractual requirements for annual warranty and 3% CPI increase and bank fees	Annual revenue is sufficient to support the ongoing increased expenditures
Increase Parking Meter Fund non-personnel funding	Increases needed for ongoing Berkeley Way Lot maintenance and meter maintenance, communication, and warranty fees	Maintenance funding needed to continue the parking program and Smart meters generate increased revenue	The Parking Meter Fund is healthy. The program is self-supporting and is able to contribute to related City services and programs.
Addition of 2 FTE Parking Meter Maintenance Workers (1 per fiscal year)	Positions needed for the new requirement of coin sorting and bagging for deposit	Brinks notified the City that they will discontinue coin counting services for meter revenue deposits. Without help, OT demands will increase.	The Parking Meter Fund is healthy and able to absorb this cost.
Hold vacant Senior Building Maintenance Supervisor position	Maintaining the vacancy for 1 fiscal year will result in delayed building maintenance response time.	Help alleviate structural deficit in Building Maintenance Fund	The Building Maintenance Fund will need additional balancing measures and a FY 2015 rate increases.
Cost shift .35 FTE Community Development Project Coordinator	Additional property management duties will be assigned. Marina and Parks lease management will be performed by Parks Dept. Funding is available from the elimination of the Real Property Administrator position.	Result of the cost shift from the Marina and Parks Tax Funds to help balance the Funds	Parks will continue to manage their own leases. Assignment of real property duties to other departments will be reviewed to ensure essential activities are covered.
Increase Equipment Maintenance non-personnel	Additional spending authority required for ongoing vehicle maintenance services, fuel, and equipment and vehicle supplies	Based on historical actuals	Continued equipment maintenance at existing service level

BUDGET IMPACT SUMMARIES

PUBLIC WORKS BUDGET IMPACT SUMMARY (FY 2014 & FY 2015)

ADOPTED CHANGES	PROGRAMMATIC IMPACTS	GUIDING PRINCIPLES IN DECISION MAKING	LOOKING FORWARD: CORE PROGRAMMATIC ACTIVITIES
<u>FY 15 Changes</u>			
Reduction of the Bike and Pedestrian Capital Improvement budget	Delayed delivery of Bike and Pedestrian projects except those that can be incorporated into projects funded from other sources such as the Safe Routes to School grant, Measure F VRF and the Caldecott 4 th Bore settlement	Capital fund reserve has been depleted to construct partially grant-funded bike paths	Limited Bike and Pedestrian CIP
Reduction of Streets and Utilities non-personnel budgets	No significant impact as long as routine street maintenance and traffic maintenance service levels and supply requirements remain the same; removing professional association dues and fees funded by Measure B Local Streets and Roads as funding has never been spent historically	Based on historical actuals	Continued service at current level unless funding declines or costs increase
Establish Complete Streets CIP funding	Establish 1-time and baseline funding for complete streets program	To appropriate Measure F VRF funding for 1x and recurring complete streets capital improvement projects	Allow for incorporation of some complete streets practices and delivery of projects
Addition of 1x funding for meter and pay station replacement	Replacement meters and pay stations needed	60 Cale pay stations will be 10 years old and IPS meter extended warranties will expire in FY 2015	A replacement program needs to be reestablished



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CITY ATTORNEY'S OFFICE

MISSION STATEMENT

The mission of the City Attorney's Office is to ensure that the City operates within legal constraints and minimizes its legal liability while accomplishing its goals as determined by the City Council and voters. The office strives to advance the City's legal interest by aggressively prosecuting and defending civil actions or by settling claims and suits, based on an impartial evaluation of their merits, and by giving impartial advice to staff.

ORGANIZATION CHART



CITY ATTORNEY'S OFFICE

Major Accomplishments – FY 2012 & FY 2013

- Obtained permanent injunction against U-Haul in nuisance abatement action, plus \$100,000 attorney fee award
- Obtained court order to sell McGee/Dwight property to 3rd party in receivership; after 10 years of failure to abate, rehabilitation is nearly complete
- Obtained a judgment dismissing a complaint against the City and four employees alleging various torts and constitutional violations relating to code enforcement efforts at a property, as well as dismissal of a complaint challenging the City's imposition of special assessment for abatement costs
- Defeated potentially precedent-setting motion seeking injunctive relief under the ADA that would have required the City to maintain a Warm Water Pool either in its former location at BUSD or in a different facility
- Defended preliminary injunction against West Street bike path
- Obtained summary judgment on retaliation and pattern/practice claims in *Hickman v. Bashan, et al.*
- Obtained summary judgment in *Louden v. City of Berkeley, et al.*; Court of Appeal upheld dismissal except for one narrow claim
- Summary judgment granted in *Foster v. Berkeley Police Dept., et al.* on arrest and pattern/practice claims
- Summary judgment in *Tiainen v. City of Berkeley* (sidewalk trip and fall)
- Assisted with major amendments to the Berkeley Election Reform Act
- Drafted several ballot measures for November 2012 election
- Provided extensive legal assistance to Health Divisions during merger of Health Department and Housing & Community Services Department
- Provided support to the Parks Recreation & Waterfront Department regarding the ADA compliance issues associated with construction of a "small boat launch"; subsequently helped in negotiations with State Coastal Conservancy to preserve overall funding for the Bay Trail Project
- Assisted in retaining over \$500,000 in HOME and CDBG funding allocated to develop 3135 Harper Street in the face of HUD demands to recapture the funds

CITY ATTORNEY'S OFFICE

- Helped departments update leases and licenses for several City properties and buildings
- Participated in and provided legal advice for BPA contract negotiations
- Closely involved in environmental review and drafting of Downtown Area Plan and implementing legislation, and West Berkeley Project
- Assisted in closure of 11 massage establishments which were operating illegally
- Assisted in closure of 3 illegal cannabis dispensaries

Key Objectives for FY 2014 & FY 2015

- Successfully defend lawsuits
- Provide advice on tax and other revenue measures and other policies to assist the City to resolve projected budget deficits
- Obtain favorable outcome in library construction litigation (*Arntz*)
- Obtain favorable outcome in *Berkeley Hillside* litigation
- Work closely with Planning Department and provide timely support on major project applications
- Maintain high level of support for other departments with respect to transactions
- Conduct regular trainings for staff concerning Brown Act, Public Records Act, subpoenas, enforcement, and other issues of general interest
- Continue active role in Labor Relations Coordinating Committee
- Continue active role in contract negotiations to manage personnel budget reduction.
- Work with City Manager's Office and Planning Department to improve enforcement
- Complete negotiations with EPA for 30-year consent decree governing sanitary sewer program
- Complete medical marijuana licensing ordinance and procedures
- Continue to support windup of Redevelopment Agency

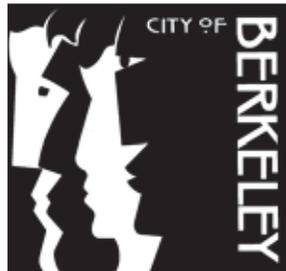
CITY ATTORNEY'S OFFICE

Significant Changes from Prior Year's Budget

- Reduction of \$57,099 transfer from General Fund to Public Liability Fund for outside counsel costs.
- Add \$10,000 in General Funds for book purchases.

CITY ATTORNEY'S OFFICE FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
EXPENDITURES					
<i>By Type:</i>					
Salaries and Benefits	2,160,188	2,304,365	2,360,944	2,468,025	2,492,876
Services and Materials	1,305,828	2,533,326	989,596	1,392,270	1,392,270
Capital Outlay		5,963	9,007	5,790	5,790
Internal Services	80,297	82,825	82,750	84,338	84,338
Indirect Cost Transfer					
	3,546,313	4,926,479	3,442,297	3,950,423	3,975,274
<i>By Division:</i>					
Administration	315,843	354,625	354,252	321,584	323,856
Legal Advice & Litigation	3,230,470	4,571,854	3,088,045	3,628,839	3,651,418
	3,546,313	4,926,479	3,442,297	3,950,423	3,975,274
<i>By Fund:</i>					
General Fund	1,912,003	2,142,745	2,212,760	2,252,298	2,272,891
Public Liability	1,494,339	2,472,693	1,165,105	1,633,088	1,636,797
Other	139,971	311,041	64,432	65,037	65,586
	3,546,313	4,926,479	3,442,297	3,950,423	3,975,274
<i>General Fund FTE</i>	9.50	9.50	9.50	9.50	9.50
<i>Total FTE</i>	13.00	12.00	12.00	12.00	12.00



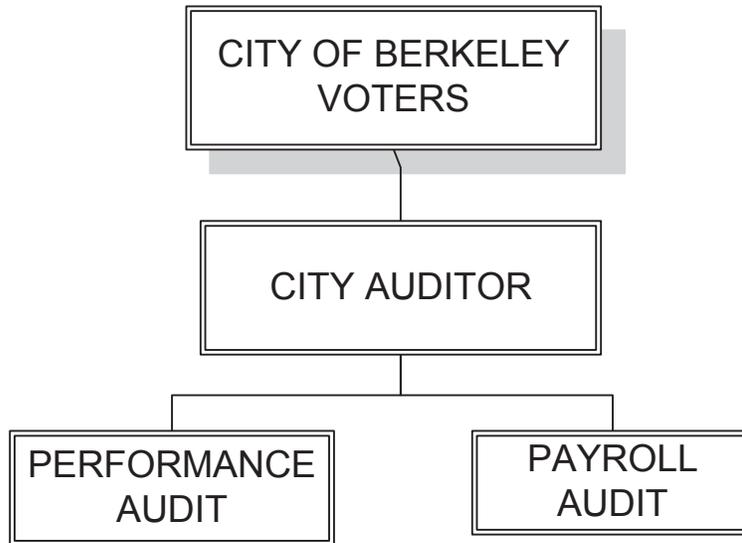
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CITY AUDITOR'S OFFICE

MISSION STATEMENT

The mission of the City Auditor's Office is to be a catalyst for improving city government. Our audits promote efficiency, effectiveness, and accountability. We provide objective, timely, and accurate information about City program performance to the public, as well as to Council and staff. Our public reporting of recommendations for improvement helps Berkeley residents hold City government accountable for stewardship of public resources.

ORGANIZATION CHART



CITY AUDITOR'S OFFICE

Department Overview

Performance Audit Division

The elected City Auditor reports to and is accountable to the City of Berkeley voters. Audits are performed in accordance with Government Auditing Standards and are available on our web site at: www.CityofBerkeley.info/Auditor. We independently assess whether City funded services and operations:

- ❑ Are managed properly.
- ❑ Achieve their objectives and desired outcomes.
- ❑ Are being provided efficiently, effectively, and equitably.

We also perform revenue audits and provide consulting services and fraud prevention and detection training.

Payroll Audit Division

The Payroll Division of the Auditor's Office closely monitors all changes in federal, state, and local compliance rules and regulations concerning payroll. It provides the City with the latest legislative and regulatory compliance updates in a timely fashion, which in turn protects the City payroll operations from potential noncompliance federal and/or state penalties. Our independent evaluation of payroll documents prevents fraud and ensures compliance with MOUs, City rules and regulations, and outside regulatory agencies.

Major Accomplishments – FY 2012 & 2013

Performance Audit Division Accomplishments

- ❑ Recommendations from our audits identified opportunities to avoid \$38.5 million in costs over a five-year period through timely maintenance and repair of City streets. Our audits also identified potential revenue recoveries of almost a half a million dollars over five years.
- ❑ Our reports to Council included recommendations to:
 - Improve City street conditions.
 - Avoid loss of grant funds.
 - Clarify BMC language regarding business license taxes.
 - Implement effective strategies for collecting delinquent debts.
 - Reduce fraud risks.
 - Improve performance measurement and management.
 - Disclose internal control risks of recommended budget cuts in future budget reports.
- ❑ Our audit, "Failing Streets: Time to Change Direction to Achieve Sustainability," attracted substantial interest from the public and Council.

CITY AUDITOR'S OFFICE

As a result, Council took action to place a bond measure on the November 2012 ballot to improve the condition of City streets. Our office won a national award from the Association of Local Government Auditors for this audit. The judges noted the audit's potential for significant impact, the persuasiveness of its conclusions, and its focus on improving government efficiency and effectiveness.

- We developed and presented a training specifically to assist City management in preventing and identifying fraud, and to create an awareness of the pervasiveness of fraud in government entities. We also conducted fraud prevention trainings for other City staff and for community agencies.

Payroll Audit Division Accomplishments

- Payroll Audit assigned significant resources to implement new mandates from the Federal and State government and the State pension system (PERS), as well as the City's revisions to labor agreements (MOUs):
 - The new Federal health law, the "Patient Protection and Affordable Care Act" changed reporting requirements; employees will be better informed about healthcare costs and changes.
 - Payroll Audit implemented requirements of MY CalPERS, an upgrade to PERS's 30+ year-old system. Changes were aimed at improving user compliance and customer service.
 - New MOU provisions required us to create and implement Fire 48/96 work schedules for Fire and 3x12.5 shift Police schedules.
 - California's "Public Employees' Pension Reform Act" of 2013 (PEPRA), placed new limits on employee compensation and hiring, for new and current employees beginning January 1, 2013. Compliance will require ongoing additional work for Payroll Audit and Human Resources.

Key Objectives for FY 2014 & FY 2015

Performance Audit Division Key Objectives

- Provide reliable and objective reports and information about City programs and services.
- Help City staff improve their monitoring of program effectiveness and efficiency.
- Identify system improvements to reduce risks and avoidable costs.
- Identify opportunities for enhancing revenue collection and efficiencies.
- Provide City employees with training on their responsibility to avoid and report fraud, waste, and abuse of City resources.
- Actively work with departments and the City Manager to identify and remove barriers to successful implementation of audit recommendations.

CITY AUDITOR'S OFFICE

Payroll Audit Division Key Objectives

- ❑ Replace the City's paper-based timekeeping system with an electronic distributed time entry system. Eliminating time spent collecting and delivering time cards to City Hall will save time for City supervisors and eliminate unnecessary driving. Payroll errors should be reduced. Duplicative and labor-intensive systems for cost accounting (including grants accounting) might be reduced or eliminated.
- ❑ Work towards replacing the Sungard/HTE FUND\$ payroll/personnel module. A new system should address FUND\$ security flaws, grants and project tracking, and cumbersome and costly employee transaction processing and report writing.
- ❑ Reduce labor-intensive errors and re-work in citywide employee transactions. Recommend innovative solutions, applying Continuous Service Improvement techniques. Provide City staff with training and documentation to improve quality control over citywide data entry. Consider whether replacing FUND\$ could reduce errors.
- ❑ Improve written documentation of existing systems and quality control procedures to help prepare for future staffing changes and system changes in Payroll Audit and citywide.

Significant Changes from Prior Year's Budget

- ❑ Temporary assistance will be provided to other departments as needed to achieve the requested 2 percent General Fund reduction. Although the City Manager has requested across the board permanent cuts to most City budgets, the City Auditor is recommending only a temporary reduction for this office. This is in line with our previous recommendations regarding the risks of cutting oversight and support services without decreasing workload.

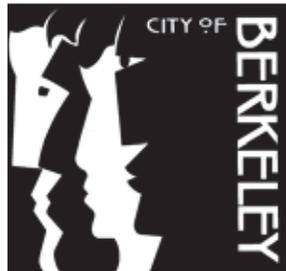
As recommended by the Auditor's Office and approved by Council in October 2012, the City Manager has asked all department directors to disclose the fraud risks, decision-making risks, and oversight risks associated with their proposed budget cuts.

The Auditor's Office Adopted Budget reduction will: 1) increase the risk of payroll fraud and diminish fraud prevention activities; 2) decrease our ability to provide the best and most timely information we need for decision making, because analytical reports for the City Manager and departments and performance audit reports may be cancelled or delayed; 3) impact our ability to provide oversight of grants, community agencies, vendors, and staff performance.

In previous years, we have eliminated one position in payroll audit, resulting in more payroll compliance risk, and two revenue auditor positions in performance audit, resulting in less taxpayer compliance and revenue identification.

CITY AUDITOR'S OFFICE FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
EXPENDITURES					
<i>By Type:</i>					
Salaries and Benefits	1,766,607	1,917,606	1,909,010	2,026,099	2,054,547
Services and Supplies	34,692	39,706	75,068	68,210	68,210
Capital Outlay	24,791	8,660	1,524	7,153	7,153
Internal Services	62,663	58,318	58,654	58,904	58,904
Indirect Cost Transfer					
	1,888,753	2,024,290	2,044,256	2,160,366	2,188,814
<i>By Division:</i>					
Administration	334,565	348,184	353,896	361,369	365,373
General Audit	689,067	818,447	781,688	844,128	851,295
Payroll Audit	865,121	857,659	908,672	954,869	972,146
	1,888,753	2,024,290	2,044,256	2,160,366	2,188,814
<i>By Fund:</i>					
General Fund	1,780,856	1,924,778	1,924,656	2,020,158	2,042,941
Workers' Compensation	107,897	99,512	119,600	140,208	145,873
Other Funds					
	1,888,753	2,024,290	2,044,256	2,160,366	2,188,814
<i>General Fund FTE</i>	12.65	12.20	12.30	12.00	12.00
<i>Total FTE</i>	14.00	13.00	13.00	13.00	13.00



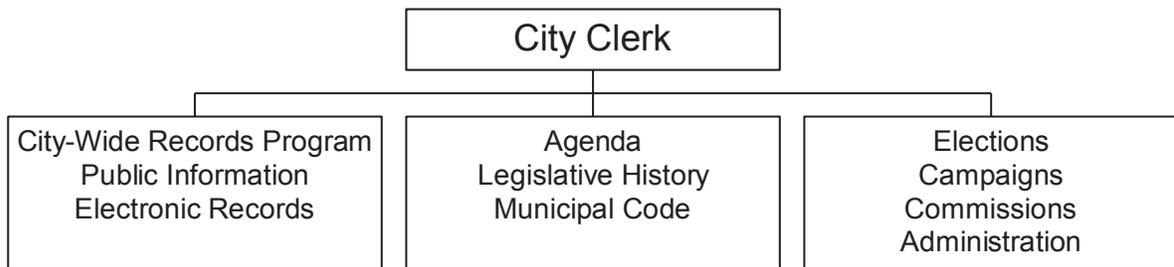
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CITY CLERK DEPARTMENT

MISSION STATEMENT

Provide Citywide oversight for legislative proceedings and professional support to the City Council, City Manager and City Staff. As the Elections Official and Filing Officer, administer municipal elections, campaign finance and conflict of interest regulations. As the Records Manager, administer the Citywide Records Management Program to maintain integrity of documented actions of the legislative bodies, and accessibility to the public. Perform all mandated functions under the United States Constitution, the Constitution of the State of California, State Codes, the Charter of the City of Berkeley, and the Berkeley Municipal Code.

ORGANIZATION CHART



The following information is easily accessible on the City's Website at <http://www.CityofBerkeley.info/Clerk>

- ◆ **Berkeley Municipal Code and City Charter**
City Ordinances and Charter provisions
- ◆ **Public Records Index and Records Online Search**
Provides a searchable index of City records, including Resolutions and Ordinances, Minutes, Contracts, and Election Results along with the City's policy on Records and access to information.
- ◆ **Council ePacket and Videostream**
Includes links to the complete agenda reports and live streaming and archived videos of City Council meetings.
- ◆ **Election Information**
Includes general Election Information, Calendars, Ranked Choice Voting, and Campaign Finance Information (BERA, Campaign Disclosure Statements).
- ◆ **Commission Information**
Commissioners' Manual, Roster of Commissioners, Application Information, Commissioner Training Workshop Video and Materials.

CITY CLERK DEPARTMENT

Department Overview

Council and Commission Support

City Clerk staff prepares the Council agendas and agenda packets for the City Council, the Successor Agency to the Redevelopment Agency, and the Joint Powers Financing Authority, provides for the captioning and indexing of meeting video streams. The City Clerk administers the commission appointment process, maintains the information regarding the commission rules and regulations, and serves as an advisor for commission secretaries.

Legislative History

The City Clerk attends the meetings of the City Council, the Successor Agency to the Redevelopment Agency, and the Joint Powers Financing Authority, and maintains the legislative history of the City, including the Charter and the Municipal Code.

Public Information and Records

The Department provides general information and services to the public including: 1) administration of the Domestic Partnership Registry; 2) codification of the Municipal Code; and 3) a Guide for the Public on How to Access Information and Records. Citizens are welcome to visit the City Clerk Department to research and review legislative, candidate and ballot measure information, campaign and conflict of interest filings, and other public information. City Clerk staff maintain a broad range of information on the City's website at <http://www.cityofberkeley.info/clerk/>.

Citywide Records Management

The City Clerk is the Records Manager for the City and as such, maintains the City's Records Retention Schedule and provides departments with guidance on the best practices of records management. The City Clerk contracts with an off-site records storage facility where inactive City records are stored.

Campaign and Conflict Law

The City Clerk is the local Filing Officer for the State of California. All local campaign committees are required to file campaign statements with the City Clerk. All designated employees, elected officials and appointed commissioners are required to file conflict of interest statements with the City Clerk. The City Clerk maintains regulations and forms under the State's Political Reform Act and Berkeley's Election Reform Act.

Elections

The City Clerk is the Election Official and administers the City's elections including: 1) the nomination process for candidates; 2) processing of petitions and ballot measures; 3) coordination with the Alameda County Registrar of Voters for regular elections; and 4) conducting special elections.

CITY CLERK DEPARTMENT

Major Accomplishments – FY 2012 & FY 2013

- Administered November 2012 General Municipal Elections for elected officers and local ballot measures. Processed filing paperwork (signature in lieu of filing fee process, nomination process) for over 30 prospective candidates, processed and published to the web campaign statements for over 39 campaign committees. Administered ballot measure process, including arguments and rebuttals, for 10 ballot measures and coordinated voter pamphlet publication with County.
- Successful voter outreach campaign for Ranked-Choice Voting system.
- From June 2011-present, staffed 83 Council meetings (including Regular, Special and Closed Session meetings), and processed 618 resolutions and 83 ordinances.
- Retrieved 878 boxes of records, processed 1,254 new records accessions, and destroyed 1,866 boxes.
- Increased compliance through online filing for campaign reports.
- Comprehensive update of the Citywide Records Retention Schedule.
- Completed a comprehensive update of the Commissioner Manual and trained all commission secretaries on existing and new laws, policies, and regulations.
- Executed a new five-year contract for off-site records storage with more favorable terms than the prior contract.
- Fully implemented the Open Government Ordinance by training staff, establishing new deadlines, updating the web site, and improving public access to City records.

Key Objectives for FY 2014 & FY 2015

Records/Public Information:

The Records and Public Information Unit is responsible for the management and operation of the Citywide Records Management Program, including the offsite records storage facility and access to public records.

- Maintenance and Administration of Records Online – improve the searchable online component of the Records Program which allows internal and external customers to view public records.
- Implement Passport Acceptance Facility services.
- Research and development for additional Citywide imaging projects.
- Streamlining of Citywide Electronic Content Management System.
- Citywide staff training for Records Online/records retrieval procedures.
- Destruction of eligible records pursuant to the Records Retention Schedule.

CITY CLERK DEPARTMENT

Agenda/Legislative History/Berkeley Municipal Code:

The Agenda Unit is responsible for the management of the Citywide automated agenda workflow process and the meeting management for the City Council, Agenda Committee, and other boards that are comprised of a majority of members of the City Council. Key objectives include:

- Implement new provisions of Open Government Ordinance and City Council Rules of Procedure.
- Conduct Citywide training and user-group meetings to allow feedback and update users on new meeting management functions and processes.
- Streamlining of Citywide Electronic Content Management System.
- Update and revisions of information materials for public meetings.

Elections/Campaigns/Commissions:

The Elections Unit is responsible for the administration of elections, the initiative process, campaign reporting, conflict of interest disclosure, ethics training, and the City's commission member process. Key objectives include:

- Plan and execute municipal redistricting process based on 2010 Census data.
- Enhance electronic campaign filing system and increase use by committees for November 2014 election.

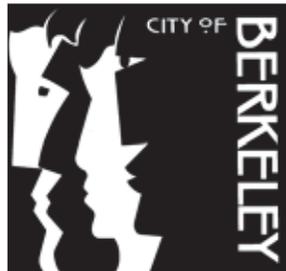
Significant Changes from Prior Year's Budget

- Potential additional revenues from providing passport services.
- Election costs are estimated to be lower assuming that fewer measures are placed on the November 2014 ballot.

CITY CLERK FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
EXPENDITURES					
By Type:					
Salaries and Benefits	1,161,494	1,161,238	1,194,138	1,300,332	1,346,286
Services and Materials	769,445	266,361	687,068	526,501	491,501
Capital Outlay	2,461	3,631	5,580	25,390	25,390
Internal Services	76,883	76,350	76,518	78,758	78,758
Indirect Cost Transfer					
	2,010,283	1,507,580	1,963,304	1,930,981	1,941,935
By Division:					
City Clerk	1,128,757	1,310,422	1,298,130	1,534,895	1,578,856
Elections	881,526	197,158	665,174	396,086	363,079
	2,010,283	1,507,580	1,963,304	1,930,981	1,941,935
By Fund:					
General Fund	2,010,283	1,507,580	1,963,304	1,930,981	1,941,935
	2,010,283	1,507,580	1,963,304	1,930,981	1,941,935

General Fund FTE	11.00	10.00	10.00	10.00	10.00
Total FTE	11.00	10.00	10.00	10.00	10.00



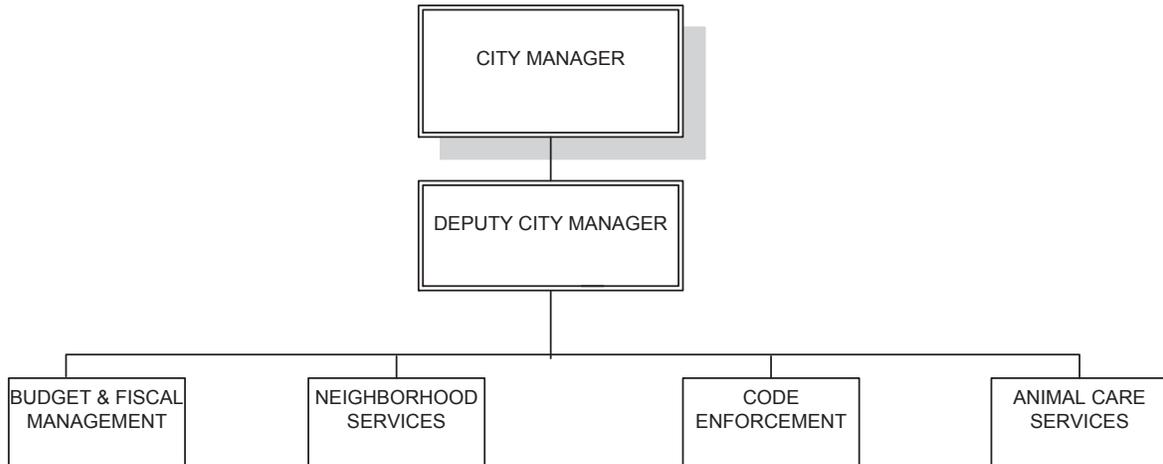
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CITY MANAGER'S OFFICE

MISSION STATEMENT

As City of Berkeley employees our mission is to provide quality services to our diverse community; promote an accessible safe, healthy, environmentally sound and culturally rich city; initiate innovative solutions; embrace respectful democratic participation; respond quickly and effectively to neighborhood and commercial concerns; and do so in a fiscally sound manner.

ORGANIZATION CHART



CITY MANAGER'S OFFICE

Department Overview

Administration and Neighborhood Services

The Administrative Unit includes the City Manager and Deputy City Manager, as well as an Assistant to the City Manager (who is the City's Public Information Officer), a Senior Management Analyst (who handles Public Records Act requests to the City), and three administrative staff who support the City Manager's Office as well as the Mayor and Council. This unit also includes the two staff members in Neighborhood Services who work on Citywide and neighborhood problems with the City Council, citizens, and external organizations and the Administrative Hearing officer, who handles appeals on parking tickets and other administrative citations.

Berkeley Animal Care Services

Animal Care Services provides field services for the cities of Berkeley and Albany, and shelters animals from Berkeley, Albany, Piedmont, and Emeryville. The services include the enforcement of city ordinances related to animals, removal of killed or injured wildlife, impoundment of stray pets, and investigation of animal-related neglect, cruelty, nuisance and bite cases. The City's shelter houses domestic animals from the cities of Berkeley, Albany, Emeryville, and Piedmont and provides not only a safe haven for these homeless pets, but also adoption services, advice on animal-related topics, lost and found pet reports, and free or low-cost spay/neuter vouchers for Berkeley residents' dogs and cats.

Code Enforcement

The Code Enforcement Unit includes the Code Enforcement Supervisor, two Code Enforcement Officers and one Assistant Planner. The unit is responsible for the enforcement of violations of the Berkeley Municipal Code, including zoning violations, graffiti, illegal businesses, blight, illegal units and accessory uses, signage and illegal dumping.

Office of Budget and Fiscal Management

The Budget Office is responsible for the preparation, development and management of the City's Budget and for reviewing and analyzing all fiscal issues that impact the City. The Budget Office also processes payroll for the Mayor and Council, School Board, City Attorney's Office, City Clerk's Office, Information Technology, and Human Resources, in addition to all other units of the City Manager's Office.

Major Accomplishments – FY 2012 & FY 2013

- Administration and Neighborhood Services
 - Led multi-departmental efforts that led to the permanent resolution of long-standing problem properties;

CITY MANAGER'S OFFICE

- Responded to calls about neighborhood problems and problem properties and coordinated response efforts across departments;
 - Increased community engagement and partnerships with UC, including Berkeley Project Day, Berkeley Project Month, and the annual Move In/Move Out campaigns;
 - Produced and distributed City's Annual Report on budget and programs; and
 - Responded to Public Records Act requests that required multi-departmental coordination.
- Office of Budget and Financial Management:
- Managed the FY 2014 & FY 2015 Biennial Budget Process;
 - Received "Distinguished Budget Presentation Award" from the Government Finance Officers Association for the FY 2012 & FY 2013 Adopted Biennial Budget and FY 2012 & FY 2013 Capital Improvement Budget Book
 - Prepared the biennial report of current city liabilities and projection of future liabilities; and
 - Held focused budget work sessions with the City Council on City expenditures and revenues and budget issues facing the City.
- Animal Shelter
- Opened the Dona Spring Animal Shelter;
 - In 2012 handled 743 cats, 1,124 dogs, and 279 other animals such as pocket pets and wildlife. 92% of the dogs and cats were either adopted, rescued, or returned to their owner/guardians; and
 - Total volunteer hours in 2012 were 25,686 and averaged 494 hours per week supporting animals and the shelter.
- Code Enforcement
- Closed 18 illegal massage parlors, 1 illegal cannabis club, and 1 illegal night club
 - Collected \$66,000 in special assessment liens
 - Amended Berkeley Municipal Code Chapter 9.52 Taxi Ordinance to improve Berkeley taxi service

Key Objectives for FY 2014 & FY 2015

- Coordinate and oversee with the Human Resources Department the negotiations of new labor contracts with several of the City's labor unions;
- Continue to plan for long term fiscal health of the City of Berkeley;
- Coordinate response to media inquiries to reduce burden on staff and increase responsiveness;
- Continue improvement of web content and functionality to improve access to City information and services;

CITY MANAGER'S OFFICE

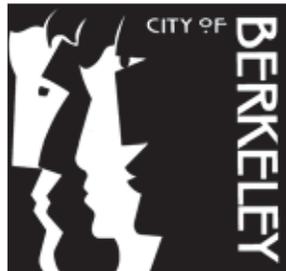
- Receive the “Distinguished Budget Presentation Award” from the Government Finance Officers Association for the FY 2014 & FY 2015 Adopted Biennial Budget and FY 2014 & FY 2015 Capital Improvement Budget Book;
- Lead study to optimize space utilization of City resources;

Significant Changes from Prior Year's Budget

- Non-personnel budget was reduced by \$61,861 in FY 2014 and FY 2015

CITY MANAGER'S OFFICE FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
EXPENDITURES					
<i>By Type:</i>					
Salaries and Benefits	3,971,161	3,931,436	3,955,941	4,233,803	4,287,506
Services and Materials	517,927	490,263	527,730	500,388	512,388
Capital Outlay	3,093	29,698	15,968		
Internal Services	204,018	203,820	179,999	204,430	204,430
Indirect Cost Transfer	16,436	7,444	13,054	13,513	13,513
	<u>4,712,635</u>	<u>4,662,661</u>	<u>4,692,692</u>	<u>4,952,134</u>	<u>5,017,837</u>
<i>By Division:</i>					
Administration	1,589,331	1,528,830	1,438,120	1,515,076	1,528,179
Neighborhood Services	981,090	924,882	905,909	1,089,126	1,111,587
Customer Service	10,516				
Animal Care Services	1,488,507	1,537,015	1,663,987	1,616,162	1,635,527
Budget & Fiscal Mgmt.	643,191	671,934	684,676	731,770	742,544
	<u>4,712,635</u>	<u>4,662,661</u>	<u>4,692,692</u>	<u>4,952,134</u>	<u>5,017,837</u>
<i>By Fund:</i>					
General Fund	4,431,675	4,482,087	4,414,612	4,716,201	4,780,793
Animal Shelter Fund	98,193	84,424	99,001	42,000	42,000
Refuse Fund	36,959	28,269	34,374	48,600	48,600
Permit Service Center	144,225	67,401	138,213	145,333	146,444
Other Funds	1,583	480	6,492		
	<u>4,712,635</u>	<u>4,662,661</u>	<u>4,692,692</u>	<u>4,952,134</u>	<u>5,017,837</u>
<i>General Fund FTE</i>	26.30	26.30	26.50	26.50	26.50
<i>Total FTE</i>	27.30	27.30	27.50	27.50	27.50



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OFFICE OF ECONOMIC DEVELOPMENT

MISSION STATEMENT

The purpose of the Office of Economic Development (OED) is to expand employment and business opportunities for Berkeley residents, entrepreneurs and property owners through business retention and attraction; to generate a healthy business climate that maintains and enhances the environmental quality of the City, produces tax revenues to support civic goals and provides goods and services for the Berkeley populace; to support artistic and cultural activities for the community and generate new arts resources; and to ensure equal opportunities for minorities, women, and disabled persons in these endeavors.

ORGANIZATION CHART



OFFICE OF ECONOMIC DEVELOPMENT

Department Overview

Business Services

The Business Services Division of OED works to grow, retain and attract businesses in Berkeley, support new entrepreneurship and innovation in emerging economic sectors, assist a variety of business organizations, merchant groups and business improvement districts, and help guide developers in creating new commercial and mixed-use space. This Division also engages in a variety of marketing and district identity efforts, policy development initiatives, and promotion of sustainable business practices through assorted of programs and services.

Civic Arts Program

The Civic Arts Division administers the 1.5% for Public Art Program, the Civic Arts Grant Program and actively markets the arts through publicity, forums, workshops, publications and on-line tools. Staff works with the Civic Arts Commission, the Berkeley Cultural Trust, Visit Berkeley, and the broader business community to promote cultural tourism.

Major Accomplishments – FY 2012 & FY 2013

- ❑ Provided a range of business and development assistance to a number of large, regionally-serving businesses including Rejuvenation Lighting, Apple, Sports Basement, Comal and a regional supermarket on 10th and Gilman.
- ❑ Worked to retain and expand the auto sales sector in Berkeley:
 - Assisted new Fiat Dealership, McKevitt Fiat at 2700 Shattuck.
 - Assisted Weatherford BMW to help it complete a major renovation and expansion at 735 Ashby and 750 Potter.
 - Assisted Planning staff in formulating new Zoning amendments that will allow retention and possible expansion of dealerships on South Shattuck.
- ❑ Developed, and now administer, a listing service of available commercial property in Berkeley. This service is available on the OED website and through LocateInBerkeley.com;
- ❑ Created a branding and marketing strategy for the Berkeley Start-up Cluster (BSC), a program design to capture emerging U.C. spin-outs and promote Downtown. Products included a new logo, website, and a program of co-hosted meet-up events. (www.berkeleystartupcluster.com)
- ❑ Co-organized the Berkeley Start-up Cluster Advisory Committee consisting of made up of technologists, tech-veterans and serial entrepreneurs who live in Berkeley and are committed to assisting local start-ups and building Berkeley's innovation ecosystem.

OFFICE OF ECONOMIC DEVELOPMENT

- ❑ Worked closely with and supported the U.C. Berkeley Office of Technology Licensing to catalyze the creation of the Skydeck Incubator Accelerator on the top floor of the Chase Building in Downtown Berkeley.
- ❑ Completed Phase 1 of the branding effort for the Berkeley/Emeryville Bio-Nexus, the emerging cluster of bioscience industries in Southwest Berkeley and Emeryville. The debut meet-up event was held in November of 2012 in West Berkeley and was co-sponsored by Bay Bio;
- ❑ Working with local retailers to promote the 'West Berkeley Design LOOP' a project to market West Berkeley as a shopping destination for designers and home owners working on home improvement projects. To be launched in mid-2013.
- ❑ Provided City staff leadership for the ongoing implementation of the East Bay Green Corridor Partnership, including serving on its Steering Committee and chairing its Business Development Committee.
- ❑ Began using OED's Economic Impact Report template to estimate the economic benefits of new businesses and development projects;
- ❑ Brought 'Off-the-Grid' food truck event to the corner of Telegraph and Haste generate new foot traffic in the area most greatly impacted by the fire at the Sequoia Apartments.
- ❑ Worked closely with key property owners along Telegraph, particularly in the vicinity of Haste and Telegraph, to encourage development of upgrading of their properties.
- ❑ Partnered with Berkeley Design Advocates (BDA) and the Telegraph Business Improvement District (BID) in successfully pursuing a \$100,000 Chancellor's Grant for lighting and Wifi in along the Avenue.
- ❑ Worked with Planning staff on economic and policy analysis for the revitalization of Telegraph Avenue;
- ❑ Continued and deepened partnership with the *Buy Local Berkeley* (BLB) campaign to encourage local patronage of locally owned businesses. Initiated a new holiday BLB coupon promotion with Chinook Book that generated significant results.
- ❑ Facilitated Berkeley companies to become "Bay Area Green Certified Businesses" through a contract with Alameda County. In 2012, 19 new businesses were green certified and 54 were recertified. This is a net gain of 10 over 2011.
- ❑ Staffed the revival of the Solano BID which facilitated the planting of street trees for the commercial district.
- ❑ In coordination with Visit Berkeley, staffed the organization and Council authorization related to creation of a new Tourism BID in Berkeley. This BID assesses revenues on hotel/motel room rentals and is expected to raise an additional \$350,000 per year to promote local tourism – effectively doubling available funds for that purpose.
- ❑ Managed the contracts of Berkeley's six business Improvement districts: Downtown, North Shattuck, Elmwood, Telegraph, Solano Avenue and the Citywide Tourism BID.

OFFICE OF ECONOMIC DEVELOPMENT

- ❑ Worked closely with the Downtown Berkeley Association to implement its Work Plan, serving on its Board and Finance Committee.
- ❑ Worked closely with the Ecology Center to bring the South Berkeley Farmer's Market to Adeline Street and 63rd, the heart of the Lorin/Adeline Street Commercial District;
- ❑ Worked with South Berkeley merchants and neighborhood residents to develop a coordinated street banner campaign to highlight the commercial areas along Sacramento Street, the Lorin District and the Ashby/Adeline node.
- ❑ Successfully coordinated and implemented a lighting grant program targeted to Adeline and Sacramento Streets funded by a U.C. Chancellor's grant. This resulted in Improvements to 5 businesses on Adeline and 2 on Sacramento Street. OED has partnered with the Earth Island Institute on a new grant for FY 2014.
- ❑ Provided participation and leadership to the East Bay Environmental Network (EBEN) to organize four training and networking sessions per year for large Berkeley, Oakland and Emeryville employers with GHG reduction goals. Participants include Bayer, Wareham Development, Alta Bates, UC Berkeley and other regional employers. In 2013, the project received a \$270,000 grant from Bayer USA Foundation to support expansion.
- ❑ Obtained \$8,000 grant from the Open Circle Foundation for the implementation of the youth art component of '60 Boxes,' a Downtown utility box youth public art project;
- ❑ Assisted Library Board of Trustees in a competition to choose public art for the new South and West Berkeley branch libraries; and

Key Objectives for FY 2014 & FY 2015

- ❑ Help create business conditions that grow Berkeley's retail tax revenue by 10 percent;
- ❑ Work with the business and development community to generate new job opportunities for Berkeley residents;
- ❑ Attract five new regionally-serving businesses that can attract shoppers to Berkeley and increase local tax revenue;
- ❑ Retain and expand Berkeley's existing auto dealerships;
- ❑ Develop an economic development strategy for Telegraph Avenue in close coordination with the Berkeley Planning Department;
- ❑ Strengthen the value of Berkeley Start Up Cluster (BSC) as a marketing strategy to attract and support spin-out companies in the near-to-campus area. In particular:
 - Launch the new BSC website.
 - Participate in and develop the BSC Advisory Committee.
 - Increase the number of co-branded meet-up and networking events in the Downtown.

OFFICE OF ECONOMIC DEVELOPMENT

- ❑ Build on existing efforts to support the incubation, retention and expansion of Berkeley-based companies. In particular:
 - Attract new co-working spaces and other business incubation resources to Berkeley in close coordination with UCB, the Downtown Berkeley Association, the Berkeley Chamber of Commerce and other private partners.
 - Work with the development community, QB3 East Bay, U.C. Berkeley, LBNL and other stakeholders on the growth and capture of emerging Bioscience companies in West Berkeley;
- ❑ Grow and strengthen the Berkeley/Emeryville Bio-Nexus, the networking and marketing effort surrounding our local bioscience cluster, in close coordination with the City of Emeryville, the East Bay EDA, BayBio and other stakeholders.
- ❑ Continue working with the East Bay Green Corridor Partnership on program development to support green business growth and promote green/clean business clusters in Berkeley and the region;
- ❑ Continue administration and active staff support for Berkeley's six Business Improvement Districts as well as other merchant groups and business organizations. Focus particular attention to district branding, vacancy reduction and improved tenant mix.
- ❑ Continue active staff engagement with the Adeline and Sacramento Merchant Associations to address infrastructure and economic issues to assist the economic revitalization of South Berkeley;
- ❑ Work with 'The Berkeley Group', an undergraduate student consultancy program, to create plan for UMBRELLA Berkeley brand to unify/coordinate existing Berkeley commercial branding efforts.
- ❑ Generate \$100,000 in new grant money for public art by leveraging the City's Public Art Fund;
- ❑ Work with the Earth Island Institute to expand their Downtown '60 boxes' program to other Berkeley commercial districts.
- ❑ Identify partnership opportunities for marketing Berkeley that leverages OED's marketing budget and promotes Berkeley's commercial districts, its place in the regional economy, and its high quality of life;
- ❑ Work with the Berkeley Chamber of Commerce, Visitberkeley.org and other business organizations on initiatives to improve Berkeley's business climate and image as a business location;
- ❑ Provide technical assistance (data and mapping) to potential and existing property and business owners; and
- ❑ Increase lending activity through the City's Revolving Loan Fund;
- ❑ Provide the Council with regular economic development reports and analyses: two information reports and two workshops per year.

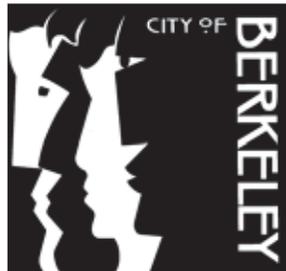
OFFICE OF ECONOMIC DEVELOPMENT

Significant Changes from Prior Year's Budget

The Adopted Budget reduced General Fund support for Economic Development by a total of \$39,140 in FY 2014. Funds will be reduced by \$34,614 from our Miscellaneous Professional Services line item which will reduce funding for OED's marketing and program development efforts. An additional \$4,526 reduction will come from funds OED uses to promote local and sustainable businesses.

OFFICE OF ECONOMIC DEVELOPMENT FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
EXPENDITURES					
By Type:					
Salaries and Benefits	841,708	884,896	887,857	927,562	935,566
Services and Materials	1,599,399	2,694,637	2,814,655	3,090,451	3,087,612
Capital Outlay	1,587	3,162	-		
Internal Services	7,206	6,556	6,719	5,719	5,719
Indirect Cost Transfer	1,030	1,044	1,037	1,121	1,121
	<u>2,450,930</u>	<u>3,590,295</u>	<u>3,710,268</u>	<u>4,024,853</u>	<u>4,030,018</u>
By Division:					
Administration	95,364	99,486	100,229	84,256	85,104
Economic Development	1,526,023	2,598,963	2,802,555	2,957,745	2,956,676
Arts Coordination	576,309	593,984	555,962	588,600	591,112
South Berkeley Revitalization	91,891	103,731	68,163	211,290	211,795
Sustainable Development	161,343	194,131	183,359	182,962	185,331
	<u>2,450,930</u>	<u>3,590,295</u>	<u>3,710,268</u>	<u>4,024,853</u>	<u>4,030,018</u>
By Fund:					
General Fund	1,762,322	1,877,176	1,898,202	1,939,004	1,955,592
Loan Funds	4,775	40,830	5,830	156,095	156,095
Business Improvement Districts	596,223	1,391,240	1,647,236	1,851,884	1,839,466
Public Art Fund	74,801	69,337	47,315	58,791	59,646
Refuse Fund	12,472	22,628	26,687	19,079	19,219
Other Funds	337	189,084	84,998		
	<u>2,450,930</u>	<u>3,590,295</u>	<u>3,710,268</u>	<u>4,024,853</u>	<u>4,030,018</u>
General Fund FTE					
	5.80	5.80	5.80	5.80	5.80
Total FTE					
	5.85	5.85	5.85	5.85	5.85



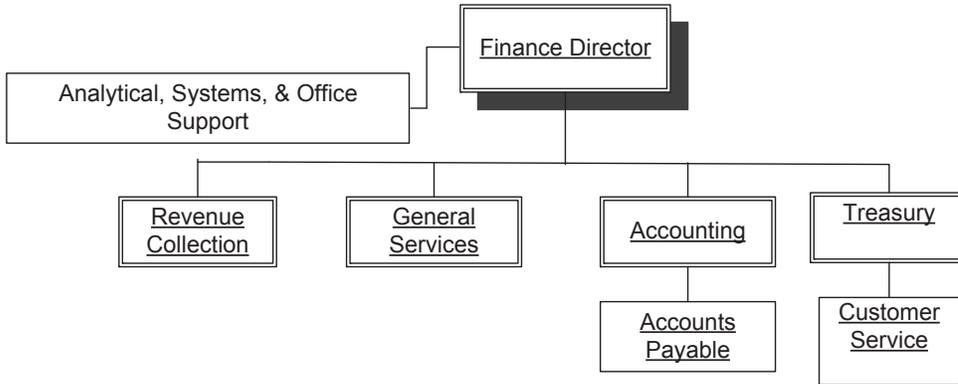
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FINANCE DEPARTMENT

MISSION STATEMENT

The Finance Department conducts all of our responsibilities with integrity, warrant and receive the trust of colleagues and constituents, and to positively support the delivery of quality services to fulfill the City's mission and citywide priorities. Within the framework of full disclosure and quality customer service, our principal obligations are to safeguard City assets, maximize revenues, manage the business of City programs, and provide accurate, timely, and complete financial information.

ORGANIZATION CHART



FINANCE DEPARTMENT

Department Overview

The Finance Department provides direct services to the entire Berkeley community of residents and businesses, and support services to all City departments.

Office of the Director & Finance Administration

This division serves as the City's Chief Financial Officer, Investment Manager, and City Treasurer. This division provides revenue and economic forecasting and other information to City policymakers and stakeholders; manages the City and retiree medical plan investment portfolios and debt issues; and provides business administration and technical assistance to City departments.

Accounting

Accounting maintains the City's general ledger, and prepares the City's internal and external financial statements and reports. Accounting is responsible for all bank reconciliations, development of the indirect cost allocation plans, and quality control review on accounting transactions entered by all departments. Accounting also prepares all required State Controller, payroll, and sales tax returns.

General Services

General Service manages Citywide procurement activities, from issuing and awarding all non-construction bids and Requests for Proposals (RFPs), to obtaining the best competitive pricing for purchases while adhering to the City's purchasing policies. The City's central mail services are also within Finance General Services.

Revenue Collection

The Revenue Collection division provides billing and collection services for refuse and most other City services; prepares the City's and Berkeley Unified School District's (BUSD's) special property tax rolls for inclusion on the annual property tax bill; processes Transfer Tax, Seismic Retrofit, low-income, and private sewer lateral refunds; prepares and processes annual business license renewals and residential parking permits; processes new business licenses; administers and issues taxi, street vendor, massage, and food vendor permits; redeems taxi scrip; and maintains the City's land database.

Treasury/Customer Service

Treasury operates as a cashiering center for accepting deposits from all City cash acceptance locations and departments. Treasury acts as the main payment processing for mailed in payments for Citywide billing and other revenue sources such as Business License Tax, Hotel Tax, Parking Lot Tax, Franchise Tax, and other various State and Federal payments to the City. This division administers the petty cash reimbursements for City employees, and the replenishment of the Taxi Scrip Funds and Customer Service unit change funds.

FINANCE DEPARTMENT

Treasury/Customer Service – cont'd

The Customer Service Counter unit provides front line counter service to the residents and business owners of Berkeley. They administer the processing of walk-in or drop-in payments for various Citywide billings, processing of business license tax for delinquent and new accounts, issue and receive payment for residential preferential parking permits, provide customer assistance and processing of parking citations, processing sewer lateral fees and assisting customers in the community service program in lieu of citation payment. This unit prepares and submits all payments received from customers to Treasury for posting in the City's financial system. The staff provides support for updating customer's records in the parking system for the City, maintains records of community service agreements, processes tow and boot releases and account maintenance for parking related payment inquiries.

This operation is responsible for providing proper safeguards over City monetary assets, to ensure timely deposit of all money into the City's bank accounts. Treasury provides the accounting for all Treasury deposits and posting of cash receipt records into the City's financial system. Treasury plays a major part in providing Citywide cash handling classes and providing oversight over the various cash handling sites throughout the City.

Major Accomplishments – FY 2012 & FY 2013

- **Office of the Director & Finance Administration**
 - Assisted the City Manager, the City Attorney and the City's Financial Advisor in the successful refinancing of the 2003 - 1947 Center Street Acquisition, Certificates of Participation and the 1999 Berkeley Repertory/Park Acquisition bonds, which resulted in \$5.7 million of present value debt service savings.
 - Completed the Administrative Regulations (A.R.) which established requirements for preparing, reviewing and approving adjusting journal entries (AJs).
 - Implemented online payment on 9/1/2012 for Refuse bill payment.
 - Issued the Banking Services RFP and completed the process for recommending a vendor.
 - Issued the outside auditing services RFP.

- **Accounting**
 - Completed the FY 2012 CAFR on time with no prior period adjustment.
 - Prepared FUNDS screen operating procedures on a screen shot by screen shot case for GMBA, PI and Cash Receipt modules.
 - Implemented the New Sick Leave Balance Program in accordance with the newly adopted Police MOU—PORAC and Retiree Health Premium Assistance Coverage.
 - Completed the transition of the Redevelopment Agency's accounting from the City to the new Successor Agency.

FINANCE DEPARTMENT

Customer Service

- Implemented an automated number calling system at the Customer Service lobby, making it easier for customers to hear their number being called while waiting.
- Established and implemented the staff guidelines for the processing of parking citation disputes to achieve consistency and proper coordination with Information Technology for Customer Service Manager escalation cases.
- Increased safeguards for cash handling in Environmental Health payments by redirecting customers to pay at the Customer Service lobby.

General Services

- Completed the transition of printing and copy services to an outside vendor and realized the projected cost savings of approximately \$100,000 for the 1st fiscal year.
- Continued to monitor Sweatshop Free ordinance for compliance.
- Continued to project manage the Citywide Janitorial and security service contracts.
- Issued a Banking Services RFP to include scoring for Social Responsibility to the citizens of Berkeley.
- Implemented a tracking system for the purchase and disposal of all City Fleet vehicles.

Revenue Collection

- Assisted in selecting the new business license software and initial system analysis.
- Completed Residential Preferential Parking renewals by July 9, 2012.
- Completed 1st phase of implementing new business license software.
- Completed integration between new Transfer Station software and billing system.

Treasury

- The Revenue Development Specialist generated \$506,959 in new revenue in FY 2012 and has generated \$214,974 in FY 2013 as of spring 2013.
- Reinstated and updated the citywide cash handling classes to educate City employees on City policies and proper cash handling procedures to improve internal controls on all City cash locations. Conducted three cash handling classes in FY13 which trained 76 city employees.
- To improve internal controls throughout the various city cash handling locations, Finance started conducting surprise cash counts and submitting reports to each department to implement recommendations for improved safeguards of City assets, with a focus on cash and cash equivalents.
- Accomplished timely payment processing of the Business License Tax renewal and residential parking permit renewals.

FINANCE DEPARTMENT

Key Objectives for FY 2014 & FY 2015

- **Office of the Director & Finance Administration**
 - Generate \$4 million in interest income by the end of FY 2015.
- **Accounting**
 - Improve the documentation of subsidiary accounting ledgers so that as staff retires or resigns, the information necessary for the ledger is maintained by the City.
- **General Services**
 - Continue to implement Citywide agreements to leverage economies of scale for cost savings;
 - Continue to offer training of City staff on purchasing and contracting procedures and processes;
 - Continue to manage the printing services of Minuteman Press effectively and for the benefit of all City departments including realizing the annual cost savings of approximately \$100,000.
 - Research and work on an on-line vendor registration application which will allow vendors to submit applications electronically.
 - Acquire the Award of Excellence in procurement.
 - Continue to monitor compliance with Purchasing Procedures and thresholds, and assist City staff in following procedures.
- **Revenue Collection**
 - Review and select new refuse billing software.
 - Implement 2nd phase of new Business License software that would allow online access.
 - Select new bill print vendor and outsource additional bill printing.
 - Become more effective at collecting delinquent fees owed to the City.
- **Treasury**
 - Obtain resources to provide on-going citywide cash handling training, and to perform on-going internal control reviews and risk assessments at all City cash handling sites;
 - Add one more participant to the Use Tax Program in FY 2014 and another in FY 2015.

Significant Changes from Prior Year's Budget

- Eliminated a 1.0 FTE Office Specialist II in Revenue Collection in FY 2014.
- Implement changes and improvements based on the City Auditor's audit of Business License Taxes and a management review of the Revenue Collection Division.

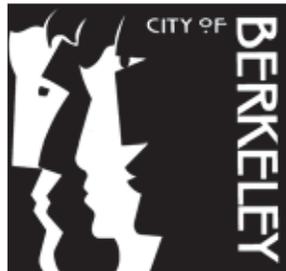
FINANCE DEPARTMENT FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
EXPENDITURES					
By Type:					
Salaries and Benefits	5,681,415	5,814,005	5,751,013	6,033,376	6,122,336
Services and Materials	720,266	620,474	718,171	784,651	784,651
Capital Outlay	6,335	9,967	9,538	33	33
Internal Services	331,504	408,014	342,468	351,318	351,318
Indirect Cost Transfer	107,442	108,946	99,014	112,351	112,351
	6,846,962	6,961,406	6,920,204	7,281,729	7,370,689
By Division:					
Office of the Director	1,888,334	2,078,117	2,166,439	2,111,056	2,137,800
Accounting	1,173,828	1,238,756	1,139,355	1,160,305	1,172,304
General Services	1,274,397	1,056,616	1,012,600	1,112,277	1,122,576
Customer Service	479,557	637,362	637,586	628,080	636,385
Parking	40,000	40,000	40,000	40,000	40,000
Revenue Collection	1,990,846	1,910,555	1,924,224	2,230,011	2,261,624
	6,846,962	6,961,406	6,920,204	7,281,729	7,370,689
By Fund:					
General Fund	5,022,946	5,266,759	5,262,578	5,381,523	5,444,799
Paramedic Assmt Dist	10,175	12,653	11,724	18,110	18,812
Library	10,173	12,653	11,719	18,110	18,812
Rental Housing Safety	30,838	24,601	22,014		
Parks Tax	10,166	12,653	11,718	18,110	18,812
Street Light Assmt.	11,389	14,509	12,941	19,861	20,563
Refuse Fund	962,368	962,294	1,000,769	1,128,041	1,143,801
Clean Storm Water	11,790	14,556	12,962	19,861	20,563
Private Sewer Lateral	23,367	23,603	24,471	25,057	25,533
Parking Meter	40,000	40,000	40,000	40,000	40,000
Equipment Replacement	116,334	121,676	123,771	138,076	139,212
Central Services	533,103	380,340	312,707	382,301	384,744
Other Funds	64,313	75,109	72,830	92,679	95,038
	6,846,962	6,961,406	6,920,204	7,281,729	7,370,689

General Fund FTE	38.50	37.50	36.55	34.50	34.50
Total FTE	49.00	48.00	47.00	45.00	45.00

FINANCE DEPARTMENT FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
DIVISION/ACTIVITY SUMMARY					
Office of the Director					
Administration	691,495	746,802	818,136	692,383	700,220
Systems Support	388,868	610,098	568,599	608,133	612,410
Treasury	392,662	363,826	422,993	438,261	446,636
Accounts Payable	415,309	357,391	356,711	372,279	378,534
Division Total	1,888,334	2,078,117	2,166,439	2,111,056	2,137,800
FTE Total	13.00	13.00	12.00	12.00	12.00
Accounting					
Administration	1,173,828	1,238,756	1,139,355	1,160,305	1,172,304
Division Total	1,173,828	1,238,756	1,139,355	1,160,305	1,172,304
FTE Total	8.00	8.00	7.00	7.00	7.00
General Services					
Procurement	741,294	676,276	699,893	729,976	737,832
Mail Services	345,175	314,697	312,707	382,301	384,744
Print Services	187,928	65,643			
Division Total	1,274,397	1,056,616	1,012,600	1,112,277	1,122,576
FTE Total	7.00	7.00	7.00	6.00	6.00
Customer Service					
Counter/Call Center	479,557	637,362	637,586	628,080	636,385
Division Total	479,557	637,362	637,586	628,080	636,385
FTE Total	6.00	6.00	6.00	5.00	5.00
Parking					
Administration	40,000	40,000	40,000	40,000	40,000
Division Total	40,000	40,000	40,000	40,000	40,000
FTE Total	-	-	-	-	-
Revenue Collection					
Billing	1,398,585	1,436,381	1,502,785	1,662,088	1,687,162
Collections	419,764	381,586	346,791	458,048	463,518
Customer Service	1,526	550		150	150
Licensing	170,971	92,038	74,648	109,725	110,794
Division Total	1,990,846	1,910,555	1,924,224	2,230,011	2,261,624
FTE Total	15.00	14.00	15.00	15.00	15.00
Department Total	6,846,962	6,961,406	6,920,204	7,281,729	7,370,689
FTE Total	49.00	48.00	47.00	45.00	45.00



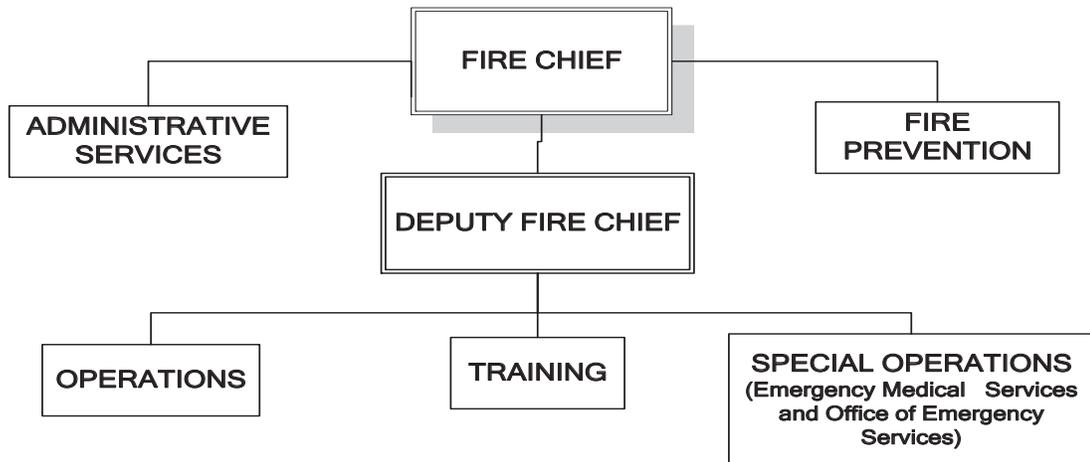
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FIRE DEPARTMENT

MISSION STATEMENT

We serve the Berkeley Community with Courage, Honor, Integrity and Pride.

ORGANIZATION CHART



FIRE DEPARTMENT

Department Overview

Fire Administration

The Office of the Fire Chief directs the department in field operations, budget and fiscal policy, administrative systems and procedures, employee training and development, and other administrative activities. Financial Administrative Services provides fiscal services to both the Police and Fire Departments in payroll, accounting, purchasing, contracts, billing, and refunds.

Fire Operations

Fire Operations provide emergency services in fire suppression, emergency medical and rescue response, emergency service response, hazardous materials response, fire alarm response, and all other emergency calls.

Fire Prevention

The Fire Prevention Division plans, organizes and implements all Fire Department prevention and inspection programs, including fire and arson investigations, vegetation management, hazard abatement, code enforcement, public fire safety education, plan checking, and evaluation and development of codes and ordinances.

Special Operations – Emergency Medical Services and Office of Emergency Services

Emergency Medical Services provides Advanced Life Support (ALS) and staff paramedic transport ambulance units. The Office of Emergency Services guides City policy and implements disaster preparedness and response programs, outreach and education, and regional collaboration planning.

Training

The Training Division provides the required department training to comply with local, county, state, and federal mandates.

Major Accomplishments – FY 2012 & FY 2013

- ❑ Completed recruitment and outreach program for entry-level firefighter/paramedic positions;
- ❑ Completed construction of warehouse that houses the above-ground auxiliary firefighting water system (Measure Q);
- ❑ Replaced radio interoperability equipment for both Police and Fire (Measure GG);
- ❑ Completed FEMA grant award requirements and purchase of a Type III Wildland engine;
- ❑ Completed study and implemented 48/96 staffing schedule;
- ❑ Designed and delivered Emergency Operations Center (EOC) training and functional exercise; and

FIRE DEPARTMENT

- ❑ Updated contract for Advanced Life Support (ALS) transport and First Responder Advanced Life Support (FRALS).

Key Objectives for FY 2014 & FY 2015

- ❑ Update Strategic Plan;
- ❑ Continue to enhance the Disaster Preparedness Cache Program (Measure GG);
- ❑ Update Fire Department automatic aid and mutual response area agreements;
- ❑ Update Local Hazard Mitigation plan;
- ❑ Administer Recruit Academy for new entry-level firefighters in 2014;
- ❑ Continue ongoing outreach and recruitment efforts to ensure diverse workforce;
- ❑ Update and complete Fire Code for adoption and implementation by January 2014;
- ❑ Remodel and provide security upgrades to Fire Station 1;
- ❑ Apparatus replacement and purchase of Fire Engines 3, 4, and 7;
- ❑ Ambulance replacement and purchase of Medic Units 1, 2, and 5;
- ❑ Update Mobile Data Computer software (Mobile CAD 9.0);
- ❑ Upgrade Mobile Data Computer hardware;
- ❑ Fire Records Management module implementation including Pre-Fire Plans, Fire Training, Fuel and Equipment Inventory tracking;
- ❑ Improve Emergency Operations Center operating systems;
- ❑ Complete Medevault Server Migration; and
- ❑ Implement video and teleconferencing capacity.

Significant Changes from Prior Year's Budget

For FY 2014 and FY 2015, the Fire Department's General Fund budget was reduced by 2% or \$554,000.

The reduction includes the elimination of a vacant .75 FTE Accounting Office Specialist III (AOSIII) position (\$75,750) and \$478,000 in reduced personnel expenditures. The duties of the vacated AOSIII position will be absorbed by existing support staff. The personnel expenditure savings will be achieved through vacancies that are projected to exist over the course of this budget cycle.

Beginning in FY 2014 there will be a change in the reporting structure within the Fire Department. Under the current reporting structure, the Fire Prevention division reports to the Deputy Fire Chief. The change will have this Division report directly to the Fire Chief.

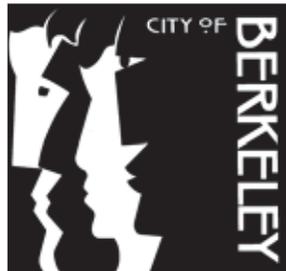
FIRE DEPARTMENT FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
EXPENDITURES					
By Type:					
Salaries and Benefits	27,929,506	28,797,172	28,210,558	30,119,320	30,918,199
Services and Materials	1,402,121	1,547,711	1,447,012	1,296,381	1,296,381
Capital Outlay	125,236	435,113	52,106	169,150	169,150
Internal Services	1,572,071	1,509,252	1,535,202	1,867,951	1,867,951
	31,028,934	32,289,248	31,244,878	33,452,802	34,251,681
By Division:					
Office of the Fire Chief	1,114,760	1,195,116	1,293,280	1,420,202	1,432,452
Fire Administrative Services	389,588	405,360	383,055	396,746	401,800
Fire Operations	29,524,586	30,688,772	29,568,543	31,635,854	32,417,429
	31,028,934	32,289,248	31,244,878	33,452,802	34,251,681
By Fund:					
General Fund	25,568,053	25,849,368	25,405,453	26,963,283	27,725,493
Paramedic Tax Fund	2,769,551	3,062,186	2,946,809	3,144,406	3,173,981
CFD #1 Dis Fire Protect Bond	136,204	409,195	35,377	100,000	100,000
Measure GG	2,555,126	2,961,999	2,852,239	3,245,113	3,252,207
Other Funds		6,500	5,000		
	31,028,934	32,289,248	31,244,878	33,452,802	34,251,681

General Fund FTE	122.25	122.25	122.25	121.50	121.50
Total FTE	139.75	139.75	139.75	139.00	139.00

FIRE DEPARTMENT FINANCIAL SUMMARY

DIVISION/ACTIVITY SUMMARY	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
Office of the Fire Chief					
Administration	535,444	555,512	542,799	539,252	542,402
Disaster Preparedness	579,316	639,604	750,481	880,950	890,050
Division Total	1,114,760	1,195,116	1,293,280	1,420,202	1,432,452
FTE Total	6.00	6.00	6.00	6.00	6.00
Fire Administrative Services					
Financial Admin. Services	389,588	405,360	383,055	396,746	401,800
Division Total	389,588	405,360	383,055	396,746	401,800
FTE Total	3.75	3.75	3.75	3.00	3.00
Fire Operations					
Administration	643,256	725,440	702,749	753,848	759,833
Suppression/Rescue/Hazard	19,100,887	19,267,560	18,507,580	19,463,351	20,128,429
Fire Prevention	846,988	878,817	860,696	1,028,458	1,039,422
Fire Training	677,688	640,917	661,511	667,821	673,479
Emergency Medical Service	8,255,767	9,176,038	8,836,007	9,722,376	9,816,266
Division Total	29,524,586	30,688,772	29,568,543	31,635,854	32,417,429
FTE Total	130.00	130.00	130.00	130.00	130.00
Department Total	31,028,934	32,289,248	31,244,878	33,452,802	34,251,681
FTE Total	139.75	139.75	139.75	139.00	139.00



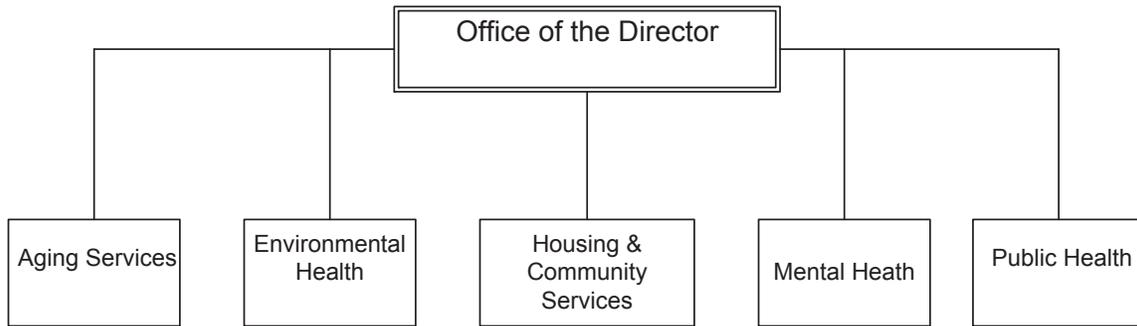
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HEALTH, HOUSING AND COMMUNITY SERVICES DEPARTMENT

MISSION STATEMENT

The Department of Health, Housing, & Community Services' mission is to enhance community life and support health and wellness for all. We are committed to social and environmental justice and to promoting equity in health, housing, and economic opportunity. We collaborate with community partners to build a vibrant and healthy Berkeley.

ORGANIZATION CHART



HEALTH, HOUSING AND COMMUNITY SERVICES DEPARTMENT

Department Overview

Office of the Director and Administration

This office provides overall leadership, policy development, and management for the department; manages the Department's fiscal activities including budgeting, accounting, payroll, purchasing and billings to external funders; contract administration; and personnel administration.

Environmental Health Services

This division provides disease prevention and control services with an emphasis on education and enforcement by conducting environmental health inspections at regulated facilities, abating public nuisances, and working with various partners to protect and improve the health and well being of the community.

Mental Health Services

This division provides mental health prevention and intervention services with a focus on high-risk adults, transition age youth, children and families. Community based service supports are also provided and include coordination of housing, consumer and family services, and employment or vocational supports. Working closely with other City departments and community partners, the Division operates specialized services such as drop-in crisis and brief treatment services, medication support, intensive case management, mobile crisis/emergency response, school-based mental health, homeless outreach, and disaster mental health response and recovery.

Public Health Services

The Public Health Division's goal is ensure that everyone in the Berkeley community has an opportunity to make choices that lead to a long and healthy life, regardless of income, education, or racial/ethnic background. Public health provides community-wide protection against communicable diseases and emerging health threats; health services at the Berkeley High School Health Center and Berkeley Technology Academy; community-based health promotion and chronic disease prevention services; support for at-risk African American mothers and their infants; nursing case management services in the community; reproductive and sexual health services at the Public Health clinic; linkage and referrals to health care services; HIV testing and counseling; nutrition education and services including WIC; services and policy work addressing public health issues such as tobacco use, lead poisoning prevention, and oral health; support for pregnant and parenting teens; and works closely with BUSD and the community to support healthy early childhood development and school-related health issues. Through these activities, the Division strives to eliminate health inequities in Berkeley.

Housing and Community Services

This division partners with local housing developers to increase funding for the development and rehabilitation of affordable housing in Berkeley by leveraging

HEALTH, HOUSING AND COMMUNITY SERVICES DEPARTMENT

the Housing Trust Fund and monitors all affordable housing developments and inclusionary housing units to assure compliance with federal, state and local regulations. The division also provides rehabilitation assistance to low-income senior and disabled homeowners, provides housing policy planning and refinement of housing regulatory measures; coordinates homeless policy planning activities for those who are homeless or at risk of homelessness and administers the Shelter Plus Care Program, The division coordinates the allocation and monitoring of funds to community agencies providing a broad range of housing and supportive services to low-income community members funded through General Fund and a variety of state and federal sources and administers the youth and adult employment services programs.

Aging Services

The Aging Services Division operates two senior centers and provides support services to the community including: targeted case management, mental health consultation, senior care giving and injury prevention, center based and home delivered meals, health and fitness, social services, transportation, arts and cultural events, socialization, technology access, outreach, volunteer and employment opportunities, entertainment and recreation. The division also administers the Berkeley Paratransit Services program for seniors and persons with disabilities.

Major Accomplishments FY 2012 & FY 2013

- FY 2012
 - Made significant strides in the consolidation of the Housing & Community Services Department and the Health Services Department;
 - Drafted Affordable Housing Mitigation Fee Ordinance (adopted June 2012);
 - Increased HIPAA compliance program: Launched monthly email tips, began updating policies;
 - Placed 245 youth in summer jobs;
 - Placed 145 youth in winter/after school jobs;
 - In partnership with Public Works, placed 10 transition age youth in graffiti abatement jobs;
 - Provided community outreach and education work experience to six transition age youth;
 - Partnered with Berkeley Public Library to provide work experience to 12 teens, which led to longer-term employment at the library for three of those teens;
 - Continued implementation of Community Workforce Agreement, including two new major library projects, sanitary sewer and street rehabilitation projects for a total of 10 projects;

HEALTH, HOUSING AND COMMUNITY SERVICES DEPARTMENT

- Placed three transition age Berkeley youth in laborers union as 1st period apprentices for jobs on CWA projects;
- Transitioned the Weatherization program to an outside nonprofit provider to administer the Low Income Home Energy Assistance Program;
- Restructured departmental programs in response to dramatic reductions in state and federal funds available for health, housing and community services programs;
- Completed changes to the Rental Housing Safety Program: amended Berkeley Municipal Code to incorporate a carbon monoxide detector requirement, and implemented citations for noncompliance with Schedule A;
- Added a congregate meal location at Redwood Gardens to the senior on-site meal program;
- Converted the West Berkeley Senior Center into a hub for supportive services, while continuing traditional programming at the North and South Berkeley Senior Centers;
- Recovered site control of the Prince Hall Arms site, issued RFP for new developer, recommended selection of Satellite Affordable Housing Associates which was approved by the City Council;
- Transitioned housing responsibilities for former redevelopment agency to Housing Services division;
- Recommended and received Council approval of \$1.1 million in HTF funding to Resources for Community Development for Wm. Byron Rumford Plaza;
- Recommended and received Council approval of \$300,000 for relocation activities associated with the disposition of the Berkeley Housing Authority's public housing units;
- Opened Harmon Gardens – 17 units of supportive housing for youth aging out of foster care;
- Reopened Erna P. Harris – 35 units of supportive housing for formerly homeless adults;
- Assisted Northern California Land Trust in developing bankruptcy plan and restructuring its operations, including hiring professional property management company;
- Successfully implemented Envision connect software system in Environmental Health to accurately track work productivity;
- Conducted more than 2,173 food safety inspections at restaurants, food markets and other retail food facilities for health compliance;
- Conducted more than 1,386 inspections at properties with vector violations, abated 39 inoperable vehicles, and baited more than 240 sewer locations to control the rodent population;
- Provided comprehensive mental health services to over 500 highest need Berkeley and Albany residents;
- Awarded over \$250,000 in Mental Health Services Act funds to local non-profits to work with unserved, underserved and inappropriately served individuals with mental health needs;

HEALTH, HOUSING AND COMMUNITY SERVICES DEPARTMENT

- Partnered with Berkeley and Albany Unified School Districts to provide mental health services and outreach to students in elementary, middle and high schools;
 - Significantly reduced the cost of medications for uninsured clients by assisting clients in applying for free medications through the Patient Assistance Programs administered by pharmaceutical companies;
 - Introduced Family Advocacy services to increase family participation in service planning and provided appropriate support for mentally ill adults, children and youth;
 - Increased services for Medi-Cal eligible youth and offered a broader range of services to school-age children and young adults;
 - Successfully implemented reorganization within the Mental Health division to provide greater capacity for assessment and triage of clients;
 - Recommended and received Council approval of awards over \$350,000 in Mental Health Service Act funds for Innovation grants to move the mental health system toward a wellness and recovery model;
 - Conducted over 30 annual communicable disease investigations and control interventions (for infectious diseases like tuberculosis, measles, whooping cough, food-borne illnesses, and meningitis) involving hundreds of individuals at Berkeley preschools, restaurants, recreational facilities, schools, institutions of higher education, businesses, and health care facilities;
 - Implemented NEXTGEN software for clinic management and moved toward electronic medical records;
 - Youth development groups presented health information to over 3,000 middle and high school students;
 - Provided over 1,800 nursing home visits;
 - Assisted the Black Infant Health (BIH) Community Advisory Board in moving closer to incorporating as a 501(c)(3) which will allow them to fundraise and provide additional support to the BIH Program;
 - Provided developmental screenings to all children enrolled in BUSD preschool programs;
 - Participated in Risk Based Initiative in Public Health Preparedness to better inform plans in regards to supporting at risk communities in the event of a Public health Disaster;
 - Participated in Bay Area Regional Health Inequities Initiative (BARHII) to determine best practices to integrate educational attainment into traditional health programs;
 - Participated in the 2020 Vision planning process, focused on the critical relationships between health and education.
- FY 2013
- Created department-wide Administration and Finance unit to fully consolidate the work of the two former departments;
 - Forged important collaborations between Public Health and Mental Health and Housing Services to better serve Mental Health clients;

HEALTH, HOUSING AND COMMUNITY SERVICES DEPARTMENT

- Coordinated the Department's work effort with the 2020 Vision through the Community Agency Allocation Process which kicked off November 2012 to develop, implement and report common outcome measures, integrate best practices and assess and respond to training needs;
- Began implementation of an Affordable Housing Mitigation Fee;
- Strengthened HIPAA compliance: Launched online HIPAA training for staff in three divisions, collaborated with City Clerk on City records practices, revised client notices, updated policies;
- Restructured the manner in which funds are allocated to community agencies and contracts are monitored to reflect staff reductions;
- Secured a \$1 million grant from CalHOME for the Senior and Disabled Rehab Loan program;
- Closed \$7 million HUD refinancing for major rehabilitation of Savo Island Cooperative Homes – 57 units of low income family housing;
- Completed refinancing of Ed Roberts Campus – removing Wells Fargo Bank as senior lender and replacing it with Northern California Community Loan Fund, a nonprofit lender;
- Completed update of RHSP website – including allowing tenants to make Requests for Service online;
- Recommended and received Council approval of HTF funding reservations for Harper Crossings (42 units for disabled seniors); Grayson Street Apartments (23 units, 17 of which are for developmentally disabled adults);
- Closed \$685,000 in Emergency Housing Assistance Program funding from the State Department of Housing and Community Development and \$1 million in Affordable Housing Program funding from the Federal Home Loan Bank for major rehabilitation of the Harrison House Shelter;
- Provided more than 700 targeted case management encounters supporting seniors with accessing needed services and resources;
- Provided a minimum of 72,000 meals to City of Berkeley residents through on-site and home delivered meal services;
- Completed remaining American Recovery and Reinvestment Act (ARRA) Homeless Prevention and Rapid Re-housing Program (HPRP) funded activities;
- Secured a US Food and Drug Administration grant to improve the Retail Food Safety Program using the Voluntary National Retail Food Regulatory Program Standards as a guide;
- Deployed field tablets in Environmental Health to maximize data capture and reporting efficiency in Envision Connect.
- Brought a mobile asthma clinic (Breathmobile) to BUSD which provides comprehensive clinical care to children with unmet medical needs;
- Began implementation of Electronic Health Records for PH clinics;
- Enhanced comprehensive services to highest need MH clients;
- Updated the Mental Health Service Act plans through community participation and input;
- Strengthened compliance efforts for Mental Health programs.

HEALTH, HOUSING AND COMMUNITY SERVICES DEPARTMENT

Key Objectives for FY 2014 & FY 2015

- FY 2014
 - Continue to solidify department consolidation focusing on strategic collaborations between department programs;
 - Continue to implement and monitor the Community Workforce Agreement (CWA), working closely with the building trades and the Department of Public Works;
 - Complete work on rehabilitation of 74 units of supportive housing at UA Homes;
 - Continue to assist William Byron Rumford Plaza development in refinancing and rehabilitating 43 units of low income family housing;
 - Lease City-owned property on 9th Street to Nia House;
 - Transfer Rental Housing Safety Program to the Planning Department;
 - Provide a minimum of 1,000 targeted case management encounters supporting seniors with accessing needed services and resources;
 - Implement revised Targeted Case Management policies and regulations to better serve seniors in need;
 - Increase services offered at the Senior Centers to meet the changing needs of the aging population;
 - Expand and standardize comprehensive volunteer program for Aging Services;
 - Provide a minimum of 72,000 meals to City of Berkeley residents through on-site and home delivered meal services;
 - Provide comprehensive mental health services to highest need children, young adults and adults through personalized case management services;
 - Begin implementation of Affordable Health care Act programs and services;
 - Continue to strengthen fiscal stability of department.

- FY 2015
 - Implement departmental changes in response to dramatic reductions in state and federal funds available for health, housing and community services programs;
 - Continue to work with city-funded community based organization to assist them in leveraging other funding and coordinating their efforts to achieve greater efficiencies;
 - Continue to integrate performance-based resource allocation and strategic goals with the allocation of funding to community based organizations;
 - Provide a minimum of 1,000 targeted case management encounters supporting seniors with accessing needed services and resources;
 - Further increase and expand services offered to the growing senior population;
 - Provide a minimum of 72,000 meals to City of Berkeley residents through on-site and home delivered meal services.

HEALTH, HOUSING AND COMMUNITY SERVICES DEPARTMENT

Significant Changes from Prior Year's Budget

- Public Health
 - Eliminate one Office Specialist II (vacant) position
 - Eliminate one Community Health Worker Specialist (vacant) position
 - Eliminate one Senior Public Health Nurse
 - Add one Supervising Public Health Nurse
 - Consolidate space

- Environmental Health
 - Reduce non-personnel expenses

- Mental Health
 - Eliminate one hourly (19 hours/week) clinical psychologist (vacant) position
 - Add one Community Health Worker (MHSA funded)

- Housing Services
 - Eliminate Manager of Housing Services, combine Housing Services and Community Services and Administration divisions to create new Housing and Community Services division
 - Add one Associate Management Analyst
 - Eliminate one Office Specialist III (vacant)

DEPARTMENT OF HEALTH SERVICES FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual *	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
EXPENDITURES					
By Type:					
Salaries and Benefits	18,832,803				
Services and Materials	1,832,163				
Capital Outlay	54,377				
Internal Services	1,537,354				
Indirect Cost Transfer	29,151				
	<u>22,285,848</u>	-	-	-	-
By Division:					
Office of the Director	594,109				
Administrative Services	682,636				
Environmental Health	1,831,724				
Mental Health	9,583,461				
Public Health	9,593,486				
Seniors/Recreation	432				
Adult and Youth Employment	-				
	<u>22,285,848</u>	-	-	-	-
By Fund:					
General Fund	6,530,462				
Capital Improvement Fund					
CDBG					
Federal Funds	297,550				
State Funds	13,167,000				
County Grants	1,751,725				
Local and Foundation Grants	290,993				
Refuse					
Sewer Fund	248,118				
Other Funds					
	<u>22,285,848</u>	-	-	-	-

General Fund FTE	40.48
Total FTE	158.28

**In FY 2012, the Departments of Health Services and Housing & Community Services merged to become the Department of Health, Housing & Community Services.*

DEPARTMENT OF HEALTH SERVICES FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
DIVISION/ACTIVITY SUMMARY					
DHS Administration					
Office of the Director	594,109				
Division Total	594,109	-	-	-	-
FTE Total	3.00				
DHS Administrative Services					
Financial Admin Services	629,569				
Special Events	53,067				
Division Total	682,636				
FTE Total	6.48				
Environmental Health					
Office of the Manager	469,467				
Environmental Health	655,958				
Abandoned Auto Abatement	112,307				
Vector Control	303,494				
Sewer Emergencies	122,477				
Waste Tire Enforcement	168,021				
Division Total	1,831,724				
FTE Total	13.00				
Mental Health					
Office of the Manager	1,561,638				
Mental Health Services Act	2,713,543				
Adult Outpatient	3,520				
Assertive Community Treatment	1,166,896				
Family Youth & Child Treatment	1,578,516				
Crisis Services	1,228,581				
Intensive Case Management	1,330,767				
Mental Health Homeless Program					
Division Total	9,583,461				
FTE Total	66.64				
Public Health					
Office of the Health Officer	1,875,617				
Chronic Disease Education & Health Promotion	1,200,840				
Nursing/Field Services	3,117,965				
Maternal Child Health/School Clinic Services	1,480,943				
Adult Health Clinic/AIDS Activities	1,918,121				
Division Total	9,593,486				
FTE Total	69.16				

DEPARTMENT OF HEALTH SERVICES FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
DIVISION/ACTIVITY SUMMARY cont.					
<i>Aging Services</i>					
Senior Programs	432				
Division Total	432			-	-
FTE Total					
<i>Adult and Youth Employment</i>					
Youth Employment					
Division Total	-			-	-
FTE Total					
Department Total	22,285,848			-	-
FTE Total	158.28	-	-	-	-

**HOUSING AND COMMUNITY SERVICES DEPARTMENT FINANCIAL
SUMMARY**

	FY 2011 Actual	FY 2012 Actual*	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
EXPENDITURES					
By Type:					
Salaries and Benefits	7,658,503				
Services and Materials	8,538,399				
Capital Outlay	51,274				
Internal Services	642,755				
Indirect Cost Transfer	2,903				
	<u>16,893,834</u>				
By Division:					
Office of the Director	437,786				
Community Services & Admin.	9,505,677				
Housing Services	3,989,198				
Aging Services	2,961,173				
	<u>16,893,834</u>				
By Fund:					
General Fund	5,149,070				
Capital Improvement Fund	299,586				
Federal Grants	8,327,088				
State/County Grants	1,212,531				
Berk. Redev. Agency	32,999				
Measure E Disabled Tax	918,515				
Inclusionary Housing					
Rental Housing Safety	791,278				
Measure B Paratransit	153,422				
Rent Stabilization					
Refuse Fund	258				
Permit Service Center	6,193				
Other Funds	2,894				
	<u>16,893,834</u>				

General Fund FTE	28.95
Total FTE	96.26

**In FY 2012, the Departments of Health Services and Housing & Community Services merged to become the Department of Health, Housing & Community Services.*

HOUSING AND COMMUNITY SERVICES DEPARTMENT FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
DIVISION/ACTIVITY SUMMARY					
Office of the Director					
Administration	437,786				
Division Total	437,786				
FTE Total	2.00				
Community Services & Administration					
Administration	209,184				
Community Agency	3,425,915				
Program Planning	666,244				
Budget & Fiscal	463,084				
Program Management	272,581				
Homeless Services	3,117,908				
Youth Employment	1,043,210				
Adult Employment	307,551				
Division Total	9,505,677				
FTE Total	48.21				
Housing Services					
Housing Development	630,024				
Housing Trust Fund Projects	1,276,748				
Energy Programs	680,375				
Rental Housing Safety	723,195				
Housing Rehabilitation	678,856				
Division Total	3,989,198				
FTE Total	16.00				
Aging Services					
Aging Services Administration	231,096				
Senior Centers	1,869,533				
Meals Program	324,839				
Targeted Case Management	372,446				
Information & Assistance	97,991				
Rentals	65,268				
Division Total	2,961,173				
FTE Total	30.05				
Department Total					
FTE Total	16,893,834				
	96.26				

**DEPARTMENT OF HEALTH, HOUSING AND COMMUNITY SERVICES FINANCIAL
SUMMARY**

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
EXPENDITURES					
By Type:					
Salaries and Benefits		24,028,348	22,413,664	24,663,942	24,954,190
Services and Materials		9,068,421	10,011,075	9,441,628	9,405,005
Capital Outlay		72,679	50,970	810,865	44,815
Internal Services		1,689,547	1,566,348	1,375,447	1,375,447
Indirect Cost Transfer		44,780	35,537	40,052	40,052
	-	34,903,775	34,077,594	36,331,934	35,819,509
By Division:					
Office of the Director		1,462,563	1,368,075	1,769,429	1,794,927
Aging Services		2,865,429	2,641,274	3,015,200	3,039,508
Community Services & Administration		8,918,075	8,339,422		
Environmental Health		2,022,449	1,983,850	2,367,013	2,391,676
Housing Services		2,601,138	3,040,160		
Housing & Community Services		-	-	10,087,120	10,134,030
Mental Health		8,458,801	8,516,140	10,554,191	9,829,327
Public Health		8,575,320	8,188,673	8,538,981	8,630,041
	-	34,903,775	34,077,594	36,331,934	35,819,509
By Fund:					
General Fund		11,307,482	11,345,141	12,045,968	12,155,330
Capital Improvement Fund		252,790	373,402	32,755	32,972
Federal Funds		6,852,211	6,488,600	6,387,605	6,402,882
State Funds		12,169,033	11,660,371	14,186,069	13,509,655
County Grants		1,728,485	1,657,522	1,749,470	1,759,389
Local and Foundation Grants		164,987	166,757	219,331	221,328
Berkeley Redev. Agency		102,490			
Successor Agency		43,255	87,494	47,010	47,408
Rental Housing Safety		850,818	795,347		
Measure E Disabled Tax		915,255	953,379	1,004,192	1,023,936
Measure B Paratransit		151,214	189,601	253,715	255,790
Sewer Fund		282,283	252,940	346,476	350,627
Permit Service Center		6,853	3,690	6,545	6,607
Other Funds		76,619	103,350	52,798	53,585
	-	34,903,775	34,077,594	36,331,934	35,819,509

General Fund FTE	65.15	64.32	63.84	63.84
Total FTE	226.79	216.80	208.96	208.96

**DEPARTMENT OF HEALTH, HOUSING AND COMMUNITY SERVICES
FINANCIAL SUMMARY**

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
DIVISION/ACTIVITY SUMMARY					
Office of the Director					
Administration		1,462,563	1,368,075	1,769,429	1,794,927
Division Total	-	1,462,563	1,368,075	1,769,429	1,794,927
FTE Total		9.00	9.00	17.00	17.00
Aging Services					
Aging Services Administration		282,225	151,912	320,243	323,635
North Berkeley Senior Center		777,230	745,309	678,561	677,547
South Berkeley Senior Center		699,578	577,450	571,852	578,634
Social Services		786,625	811,190	1,003,675	1,014,082
Senior Nutritional Program		319,771	355,413	440,869	445,610
Division Total		2,865,429	2,641,274	3,015,200	3,039,508
FTE Total		25.43	25.43	25.99	25.99
Community Services & Administration					
Administration		271,484	296,531		
Community Services		7,052,435	6,531,345		
Budget & Fiscal		366,395	310,499		
Employment Programs		1,227,761	1,201,047		
Division Total		8,918,075	8,339,422		
FTE Total		45.21	39.52		
Environmental Health					
Office of the Manager		668,657	629,752	574,744	581,370
Environmental Health		698,285	668,287	943,055	952,770
Abandoned Auto Abatement		118,712	123,533	159,910	159,010
Vector Control		220,618	275,751	330,053	335,107
Sewer Emergencies		152,426	144,744	191,222	193,361
Waste Tire Enforcement		163,751	141,783	168,029	170,058
Division Total		2,022,449	1,983,850	2,367,013	2,391,676
FTE Total		14.00	14.00	14.00	14.00
Housing Services					
Housing Development		713,467	451,466		
Housing Trust Fund Projects		446,280	1,408,739		
Energy Programs		354,116	310		
Rental Housing Safety		748,766	739,122		
Housing Rehabilitation		338,509	440,523		
Division Total		2,601,138	3,040,160		
FTE Total		12.00	12.00		

**DEPARTMENT OF HEALTH, HOUSING AND COMMUNITY SERVICES
FINANCIAL SUMMARY**

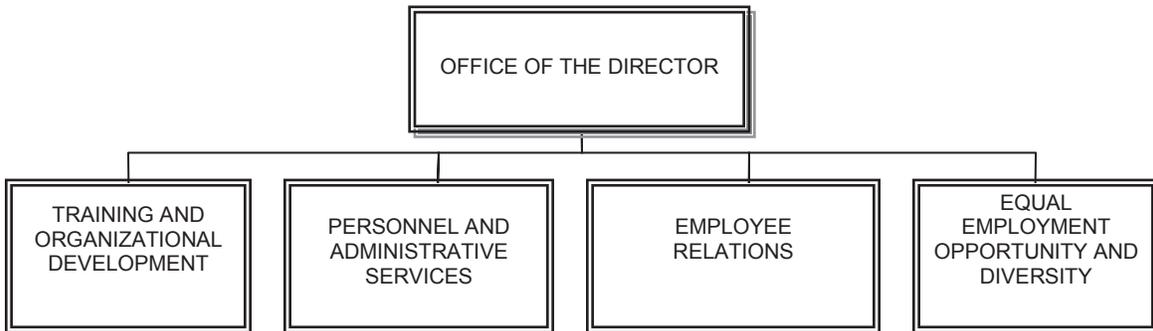
	FY 2011 Actual	FY 2012 Actual	FY 2013 Adopted	FY 2014 Adopted	FY 2015 Adopted
DIVISION/ACTIVITY SUMMARY cont.					
Housing & Community Services					
Administration				176,615	178,423
Community Services				6,913,142	6,958,049
Employment Services				1,253,817	1,260,756
Housing Development & Rehabilitation				1,743,546	1,736,802
Division Total				10,087,120	10,134,030
FTE Total				42.02	42.02
Mental Health					
Office of the Manager		1,182,438	856,842	1,174,071	1,183,481
Mental Health Services Act		3,398,953	3,806,263	4,405,762	3,627,622
Assertive Community Treatment		852,225	7,400		
Family Youth & Chld Treatment		1,278,935	1,164,139	1,412,535	1,419,774
School Based Services		11	140,462		
TAY - FSP		5	54,846		
Crisis Services		876,095	911,295	1,072,040	1,082,302
Tier 1 IST		870,100	1,002,744	2,489,783	2,516,148
Tier 2 Wellness		18	317,414		
Tier 3 Community		21	254,735		
Division Total		8,458,801	8,516,140	10,554,191	9,829,327
FTE Total		57.30	59.60	54.60	54.60
Public Health					
Office of the Health Officer		1,635,211	1,746,518	1,618,016	1,635,170
Chronic Disease Education & Health Promotion		891,990	959,125	950,812	960,857
Nursing/Field Services		2,783,160	2,195,301	2,479,539	2,504,395
Maternal Child Health/School Clinic Services		1,311,360	1,330,930	1,488,817	1,508,287
Adult Health Clinic/AIDS Activities		1,953,599	1,956,799	2,001,797	2,021,332
Division Total		8,575,320	8,188,673	8,538,981	8,630,041
FTE Total		63.85	57.25	55.35	55.35
Department Total		34,903,775	34,077,594	36,331,934	35,819,509
FTE Total		226.79	216.80	208.96	208.96

HUMAN RESOURCES DEPARTMENT

MISSION STATEMENT

The Human Resources Department strives to ensure that the City employs fair and equitable human resources policies and procedures; recruitment and hiring is made on the basis of individual qualifications for the position and represents diverse and skilled applicants; provides employees with pertinent and ongoing development opportunities; and represents the City Council and City Manager on all employee relations matters.

ORGANIZATION CHART



HUMAN RESOURCES DEPARTMENT

Department Overview

Office of the Director

Provides overall leadership and administrative direction for all of the Human Resources Department activities. The Director of Human Resources acts as the City Manager's representative for all disciplinary and grievance appeals; and serves as Secretary and provides staff support to the Personnel Board as established by Section 119 of the City Charter.

Training and Organizational Development

The Training and Organizational Development unit oversees the Citywide Training Program, Management Skills Program, New Employee Orientation Program, and the Tuition Reimbursement Program. On request, organizational development services are also provided.

Personnel and Administrative Services

In accordance with the Personnel Ordinance and the Personnel Rules and Regulations, this unit conducts all merit-based recruitment and examination activities, and administers the classification and compensation plan. It also processes all department requests to fill vacant positions; coordinates the appointment of all new employees; processes all changes in employment status; and maintains electronic and hard copies of all employment records.

Employee Relations

The Employee Relations unit conducts all labor relations activities with six labor organizations; advises department staff on labor contract interpretation, Federal and State employment law, and human resources policies and procedures. It also provides and administers the health and welfare benefit program; administers the City's Workers' Compensation Program including providing administrative oversight to the third party administrator; and administers the occupational health and safety program to ensure a safe workplace.

Equal Employment Opportunity and Diversity

The EEO Office administers and enforces the City's discrimination complaint process; diversity efforts as they pertain to recruitment and retention; and meeting the provisions of the Americans with Disabilities Act and Fair Employment and Housing Act.

Major Accomplishments – FY 2012 & FY 2013

- ❑ Improved operational efficiencies by developing a medical leave database for maintaining and tracking family and medical leaves for City Departments, and developed new hire onboarding process using electronic forms;
- ❑ Conducted full cycle recruitments and established 61 eligible lists in 2012, which is 61% more than in 2011;
- ❑ Conducted Harassment Prevention Training for 390 staff;

HUMAN RESOURCES DEPARTMENT

- ❑ Concluded negotiations for new three year collective bargaining agreement with the Berkeley Police Association with no cost of living adjustment for the term of the agreement, and significant reductions in future liabilities;
- ❑ Concluded negotiations for new three year collective bargaining agreement with the International Brotherhood of Electrical Workers Local 1245 with no cost of living adjustment for the term of the agreement, and reductions in future liabilities;
- ❑ Assisted departments in achieving operational and organizational objectives by establishing or revising 23 job classifications, including the Director and Deputy Director classifications of the new Health, Housing and Community Services Department; and a new civilian classification of Parking Enforcement Manager in the Police Department;
- ❑ Conducted Citywide Training Needs Assessment in 2012 to ensure training programs continue to meet staff development needs;
- ❑ Created, facilitated, delivered and evaluated new seven-module program for non-sworn Police Department supervisors;
- ❑ Conducted ten-module Management Skills Program for 15 managers and supervisors;
- ❑ Created and delivered customized team-building workshops for six departments designed to strengthen group effectiveness;
- ❑ Revised the Injury and Illness Prevention Program and initiated training for City staff;
- ❑ Trained Area Safety Monitors in their responsibilities during a facility evacuation and successfully completed a facility evacuation exercise for the Civic Center and Center Street buildings;
- ❑ Implemented the provisions of the Public Employee's Pension Reform Act;
- ❑ Implemented the Layoff Procedure that required mapping potential position reductions, meeting with effected employees and union representatives, and educating City staff and the Personnel Board on the specific steps of the procedure; and
- ❑ Developed a new Emergency Volunteer Center (EVC) Plan in the event of a disaster activation by the Emergency Operations Center, and trained 10 staff members on EVC operations.

Key Objectives for FY 2014 & FY 2015

- ❑ Implement a Citywide Safety Initiative to enhance and sustain a positive safety culture in the organization;

HUMAN RESOURCES DEPARTMENT

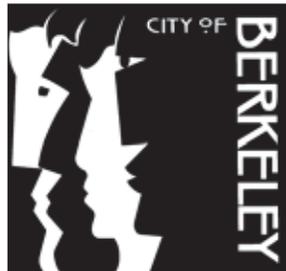
- ❑ Partner with Bickmore Risk Services to conduct a Workers' Compensation Risk Assessment that will include a detailed loss analysis, evaluation of the City's return to work program, benchmark the City's Workers' Compensation program against comparable jurisdictions; and recommend departmental action plans;
- ❑ Revise the City's Affirmative Action Plan
- ❑ Assist with recruitment outreach efforts to maintain and increase a workforce that values and reflects diversity;
- ❑ Redesign training programs based on assessment results that will include working with internal trainers to create specific modules and conducting RFP's for courses requiring external providers;
- ❑ Continue creating and delivering customized team-building workshops for departments designed to strengthen group effectiveness;
- ❑ Launch new citywide training programs for all employees, for employees who work primarily in the field, and for supervisors/managers; and evaluate new programs to ensure they meet targeted learning objectives.
- ❑ Negotiate a successor labor contract with the Berkeley Police Association whose contract is due to expire on July 5, 2014;
- ❑ Negotiate a successor labor contract with Service Employees International Union Local 1021 Maintenance and Clerical Units whose contract is due to expire on July 4, 2015;
- ❑ Conduct Citywide Dependent Verification for 2014 Benefits Open Enrollment;
- ❑ Review impacts of Affordable Care Act and make policy recommendations;
- ❑ Evaluate the Workers' Compensation industrial medical clinic to determine efficiency, effectiveness, and overall quality of services; and
- ❑ Develop a new Administrative Regulation establishing policies and procedures for the employment of Interns in City departments.

Significant Changes from Prior Year's Budget

Cost shifts 25% of a Senior Human Resources Analyst from the General Fund to the Workers' Compensation Fund.

HUMAN RESOURCES FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
EXPENDITURES					
By Type:					
Salaries and Benefits	2,602,735	2,604,594	2,577,416	2,848,499	2,874,842
Services and Materials	149,255	141,687	120,183	256,349	256,349
Capital Outlay	30,196	1,429	9,720		
Internal Services	112,376	105,194	104,942	106,861	106,861
Indirect Cost Transfer					
	2,894,562	2,852,904	2,812,261	3,211,709	3,238,052
By Division:					
Administration	469,913	470,612	596,454	468,957	471,037
Training & Organizational Development	319,490	306,223	306,537	387,977	389,240
Personnel & Administrative Services	1,086,582	1,026,494	776,652	1,115,870	1,127,091
Employee Relations	859,788	884,046	964,271	1,063,295	1,073,092
Equal Employment Opportunity & Diversity	158,789	165,529	168,347	175,610	177,592
	2,894,562	2,852,904	2,812,261	3,211,709	3,238,052
By Fund:					
General Fund	1,835,569	1,782,519	1,734,270	1,905,011	1,920,140
Employee Training Fund	362,281	351,708	332,398	434,758	436,364
Workers' Compensation	696,712	703,140	745,593	871,940	881,548
Other Funds		15,537			
	2,894,562	2,852,904	2,812,261	3,211,709	3,238,052
General Fund FTE					
	13.20	12.20	12.20	11.95	11.95
Total FTE					
	21.00	20.00	20.00	20.00	20.00



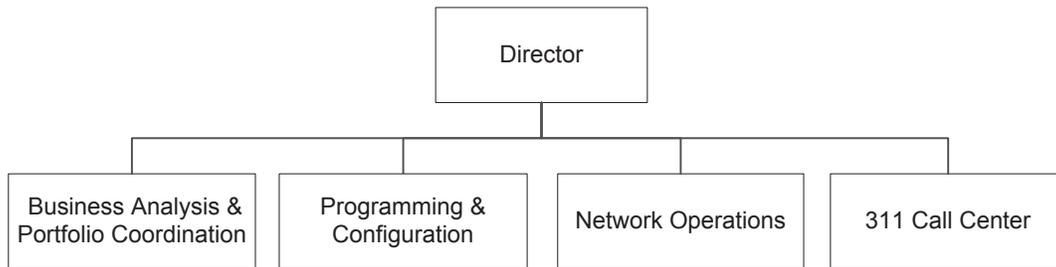
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INFORMATION TECHNOLOGY

MISSION STATEMENT

The Department of Information Technology (DoIT) provides leadership in the delivery of innovative, secure, environmentally sound, and cost-effective technologies to support all City departments and facilitate civic participation.

ORGANIZATION CHART



INFORMATION TECHNOLOGY

Department Overview

Customer Service & 311 Call Center

The Division of Customer Service provides community members with access to City services and information via the 311 Call Center and Online Service Center (www.CityOfBerkeley.info/OnlineService). In addition, this unit collects payments for all City departments, manages correspondence sent to *City of Berkeley Customer Service* (CustomerService@CityOfBerkeley.info), and helps coordinate Citywide Customer Service protocols.

Network Operations

The Division of Network Operations oversees the City's network infrastructure and provides 24x7 support for mission-critical systems, including public safety MDTs (mobile data terminals) and the 911 dispatch center. This unit's Help Desk provides front-line support and training for over 165 software systems and 1,500 desktop computers, laptops, and printers. The Network Engineering team is responsible for the performance and security of more than 150 servers, routers, switches, and firewalls that connect 42 separate City locations.

Programming & Configuration

The Division of Programming & Configuration develops, maintains, and implements software applications across a variety of technology platforms, including the City's financial system (FUND\$), web services (.NET/JAVA), and geographic information systems (GIS). In addition, this unit is responsible for the City's centralized database administration and data security protocols. Working closely with Portfolio Coordinators, this unit relies upon expert business analysis to upgrade software and automate workflows for each City Department.

Business Analysis & Portfolio Coordination

The Division of Business Analysis & Portfolio Coordination is responsible for helping each department maximize its return on technology investments. Staff assigned to this unit help prioritize, design, improve, and implement workflow systems for client departments. In addition, this unit is responsible for regularly reviewing each department's technology portfolio to help maximize interdepartmental workflow efficiencies.

Major Accomplishments for FY 2012 & FY 2013

Public Safety (Police & Fire)

- Implemented new system to record and index 911 Dispatch calls.
- Implemented electronic Patient Care Reporting (ePCR) system for paramedic operations and ambulance billing.
- Implemented vehicle immobilization ("booting") systems for Parking Enforcement.
- Completed Request for Proposals (RFP) for new parking citations system.

INFORMATION TECHNOLOGY

Public Works

- Implemented Route Smart software for refuse collections.
- Implemented Transfer Station software for refuse weighing and routing.
- Completed selection of new Computerized Maintenance Management System (CMMS) for work orders and asset management.

Health Services

- Implemented new Electronic Health Records (EHR) system and a new Vital Statistics system to scan, index, and archive records.
- Implemented pharmacy assistance system for low-income patients.
- Implemented mobile field reporting for Environmental Health.

Planning

- Completed software selection and initial configuration of new software for land use, permitting, design review, and plan check.

Finance

- Selected and installed new software for business license administration, online registration, and revenue collections.
- Partnered to implement an Online Payment system.

Citywide

- Completed Request for Proposals (RFP) process and contract negotiations for new Voice of Internet Protocol (VoIP) telephone system.

Key Objectives for FY 2014 & FY 2015

Public Safety (Police & Fire)

- Implement new Parking Citations Management System.
- Upgrade Mobile Data Terminals (MDTs) in 65 Police and 25 fire vehicles.
- Implement remote training solution for all Fire stations.

Public Works

- Implement new Computerized Maintenance Management System (CMMS) for work orders and asset management.
- Continue to integrate transportation and streetlight maintenance workflows into 311 Call Center and Community Relationship Management (CRM) system.

Parks

- Expand Online Reservations to include athletic fields and additional facilities.
- Integrate routine service requests into 311 Call Center and Community Relationship Management (CRM) system.

INFORMATION TECHNOLOGY

Planning

- Implement new software system to streamline the building permit process, including application, plan check, and inspections.

Finance

- Expand Online Payment services to include several interdepartmental services, including online Marina Berth Payments.

Citywide

- Implement electronic timecard system.
- Implement Voice over Internet Protocol (VoIP) phone system.
- Upgrade virtual machine infrastructure, Data centers, and Citywide backup systems to meet demand for increased bandwidth, speed, and capacity while reducing marginal costs and increasing energy efficiency.

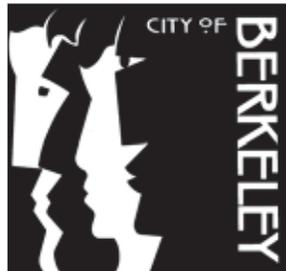
Significant Changes from Prior Year's Budget

In response to the Citywide General Fund deficit, the Department of Information Technology reduced staffing by one full time employee, for a total recurring budget reduction of \$109,079 each year.

INFORMATION TECHNOLOGY FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
EXPENDITURES					
By Type:					
Salaries and Benefits	4,807,325	4,872,222	5,013,076	5,168,509	5,229,391
Services and Materials	2,267,867	2,259,869	2,333,198	937,032	937,032
Capital Outlay	535,398	281,664	1,325,223	1,117,419	1,117,419
Internal Services	190,138	129,379	127,707	128,677	128,677
Indirect Cost Transfer	167,845	173,577	176,416	184,756	184,756
	<u>7,968,573</u>	<u>7,716,711</u>	<u>8,975,620</u>	<u>7,536,393</u>	<u>7,597,275</u>
By Division:					
Administration	1,006,173	1,197,072	963,151	881,330	884,945
Application Development	1,844,589	1,935,210	2,321,087	2,025,628	2,044,333
Customer Service	1,158,610	1,298,465	1,326,249	1,068,698	1,081,687
Cable TV	230,688	230,688	173,033	230,710	230,710
Public Safety Systems	1,130,927	839,151	935,550	748,773	756,206
Customer Service 311	2,093,540	1,705,603	1,685,903	1,350,890	1,369,030
Capital Improvements	459,907	460,522	459,882	1,180,364	1,180,364
Telecommunications	44,139	50,000	657,963	50,000	50,000
Non-Center Street CIP			452,802		
	<u>7,968,573</u>	<u>7,716,711</u>	<u>8,975,620</u>	<u>7,536,393</u>	<u>7,597,275</u>
By Fund:					
General Fund	5,658,667	5,434,894	5,203,863	4,861,456	4,900,480
Gas Tax	106,688	61,225	30,568	26,614	26,886
Rental Housing Safety Program	45,422	47,903	51,250	47,266	47,618
Employee Training	54,787	36,317	45,149	72,374	72,374
Capital Improvement Fund	268,792	80,891	606,404	197,364	197,364
Refuse Fund	591,049	651,457	719,303	670,556	680,086
Sanitary Sewer Fund	339,780	363,094	524,166	466,694	471,093
Clean Storm Water	156,365	165,680	161,916	185,322	187,330
Permit Service Center	297,203	324,706	400,776	295,678	297,527
Bldg Purchases & Mgmt			452,802		
Equipment Maintenance	23,553	24,524	35,049	35,907	36,189
Building Maintenance	23,552	24,525	34,527	35,907	36,189
Computer Replacement Fund	119,115	225,631	285,438	383,000	383,000
Other Funds	211,600	275,864	424,409	258,255	261,139
	<u>7,896,573</u>	<u>7,716,711</u>	<u>8,975,620</u>	<u>7,536,393</u>	<u>7,597,275</u>

General Fund FTE	25.00	24.90	23.90	22.90	22.90
Total FTE	40.00	40.00	38.50	37.50	37.50



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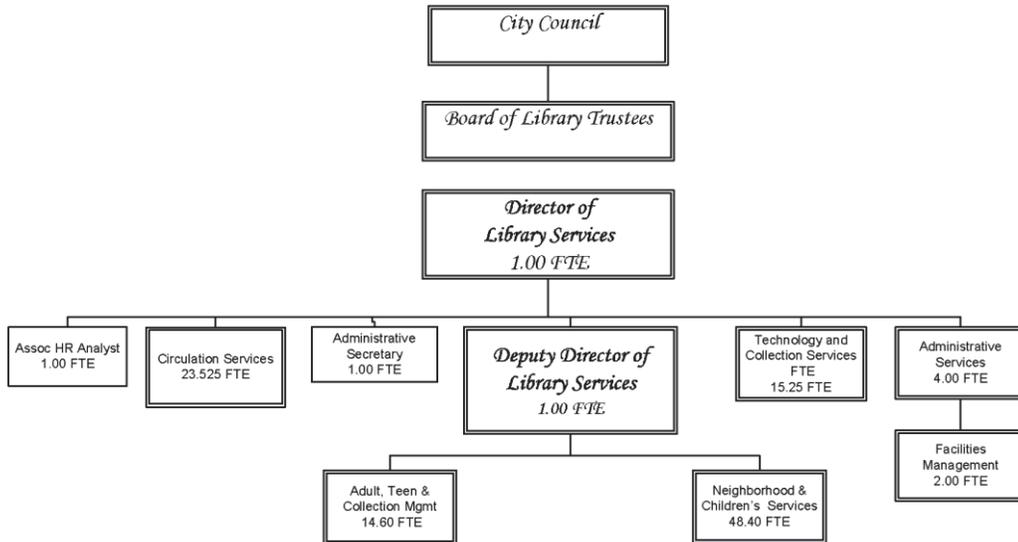
BERKELEY PUBLIC LIBRARY

MISSION STATEMENT

The Berkeley Public Library (BPL) supports the individual's right to know by providing free access to information. The Central Library and four neighborhood branch libraries are committed to developing collections, resources, and services that meet the cultural, informational, recreational, and educational needs of Berkeley's diverse community. The Library supports independent learning, personal growth, and the individual's need for information. Helpful and expert staff provide quality library services and programs. The Berkeley Public Library – an institution shaped by Berkeley's traditions, characteristics, and environment – belongs to the entire community.

ORGANIZATION CHART

Berkeley Public Library
All Divisions
111.775 Total FTE



BERKELEY PUBLIC LIBRARY

Division Overview

Adult, Teen, and Collection Services

The Adult, Teen, and Collection Services division encompasses the Art & Music and Reference units at the downtown Central Library, the Outreach program, and system-wide services to the community's teens. This division also administers the purchasing, selection and ongoing evaluation of library materials – including both physical collections and digital content. The Outreach Program delivers library materials to patrons who are unable to physically come into the Library because of an illness or disability.

Neighborhood and Children's Services

Neighborhood and Children's Services oversees the four neighborhood branch libraries – Claremont, North, South, and West – and library services to children under 14, including community programming and development of the juvenile materials collections. The branch libraries deliver full services and programs to Berkeley's neighborhoods, with the added services of the Tool Lending Library at the South Branch, ensuring convenient access to information, materials, and public programs throughout the community.

Information Technology and Technical Services

The Library Information Technology and Technical Services division manages the Library's networks, servers, desktop computers, and enterprise applications. The division also provides computer hardware and software support and training. Technical Services oversees the preparation of library materials for public use, including ordering, cataloging, and physically preparing materials for the Library's five locations.

Circulation Services

The Circulation Services unit serves as the public's primary point of contact and engages in activities that strengthen community relations. The unit ensures library materials are available for circulation on a timely basis, maintains inventory control over all circulating materials, and handles financial issues relating to circulation.

Literacy Services

Berkeley READS provides free confidential tutoring and literacy support services for those aged 16 years and older. One-on-one support with volunteer tutors is provided through small group instruction and/or outreach tutoring. *English Literacy Instruction* is provided to immigrants through the development of reading/writing/life skills; *Families for Literacy*, an outreach program providing story time programs, free books, special events, and parent literacy workshops at community sites serves disadvantaged families.

BERKELEY PUBLIC LIBRARY

Facilities Management

Facilities Management maintains the physical plant and mechanical systems of the five buildings that make up the Berkeley Public Library system.

Finance and Administrative Services

The Finance and Administrative Services division implements the Library's operations as envisioned by the governing Board of Library Trustees. Finance manages the Library Tax Fund, the Library Gift Fund, and all other Library revenue and expenditures sources. The division also administers and executes purchasing, contracts, and payroll functions within the Library.

Major Accomplishments – FY 2012 & FY 2013

- ❑ At 1.9 million checkouts of books, videos, recordings, and other items, borrowings rose 8.25% over FY 2012, despite the South and West branch libraries being closed for construction;
- ❑ Library materials are delivered upon request directly to users' most preferred Library location: this highly valued service filled over 200,000 requests for books, DVDs, CDs, audio books, and tools;
- ❑ Fiscal year 2013 visits to the Library topped 1.2 million, in addition to nearly a million visits to the Library's "electronic branch," www.berkeleypubliclibrary.org;
- ❑ The ever popular Tool Lending Library temporarily located to 2525 8th Street during construction of the new South Branch Library;
- ❑ Program attendance was up among all age groups as more Berkeleyans took advantage of the Library's many free events and expanded service offerings such as *Discover and GO*, the no-cost pass program to local museums and cultural institutions;
- ❑ Along with the Library's public-use computers and free-wifi access, in-house laptop and tablet lending was introduced to meet the community's increasing demand for access to the internet on a variety of platforms;
- ❑ Over 150,000 informational requests were answered with accuracy by expert librarians;
- ❑ *Berkeley READS*, the Library's adult and family literacy program, offered intensive instruction in basic literacy skills to over 200 adults and 400 children under 18 as they worked towards their personal learning goals;
- ❑ Thanks to the generosity of our community and the funds provided by Measure FF, the Library reopened updated and expanded North and Claremont branch libraries and unveiled a brand new South Branch Library; and,
- ❑ A reserve fund at 8% of the Library's operating budget was established in FY 2013, fulfilling a long-term budget priority of the Board of Library Trustees.

Key Objectives for FY 2014 & FY 2015

- ❑ Identify and prioritize strategic capital improvements, including infrastructure and Central Library repairs and improvements for possible action.

BERKELEY PUBLIC LIBRARY

- ❑ Maintain the stability of the operating budget and plan for future operational needs – including establishing / maintaining a balanced budget.
- ❑ Undertake a Strategic Planning process for the period beginning January 2014.
- ❑ Consider options / strategies to increase branch library hours of service, including staffing and operational modifications to implement an increase in branch library hours and programs

Significant Changes from Prior Year's Budget

The Berkeley Public Library continually reviews the Library Tax Fund as it strives to align daily operational expenses with Fund receipts balancing the annual change in the supporting tax rate with that of expenditures. Alternative sources of revenue such as grants and donations, which primarily support Library programs, are tracked, monitored, and maintained, and new sources pursued. Consistent with the FY 2014 and FY 2015 priorities established by the Board of Library Trustees, the Library will be addressing major infrastructure issues at the Central Library, and is launching in 2014 a Strategic Planning process to chart a roadmap for operations out to 2018. The Library continues to adapt to a changing service environment by expanding its collections with more electronic format materials, a soon-to-be released all new website, and by the end of 2013 plans to have increased weekly branch hours by four hours. Measure FF Fund branch construction activities are expected to conclude with the grand reopening of the brand new West Branch Library in Fall/Winter 2013.

BERKELEY PUBLIC LIBRARY FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
EXPENDITURES					
By Type:					
Salaries and Benefits	12,022,300	11,848,154	12,042,356	12,531,877	12,623,227
Services and Materials	3,785,598	3,960,686	3,631,160	4,397,325	3,328,176
Capital Outlay	1,431,215	7,758,755	8,050,903	4,295,731	666,267
Internal Services	9,936	17,264	19,443	10,564	10,564
Indirect Cost Transfer					
	<u>17,249,049</u>	<u>23,584,859</u>	<u>23,743,862</u>	<u>21,235,497</u>	<u>16,628,234</u>
By Division:					
Library Administration	3,836,027	3,700,118	3,824,895	4,423,855	4,089,368
Central Library	5,176,979	5,163,836	5,301,489	5,536,864	5,569,416
Branch Libraries	6,089,106	12,505,268	12,191,121	8,572,407	4,125,826
Technical Services	2,146,937	2,215,637	2,426,357	2,702,371	2,843,624
	<u>17,249,049</u>	<u>23,584,859</u>	<u>23,743,862</u>	<u>21,235,497</u>	<u>16,628,234</u>
By Fund:					
Library Fund	14,385,348	14,160,739	14,667,145	16,099,547	16,222,233
Direct Loan/Inter Library Loan	29,659	53,653	38,904	76,000	76,000
Library Services & Technology	39,785	31,345	45,515	68,646	30,001
Public Library Fund		1,320	1,110		
Library Gift Fund	266,951	172,377	130,749	260,504	50,000
Library Foundation - FF & E/Donations	255	742,050	361,513	1,557,694	250,000
Measure FF - Branch Renovations	2,527,051	8,409,375	8,498,926	3,173,106	
Other Funds		14,000			
	<u>17,249,049</u>	<u>23,584,859</u>	<u>23,743,862</u>	<u>21,235,497</u>	<u>16,628,234</u>

General Fund FTE					
Total FTE	113.78	109.70	109.18	111.78	111.78

BERKELEY PUBLIC LIBRARY FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
DIVISION/ACTIVITY SUMMARY					
<i>Library Administration</i>					
Administration	1,568,517	1,584,616	1,538,556	1,776,995	1,422,906
Library Information Systems	955,749	1,135,374	1,203,665	1,370,953	1,404,610
Facilities	849,584	939,704	919,845	1,037,015	1,047,960
Capital Projects	462,177	40,424	162,829	238,892	213,892
Division Total	3,836,027	3,700,118	3,824,895	4,423,855	4,089,368
FTE Total	16.00	16.00	16.00	16.00	16.00
<i>Central Library</i>					
Circulation Services	2,039,003	2,120,180	2,279,277	2,422,426	2,440,232
Children's and Teen Services	1,181,743	1,127,007	1,055,768	1,125,603	1,130,368
Art and Music	651,572	449,402	463,788	521,473	524,719
Reference	979,097	1,170,244	1,169,922	1,128,385	1,138,809
Literacy Programs	308,009	289,942	327,842	338,977	335,288
Young Adult Programs	17,555	7,061	4,892		
Division Total	5,176,979	5,163,836	5,301,489	5,536,864	5,569,416
FTE Total	50.25	48.90	48.63	48.15	48.15
<i>Branch Libraries</i>					
Administration	2,530,626	9,172,610	8,866,841	4,736,290	255,490
North Branch	818,343	800,334	874,970	1,040,190	1,051,498
South Branch	680,121	691,166	620,707	825,450	831,178
West Branch	777,178	836,739	694,637	796,500	803,701
Claremont Branch	820,646	731,753	841,730	909,096	918,853
Special Services	193,131	9,952			
Tool Lending	269,061	262,714	292,236	264,881	265,106
Division Total	6,089,106	12,505,268	12,191,121	8,572,407	4,125,826
FTE Total	33.85	32.30	32.30	35.38	35.38
<i>Library Technical Services</i>					
Technical Svcs & Collection Mgmt.	2,146,937	1,109,545	1,177,772	1,265,895	1,279,028
Technical Services		1,106,092	1,248,585	1,436,476	1,564,596
Division Total	2,146,937	2,215,637	2,426,357	2,702,371	2,843,624
FTE Total	13.68	12.50	12.25	12.25	12.25
Department Total	17,249,049	23,584,859	23,743,862	21,235,497	16,628,234
FTE Total	113.78	109.70	109.18	111.78	111.78

MAYOR AND COUNCIL

The Berkeley City Council consists of a Mayor and eight (8) Councilmembers. The City is divided into eight Council districts, which are used for the election of Councilmembers. The Mayor is elected citywide. The Mayor is the President of the Council and votes as an individual ninth member.

Following is a list of the current Council including their office telephone numbers.

Mayor Tom Bates, (510) 981-7100

District 1 - Councilmember Linda Maio, (510) 981-7110

District 2 - Councilmember Darryl Moore, (510) 981-7120

District 3 - Councilmember Maxwell Anderson, (510) 981-7130

District 4 - Councilmember Jesse Arreguin, (510) 981-7140

District 5 - Councilmember Laurie Capitelli, (510) 981-7150

District 6 - Councilmember Susan Wengraf, (510) 981-7160

District 7 - Councilmember Kriss Worthington, (510) 981-7170

District 8 - Councilmember Gordon Wozniak, (510) 981-7180

The Councilmembers' Office Budgets are annually adjusted by the CPI. The Mayor does not collect a salary.

MAYOR AND CITY COUNCIL FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
EXPENDITURES					
By Type:					
Salaries and Benefits	1,504,971	1,522,567	1,560,384	1,550,618	1,563,769
Services and Materials	45,290	44,173	53,249	113,386	113,386
Capital Outlay	2,668	6,373	3,271		
Internal Services	88,286	88,171	89,245	89,235	89,235
Indirect Cost Transfer					
	<u>1,641,215</u>	<u>1,661,284</u>	<u>1,706,149</u>	<u>1,753,239</u>	<u>1,766,390</u>
By Division:					
Mayor's Office	507,400	511,655	513,582	543,219	548,774
Council Offices	1,133,815	1,179,629	1,192,567	1,210,020	1,217,616
Exiting Officials					
	<u>1,641,215</u>	<u>1,691,284</u>	<u>1,706,149</u>	<u>1,753,239</u>	<u>1,766,390</u>
By Fund:					
General Fund	<u>1,641,215</u>	<u>1,691,284</u>	<u>1,706,149</u>	<u>1,753,239</u>	<u>1,766,390</u>
	<u>1,641,215</u>	<u>1,691,284</u>	<u>1,706,149</u>	<u>1,753,239</u>	<u>1,766,390</u>

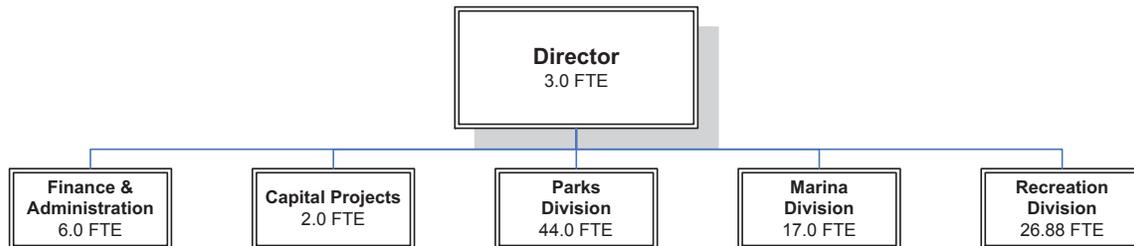
General Fund FTE	12.00	12.00	12.00	12.00	12.00
Total FTE	12.00	12.00	12.00	12.00	12.00

PARKS, RECREATION & WATERFRONT

MISSION STATEMENT

The mission of the Parks Recreation and Waterfront Department is to provide quality park, recreation and waterfront facilities, and related programs and services that are safe and functional while enhancing the urban environment. We also plan, construct, maintain and improve the City's parks, waterfront, recreation facilities, public trees and urban forest. We commit to being an effective and efficient organization with a well-trained workforce that values quality, pride in our work, public service, and a positive work climate with respect for each other and ourselves. We strive to engage the community in the implementation of this mission.

ORGANIZATION CHART



Department Overview

Fiscal and Administrative Services

Administrative Services provides overall management of departmental functions, including budgeting, payroll and purchasing services, contracts, accounting, Council processes, departmental communications, publications, departmental policies and procedures and grant administration.

2020 Vision

The 2020 Vision for Berkeley's Children and Youth is a community-wide effort to close the academic achievement gap that exists in Berkeley's public schools. The Initiative is grounded in the knowledge that creativity and intellect are evenly distributed at birth, regardless of race or gender. Despite this, Berkeley Public Schools have one of the worst academic achievement gaps along racial lines in the state of California. As a result Berkeley has taken definitive action by developing an initiative called The 2020 Vision for Berkeley's Children and Youth. 2020 Vision is a collaboration between the City, the Berkeley Unified School District, U.C. Berkeley, community organizations and community members to address issues that result in lower academic success and worse life outcomes for African American and Latino students. We identified key measurable indicators evidenced to impact the racial disproportionality of academic achievement among Berkeley students. Based on national research and best practices, the indicators are:

- Kindergarten Readiness
- Reading Proficiency by 3rd Grade
- Student Attendance
- Successful Completion of Algebra or Interactive Math Program 2 by 9th grade
- College & Career Readiness (As measured by completion of A-G Requirements-Courses required for entry into UC/CSU schools)
- Disproportionality in Suspensions and Police Contacts
- Student Engagement

These measures guide the planning and will be used to assess the progress of the initiative.

Capital Projects Planning and Design

This division plans and manages capital improvement projects at City-owned parks and waterfront facilities. This includes park and facility planning, grant acquisition, permitting, environmental review, design and construction management.

Park Operations

Park Operations maintains and enhances the City's 52 parks, including playgrounds, sport fields, and buildings. The Division also maintains over 40,000

public trees, as well as medians and pathways city-wide for the benefit of the Berkeley community.

Recreation and Youth Services

This division provides a wide variety of unique and traditional recreational opportunities for all Berkeley citizens, with a concentration on youth. The division administers its programs in City parks and facilities and operates the City's recreation centers, swimming pools and campsites (including resident camps at Tuolumne and Echo Lake).

Waterfront

This division operates and maintains the Berkeley Marina, which is the largest marina in the Bay Area and its related facilities, including Cesar Chavez Park, the Shorebird Nature Center, and the Adventure Playground. This division also manages agreements with Marina businesses, leases, boats and berths in the Marina.

Major Accomplishments – FY 2012 & FY 2013

- ❑ Implemented 2020 Vision Phase II Workplan;
- ❑ Developed baseline data for all 2020 Vision indicators;
- ❑ Developed 2020 Vision Phase III work plans;
- ❑ Initiated revision of community agency funding process and reporting outcomes for youth serving agencies to bring more into alignment with 2020 Vision goals;
- ❑ Completed Bay Trail Extension—Phase One;
- ❑ Completed East Touchdown Plaza;
- ❑ Completed San Pablo Park basketball court renovation;
- ❑ Actively protected, restored and enhanced wildlife habitat in Aquatic Park and the Gilman Sports Complex;
- ❑ Planted 545 trees City-wide, and planted 27 trees along Solano Avenue business district;
- ❑ Provided the Summer Lunch Program to over 45,000 kids;
- ❑ Completed plate glass window replacements at Live Oak Community Center;
- ❑ Completed exterior painting and door replacement at Martin Luther King, Jr. Youth Services Center;
- ❑ Upgraded Weight Room facility at James Kenney Community Center;
- ❑ Renovated offices at Live Oak Community Center and the Martin Luther King, Jr. Youth Services Center;
- ❑ Replaced filters at King Pool and West Campus Pool;
- ❑ Restructured Twilite Basketball Program to offer coach's clinics and player's workshops, and increase program participation;
- ❑ Expanded Young Achievers Teen Program to two sites;
- ❑ Upgraded Martin Luther King, Jr. Services Center Computer Lab;
- ❑ Reinvigorated Frances Albrier Community Center's Performing Arts program;
- ❑ Initiated online program registration, picnic site and tennis court reservations;

- ❑ Secured a \$160,000 grant from Department of Boating and Waterways to design new parking, restrooms and docks at the South Sailing Cove;
- ❑ Participated in the development of a MOU with the Water Emergency Transit Authority for shared ferry parking in the Marina;
- ❑ Upgraded streetlights within the Marina with new high efficiency LED fixtures;
- ❑ Refurbished and repowered the Marina's three work boats;
- ❑ Slurry sealed the pathways in Cesar Chavez Park;
- ❑ Relocated the South Dry storage yard; and
- ❑ Expanded the Marina Compost Give-away Program by 100%;

Key Objectives - FY 2014 & FY 2015

- ❑ Represent the City of Berkeley on 2020 Vision planning, implementation, and evaluation activities;
- ❑ Develop and coordinate an evaluation strategy for City of Berkeley youth services;
- ❑ Develop and implement a data management system (in conjunction with IT) for collection of evaluation data from youth programs;
- ❑ Provide recommendations related to reporting outcomes, best practices, and training needs for City of Berkeley and City funded youth programs;
- ❑ Develop and implement a customer feedback mechanism and maintain and update Youth Services and 2020 Vision Website;
- ❑ Apply for grant funds to make improvements in the South Sailing Cove;
- ❑ Complete Berkeley Tuolumne Camp Master Plan and enter into new lease with the US Forest Service.
- ❑ Complete the Ohlone Dog Park drainage and surfacing improvements;
- ❑ Complete the Virginia-McGee Totland renovation;
- ❑ Complete the Terrace View Park Lower Terrace/Basketball Court Renovation;
- ❑ Develop a renovation plan for Grove Park;
- ❑ Resurface and renovate tennis courts at Willard Park and Grove Park;
- ❑ Resurface and renovate basketball courts at Ohlone Park and Live Oak Park;
- ❑ Complete renovation plan for John Hinkel Park Amphitheater;
- ❑ Continue to implement Kindergarten Readiness Programs (Pre-K Power Play) after Alameda County capacity grant funding ends in June 2013;
- ❑ Upgrade and change Martin Luther King, Jr. Youth Services Center Game Room;
- ❑ Complete replacement of six Tuolumne Camp cabins;
- ❑ Complete snow damage repairs at Echo Lake Camp;
- ❑ Complete major repairs and maintenance of Echo Lake Camp pool;
- ❑ Expand youth sports program to increase program offerings and participation;
- ❑ Complete Municipal Forest City-wide tree inventory;
- ❑ Promote public awareness of urban tree benefits and values using information from the newly developed tree inventory database;
- ❑ Complete the second round of the Environmental Enhancement and Mitigation Program (CalTrans EEMP) planting grant;
- ❑ Protect, restore and enhance wildlife habitat in Aquatic Park;

- ❑ Commence maintenance of landscape plantings along the newly developed West Street Pathway and newly developed Touchdown Plaza;
- ❑ Install two new replacement swings at Willard Park; and a new replacement train play feature at San Pablo Park;
- ❑ Rehabilitate four sports fields; and
- ❑ Negotiate lease agreements in Aquatic Park facilities which include improvements of the Park buildings.

Significant Changes from Prior Year's Budget

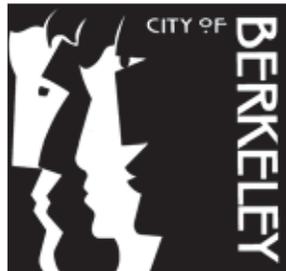
- ❑ Implemented a restructuring of Recreation Division staffing as a consequence of the appointment of a new director.
- ❑ Successfully completed another year of the Alameda County First 5 Grant Funding cycle for our "0 to 5 / Pre-K / Tots" Program. While the grant ended in June 2013, the Department developed strategies to continue the funding of this highly successful program.
- ❑ Completed a successful summer resident camp program, but recognized the need to restore the Camp Supervisor (Recreation Program Supervisor) to improve oversight of the resident camps and the Day Camp Program.
- ❑ Reorganized the Parks Division Landscape Services Unit to reduce the current mobile units from five to three.
- ❑ Merged the Marina and Parks Building Maintenance functions into a single unit for increased efficiency and to provide coordinated supervision of this function across the department.
- ❑ Completed several key capital improvement projects using both City funds and external resources including: the Bay Trail Extension Project, the San Pablo Park basketball court renovations, East Touch Down Plaza in Aquatic Park and renovations at the West Campus and King Pools.
- ❑ Using grant funds, initiated design work for the South Cove Sailing project, and completed preliminary designs for the Terrace View Park Basketball Court renovations.
- ❑ Issued the draft Environmental Impact Report (EIR) for the Aquatic Park Improvement Plan (APIP) for review and public comment.
- ❑ Applied for and received grant funding from the Cosco Busan oil spill mitigation funds, and awarded partial funding to complete pier and landside improvements in the Marina.

PARKS RECREATION AND WATERFRONT FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
EXPENDITURES					
By Type:					
Salaries and Benefits	15,417,183	15,219,232	14,999,698	15,926,372	16,093,971
Services and Materials	4,551,722	5,089,011	5,718,766	5,260,535	5,264,574
Capital Outlay	1,178,037	843,351	2,037,005	1,285,154	1,285,154
Internal Services	1,093,273	1,141,074	1,018,856	1,035,224	1,035,224
Indirect Cost Transfer	366,595	372,949	319,202	337,746	337,746
	22,606,810	22,665,617	24,093,527	23,845,031	24,016,669
By Division:					
Parks	10,923,588	10,940,606	10,997,342	11,595,565	11,705,915
Marina	4,280,504	4,663,436	6,318,831	4,797,558	4,829,192
Camps & Recreation	7,402,718	7,061,575	6,777,354	7,451,908	7,481,562
	22,606,810	22,665,617	24,093,527	23,845,031	24,016,669
By Fund:					
General Fund	5,950,067	5,225,382	5,155,636	5,372,250	5,404,201
Capital Improvement Fund	237,416	254,466	395,259	400,000	400,000
Federal Grants	84,993	361,673	61,746	95,000	95,000
State/County Grants	216,037	189,495	2,039,815		
Playground Camp Fund	1,975,227	2,049,277	1,840,506	2,348,725	2,351,148
Other	18,864	26,704	323,241	183,807	183,807
Parks Tax	8,983,435	9,000,893	9,250,968	9,895,821	9,995,016
Measure WW Park Bond Grant	203,691	399,339	53,863		
Refuse	152,268	117,429	127,721	159,039	159,549
Marina	4,784,812	5,040,959	4,844,772	5,390,389	5,427,948
	22,606,810	22,665,617	24,093,527	23,845,031	24,016,669
General Fund FTE					
	24.40	24.12	23.96	23.00	23.00
Total FTE					
	161.33	157.33	157.38	154.53	154.53

PARKS RECREATION AND WATERFRONT FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
DIVISION/ACTIVITY SUMMARY					
<i>Parks</i>					
Admininstration	1,335,649	1,352,855	1,397,840	1,527,400	1,544,656
Forestry Services	1,631,956	1,781,039	2,003,485	1,873,114	1,894,883
Landscaping Services	4,398,737	4,379,527	4,546,181	4,410,315	4,451,190
Corp Yard Administration	370,145	339,916	284,101	437,074	441,157
Parks Building and Systems Mtc.	1,119,454	1,204,399	1,231,515	1,420,121	1,437,556
Fire Fuel Management	374,195	346,350	340,343	414,958	419,106
Gilman Sports Field			149,982	155,247	155,247
Harrison Sports Field			27,038	23,560	23,560
Parks Capital: Plan & Mgmt.	624,836	659,668	531,144	583,776	588,560
Parks Capital: Construction	1,068,616	876,852	485,713	750,000	750,000
Division Total	10,923,588	10,940,606	10,997,342	11,595,565	11,705,915
FTE Total	61.00	59.35	59.40	57.40	57.40
<i>Marina</i>					
Administration	595,129	639,307	566,086	618,489	621,454
Marina Maintenance	690,370	726,940	640,568	613,091	617,253
Marina Operations	1,808,400	2,043,483	2,131,575	2,160,074	2,170,802
Marina Recreation Program	455,414	436,087	423,601	418,934	423,978
Marina Landscaping	651,601	640,943	665,487	687,929	696,664
Capital Improvements	79,590	176,676	1,891,514	299,041	299,041
Division Total	4,280,504	4,663,436	6,318,831	4,797,558	4,829,192
FTE Total	19.00	18.50	18.50	17.00	17.00
<i>Camps & Recreation</i>					
Recreation	5,090,621	4,778,880	4,665,657	4,912,896	4,937,797
Young Adult Program	451,108	449,083	459,431	457,464	459,984
Camps	1,860,989	1,833,612	1,652,266	2,081,548	2,083,781
Division Total	7,402,718	7,061,575	6,777,354	7,451,908	7,481,562
FTE Total	81.33	79.48	79.48	80.13	80.13
Department Total	22,606,810	22,665,617	24,093,527	23,845,031	24,016,669
FTE Total	161.33	157.33	157.38	154.53	154.53



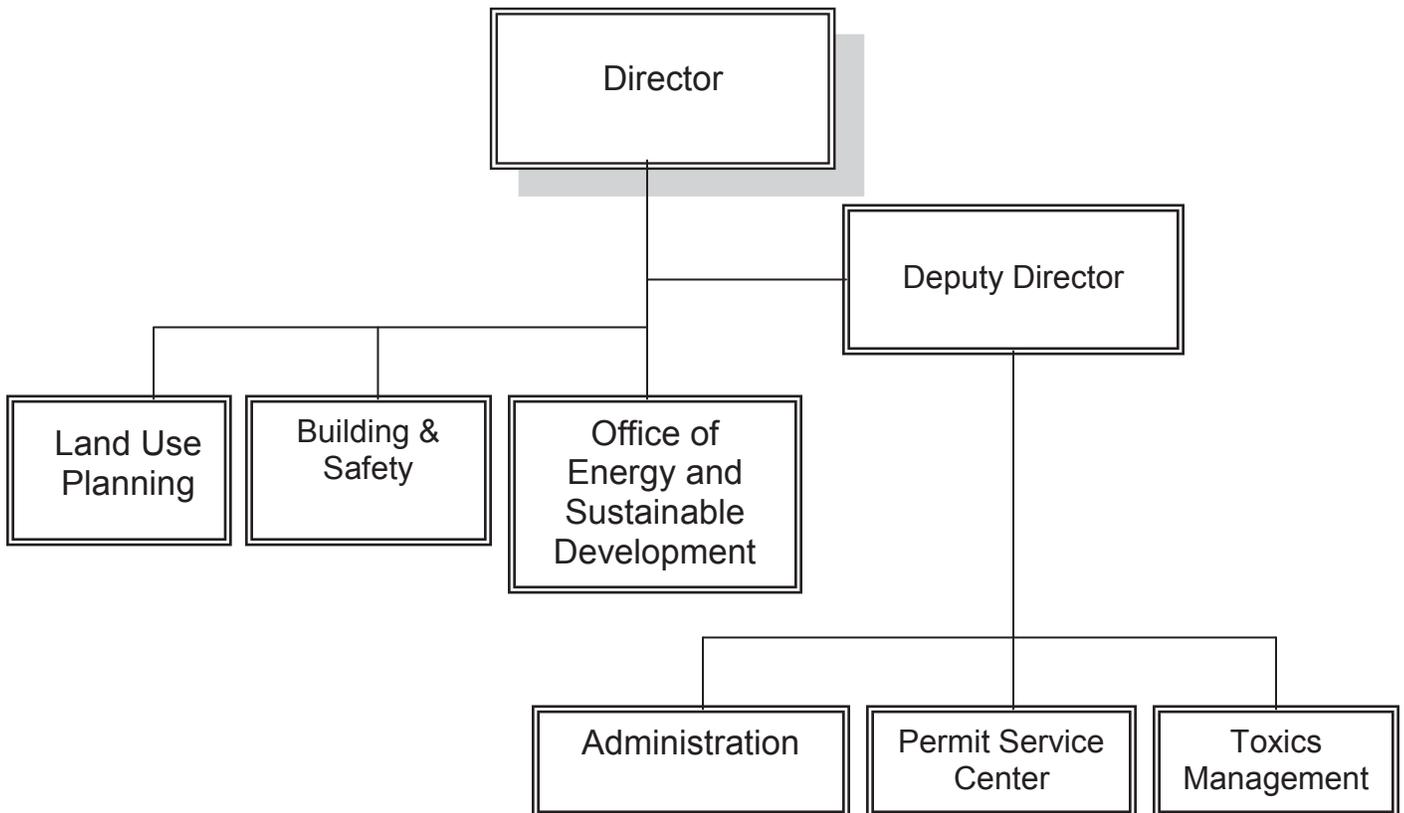
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PLANNING DEPARTMENT

MISSION STATEMENT

Make Berkeley a better place to live and work by partnering with the community to plan for and manage its physical, cultural, economic, and environmental future.

ORGANIZATION CHART



PLANNING DEPARTMENT

Department Overview

Building and Safety Division

This division reviews proposed construction plans for conformance to the building and other applicable codes; approves building, plumbing, mechanical and electrical permits; inspects construction projects to ensure conformance with minimum standards, and investigates work done without permits. This division also recommends and implements local code amendments, ordinances to retrofit seismically vulnerable buildings, and the building safety assessment program.

Land Use Planning Division: Policy & Current Planning

This division is responsible for developing and implementing land use policy for the City of Berkeley. The Policy Group prepares area plans, such as the Downtown Area Plan and the Southside Plan, and develops amendments to existing area plans, the Zoning Ordinance, and the General Plan. Current Planning processes land use development applications to ensure conformance with the Zoning Ordinance and the General Plan, and conducts environmental review of proposed development projects in conformance with the California Environmental Quality Act (CEQA). The Division provides staff support to the Planning Commission, Zoning Adjustments Board, Landmarks Preservation Commission, Design Review Committee, and Medical Cannabis Commission.

Office of Energy and Sustainable Development

The Office of Energy and Sustainable Development (OESD) develops policies and implements programs to promote sustainable resource practices and reduce energy and water use and the associated greenhouse gas emissions in both City operations and the Berkeley community. These activities include the development, implementation and monitoring of the Berkeley Climate Action Plan, development, maintenance of and training in energy and green building standards; improvements to permitting process to streamline sustainable practices and to accommodate new technologies and methods; utility ratepayer-funded energy programs; the development and administration of clean energy capital projects in City facilities; responding to regional climate-related policies and opportunities; and staffing the inter-departmental Environmental Working Group. OESD provides staff support to the Berkeley Energy Commission.

Permit Service Center

This division issues building permits and routes plans to the various reviewing City departments, providing a one-stop service to the public for development applications. The PSC also reviews and issues permits for the Fire Department, Public Works, Health, Engineering and Traffic Divisions. The PSC collects all monies for the Planning Department.

Toxics Management Division (TMD)

TMD is a State-Certified Unified Program Agency (CUPA), responsible for implementing, inspecting and enforcing California Environmental Protection Agency (Cal EPA) and hazardous materials codes associated with the

PLANNING DEPARTMENT

Governor's Office Emergency Services (Cal OES) and State Fire Marshall within the City of Berkeley. TMD conducts industrial inspections, data gathering and enforcement regulations on: chemical storage; accidental releases; hazardous waste generation (including universal wastes); hazardous waste treatment; pollution prevention; petroleum aboveground storage tanks; underground storage tanks; and household hazardous waste. TMD conducts non-CUPA duties such storm water pollution-prevention and complaint response. TMD also assists with toxicological concerns, and staffs the Community Environmental Advisory Commission. TMD recently lost its authority to clean up contaminated sites but maintains wells permits and reviews developments on contaminated sites.

Redevelopment

In February 2012, all redevelopment agencies were dissolved by the State of California; they were replaced by "Successor Agencies" that are required to follow a complex process to manage bond obligations, dispose of assets and transfer available funds to the County. The Planning Department provides coordination and support to staff from the Health, Housing and Community Services Department, Finance Department, and City Attorney with the technical and financial requirements, as well as preparing reports for the Successor Agency and the Oversight Board.

Major Accomplishments – FY 2012 & FY 2013

- Land Use Planning Division
 - Plans: Staff completed and Council adopted the Southside Plan (2011), the Downtown Area Plan (2012) the Downtown Streets and Open Space Improvement Plan (SOSIP) (2013), and modifications of the West Berkeley Plan (2011).
 - Zoning Amendments: Staff completed and Council adopted new zoning for the South Side Plan (2011), the Downtown Area Plan (2012); the Green Pathway (2012); Economic Development in all C districts (2011); West Berkeley "protected" spaces (2011); West Berkeley Arts and Craft definition (2011); and Sidewalk Seating (2011). Staff completed the West Berkeley Project "Master Use Permit" process.
 - Zoning Map Changes: Completed and Council adopted 3 new zoning districts: 1 for the downtown area (C-DMU) and 2 for the South Side (R-SMU and R-S).
 - EIRs: Completed EIRs for 2133 University (Acheson Place); 2727 Milvia (Iceland); and the West Berkeley Project.
 - Downtown Development Projects: Completed permitting process for two major mixed-use projects – 2133 University (Acheson Place) and 2701 Dwight Way. Permit process is underway for 1933 Addison and 2024 Durant Way, which will be submitted for consideration by the ZAB in fiscal year 2014. The permit process for 2211 Harold Way (Berkeley Plaza), one of the very tall buildings allowed in the downtown plan, is beginning.
 - Southside Development Projects: Completed permitting for 2301 Durant, which is under construction. The permit process and EIR are underway

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- for 2201 Dwight Way, which will be submitted for consideration by the ZAB this fiscal year. Review of a project at 2501 Haste is also underway.
- West Berkeley Development Projects: Completed the permitting process to modify the 740 Heinz Project, construction of a major bio-science research facility; and to demolish and clean-up toxic materials at the American Soils site (2222 3rd St). Initiated the project at 811 Carlton (the MacCauley Foundry), to legalize its subdivision into numerous industrial tenant space. .
 - Other Development Projects: Completed the permitting process for reuse of the Iceland Building, 2727 Milvia St., for Sports Basement.
 - UP and AUPs: Completed 237 AUPs and 86 Use Permits in 1 ½ years (7/1/2011 – 12/30/2013).
- Office of Energy and Sustainable Development (OESD)
 - Conducted an updated analysis of community-wide global warming emissions and of emission reduction strategies.
 - Established and staffed the East Bay Energy Watch Advisory Committee and secured \$13 million in funding for regional energy initiatives.
 - Developed and maintained 36 metrics illustrating progress toward Climate Action Plan goals.
 - Completed the ARRA-funded Money for Energy Efficiency (ME2) Program, improving energy efficiency in 203 residential and non-residential properties.
 - Supported development of draft uniform regional solar permit submittal packages.
 - Completed a grant-funded policy assessment for multifamily buildings, including hosting 6 workshops designed to engage multifamily property owners in energy efficiency.
 - Assisted in the installation of an LED streetlight pilot installation at the Berkeley Marina.
 - Completed energy efficiency upgrades of several municipal facilities, including lighting at the North Berkeley Senior Center, Center Street Garage, fire stations and recreation centers.
 - Established policies for solar-ready and electric vehicle charger-ready conditions of approval for major developments.
 - Launched a pilot program to expedite permitting for non-residential electric vehicle chargers.
 - Completed a technical assessment of solar power for ten city facilities.
 - Coordinated an award program for commercial building benchmarking.
 - Toxics Management (TMD)
 - Accept all chemical inventory submittals electronically, per California HSC 25404(3)(4);
 - Caught up with backlog of industrial facility inspections;
 - Continued implementation of the used oil program and supported six Berkeley facilities that accept used oil from the public;

PLANNING DEPARTMENT

- Received grant from Cal Office of Emergency Services and initiate a Hazardous Materials Commodity Flow Study for bulk chemicals in transportation, as part of the preplanning for spills per requirements of California HSC Section 25503; and
- Transferred authority of the cleanup program to the San Francisco Bay Regional Water Quality Control Board, but retain authority of groundwater wells, and development of contaminated sites.

- Building and Safety Division
 - Continued to provide most inspections on the day requested;
 - Building/Electrical/Mechanical/Plumbing Inspections performed during: (A) FY 2112: 18,616 and (B) FY 2113: 20,479 (averaging 15 - 17 inspections per area inspector per work day);
 - Plan Reviews performed during: (A) FY 2012: 3,081 and (B) FY 2013: 3,659 (averaging 4 reviews per plan checker per work day);
 - Resolved several major code enforcement cases in cooperation with the City Attorney's Office and Neighborhood Services;
 - Imaged over 3,000 building permit documents in conjunction with the City Clerk's Department and prepared approximately 4,500 additional documents for imaging;
 - Continued implementation of Phase I of the Soft Story building assessment program, resulting in 143 (44.5%) out of 321 initially identified wood-frame soft story buildings on the inventory that have taken acceptable action, 159 (49.5%) soft story buildings that have been removed from the inventory with 109 of those buildings retrofitted since inception of the program, 19 (6%) buildings that are out of compliance or have taken no action;
 - Convened Structural Advisory Committee and developed draft recommendations for the Phase II Soft Story mandatory seismic retrofit program
 - Developed post-earthquake emergency inspection reports for Public Safety Building and City Hall to facilitate rapid decisions regarding the reoccupancy of essential facilities for continuity of government;
 - Facilitated relocation of Housing Code Enforcement and Rental Housing Safety Inspection Unit into Building and Safety Division
 - Implemented semi- automated permit expiration and renewal process;
 - Implemented automatic gas shut-off valve installation program;
 - Instituted wet season construction inspections of high-priority sites per Water Board NPDES Provision C.6; and
 - Assisted in development of the East Bay Green Corridor Solar Permitting Initiative Project.

- Permit Service Center continued the new appointment system for applications and implemented pre-application appointments for owners, contractors and developers to assist with the plan check review process.

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- The Successor Agency for the Berkeley Redevelopment Agency complied with all State requirements including: formation and staffing of the Oversight Board, approval of Recognized Obligation Payment Schedules (ROPS) for each six-month period, completion of Due Diligence Reports, remittance of low/moderate income housing fund balances to the County, and addressing associated financial and legal requirements.

Key Objectives for FY2014 & FY2015

- Land Use Planning
 - Go live with new Accela database, tracking land use permit actions and records
 - Implement on-line zoning applications and fee payment
 - Develop and adopt Standard Conditions of Approval
 - Develop and adopt standardized CEQA Thresholds of Significance
 - Systematize and make public Administrative Regulations for the Zoning Ordinance
 - Develop GIS capacity within the Land Use Division
 - Improve coordination with Code Enforcement
 - Create and implement Mills Act Monitoring Program
 - Create and implement Conditions of Approval Monitoring Program for all large development projects
 - Continue improving staff communication through on-going training
- Office of Energy and Sustainable Development (OESD)
 - Update the community greenhouse gas emissions inventory as well as publish Climate Action Plan progress metrics
 - Integrate Climate Action Plan goals into review processes of the Planning Commission, Zoning Adjustments Board, and Design Review Committee
 - Assist with a pilot of LED streetlights on Telegraph Avenue
 - Complete an assessment and financing plan for a citywide LED street lighting conversion
 - Provide green building consultations and technical green building assistance to Permit Service Center customers
 - In coordination with StopWaste.org, launch a regional initiative to increase the transparency of energy performance in property transactions (i.e., purchases and leases)
 - Coordinate an Annual Benchmarking Recognition Program for commercial buildings
 - Prepare recommendations to Council for updates to existing energy conservation ordinances
 - Obtain additional grant funds to support implementation of the Climate Action Plan
 - Process permits for commercial electric vehicle chargers
 - Complete an assessment of electric vehicle chargers at municipal sites

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- Clarify and modify, as needed, City policies on electric vehicle charger installations
- Advise the East Bay Energy Watch regarding deployment of 2913-14 programs and development of future programs
- Advise the Bay Area Regional Energy Network (BayREN) and the development and deployment of newly funded energy programs
- Staff the newly formed inter-departmental Environmental Working Group
- Provide training for 2013 California Green Code revisions

- Building and Safety Division
 - Propose amendments and implement adoption of 2013 California Building, Electrical, Mechanical, Plumbing, Residential, Energy, and Green Building Standards Codes
 - Facilitate adoption of the Soft-Story Phase II Mandatory Retrofit Ordinance and start implementing the program
 - Implement incorporation of Housing Code Enforcement and Rental Housing Safety Inspection Unit into Building and Safety Division
 - Reorganize Building and Safety Division into four units lead by unit supervisors
 - Implement Accela Building Permit Module
 - Implement Accela Code Enforcement Module
 - Continue to monitor and enforce URM Ordinance
 - Establish program guidelines and develop key point inspection reports for post-earthquake emergency inspection of all COB essential and critical facilities by pre-qualified staff familiar with the structural and life-safety systems of the buildings. The goal of the program is to facilitate rapid decisions regarding the reoccupancy of essential and critical facilities for continuity of government
 - Continue staff training in all new 2013 California Building, Electrical, Mechanical, Plumbing, Residential, Energy, and Green Building Standards Codes, which become effective 01/01/14
 - Facilitate implementation of state mandated CASp (Certified Accessibility Specialist) staff certification program

- Permit Service Center
 - Continue outreach to the building community to provide information about the permit process and to increase opportunities for customer feedback.

- Toxics Management Division (TMD)
 - Accept data from 400 facilities to fulfill their Cal/EPA and Cal/EMA reporting requirements via web portal (www.BerkeleyCUPA.com).
 - Integrate all CUPA programs through a new Cal EPA compliant data gathering and dissemination system.
 - Use mobile computing devices connected in real time to CUPA database for CUPA and storm water inspections.
 - Complete a commodity flow study as part of the preplanning tool for chemical emergencies.

PLANNING DEPARTMENT

- Successor Agency for Redevelopment Agency
 - Prepare a long-range property management plan, including disposition of the remaining Agency-owned properties, ground leases, and housing assets such as loan receivables
 - Resolve issues with re-payment of the housing bonds
 - Work with Public Works Department to complete all capital improvement projects funded by the 2005 tax-allocation bond

Significant Changes from Prior Year's Budget

The Adopted Budget reflects the following:

- New positions added: Permit Specialist for the Permit Center, Community Services Specialist III for the Building and Safety, Associate Planner and an increase from .50 FTE to .75 FTE of a Senior Planner in Land Use Planning.
- Cost shift 40% of payroll charge of an Office Specialist II position from General Fund to the Permit Service Center fund 833 to achieve the 2% General Fund target reduction.
- Transfer of the Rental Housing Safety Program from the Department of Housing, Health and Community Services to the Planning and Development Department.

PLANNING DEPARTMENT FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
EXPENDITURES					
By Type:					
Salaries and Benefits	8,314,615	7,673,256	8,373,077	9,784,568	9,864,194
Services and Materials	1,835,830	2,067,671	1,818,763	1,615,303	1,514,422
Capital Outlay	19,653	20,750	46,599	21,102	21,102
Internal Services	113,406	110,144	119,970	127,171	127,171
Indirect Cost Transfer	879,489	775,396	696,709	729,125	729,125
	<u>11,162,993</u>	<u>10,647,217</u>	<u>11,055,118</u>	<u>12,277,269</u>	<u>12,256,014</u>
By Division:					
Office of the Director	1,500,063	1,181,182	1,473,222	1,696,861	1,602,782
Permit Service Center	1,258,020	1,261,125	1,248,716	1,066,480	1,079,427
Redevelopment	542,993	229,150	356,380	-	-
Toxics Management	1,254,501	1,116,055	1,354,919	1,311,271	1,325,171
Energy & Sustainability	1,071,381	1,270,679	956,096	796,185	775,533
Land Use	2,828,120	3,015,004	2,956,229	3,177,686	3,206,756
Building & Safety	2,707,915	2,574,022	2,709,556	4,228,786	4,266,345
	<u>11,162,993</u>	<u>10,647,217</u>	<u>11,055,118</u>	<u>12,277,269</u>	<u>12,256,014</u>
By Fund:					
General Fund	1,509,064	1,396,157	1,513,689	1,672,315	1,686,495
Capital Improvement Fund	8,018	62,060	13,492	17,997	18,155
State/County Grants	86,190	30,308	17,210	20,224	20,477
Berk. Redev. Agency	580,907	284,392			
Successor Agency			395,332	239,276	120,396
Rental Housing Safety	10,272	8,128	10,993	1,008,373	1,020,478
Parks Tax	24,881	25,214	26,668		
Sustainable Energy Fin Dist.	1,378	1,478			
UC Settlement		30,000			
Refuse	17,654	23,862	24,153	23,794	24,081
Sewer	28,311	28,694	30,051	32,266	32,683
Clean Storm Water	142,978	114,740	126,309	153,902	155,209
Permit Service Center	7,642,755	7,288,771	7,708,438	8,210,271	8,269,325
Unified Program (CUPA)	749,695	754,683	970,200	886,995	896,682
Other Funds	360,890	598,730	218,583	11,856	12,033
	<u>11,162,993</u>	<u>10,647,217</u>	<u>11,055,118</u>	<u>12,277,269</u>	<u>12,256,014</u>

General Fund FTE	9.79	10.99	10.28	9.73	9.73
Total FTE	59.05	58.55	58.05	66.30	66.30

PLANNING DEPARTMENT FINANCIAL SUMMARY

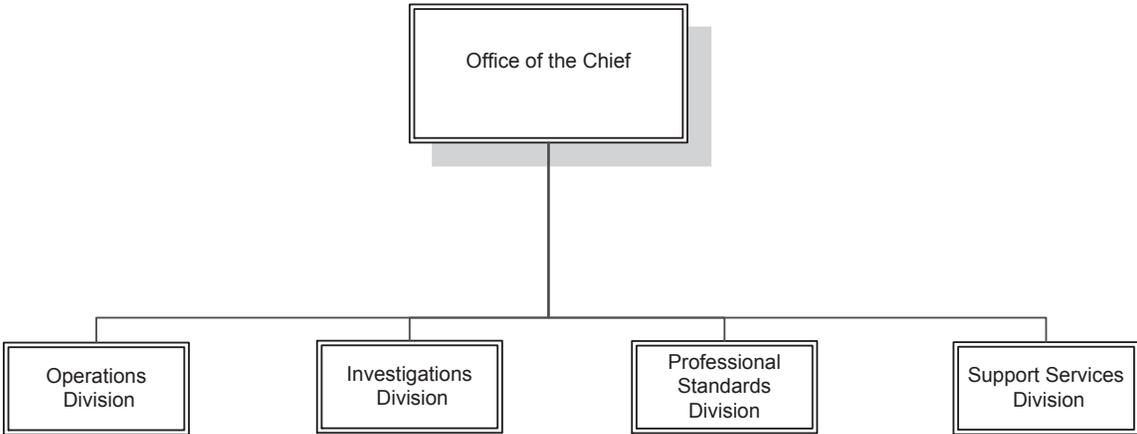
	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
DIVISION/ACTIVITY SUMMARY					
Office of the Director					
Administration	1,500,063	1,181,182	1,473,222	1,696,861	1,602,782
Division Total	1,500,063	1,181,182	1,473,222	1,696,861	1,602,782
FTE Total	4.00	4.00	4.00	5.00	5.00
Permit Service Center					
Permit Service Center	1,258,020	1,261,125	1,248,716	1,066,480	1,079,427
Division Total	1,258,020	1,261,125	1,248,716	1,066,480	1,079,427
FTE Total	7.00	7.00	7.00	8.00	8.00
Redevelopment					
Redevelopment Agency	542,993	229,150	356,380		
Division Total	542,993	229,150	356,380	-	-
FTE Total	1.00	1.00	1.00	-	-
Toxics Management					
Toxics Management	340,857	248,938	261,315	279,622	282,539
Toxics & Pollution Prev/CUPA	738,724	714,103	930,230	836,064	845,216
Toxics Management/Stormwater	142,978	114,740	126,309	153,902	155,209
PSC Support	31,942	38,274	37,065	41,683	42,207
Division Total	1,254,501	1,116,055	1,354,919	1,311,271	1,325,171
FTE Total	7.00	6.00	6.50	6.50	6.50
Energy & Sustainability					
Energy & Sustainability	1,071,381	1,270,679	956,096	796,185	775,533
Division Total	1,071,381	1,270,679	956,096	796,185	775,533
FTE Total	5.05	4.05	4.05	4.05	4.05
Land Use					
Administration	283,197	244,845	237,585	242,420	243,531
Land Use Planning	2,544,923	2,770,159	2,718,644	2,935,266	2,963,225
Division Total	2,828,120	3,015,004	2,956,229	3,177,686	3,206,756
FTE Total	21.00	22.50	21.50	21.75	21.75
Building & Safety					
Administration	231,946	184,189	242,208	244,702	245,963
Building & Safety	2,475,969	2,389,833	2,467,348	2,560,669	2,579,590
Engineering Permits				300,492	304,392
Fire Plan Checks				201,168	203,166
Rental Housing Safety Program				921,755	933,234
Division Total	2,707,915	2,574,022	2,709,556	4,228,786	4,266,345
FTE Total	14.00	14.00	14.00	21.00	21.00
Department Total	11,162,993	10,647,217	11,055,118	12,277,269	12,256,014
FTE Total	59.05	58.55	58.05	66.30	66.30

POLICE DEPARTMENT

MISSION STATEMENT

In partnership with a culturally diverse community, the Berkeley Police Department is committed to the effective suppression of crime and drug-related activity, and to providing a safe and secure environment through vigorous law enforcement. The department will strive to identify and solve problems that threaten the quality of life in our community.

ORGANIZATION CHART



POLICE DEPARTMENT

Department Overview

Office of the Chief

The Office of the Chief provides overall leadership and administrative oversight for the Police Department. The Office includes the Chief of Police, the Internal Affairs Bureau and the Public Information Bureau. The primary focus of the office is to reduce crime and maintain the accountability of the Department and the respect of the community it serves within the established budget.

Professional Standards

The Professional Standards Division brings the Berkeley Police Department in line with national standards and best practices. The focus of this Division is improving systems to reduce obstacles to accomplishing our mission. This Division will work to streamline what can sometimes be overly burdensome procedures and make us more effective. The Division includes Policy, Audit, Personnel and Training and the Jail.

Support Services

The Support Services Division is responsible for the fiscal management of the Department. The Division is responsible for writing and monitors Department expenditures to operate within its adopted budget. The Division is responsible for providing assistance to all units in the Police Department, as well as facilitating Police and Fire responses throughout the community through the Communications Center. The Division encompasses the following units: Budget and Fiscal Services, Records, Court Liaison, Warrants, Communications Center and Property Room. The Division is committed to providing quality service, response and fiscal accountability.

Operations

The Patrol Division is responsible for the response to calls for service, conducting initial investigations, making arrests, issuing citations and proactive police problem solving to improve the quality of life in the community. Bike Officers, Police Reserves, Area Coordinators, Crisis Intervention Team, Special Response Team, and Explosive Ordinance Disposal Team are all specialized units within the division.

Investigations

The Investigation Division is comprised of Detectives, Special Enforcement Unit, Crime Analysis Unit, Traffic Bureau (Traffic and Parking enforcement), and the Crime Scene Unit.

The Detective Bureau is responsible for follow-up investigations of homicides, felony assaults, robberies, sexual assaults, domestic violence incidents, sexual assaults on children and minors, residential and commercial burglaries, identity theft, fraud, forgery, elder abuse, among other offenses. Through a variety of activities, Detectives complete and present their investigations to the District

POLICE DEPARTMENT

Attorney's office for charging consideration. Detectives communicate frequently with other agency personnel to support their investigations share information, and advise when suspects have been identified and are arrestable. The Special Enforcement Unit focuses on narcotics offenses, frequently recovering narcotics and weapons in the course of their investigations.

The Traffic Bureau is responsible for general traffic enforcement, responding to specific complaints of traffic issues, and the investigation of serious injury or fatal collisions. Traffic Bureau members use specialized equipment to capture accurate measurements for scene diagrams at major or fatal collisions, homicides or shootings, and as needed in other major cases. The Parking Enforcement Unit is responsible for the enforcement of parking rules and regulations. In addition, Parking Enforcement Officers also work special events, football games, and as needed provide traffic control at large-scale incidents.

The Crime Analysis Unit provides reporting and analysis of incidents across the department, supporting Operations and Investigations Division personnel with valuable information for strategic and tactical planning. The Crime Scene Unit is responsible for locating, preserving, seizing and processing evidence from the scene of a crime. They receive training in a variety of forensic skills, including fingerprint and DNA evidence recovery and forensic photography.

Major Accomplishments - FY 2012 and FY 2013

- ❑ Implementation of comprehensive, emergency radio system in compliance with federal guidelines for interoperability with multiple jurisdictions and joint operations.
- ❑ Implemented a 4/10, 3/12 work schedule for Operations Division
- ❑ Implemented Compstat model of policing which promotes accountability through accurate and timely intelligence to develop effective tactics for rapid deployment of resources to end criminal activity and prevent resurgence through relentless follow-up and assessment.
- ❑ Acquired forensic equipment and provided training to staff for cellular phone examination and data extraction.
- ❑ Implemented on-line crime reporting module for selected criminal activity.
- ❑ Recovered over one million dollars in outstanding parking citation fees through the Booting Program
- ❑ Hired a Parking Enforcement Manager to provide continuity in management to the Parking Enforcement operation
- ❑ Acquired and implemented new Parking Citation Management system.
- ❑ Implemented a training program to take advantage of the Operations Division 4/10 and 3/12 work schedule change. The program incorporates POST's perishable skill mandates, legislative requirements and other continuing professional training needs.
- ❑ Ongoing coordination with the Police Review Commission and the City Attorney's Office on the Lexipol policy conversion project.

POLICE DEPARTMENT

- ❑ Implemented leadership training program for professional staff supervisors in the Jail, Communications Center and Traffic Bureau.
- ❑ Passed Jail Medical, Mental Health, Nutrition and Environmental Inspections by both the Public Health Department and the Standards and Training for Corrections Program (STC).
- ❑ Published comprehensive Field Reference Guide for all department personnel.
- ❑ Implemented a back pain/injury prevention program by allowing officers to wear light-weight duty gear with duty belt suspender system.
- ❑ Outfitted officers with ballistic helmets to prevent head injuries during field situations.

Key Objectives for FY 2014 & FY 2015

- ❑ Do not allow Part One Crimes to increase above the current rate; focus on chronic criminals throughout the City of Berkeley.
- ❑ Achieve a closure rate for Part One Crimes that meets or exceeds the national and state average for agencies our size.
- ❑ Assess patrol beat structure using current data.
- ❑ Increase training within Detectives for the forensic examination of computers and cellular phones recovered as evidence during criminal investigations.
- ❑ Create training plan focused on increasing staff's expertise in the areas of fingerprint examination and identification
- ❑ Acquire technology to produce electronic evidence for prosecution purposes and increase work flow efficiencies.
- ❑ Adopt comprehensive policy, procedure and standards revision.
- ❑ Continue internal audits of areas of potential liability.
- ❑ Implement audit program to identify industry best practices for improving service, efficiency, crime fighting and safety.
- ❑ Reduce employee injuries through implementation of a new Police Department specific wellness program.
- ❑ Maintain appropriate and diverse staffing by hiring and training new sworn and non-sworn employees.
- ❑ Review jail operations and increase cost effectiveness;
- ❑ Promote traffic safety through DUI and Vehicle Code enforcement working with Public Works to address the Pedestrian Safety Master Plan.
- ❑ Implement revised property and evidence processing and destruction procedures.
- ❑ Assess records management procedures for efficiency and public records release

Significant Changes from Prior Year's Budget

The FY 2014 & FY 2015 Adopted Budget includes the following significant changes and General Fund savings:

POLICE DEPARTMENT

- ❑ Shift four Parking Enforcement Officer positions from the General Fund to Parking Meter Fund for a total savings of \$420,350.
- ❑ Eliminate two vacant Parking Enforcement Officer positions for a total savings of \$213,006.
- ❑ Eliminate a vacant Community Service Officer position for a total savings of \$115,013.
- ❑ Defer \$373,566 in vehicle replacement fund contribution for one year to allow attrition for three vacant Parking Enforcement Officer positions.

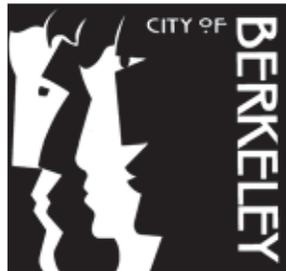
POLICE DEPARTMENT FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
EXPENDITURES					
By Type:					
Salaries and Benefits	52,198,606	52,821,329	53,404,285	54,711,871	54,824,852
Services and Materials	1,973,247	1,812,669	1,662,783	2,638,735	2,620,735
Capital Outlay	86,645	70,723	85,682	167,567	155,317
Internal Services	2,629,127	2,748,368	2,595,944	2,229,355	2,641,838
Indirect Cost Transfer					
	56,887,625	57,453,089	57,748,694	59,747,528	60,242,742
By Division:					
Office of the Chief	2,319,858	1,507,593	1,387,831	933,262	931,877
Professional Standards	2,656,762	3,040,198	4,911,449	5,277,626	5,323,735
Support Services	11,693,921	11,808,248	9,656,067	9,025,643	9,518,309
Operations	27,113,905	27,314,028	27,427,760	29,106,019	29,349,141
Investigations	13,103,179	13,783,022	14,365,587	15,404,978	15,119,680
	56,887,625	57,453,089	57,748,694	59,747,528	60,242,742
By Fund:					
General Fund	53,473,876	53,790,401	55,030,664	55,461,475	55,947,311
Asset Forfeiture	19,231	111,667	33,576	100,000	100,000
Federal Grants	370,517	375,944	146,812	150,000	150,000
State/County Grants	849,105	884,576	456,375	1,188,274	1,194,202
Parking Funds	2,174,896	2,288,795	2,057,053	2,817,529	2,851,229
Other Funds		1,706	24,214	30,250	
	56,887,625	57,453,089	57,748,694	59,747,528	60,242,742

General Fund FTE	269.00	259.00	255.00	249.00	249.00
Total FTE	294.70	285.70	281.70	279.20	279.20

POLICE DEPARTMENT FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
DIVISION/ACTIVITY SUMMARY					
Office of the Chief					
Police Administration	520,711	537,572	563,615	64,474	68,992
Inspection & Controls	1,232,042				
Public Information		382,227	234,860	251,531	241,346
Internal Affairs	567,105	587,794	589,356	617,257	621,539
Division Total	2,319,858	1,507,593	1,387,831	933,262	931,877
FTE Total	8.00	6.00	6.00	6.00	6.00
Professional Standards					
Policy & Accreditation	961,031	1,153,236	1,134,437	1,213,119	1,221,190
Personnel and Training	1,695,731	1,886,962	2,117,962	1,984,353	1,993,850
Jail Unit			1,659,050	2,080,154	2,108,695
Division Total	2,656,762	3,040,198	4,911,449	5,277,626	5,323,735
FTE Total	10.00	10.00	10.00	25.00	25.00
Police Support Services					
Administration	1,989,227	2,924,112	2,955,223	2,644,239	3,059,020
City Jail Operations	2,666,421	2,929,776	742,253		
Central Communications	4,653,386	4,877,807	4,703,217	4,946,659	5,004,952
Police Services	1,426,437	1,074,968	1,255,374	1,434,745	1,454,337
Detective Bureau	785,447	1,585			
Youth Services Bureau	173,003				
Division Total	11,693,921	11,808,248	9,656,067	9,025,643	9,518,309
FTE Total	86.00	66.00	62.00	45.00	45.00
Operations					
Patrol	26,824,756	27,187,094	27,077,289	28,925,381	29,168,503
Police Reserves	289,149	126,934	350,471	180,638	180,638
Division Total	27,113,905	27,314,028	27,427,760	29,106,019	29,349,141
	122.00	125.00	125.00	126.00	126.00
Investigations					
Detectives Bureau	4,113,025	4,563,207	5,195,613	5,005,314	5,050,290
Traffic Bureau	1,892,923	2,066,471	2,039,021	2,207,557	2,226,452
Parking Enforcement	3,696,729	3,854,752	3,525,909	4,386,853	4,026,869
Special Enforcement Unit	2,372,084	2,310,880	2,603,878	2,679,960	2,698,677
Crime Analysis	542,581	363,603	367,894	405,201	391,038
Community Service/Field Support	11	40,844	81,716	50,000	50,000
Crime Scene Unit	485,826	583,265	551,556	670,093	676,354
Division Total	13,103,179	13,783,022	14,365,587	15,404,978	15,119,680
FTE Total	68.20	78.20	78.20	77.20	77.20
Department Total	56,887,625	57,453,089	57,748,694	59,747,528	60,242,742
FTE Total	294.20	285.20	281.20	279.20	279.20



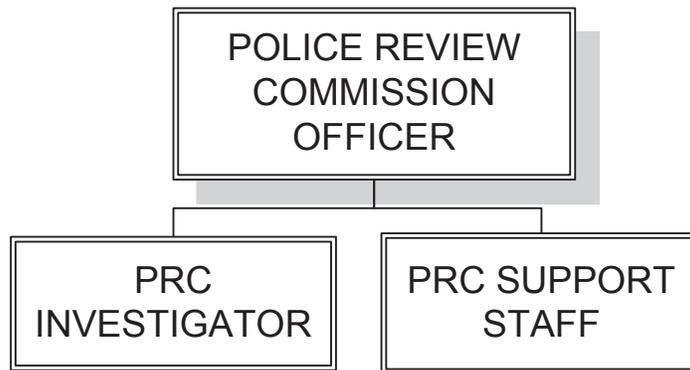
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POLICE REVIEW COMMISSION

MISSION STATEMENT

The general purpose of the Police Review Commission is to provide for community participation in setting and reviewing police department policies, practices, and procedures and to provide a means for prompt, impartial, and fair investigation of complaints brought by individuals against the Berkeley Police Department.

ORGANIZATION CHART



POLICE REVIEW COMMISSION

Division Overview

The PRC strives to improve the professional standards of BPD, so that the quality of public safety in Berkeley is based on public trust and confidence.

Commission

The nine-member Commission meets twice a month at regular business meetings and participates in policy review through subcommittees. Commissioners also conduct Boards of Inquiry and provide factual findings to the City Manager and Chief of Police.

- ❑ In 2011, Commissioners held 34 meetings and other commission related activities for an average of 2.8 activities per month.
- ❑ In 2012, Commissioners held 49 meetings and other commission related activities for an average of 4.1 activities per month.

Policy Subcommittees

- ❑ **Mutual Aid Pacts Subcommittee**
This subcommittee conducted review in 2011 and 2012 of BPD's Mutual Aid Pacts with other law enforcement agencies operating within the City of Berkeley. The subcommittee experienced a marked increase in citizen participation in 2012 due to community concerns over topics such as reporting of suspicious activities to authorities and immigration detainers. The subcommittee conducted numerous meetings and heard from many members of the public. Many of the PRC's recommendations were approved by the City Council.
- ❑ **Accreditation Subcommittee**
Formed in early 2012, this subcommittee was created to review BPD policy changes resulting from BPD's efforts to attain accreditation. The subcommittee continues to review proposed standardized policies to ensure that they include all components of the current policies without substantive variances.
- ❑ **Use of Force Subcommittee**
This subcommittee was created in September 2011 for the purpose of reviewing a new standardized Use of Force policy. In May 2012, the Commission accepted the subcommittee's recommendation to support changes to the Use of Force policy.
- ❑ **Outreach Subcommittee**
This subcommittee was formed in May 2012 for community networking purposes and to increase public awareness of the mission and activities of the PRC. PRC Commissioners participated in local community events National Night out

and Solano Avenue Stroll. The subcommittee also developed a new informational brochure which was approved by the Commission in September.

❑ **40th Anniversary Subcommittee**

This subcommittee was formed in Sept. 2012 to explore how to commemorate the PRC's 40th anniversary in April 2013.

Cases

- ❑ In 2011, the PRC received 15 new complaints, closed 30 cases and conducted 10 Boards of Inquiry.
- ❑ In 2012, the PRC received 26 new complaints, closed 17 cases and conducted 6 Boards of Inquiry. (2 additional cases went to Boards of Inquiry, but were dismissed).
- ❑ Investigative reports and findings reports from the hearings are forwarded to the City Manager and BPD.
- ❑ The PRC prepares an annual statistical report detailing the Commission's work, the types of complaints against BPD and how the complaints were resolved. Statistical reports for the last several years have been published on the City of Berkeley website at www.CityofBerkeley.info/prc/.

Major Accomplishments – FY 2012 & FY 2013

- ❑ Engaged in community networking through participation in National Night Out and Solano Avenue Stroll in 2012.
- ❑ Created Spanish language complaint forms and brochure. Created new informational brochure for community outreach and education about the PRC's work and services.
- ❑ Worked to resolve backlogged cases and completed more timely investigations.
- ❑ PRC staff attended the National Association for Civilian Oversight of Law Enforcement training conferences in 2011 and 2012. PRC Chair and PRC Officer attended Fair and Impartial Policing training hosted by BPD in 2012.

Key Objectives for FY 2014 & FY 2015

- ❑ Continue to complete investigation of complaints in a timely fashion.
- ❑ Identify areas for improvement within PRC investigative regulations and procedures.
- ❑ Engage in continued outreach efforts.

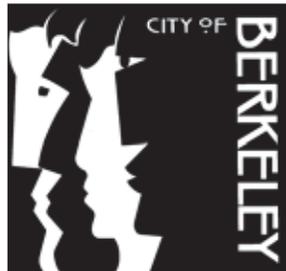
Significant Changes from Prior Year's Budget

The overtime and non-personnel budget were reduced by a total of \$4,242 in FY 2014.

POLICE REVIEW COMMISSION FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
EXPENDITURES					
<i>By Type:</i>					
Salaries and Benefits	402,838	308,903	423,433	468,898	472,394
Services and Materials	12,637	11,413	24,091	26,723	26,723
Capital Outlay	104	243	1,086	500	500
Internal Services	42,093	39,748	39,916	39,716	39,716
Indirect Cost Transfer					
	457,672	360,307	488,526	535,837	539,333
<i>By Fund:</i>					
General Fund	457,672	360,307	488,526	535,837	539,333
	457,672	360,307	488,526	535,837	539,333

<i>General Fund FTE</i>	3.50	3.50	3.00	3.00	3.00
<i>Total FTE</i>	3.50	3.50	3.00	3.00	3.00



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DEPARTMENT OF PUBLIC WORKS

MISSION STATEMENT

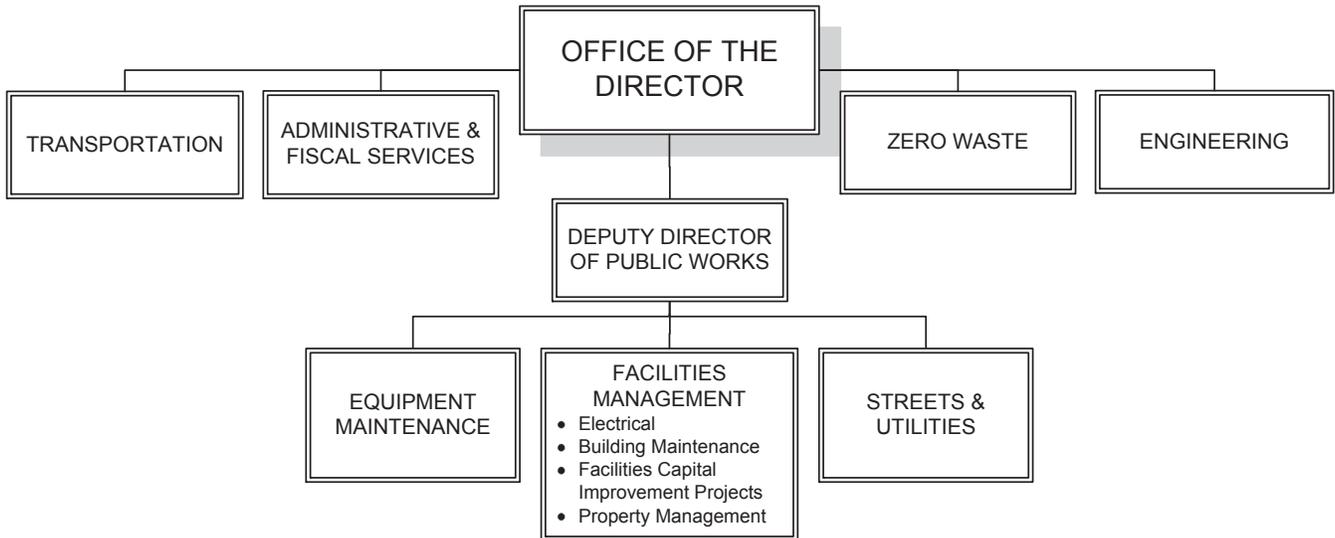
The Public Works Department is committed to providing quality services to the Berkeley community with pride, courtesy, and excellence.

ACCREDITATION



The Berkeley Public Works Department was the first public works department in California to achieve national accreditation, awarded by the American Public Works Association in December 2000. The Department was also the first California public works agency to be re-accredited (2004), and received another re-accreditation in January 2009; Public Works will complete the current process for re-accreditation in early 2014. This process involves an extensive self-assessment of the Department's compliance with hundreds of management "best practices," and a site visit and evaluation by outside public works professionals.

ORGANIZATION CHART



DEPARTMENT OF PUBLIC WORKS

Department Overview

The Public Works Department delivers programs and services to all City residents, businesses and property owners, visitors and travelers, and to all City Departments. Public Works is engaged in a Department-wide effort to strengthen our culture of service, and reaffirm our commitment to customer service. We are working to shift our internal culture and realize our vision “to develop a more flexible, responsive, and resilient Department that provides an atmosphere where excellent customer service thrives.”

Public Works includes:

- Solid Waste and Recycling services for residential and commercial customers, and those who bring materials to our Transfer Station;
- Transportation planning for transit, pedestrians, bikes and vehicles, along with parking management, and traffic engineering and controls;
- Design and construction of traffic facilities and transportation projects;
- Management and maintenance of core infrastructure, including City streets and sidewalks, sanitary sewer system, street lights and traffic signals, the Berkeley Marina, and the City’s watershed;
- Procurement, maintenance and disposal of vehicles and equipment for all Departments, from the sidewalk “green machine” and sewer-cleaning Vactor, to Police cars and Fire rigs;
- Operation of all City radio communications equipment, including both internal and regional public safety radio systems;
- Electrical service for City buildings, street lights and traffic signals, and extending to City parks, marina, bridges and overpasses;
- Full-service maintenance, repairs, and custodial services for all municipal buildings;
- Management of leased real property, including office buildings, parking garages, and the Telegraph-Channing retail mall, and acquisition and sale of property; and
- Design and construction of new public buildings and alterations of existing structures and buildings.

Public Works also represents Berkeley at various regional and professional agencies, and staffs the following City Commissions: Commission on Disability; Transportation Commission; Zero Waste Commission; and the Public Works Commission.

Divisions

Office of the Director

The Director’s Office provides Department-wide leadership, management oversight, and policy direction to Public Works divisions for overall operations and implementation; information technology projects; audits and accreditation management; disability compliance and programs coordination; and employee labor relations, training and development. The Deputy Director, based at the City’s Corporation Yard, is responsible for management of the Equipment Maintenance, Facilities Management, including Facilities Capital Improvement Projects, and Streets & Utilities Divisions.

DEPARTMENT OF PUBLIC WORKS

Administrative & Fiscal Services

Administrative & Fiscal Services is responsible for the Department's administrative systems, budget and fiscal oversight, compliance and reporting; and analytical support for routine and special projects in all Public Works operating divisions. Functions within the Division include: budget development, implementation and oversight for the annual operating and capital budgets; fund management, fiscal and administrative policy development, and process improvements; contracts administration and grants compliance within Public Works; and Purchasing, Payroll & Accounting Services for approximately 286 FTE.

Engineering

Engineering implements the City's capital improvement programs, manages contracts for major construction projects, and has oversight of the overall condition of the City's infrastructure; and reviews and regulates private development infrastructure plans and conditions of approval.

The functional units within the Division are: Sanitary Sewer Rehabilitation and Construction; Sanitary Sewer Regulatory Compliance (in collaboration with the PW Streets & Utilities Division); Street Pavement Management; Sidewalk Repair; Storm Water and Creeks/Watershed Management; Transportation Projects (in conjunction with the Department's Transportation Division); and special projects such as the marina docks and landfill post-closure. Engineering is also responsible for mapping and capturing location data in a geographic information system (GIS) for City streets, sidewalks, traffic devices, sewers, storm drains, utilities, and the marina; coordination of utility service markings; and issuing permits and inspection of all work by outside utility agencies.

Zero Waste

Zero Waste directly operates or manages contracts for all City refuse and recycling services. This includes weekly collection and transfer services to 22,900 residential and 3,000 commercial customers for recyclables and organics/compostables, and the Division handles waste diversion or disposal of materials delivered to the Transfer Station by 400 public customers every day.

On an annual basis, Zero Waste collects approximately 60,000 tons of refuse and 40,000 tons of recyclables, construction & demolition debris, plant debris and food waste; accepts another 50,000 tons at the Transfer Station; oversees contracts for collection, sorting and marketing of recyclable materials; and transports what's left to landfills outside the City.

Transportation

The Transportation Division develops and implements the City's transportation plans and policies, often in collaboration with other City Departments and/or in response to neighborhood needs, special events, construction, or capital projects. Transportation services include Planning and Engineering for bike and pedestrian programs, transit, transportation demand management, traffic system design and operations, traffic calming and parking; and development review and plan checking support for the Planning Department. The Parking Services unit oversees policy and operation of on- and off-street parking facilities; manages contracts for the City's three municipal parking garages; and plans and procures hardware and recommends pricing plans for all parking meter locations.

DEPARTMENT OF PUBLIC WORKS

Facilities Management

Facilities Management incorporates 4 principal functions: Electrical Maintenance and Radio Shop; Building Maintenance and Janitorial Services; Facilities Capital Improvement Projects; and Property Management Services. This Division maintains 900,000 square feet of public service facilities including fire stations, and senior centers, public garages, and multi-storied office buildings. Property Management is responsible for tenant management, negotiations and management of over 50 leases, real property transactions, and space planning. The Electrical unit installs and maintains traffic signals and pedestrian control devices at 134 intersections and 8,000 streetlights along public streets, parking lots, pathways, and recreation facilities; and installs and maintains the City's police and fire vehicle radios, sirens, lighting, and radio system infrastructure, including interface with the new regional public safety radio system; sound systems for the Council Chambers and special events; and radio alarms at sewage lift stations. Environmental Compliance is another function related to this Division, and the City's Environmental Compliance Specialist manages and oversees compliance with all regulatory requirements, and provides direct support and resources for related events.

Streets & Utilities

The Streets & Utilities Division maintains and repairs the City's 653 miles of streets, 388 miles of sanitary sewers, 78 miles of storm water system, and 300 miles of sidewalks and pathways, including oversight of the Clean City Program. Working with Transportation Engineering and Parking Services, this Division maintains and installs traffic signs, pavement markings, and is responsible for collections, maintenance and repair of 3,749 parking meters. In close coordination with Engineering Division staff, Streets & Utilities conducts preventive cleaning and maintenance of the City's sanitary sewer system to meet and maintain California Water Quality Control Board and Federal EPA requirements.

Equipment Maintenance

Equipment Maintenance operates facilities at both the Corporation Yard and Transfer Station. Staff manage the City's 671 fleet vehicles, heavy duty trucks and large equipment, including public safety, fire, and alternative fuel vehicles and equipment. The Division provides all related maintenance, repair and purchases; conducts annual safety inspection of taxis; and working with the Environmental Compliance Specialist, monitors underground fuel tanks.

Major Accomplishments in FY 2012 & FY 2013

- ❑ Completed the multi-year, interdepartmental implementation of the City's new public safety radio system, including procurement and activation of over 500 portable and mobile radio units, installation of new dispatch consoles, and successful integration with the East Bay Regional Communications System Authority infrastructure.
- ❑ Inaugurated a staff-driven development program to *Strengthen Our Culture of Service*.
- ❑ Continued reductions (83% since 2008) in Sanitary Sewer Overflows (SSOs).
- ❑ Automated parking garage operations.
- ❑ Installed 1,640 IPS "smart" parking meters.
- ❑ Transfer Capital Improvement staffing into the Building Maintenance Program to provide guidance and technical support for CIP projects.
- ❑ Completed construction of Dona Spring Animal Shelter.
- ❑ Completed renovation of historic Ratcliff Building at the Corporation Yard.
- ❑ Submitted the Watershed Management Plan for Council adoption.

DEPARTMENT OF PUBLIC WORKS

- ❑ Replaced 6 miles of sanitary sewer mains and associated lower laterals, including Ashby Avenue, Cedar Street, and Adeline.
- ❑ Completed negotiations with the EPA on a Stipulated Order and entered into final negotiations for a Consent Decree expected by Fall of 2013.
- ❑ Issued a total of 2,229 private sewer lateral certificates in compliance with the Stipulated Order.
- ❑ Completed the 2nd year of an Inflow Elimination Program (“smoke testing”) in compliance with the Stipulated Order.
- ❑ Resurfaced 5 miles of streets, including Sacramento Street, Adeline, and 4th Street.
- ❑ Purchased and delivered 85 vehicles and pieces of major equipment.
- ❑ Completed 9th Street Bicycle Pathway from Ashby Avenue to Emeryville.
- ❑ Constructed the West Street Pathway.
- ❑ Completed Safe Routes to Transit Projects on Solano Avenue and Shattuck Avenue.

Work Plan Priorities for FY 2014 & FY 2015

- ❑ Implement Public Works’ *Strengthening Our Culture of Service* initiative.
- ❑ Execute the City’s Sewer System Asset Management Implementation Plan (AMIP) and rehabilitate 9 miles of sanitary sewers.
- ❑ Assure adequate sewer funding for regulatory compliance – increase fees as necessary.
- ❑ Adopt 5-Year Plan for Measure M (street paving/green infrastructure) and begin construction for the first year of the program.
- ❑ Construction of a Permeable Paver Pilot Project.
- ❑ Initiate implementation of the Watershed Management Plan.
- ❑ Increase residential food waste diversion: improve public outreach to encourage food scrap composting; provide information and pails to new residents.
- ❑ Develop and deliver outreach to improve commercial sector waste diversion, especially working with South Berkeley businesses.
- ❑ Enhance public education and staff training to increase diversion of C&D materials.
- ❑ Expand types of plastics that are accepted for recycling; increase diversion from residential and commercial sectors.
- ❑ Improve Transfer Station recycling systems and staffing to offer more opportunities for material diversion, and to monitor recycling loads.
- ❑ Analyze and propose a new refuse rate structure.
- ❑ Complete BART Plaza design, and environmental clearance.
- ❑ Execute contract for Center Street Garage Project Manager; and develop design and financial plan.
- ❑ Implement goBerkeley, including Value Priced Parking and Transportation Demand Management.
- ❑ Complete I-80 Gilman Project Study Report/Project Development Support.
- ❑ Receive environmental clearance and complete design for Hearst Corridor Complete Streets Project.
- ❑ Complete 50% of Bicycle Plan Update.
- ❑ Adopt Complete Streets Implementation Plan by December 2014.
- ❑ Implement automated coin counting for parking meter coin collections.
- ❑ Complete at least 50% of Ashby Avenue (SR 13) 4th Bore Settlement improvements by December 2014.
- ❑ Implement new computerized maintenance management system (CMMS) for sewers.

DEPARTMENT OF PUBLIC WORKS

- ❑ Select and execute contract with outside vendor for fleet parts.
- ❑ Continue to reduce equipment replacement backlog.
- ❑ Develop service level agreements for all buildings maintained by Public Works.
- ❑ Complete building assessment matrix for all City buildings under Public Works and PRW, identify unfunded liabilities within these facilities and develop a long-term CIP program.
- ❑ Construct seismic upgrades at James Kenny Recreation Center.

Significant Changes from Prior Year's Budget

- ❑ Reduce the Public Works General Fund budget by \$54,000.
- ❑ Increase funding by \$119,000 to cover the expense of increased utility and maintenance costs for facilities added to the building maintenance inventory.
- ❑ Implement recurring reductions across Funds (net of cost shifts and new positions) totaling approximately \$383,000.
- ❑ Increase revenue to the Building Maintenance Fund to more accurately reflect the cost of operations in FY 2015.
- ❑ Conduct a cost-service analysis and propose Refuse Collection Rate increase in FY 2015.
- ❑ Permanently eliminate 2.0 FTE in Solid Waste, 1.0 FTE in Property Management, and 1.0 FTE in Facilities Management – Electrical.
- ❑ Hold vacant 1.0 FTE through FY 2014 in Building Maintenance, and 1.0 FTE in the Clean City Program through FY 2015.
- ❑ Add 2.0 FTE in Parking Meter Collections, and 1.0 FTE Senior Management Analyst to be shared by several Divisions.

**DEPARTMENT OF PUBLIC WORKS
FINANCIAL SUMMARY**

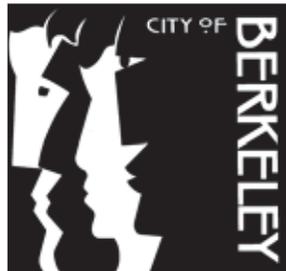
	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
EXPENDITURES					
By Type:					
Salaries and Benefits	37,560,870	38,963,486	38,535,201	40,935,984	41,799,548
Services and Materials	22,507,906	22,177,880	21,779,410	22,679,831	22,932,221
Capital Outlay	17,082,253	23,817,580	20,488,304	15,101,051	15,894,800
Internal Services	8,435,549	8,516,391	8,631,297	8,644,352	8,638,554
Indirect Cost Transfer	3,066,032	3,155,147	2,910,775	3,093,825	3,093,860
	88,652,610	96,630,484	92,344,987	90,455,043	92,358,983
By Division:					
Office of the Director	674,691	798,799	805,693	1,094,914	1,104,534
Administration	2,047,895	2,031,974	2,154,297	2,556,441	2,583,567
General Engineering	15,578,672	15,390,736	16,793,280	7,944,585	8,003,545
Capital Improvement Programs	265,551	58,142	60,249	10,357,284	10,787,642
Facilities Management	17,156,582	21,181,645	12,122,747	9,754,521	10,018,036
Streets and Sanitation	10,227,942	11,092,733	11,015,820	14,903,083	15,154,884
Zero Waste	27,593,206	27,546,563	27,845,832	28,222,988	28,520,362
Equipment Maintenance	7,312,268	9,223,289	11,015,115	10,327,649	10,885,026
Transportation	7,795,803	9,306,603	10,531,954	5,293,578	5,301,387
	88,652,610	96,630,484	92,344,987	90,455,043	92,358,983
By Fund:					
General Fund	2,641,401	2,702,309	2,333,305	2,590,838	2,615,995
Capital Improvement Fund	3,249,065	4,454,719	4,430,374	4,941,231	4,410,183
Federal Grants	1,202,822	1,603,329	19		
State/County Grants	2,904,612	2,327,004	1,874,597	792,375	1,277,225
Gas Taxes	5,953,977	5,890,571	6,485,329	6,219,901	6,059,161
Street Light Assessment	2,007,741	1,995,884	1,917,201	1,971,981	1,996,537
Parks Tax	84,489	807,256	196,271	39,996	39,996
Berkeley Redev. Agency Refuse	486,101	421,051			
Marina	31,340,132	32,017,578	32,262,446	32,343,166	33,170,482
Sanitary Sewer	838,805	1,114,826	251,548	163,479	165,059
Equipment Replacement	13,102,785	13,648,665	14,168,605	17,050,237	17,170,501
Equipment Maintenance	1,830,245	3,530,988	5,198,865	4,441,504	4,920,196
Building Maintenance	6,444,502	6,593,971	6,760,783	7,168,297	7,256,594
Building Maintenance	3,553,521	3,714,665	3,614,235	3,550,784	3,694,134
Bldg Purchase & Management	1,305,428	1,352,557	1,180,043	1,389,260	1,467,770
Bonds-Measure G//I/Q/R/GG	4,114,227	7,858,261	1,253,184	264,000	264,000
Clean Storm Water	1,915,723	1,641,221	1,926,141	1,914,315	1,925,418
Off Street Parking	2,107,544	2,234,909	2,054,456	2,277,849	2,283,607
Parking Meter Fund	2,123,549	2,031,080	3,499,171	2,549,156	2,848,709
Permit Service Center	388,234	350,013	340,514	370,261	374,291
Other	1,057,707	339,627	2,597,900	416,413	419,125
	88,652,610	96,630,484	92,344,987	90,455,043	92,358,983
General Fund FTE					
	13.52	13.52	12.42	13.02	13.02
Total FTE					
	297.60	292.85	287.60	285.60	286.60

**DEPARTMENT OF PUBLIC WORKS
FINANCIAL SUMMARY**

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
DIVISION/ACTIVITY SUMMARY					
Office of the Director					
Administration	674,691	798,799	805,693	790,890	797,413
Disability Services				304,024	307,121
Division Total	674,691	798,799	805,693	1,094,914	1,104,534
FTE Total	4.00	4.00	4.00	6.00	6.00
Administration					
Administration	1,081	1,158	1,466		
Admin & Fiscal Services	1,494,875	1,580,522	1,442,807	1,781,965	1,798,745
Corp Yar Admin.	336,369	231,195	440,983	419,143	422,313
Customer Service	215,570	219,099	269,041	355,333	362,509
Division Total	2,047,895	2,031,974	2,154,297	2,556,441	2,583,567
FTE Total	14.00	14.00	14.00	15.00	15.00
General Engineering					
Administration	815,940	841,704	1,016,914	1,157,750	1,162,313
General Engineering Services	363,990	279,850	170,590	380,750	385,249
Inspection and Permits	653,260	583,629	597,847	1,080,991	1,092,615
Capital Imps: Desgin & Mgmt.	13,745,482	13,685,553	15,007,929	5,325,094	5,363,368
Division Total	15,578,672	15,390,736	16,793,280	7,944,585	8,003,545
FTE Total	30.00	30.00	30.00	33.00	33.00
Capital Improvement Programs					
Capital Imp: Construction Cost	265,551	58,142	60,249	10,357,284	10,787,642
Division Total	265,551	58,142	60,249	10,357,284	10,787,642
FTE Total					
Facilities Management					
Administration	93,729	93,739	93,746	93,727	93,727
Routine Building Maintenance	2,212,274	2,011,767	1,649,375	2,116,558	2,299,427
Environmental Compliance	256,420	255,176	211,903	275,219	277,035
Communication System Maint.	851,863	3,360,066	1,019,283	1,184,236	1,197,522
Street Light.Maintenance	2,186,430	2,209,291	2,075,768	2,120,228	2,147,350
Traffic Signal Maintenance	769,839	808,766	805,626	962,172	981,087
Corp.Yard Shared OH Costs	274,290	297,919	284,631	303,432	303,762
General Electric	203,987	287,693	269,340	201,017	202,885
Janitorial Services	1,193,970	1,181,675	1,264,543	1,219,323	1,234,493
Property Management	1,029,535	1,186,887	1,112,445	973,489	975,628
ADA Building Improvements	138,718	144,082	161,173	300,120	300,120
Internal Non-Routine Mtc.	158,210	90,784	88,369	5,000	5,000
External Non-Routine Mtc.	5,359	86,062	9,032		
Capital Projects	7,781,958	9,167,738	3,077,513		
Division Total	17,156,582	21,181,645	12,122,747	9,754,521	10,018,036
FTE Total	43.00	42.00	41.00	35.00	35.00

**DEPARTMENT OF PUBLIC WORKS
FINANCIAL SUIMMARY**

	FY 2011 Actual	FY 2012 Actual	FY 2013 Adopted	FY 2014 Adopted	FY 2015 Adopted
DIVISION/ACTIVITY SUMMARY cont.					
Streets and Sanitation					
Administration	379,136	388,605	396,182	421,848	424,412
Clean Cities	3,247,798	3,631,773	3,715,601	3,711,890	3,755,757
Sanitary Sewer Maintenance	4,049,186	4,388,454	4,407,148	5,840,346	5,914,184
Storm Drain Maintenance	1,218,206	1,178,603	1,052,412	819,545	825,836
Traffic Maintenance				1,188,604	1,182,048
Street Maintenance	1,097,620	1,179,660	1,186,200	1,402,534	1,414,691
Sidewalk Maintenance	235,996	325,638	245,830		
Parking Meter Maintenance			12,447	960,771	1,071,994
Parking Meter Collection				557,545	565,962
Division Total	10,227,942	11,092,733	11,015,820	14,903,083	15,154,884
FTE Total	62.00	62.00	62.00	79.00	80.00
Zero Waste					
Administration	849,098	802,286	827,683	953,248	819,347
Residential Collect Service	3,818,417	4,062,475	4,079,950	4,483,118	4,603,995
Commercial Collection Service	3,634,578	3,643,883	3,318,636	3,406,093	3,433,877
Roll-Off Container Service	360,056	419,992	392,234	514,330	520,465
Container/Cart Maintenance	467,364	437,316	439,468	294,702	305,255
Litter Collection Service	520,499	591,737	530,059	262,273	264,196
Transfer & Disposal Service	9,059,892	9,079,735	8,348,941	9,132,460	9,131,807
Recycling Services	468,336	34,370			
Customer Service	227,848	6,430	5,822	8,958	8,735
Special Collections	74,688	13,654	15,948	9,669	9,669
Residential Recycling	6,152,524	6,294,379	7,799,654	7,151,059	7,452,982
Commercial Recycling	1,959,906	2,160,306	2,087,437	2,007,078	1,970,034
Division Total	27,593,206	27,546,563	27,845,832	28,222,988	28,520,362
FTE Total	97.00	93.00	89.00	87.00	87.00
Equipment Maintenance					
Administration	206,417	209,985	222,868	198,169	200,733
at Corp Yard	5,718,661	5,901,608	6,071,393	6,186,046	6,267,799
Equipment Replacement	1,362,372	3,072,324	4,720,854	3,920,434	4,393,494
Equipment Mtc. at Transfer Station	24,818	39,372		23,000	23,000
Division Total	7,312,268	9,223,289	11,015,115	10,327,649	10,885,026
FTE Total	18.00	18.00	18.00	18.00	18.00
Transportation					
Administration	569,312	704,717	721,651	602,129	606,464
Transportation Planning	566,101	898,005	1,288,048	667,073	672,208
Traffic Engineering	843,919	914,146	714,869	732,325	743,661
Parking Services	260,098	295,564	1,636,725	887,129	1,066,433
Center Street Garage	543,658	842,943	514,613	543,476	544,352
Telegraph/Channing Garage	1,141,689	1,366,977	1,075,544	1,143,503	1,144,406
Telegraph/Channing Mall	5,260	15,286	16,121	17,694	17,694
Surface Parking Lots	28,262	3,484	234	6,571	6,571
Other Lots/Meter Districts	4,344	6,613	7,106	5,000	5,150
Brower Center/Oxford Garage	156,948	265,382	169,404	153,678	153,899
Capital Projects	801,338	1,394,873	1,573,177	535,000	340,549
Traffic Maintenance	1,173,589	1,013,084	1,128,932		
Parking Meter Collection	524,288	526,579	603,333		
Repair/Maintenance	1,176,997	1,058,950	1,082,197		
Division Total	7,795,803	9,306,603	10,531,954	5,293,578	5,301,387
FTE Total	29.60	29.85	29.60	12.60	12.60
Department Total	88,652,610	96,630,484	92,344,987	90,455,043	92,358,983
FTE Total	297.60	292.85	287.60	285.60	286.60



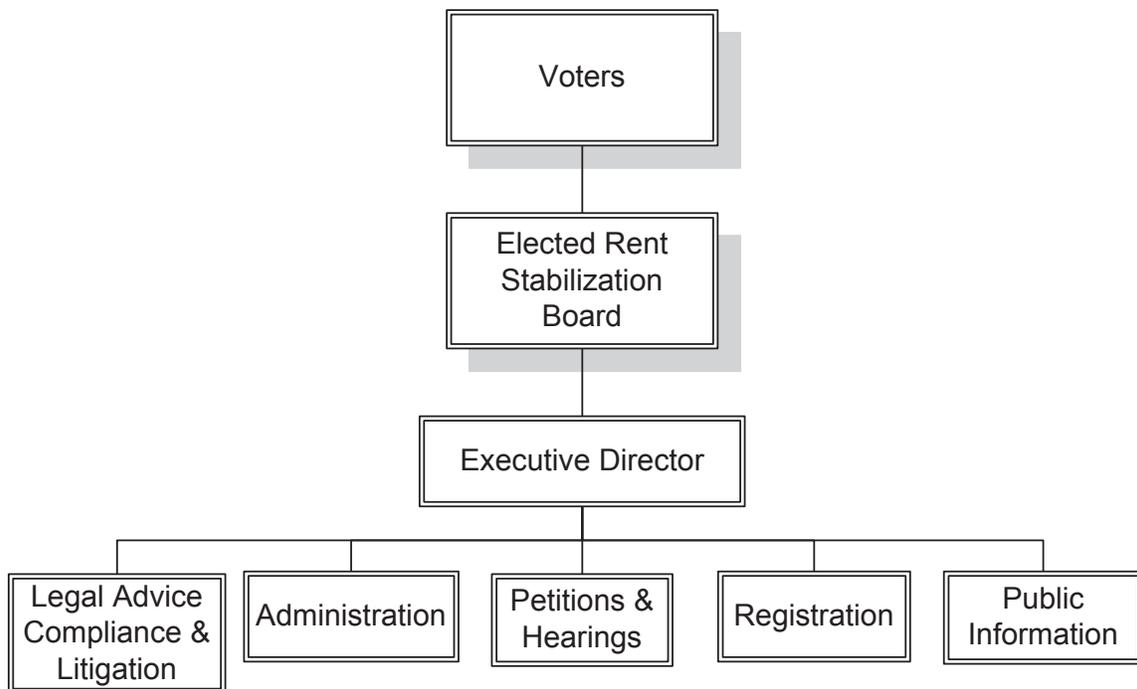
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RENT STABILIZATION PROGRAM

MISSION STATEMENT

The mission of the Rent Stabilization Program is to regulate residential rent increases and protect against unwarranted rent increases and evictions while providing a fair return to property owners. The Rent Stabilization Board and Program works to ensure compliance with legal obligations related to rental housing and to advance the housing policies of the City with regard to low and fixed income persons, minorities, students, disabled, and the aged.

ORGANIZATION CHART



Note: The Rent Stabilization Program budget is adopted by the Rent Stabilization Board. A copy of the Board's detail budget is available by contacting the Rent Stabilization Program. The Rent Stabilization Fund is included in the City's appropriation ordinance.

RENT STABILIZATION PROGRAM

Department Overview

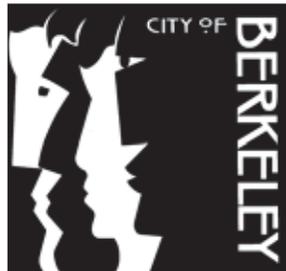
The purpose of the Rent Stabilization Ordinance is to provide stability in the lives of tenants while guaranteeing property owners a fair return on their investment. The stability is generated from regulated rent increases and protections against evictions that lack a good cause. An elected Rent Board governs the Rent Stabilization Ordinance. The Rent Stabilization Ordinance is administered by the Rent Stabilization Program, which is comprised of four divisions: Public Information/Registration, Hearings, Legal, and Administration. We focus our efforts on education, counseling, mediation and, when necessary, administrative hearings.

Berkeley has developed the most knowledgeable tenants and owners in the country via regular public presentations, mass mailings, extensive literature and topical articles and a very popular web page. Each month, counselors assist nearly 1,000 clients by phone, email or in person. Housing counselors provide informal mediation and a more formal mediation service is available with hearing examiners. Hearing examiners also conduct approximately 175 formal hearings a year in which a written decision is issued that is binding on the owner and the tenant.

RENT STABILIZATION BOARD FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
EXPENDITURES					
By Type:					
Salaries and Benefits	2,864,685	2,914,580	3,060,867	3,399,603	3,437,357
Services and Materials	757,425	751,144	895,395	576,918	539,042
Capital Outlay	3,864	10,539	10,276	5,500	5,500
Internal Services	21,566	20,043	18,549	17,021	17,021
Indirect Cost Transfer					
	<u>3,647,540</u>	<u>3,696,306</u>	<u>3,985,087</u>	<u>3,999,042</u>	<u>3,998,920</u>
By Division:					
Rent Stabilization Board	3,647,540	3,696,306	3,985,087	3,999,042	3,998,920
	<u>3,647,540</u>	<u>3,696,306</u>	<u>3,985,087</u>	<u>3,999,042</u>	<u>3,998,920</u>
By Fund:					
Rent Stabilization Board	3,647,540	3,696,306	3,985,087	3,999,042	3,998,920
	<u>3,647,540</u>	<u>3,696,306</u>	<u>3,985,087</u>	<u>3,999,042</u>	<u>3,998,920</u>

General Fund FTE					
Total FTE	19.85	19.45	21.95	20.45	20.45



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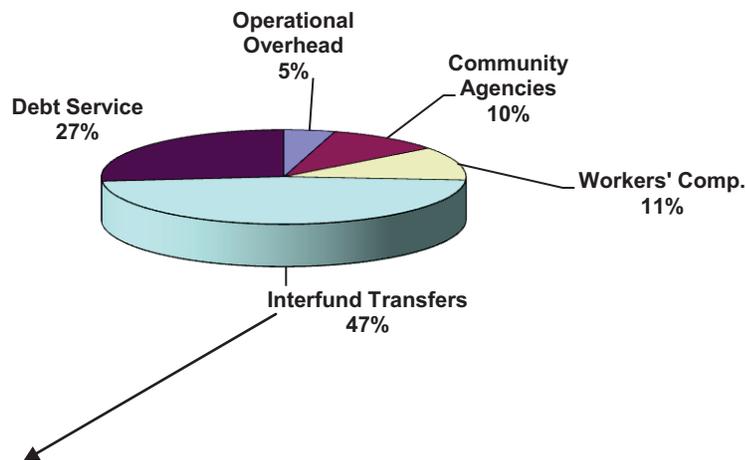
NON-DEPARTMENTAL (All City funds)

The Non-Departmental budget contains critical pieces of the City budget not attributable to a single program or department. The largest component of this budget is the transfer of funds or money from one fund to another, such as a General Fund transfer to the Capital Improvement Fund. Because most transfers are budgeted in two separate funds, the Non-Departmental budget and in an operating Department budget, they are considered “dual appropriations.” Dual appropriations, amounts that are designated in different areas, are balanced in the budget for a net appropriation amount.

Other components of the Non-Departmental budget include:

- Debt service costs for General Obligation Bonds
- Lease Purchase Agreements
- Certificates of Participation (C.O.P.s)
- The General Fund allocation for Community-Based Organizations
- General overhead costs such as Property Insurance and School Board Salaries

FY 2014 & FY 2015 Non-Departmental Adopted Budget (\$92,409,567)



Interfund Transfers Include transfers to:	FY 2014	FY 2015
Capital Project Fund from General Fund	\$ 4,434,453	4,848,269
Debt Service Funds	473,250	473,250
Public Liability Fund from General Fund	1,695,888	1,695,888
Mental Health/Public Health Funds	6,637,612	6,637,612
Other Fund Transfers	8,075,914	8,759,561
Total	21,317,117	22,414,580

NON-DEPARTMENTAL FINANCIAL SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted	FY 2015 Adopted
EXPENDITURES					
By Type:					
Salaries and Benefits					
Services and Materials	48,004,141	49,501,518	59,028,146	45,567,741	46,643,326
Capital Outlay					
Internal Services					
Indirect Cost Transfer					
Total	<u>48,004,141</u>	<u>49,501,518</u>	<u>59,028,146</u>	<u>45,567,741</u>	<u>46,643,326</u>
By Division:					
Operational Overhead	1,364,618	1,952,950	1,418,201	1,995,517	2,195,517
Community Agencies	5,007,619	4,434,612	4,370,342	4,660,965	4,660,965
Workers' Compensation	4,854,230	5,204,931	5,441,767	5,320,500	5,320,500
Debt Service	12,829,061	12,766,742	20,967,340	12,273,642	12,250,264
Interfund Transfers	23,948,613	25,142,283	26,830,496	21,317,117	22,414,580
Total	<u>48,004,141</u>	<u>49,501,518</u>	<u>59,028,146</u>	<u>45,567,741</u>	<u>46,841,826</u>
By Fund:					
General Fund	18,309,831	20,743,698	18,259,654	19,294,907	20,085,174
Capital Improvement	1,171,533	738,000	1,151,542	1,059,725	1,061,269
Section 108 HUD Loan	280,970	289,601	276,286	246,434	57,735
CDBG	279,903	164,053	129,600	136,605	136,605
UC Settlement	1,592,361	1,175,018	1,183,678	983,899	1,013,417
Workers Compensation	4,854,310	6,855,172	5,441,767	5,320,500	5,935,357
Sewer Fund			399,948	88,218	90,501
Off Street Parking	454,282	459,369	453,840	457,944	467,944
Parking Meter	800,000	905,000	1,005,000	1,005,000	1,005,000
Mental Health St. Realignment	2,604,024	2,604,024	2,604,024	2,080,570	2,080,570
Health State Aid Realignment	4,484,051	1,012,449	2,010,222	2,604,024	2,604,024
Debt Service	608,141	536,066	475,892	426,882	379,382
09 Measure FF Library Debt Service	881,311	1,556,359	1,606,759	1,605,759	1,609,059
CFD#1 Dis Fire Protect Bond	760,894	1,115,384	860,555	858,011	860,915
2012 Ref Lease Rev Bonds	634,463	623,326	6,888,270	459,563	502,917
Redevelopment Agency	2,185,726	710,902			
Successor Agency		971,131	3,057,957	1,004,998	1,005,268
2002 G.O. Refunding Bonds	1,454,247	1,462,466	1,457,483	1,458,220	1,457,345
Thousand Oaks Underground	99,328	98,248	102,011	100,628	99,202
GO Ref Bds, 2007 Sr A	226,667	209,042	279,917	308,041	329,541
GO Ref Bds, 2007 Sr B	3,006,442	2,741,367	2,741,867	2,745,066	2,736,066
F02 GO Bds Animal Shelter	436,058	436,345	441,270	440,933	440,421
Sustainable Energy Finance	30,868	30,850	37,117	32,285	32,301
2010 COP (Animal Shelter)	210,721	316,360	414,900	411,610	413,154
Measure FF - Branch Renovations	310,207				
Building Purchases & Mgmt	1,888,404	1,890,275	4,341,073	1,887,419	1,888,159
Other	439,399	1,857,013	3,407,514	550,500	550,500
Total	<u>48,004,141</u>	<u>49,501,518</u>	<u>59,028,146</u>	<u>45,567,741</u>	<u>46,841,826</u>

FY 2014 ADOPTED COMMUNITY AGENCY ALLOCATIONS

The City of Berkeley prides itself in its support of community-based organizations and the incredible extension of critical services these agencies provide Berkeley citizens. The Adopted Budget contains appropriation recommendations only for FY 2014. Funding for FY 2015 will be contingent upon Federal funding levels, but the budget plans to continue FY 2014 General Fund funding levels in FY 2015.

Allocation Process

Every two years, the City of Berkeley combines multiple sources of funds into one consolidated *Request for Proposals* (RFP) and allocation process for community agencies. These funds are used to support public services and capital projects that benefit people with incomes at 80% of Area Median Income or below. Health, Housing & Community Services Department staff manages the RFP and allocation process and coordinates the review process among four commissions: the Housing Advisory (HAC), Homeless, Human Welfare and Community Action (HWCAC) and Children, Youth and Recreation Commissions. The consolidated allocation process includes specific recommendations for CDBG and ESG funds to community agencies. During this round 53 agencies requested over \$7 million in funding for 98 projects. Four review commissions recommended funding for 92 projects for a total of \$6.2 million. This year, Commissions engaged in an abbreviated review process, which shortened the application itself, eliminated site visits to agencies and limited the amount of staff time available for extra meetings. Despite the abbreviated process, all review Commissions were able to develop thoughtful recommendations.

Commissioners and City staff reviewed and rated proposals during the months of January and February. Of the 98 projects proposed, the City Manager and Review Commissions agree on recommended funding levels for 91. There was complete agreement between the City Manager and the Housing Advisory Commission, the City Manager and the Homeless Commission, and the City Manager and the Children Youth and Recreation Commission.

The Adopted Budget recommends no reductions to the overall amount of General Funds available to community agencies in FY 2014 or FY 2015. However, the City may need to re-evaluate available local revenue to support the second year funding and may have to re-visit funding levels next year. Additionally, if there are further federal funding reductions next year, it may be necessary to re-visit community agency funding levels for FY 2015. The Adopted Budget also recommends continuing to budget for an allocation of Community Services Block Grant Funds for each year, less a projected 8.2% cut due to the impacts of sequestration.

Funding for Arts projects continues to pass through a separate allocation process involving the Civic Arts Commission. Public Health, Mental Health, and Public Works community agency allocations are also allocated through different processes.

FY 2014 ADOPTED COMMUNITY AGENCY ALLOCATIONS

Funding Summary

For FY 2014, the City will spend \$8,037,726 in General Funds, Federal Funds, and other funds for community agencies. This amount represents a 1% increase from the \$7,930,372 amount allocated to community agencies in FY 2013.

The FY 2014 Adopted Budget Community Agency Allocation chart shows the FY 2013 allocation amounts and the FY 2014 Adopted allocations approved when the Council adopted the budget on June 25, 2013.

The following charts represent a listing of the entire community agency allocations adopted for FY 2014. These charts show the following:

- FY 2014 Community Allocations by Service Type
- FY 2014 Adopted Budget Community Agency Allocations for all funding sources

FY 2015 funding will be contingent upon federal funding levels and program performance. This adopted budget assumes a continuation of FY 2014 General Fund funding level for FY 2015.

FY 2014 Community Agency Allocations by Service Type

	General Funds	Federal Funds	Other Funds	All Sources
Arts	\$305,733	\$0	\$0	\$305,733
Childcare	518,991	-	-	\$518,991
Community Facilities Improvements	-	209,427	-	\$209,427
Community Media	230,710	-	-	\$230,710
Disability Programs	140,868	140,219	1,004,192	\$1,285,279
Economic Development	436,204	-	-	\$436,204
Employment Training	207,595	50,852	-	\$258,447
Health	276,609	-	-	\$276,609
Homeless	2,277,233	536,763	20,000	\$2,833,996
Housing Dev & Rehab	14,819	380,613	-	\$395,432
Legal/ Advocacy	48,078	34,932	-	\$83,010
Other	213,306	-	-	\$213,306
Recreation	18,573	-	-	\$18,573
Seniors	29,063	-	-	\$29,063
Youth	874,852	68,094	-	\$942,946
TOTAL	\$5,592,634	\$1,420,900	\$1,024,192	\$8,037,726

Funding by Category	FY 2013 All Sources	FY 2014 All Sources	% Change
Arts	\$305,732	\$305,733	0%
Childcare	\$532,297	\$518,991	-2%
Community Facilities Improvements	\$260,016	\$209,427	-19%
Community Media	\$230,710	\$230,710	0%
Disability Programs	\$1,231,828	\$1,285,279	4%
Economic Development	\$410,984	\$436,204	6%
Employment Training	\$258,448	\$258,447	0%
Health	\$261,609	\$276,609	6%
Homeless	\$2,904,654	\$2,833,996	-2%
Housing Dev & Rehab	\$395,430	\$395,432	0%
Legal/ Advocacy	\$83,010	\$83,010	0%
Other	\$236,305	\$213,306	-10%
Recreation	\$18,573	\$18,573	0%
Seniors	\$29,063	\$29,063	0%
Youth	\$771,711	\$942,946	22%
	\$7,930,372	\$8,037,726	1%

FY 2014 Community Agency Allocations - All Funds

Agency/Individual Name	FY 2013 Allocations	FY 2014 Adopted	CDBG	CSBG	ESG	General Fund	Other Funds
Arts							
Berkeley Art Center	66,652	66,652				66,652	
Civic Arts Grants	239,081	239,081				239,081	
Arts Total	305,732	305,733				305,733	
Childcare							
Bay Area Hispano Institute for Advancement	106,389	103,729				103,729	
Bananas	144,437	250,135				250,135	
Berkeley-Albany Licensed Day Care Operators	112,112	0					
Ephesians Children's Center - Childcare Program	87,535	85,347				85,347	
Nia House Learning Center	34,246	33,390				33,390	
St. John's Child Care	47,579	46,390				46,390	
Childcare Total	532,297	518,991				518,991	
Community Facilities Improvements							
A Better Way - Facilities Project	-	32,273	32,273				
Alzheimer's Services of the East Bay Facility Project	47,670	26,689	26,689				
Bay Area Hispano Institute for Advancement James Kenney Exterior Siding	18,450	0					
Berkeley Food & Housing Project Facility Project	92,406	40,000	40,000				
Building Opportunities for Self Sufficiency: McKinley House	30,582	-					
Fred Finch Youth Center Facility Improvements	10,240	24,500	24,500				
Lifelong Medical Care Dental Clinic Flooring	36,093	61,390	61,390				
Rebuilding Together Community Facilities	24,575	24,575	24,575				
Community Facilities Improvements Total	260,016	209,427	209,427				
Community Media							
Berkeley Community Media	230,710	230,710				230,710	
Community Media Total	230,710	230,710				230,710	
Disability Programs							
Bay Area Outreach and Recreation Program Recreational Services for the Disabled	41,649	40,608				40,608	
Berkeley Place	16,985	16,985				16,985	
Bonita House Creative Wellness Center	14,426	14,426				14,426	
Center for Early Intervention on Deafness		5,000				5,000	
Center for Independent Living: Residential Access Project for Disabled	140,219	140,219	140,219				
Employment	36,607	36,607				36,607	
Easy Does It	954,701	1,004,192					1,004,192
Through the Looking Glass	27,242	27,242				27,242	
Disability Programs Total	1,231,828	1,285,279	140,219			140,868	1,004,192
Economic Development							
Berkeley Convention and Visitors Bureau	410,984	436,204				436,204	
Economic Development Total	410,984	436,204				436,204	
Employment Training							
Bread Project	41,165	41,165				41,165	
Inter-City Services	95,036	95,036				95,036	
Multicultural Institute Lifeskills Program	71,394	71,394				71,394	
Rising Sun – Green Energy Training Services	50,852	50,852	50,852				
Employment Training Total	258,448	258,447	50,852			207,595	
Health							
Lifelong Medical Care: Access for Uninsured (BPC, WBF, Uninsured)	138,045	138,045				138,045	
Primary Geriatric Care	43,176	43,176				43,176	
Hypertension/Chronic Health Program	80,388	80,388				80,388	
Berkeley Free Clinic Free Women and Transgender Health Care		15,000				15,000	

FY 2014 Community Agency Allocations - All Funds

Agency/Individual Name	FY 2013 Allocations	FY 2014 Adopted	CDBG	CSBG	ESG	General Fund	Other Funds
Health Total	261,609	276,609				276,609	
Homeless Services							
Alameda County Homeless Action Center							
SSI Advocacy Project	73,613	73,613				53,613	20,000
PCEI -SSI Advocacy	52,736	52,736				52,736	
Alameda County Network of Mental Health Clients							
Berkeley Drop-In Center /Shelter Plus Care	89,817	89,817				89,817	
Berkeley Food & Housing Project							
MSC: Case Management Center	10,123	10,123				10,123	
MSC: Multi-Service Center	197,294	197,294				197,294	
MSC: Shelter Plus Care Administration	23,593	23,593				23,593	
MSC: Winter Shelter	5,986	5,986				5,986	
Men's Housing Program	180,986	180,986	180,986				
Quarter Meal	45,786	45,786				45,786	
Russell Street Supportive Housing Program	13,045	13,045				13,045	
Women's Shelter	116,469	116,469				116,469	
Housing Retention Program	63,573	63,573				63,573	
PCEI: Centralized Shelter Reservation Program	34,103	34,103				34,103	
Priority Home Program	284,583	143,916			134,568	9,348	
Homeward Bound		7,130				7,130	
Bonita House							
Supported Independent Living/Shelter Plus	18,151	18,151				18,151	
Building Opportunities for Self Sufficiency:							
MASC/Shelter Plus Care	187,163	187,163		140,000		47,163	
MASC Health & Human Services Locker	39,562	39,562				39,562	
Harrison House Singles/Recovery Services	110,277	110,277		19,324		90,953	
Harrison House Family Shelter	27,706	27,706				27,706	
Harrison House Sankofa Transitional Housing	26,253	26,253				26,253	
City of Berkeley EveryOne Home	15,000	15,000				15,000	
City of Oakland - Winter Shelter Program	61,000	61,000				61,000	
Dorothy Day							
Berkeley Emergency Storm Shelter	16,206	16,206				16,206	
Trinity Church Breakfast Program	41,223	41,223				41,223	
Family Violence Law Center - Domestic Violence & Homelessness Prevention Project	87,030	87,030				87,030	
Fred Finch Youth Center:							
Turning Point	86,655	86,655				86,655	
Homeless Coordinated Assessment/Intake Project		74,667				74,667	
Lifelong Medical Care:							
Acupuncture Detox Clinic	64,656	64,656				64,656	
COACH Shelter Plus Care Social Worker	58,322	58,322				58,322	
Supportive Housing Program UA Homes	52,250	52,250				52,250	
PCEI: Square One Supportive Housing	95,330	95,330				95,330	
New Bridge Foundation	83,537	50,000				50,000	
Options Recovery Services - Detox Services & Day							
Case Manager/Housing Benefits Coordinator	39,311	39,311				39,311	
Day Treatment Program	38,132	38,132				38,132	
Dual Diagnosis Clinic	114,396	114,396				114,396	
Rubicon							
Workforce Services /Shelter Plus Care	35,266	35,266				35,266	
Work Maturity Training Program	55,292	55,292				55,292	
Telegraph Business Improvement District							
PCEI: Berkeley Host Program	49,139	49,139				49,139	
Toolworks, Inc. Supportive Housing	47,665	47,665				47,665	
United for Health	9,828	9,828				9,828	
Women's Daytime Drop-In Center:							
Homeless Case Management and Health Care Services	115,793	135,793	61,885			73,908	
Bridget Transitional House Case Management	23,838	23,838				23,838	
Winter Shelter	4,850	4,850				4,850	
Homeward Bound		1,750				1,750	
Youth Engagement Advocacy Housing							
Youth Emergency Assistance Hostel	109,115	109,115				109,115	

FY 2014 Community Agency Allocations - All Funds

Agency/Individual Name	FY 2013 Allocations	FY 2014 Adopted	CDBG	CSBG	ESG	General Fund	Other Funds
Homeless Services Total	2,904,654	2,833,996	242,871	159,324	134,568	2,277,233	20,000
Housing Development & Rehabilitation							
Affordable Housing Associates							
CHDO General Operating Support	refer to HTF	refer to HTF					
Bay Area Community Land Trust	4,990	4,991				4,991	
Community Energy Services Corporation	282,334	282,334	282,334				
Rebuilding Together							
Safe Home Project	98,279	98,279	98,279				
Resources for Community Development							
Rehab of U.A. Homes and U.A. Coop	refer to HTF	refer to HTF					
Social Services at Special Needs Housing	9,828	9,828				9,828	
Housing Development & Rehabilitation Total	395,430	395,432	380,613			14,819	
Legal/Advocacy							
East Bay Community Law Center							
Criminal Records Remedies Advocacy	9,618	9,618				9,618	
Housing Advocacy	19,235	19,235				19,235	
Neighborhood Justice Clinic	19,225	19,225				19,225	
Fair Housing Agency	34,932	34,932	34,932				
Legal/Advocacy Total	83,010	83,010	34,932			48,078	
Other							
Animal Rescue	23,812	23,812				23,812	
Berkeley Alliance	57,147	49,147				49,147	
Berkeley Community Gardening Collaborative	10,123	10,123				10,123	
Eden Information & Referral	35,000	35,000				35,000	
McGee Avenue Baptist Church	16,821	16,821				16,821	
Sisters Together Empowering Peers (STEP)	13,759	13,759				13,759	
SEEDS Community Resolution Center	71,434	56,434				56,434	
South Berkeley Community Church - Nutrition	8,210	8,210				8,210	
Other Total	236,305	213,306				213,306	
Recreation							
Ephesians Children's Center - Greg Brown Park Supervision	18,573	18,573				18,573	
Recreation Total	18,573	18,573				18,573	
Seniors							
Alzheimer's Services of the East Bay							
Dementia Specific Services	19,235	19,235				19,235	
J-Sei (formerly Japanese American Services of the East Bay)	9,828	9,828				9,828	
Seniors Total	29,063	29,063				29,063	
Youth							
2020 Vision Evaluation, Training and Technical Assistance		87,308				87,308	
A Better Way							
Mental Health Services for Uninsured Children		59,166				59,166	
Alive and Free		22,500				22,500	
Bay Area Community Resources							
Malcolm X School Counseling	18,014	17,564				17,564	
Berkeley Boosters:							
Police Activities League Youth Development	118,857	0					
Berkeley High School Bridge Program		54,000				54,000	
Berkeley Youth Alternatives:							
Afterschool Program	27,284	26,602				26,602	
Counseling	17,443	17,007				17,007	
Parks - Youth Employment	29,484	28,747				28,747	
Biotech Partners – Biotech Academy at Berkeley	69,840	68,094	68,094				
BUILD: Equity Through Literacy		10,000				10,000	
K to College		20,000				20,000	
Lifelong Medical Care:							
Rosa Parks Collaborative	45,953	44,804				44,804	
Multicultural Institute Youth Mentoring	34,465	33,603				33,603	
Pacific Center for Human Growth - Safer Schools Project	23,841	23,245				23,245	
RISE Program	221,578	216,039				216,039	

FY 2014 Community Agency Allocations - All Funds

Agency/Individual Name	FY 2013 Allocations	FY 2014 Adopted	CDBG	CSBG	ESG	General Fund	Other Funds
SEEDS Community Resolution Center - Restorative Justice in Schools		25,000				25,000	
South Berkeley Community Church - Youth Program	13,612	13,272				13,272	
Stiles Hall	46,474	45,312				45,312	
UC Berkeley - CalCorps Public Service Center	48,109	46,906				46,906	
Waterside Workshop							
Youth Boat Building	12,285	0					
Youth Bike Mechanics	9,828	0					
Youth Spirit Artworks							
Vocational Arts Training	34,643	33,777				33,777	
BUSD Homeless Student Program		50,000				50,000	
Youth Total	771,711	942,946	68,094			874,852	
TOTAL COMMUNITY AGENCY ALLOCATIONS	7,930,372	8,037,726	1,127,008	159,324	134,568	5,592,634	1,024,192

o Community Development Block Grant (CDBG)/Emergency Solutions Grant (ESG)

Street Events and Festivals Adopted FY 2014 and FY 2015 Funding

EVENT NAME	Adopted FY 2011	Adopted FY 2012	Adopted FY 2013	Adopted FY 2014	Adopted FY 2015
Recurring Cash Grants					
Berkeley Arts Festival	10,000	10,000	10,000	10,000	10,000
Cesar Chavez Commemoration	4,500	4,500	4,500	4,500	4,500
Cinco de Mayo	4,050	4,000	4,000	4,000	4,000
Earth Day	4,050	4,050	4,050	4,050	4,050
Elmwood Festival	2,700	2,700	2,700	2,700	2,700
How Berkeley Can You Be?	8,100	-	-	-	-
Indigenous Peoples' Day	4,050	4,050	4,050	4,050	4,050
Juneteenth Festival	4,050	4,050	4,050	4,050	4,050
Poetry Festival	3,240	3,240	3,240	3,240	3,240
Solano Stroll	5,000	5,000	5,000	5,000	5,000
Stonewall Festival	5,400	5,000	5,000	5,000	5,000
Sundays on Telegraph				15,000	15,000
Sunday Streets				30,000	30,000
TAA World Music Festival	4,500	4,500	4,500	9,000	9,000
Telegraph Avenue Holiday Fair	2,025	2,025	2,025	2,025	2,025
SF Mime Troupe	950	950	950	1,450	1,450
Miscellaneous/Unallocated	3,375	3,375	3,375		
Subtotal:	65,990	57,440	57,440	104,065	104,065
<i>less non-recurring events (2011)</i>	17,550				
FY 2011 Adjusted	48,440	57,440	57,440	104,065	104,065
Recurring Expenses					
Personnel Overtime	16,200	16,200	16,200	23,314	23,314
Portable Toilets	9,000	9,000	9,000	11,500	11,500
Insurance	10,350	10,350	10,350	14,000	14,000
Subtotal:	35,550	35,550	35,550	48,814	48,814
Total Recurring Funding:	101,540	92,990	92,990	152,879	152,879
Adjustments	(17,550)	-	-	-	-
Total Costs	83,990	92,990	92,990	152,879	152,879

GLOSSARY OF BUDGET TERMS

Accounting System - The total set of records and procedures used to record, classify, and report information on the financial status and operations of an entity.

Activity - A unit of budgetary accountability and control that encompasses specific and distinguishable lines of work performance for the purpose of accomplishing a function for which the City is responsible.

Adopted Budget - The budget document formally approved by the City Council.

Allocated Costs – A method for allocating overhead time and other expenses to activities that provide direct services.

Allotments - Management allocation of appropriated funds subject to legal constraints.

Appropriation - An authorization granted by the City Council to make expenditures and to incur obligations for purposes specified in the Appropriation Ordinance. An appropriation is usually for a fixed amount and time limited, and must be expended before the deadline.

Assessed Valuation - A valuation set upon real estate or other property by the County Assessor and the State as a basis for levying taxes.

Authorized Positions - Positions approved by the City Council which may or may not have funding (see Budgeted Positions).

Base Budget – Those resources necessary to meet an established and existing service level.

Basis of Budgeting - Basis of budgeting refers to the method used for recognizing revenues and expenditures in budget. The City uses the modified accrual basis of accounting for budgetary purposes, which is in compliance with Generally Accepted Accounting Principles.

Beginning Fund Balance - Fund balance available in a fund from the end of the prior year for use in the following year.

Bond - A City may raise capital funds by issuing a written promise to pay a specified sum of money, called the face value or principal amount; at a specified date or dates in the future, together with the periodic interest at a specified rate.

Bond Interest and Redemption - Payment of interest and principal on an obligation resulting from the issuance of bonds.

Budget - A planning and controlling document for financial operation with estimates of proposed expenditures and revenues for a given period of time, usually one year. A plan or action expressed in figures.

Budget Calendar - The schedule of key dates or milestones that a government follows in the preparation and adoption of the budget.

GLOSSARY OF BUDGET TERMS

Budget Document - The official written statement prepared by the budget office and supporting staff.

Budget Message - A general written description summarizing the proposed budget. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the City Manager.

Budget Modification - A change of expenditure levels and corresponding resources needed to accomplish an existing service level or unanticipated service. All budget modifications are reflected in the current year budget and are approved by the City Council through the Annual Appropriations Ordinance.

Budgeted Positions - The number of full-time equivalent positions to be funded in the budget. Example: Funding of two half-time positions would equal one full-time equivalent position.

Budget Supplement - A request for an increase or decrease in an existing service level (over and above the base budget).

Capital Improvement Budget - A plan for capital expenditures and the means of financing them, to be incurred each year over a fixed period of years, to meet capital needs arising from long-term work program. Included are expenditures made for land, building, permanent public works projects, major reconstruction or renovation of structures, and major landscaping or park improvements.

Capital Outlays - Expenditures for the acquisition of capital assets.

Carry-over Balance - Balance of funds brought forward from prior years.

CDBG - The Community Development Block Grant (CDBG) is a federal program for the development of housing and community projects. Funds are awarded to community based agencies on an annual basis to carry out these activities

City Charter - Legal authority approved by the voters of the City of Berkeley under the State of California Constitution establishing the government organization.

Community Agencies - Non-City agencies in Berkeley which provide public services with some financial assistance from the City. These monies may come either from the General Fund, CSBG or CDBG.

Contingency - Funds appropriated by the City Council for unforeseen needs.

Consultants - Fees paid to outside individuals who provide advice or services.

Debt Service - Actual cost of interest and principal on bond maturities as well as revenue anticipation notes.

Description - Contains a list of the typical activities of programs.

Department - An organizational unit comprised of divisions or programs. It is

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possible for a department to be comprised of only one division.

Discretionary Revenue - Money that the City Council has the authority to allocate for any purpose. Often refers to the General Fund, as opposed to Special Funds.

Division - A functional grouping of related activities within a department. There are usually several activities within a division.

Dual Appropriation - Revenue that is initially budgeted for receipt in one fund and subsequently transferred for expenditure in another fund.

Employee Benefits - The cost to the City for contribution to employee retirement, social security, health and workers' compensation programs.

Employee Years - The number of positions that full-time employees would occupy during a regular work period. For example, two half-time employees would constitute one employee year.

Encumbrance - Funds not yet expended and are delegated or set aside in anticipation of an expenditure in the form of a purchase order, contract, or other commitment, chargeable to an appropriation. These funds cease to be an encumbrance when paid.

Enterprise Fund - Established to finance and account for the operation and maintenance of facilities and services which are predominately self-supporting by user charges.

Expenditure - Designates the cost of goods delivered or services rendered, whether paid or unpaid. Where accounts are kept on the accrual or modified accrual basis of accounting, costs are recorded when goods are received or services rendered. Where accounts are kept on a cash basis, expenditures are recognized when the cash payments are made.

Fair Market Value - The value of a piece of real estate in the open market. Used to determine the assessed value of property for taxing purposes.

Fees - A charge to cover the cost of services (e.g., building inspection fee, zoning fee, etc.).

Fiscal Year - A twelve-month period of time to which the budget applies. For the City of Berkeley, this period is from July 1 through June 30.

Fixed Asset - A tangible item of a long-term character such as land, buildings, furniture, and other equipment with a unit cost in excess of \$5,000.

Fringe Benefits - Benefits to City employees, in addition to salaries, paid by the City. These benefits include social security, pensions, workers' compensation, unemployment compensation, life and health insurance.

Full Time Equivalency (FTE) - One or more employee positions totaling one full year of service or approximately 2080 hours a year.

Fund - A independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or

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other resources, together with all related liabilities, obligations, reserves and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations.

Fund Balance – Within a specific operating fund, the net of expenditures and revenues.

Funding Source – Identifies fund(s) that will provide resources for City expenditures.

Gas Tax Fund – This fund is required by State law to account for gas tax revenues received from the State and expended for construction and maintenance of City streets.

General Fund - The primary fund of the City used to account for all revenues and expenditures of the City not legally restricted as to use.

General Obligation Bond - A bond whose repayment is guaranteed by pledging all the assets and revenues of a government agency.

General Plan – The General Plan is a long-range planning document that provides the City a framework for action and the direction in which to focus that action. General Plan Elements are areas in which the City has elected to administer and manage the delivery of services to its community.

General Revenue - General sources of income the City collects and receives into the Treasury for public use (e.g., property tax). There are no restrictions as to the use of these monies - often referred to as Discretionary Revenue.

Grant - A contribution from one government unit to another, usually made for a specific purpose and time period.

Interfund Transfers - Monies appropriated from one fund to another fund. This is done to reimburse the fund for expenses or to finance the operation of the other fund.

InterDepartmental Charges - Departments charging to perform or provide specific services to other City departments on a cost for services basis. The services performed are charged to the using department.

Internal Service Funds – These are funds used to account for the financing of goods or services provided by one department or program to other departments or programs of the City on a cost-reimbursement basis.

Lost Time - A measure used by departments to measure excessive absenteeism. It is derived by adding an employee's sick time, workers' compensation, and any other unpaid absences.

Mandate (Mandated Services) – A legal requirement, usually imposed by State or Federal law. This term is used to refer to City services, which are provided to comply with State or Federal laws.

Materials, Supplies and Services - Expenditures for materials, supplies and related services which are ordinarily consumed within a fiscal year and which are not included in department inventories.

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Municipal Code - A book that contains City Council approved ordinances presently in effect. The Code defines City policies in various categories.

Objectives - Identifies the desired results of the activities of a program.

Operating Budget – A programmatic, financial, and organizational plan for furthering the goals of the City Council through departments of the City, which does not include capital improvement projects.

Operating Expenses – Expenses incurred as a result of day-to-day operations.

Ordinance - A formal legislative enactment by the City Council. It has the full force and effect of law within the City boundaries unless it is in conflict with any higher form of law, such as a State statute or constitutional provision. An ordinance has higher legal standing than a resolution. A law set forth by a government authority, specifically, a municipal regulation.

Performance Indicator – A performance indicator is a measurement designed by a reasoning process to determine whether or not a service objective has been met. It measures the effectiveness of achieving the objective or how well the objective has been accomplished.

PERS - Public Employees Retirement System. - A pension plan administered by the State of California for government agencies.

Personnel Expenditures - Salaries and wages paid to employees.

Program Revenues – Revenues received by a department as a result of the services or operations of that department (such as user fees), which are used to finance the related services or programs. Program Revenue is not discretionary (general-purpose) revenue.

Property Tax – California State Constitution Article XIII A provide that the combined maximum property tax rate on any given property equal 1% of its assessed value unless an additional amount has been approved by voters for special taxes or general obligation bonds. The County assesses properties, bills and collects these property taxes. The County remits the City's share, including all penalties and interest.

Property Transfer Tax – This tax is levied at a rate of \$1.50 per \$100 of the value of consideration of equity value transferred. The County collects the tax and the City receives the revenues. The City can use up to one third of the revenue for seismic retrofits. Revenues are dependent on how frequently the property is transferred and on the accrued value at the time of transfer.

Proposed Budget - The working document for the fiscal year under discussion.

Purchase Order - Authorizes the delivery of specific goods or services, and incurrence of debt for them.

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Redevelopment Agency Fund - This fund accounts for the activities of the Redevelopment Agency of the City, which was created by the City Council and carry out redevelopment plans for designated areas of the City.

Refuse Fund – This fund accounts for the revenues and expenses related to refuse collection and solid waste disposal services.

Repairs and Maintenance - Expenditures for repairs and maintenance of all equipment and supplies, buildings, structures and grounds.

Reserve - An account used to earmark a portion of the fund balance as legally segregated for a specific use.

Resolution - A special order of the City Council that requires less legal formality than an ordinance in terms of public notice and the number of public readings prior to approval.

Restricted Use Funds – Funds designated for use for a specific purpose.

Revenue Bonds - A type of bond usually issued to construct facilities. The bonds are repaid from revenue produced by the operation of those facilities.

Revenues - Amounts estimated to be available for appropriation during the fiscal year. Included are carry-over balances and new revenues.

Salary Savings - That percentage or dollar amount of salaries which can be

expected to be unspent during the fiscal year due to vacancies and employees receiving less than the top-step pay of the classification.

Sales Tax - The City receives one percent of the 9.75% of taxes assessed on retail sales or leases of tangible personal property in the City.

Secured Taxes - Taxes levied on real properties in the City which are "secured" by liens on the properties.

Service Level – Indicates a project's effect on existing levels of service provision or identifies a new service to be provided to the public.

Special Assessment Fund - A fund used to account for the financing of public improvements or services deemed to benefit primarily the properties against which special assessments are levied.

Special District - Independent unit of local government generally organized to perform a single function.

Specialized Services - Services that are not otherwise categorized, such as title searches, police work for private parties, consultant fees, library materials, fringe benefits and loans.

Spending Limitation (Gann Limit) – Article XIII B of the California Constitution establishes a spending limitation on government agencies within California. The spending limit is a mandated calculation of how much the City is allowed to expend in one fiscal year. The amounts of appropriations subject to the limit are budgeted proceeds of taxes. The total of these

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budgeted revenues cannot exceed the total appropriations limit. Annually, local governments may increase the appropriate limit by a factor comprised of the change in population combined with the California inflation rate as determined by the State Finance Department.

Supplemental Assessment- An assessment of real property occurring after the real property lien date of January 1st of each year as a result of new construction or a change in ownership. The assessor determines the new value of the property based on current market values, and then calculates the difference between the new value and the old value set on January 1st.

Tax Levy - Amount of tax dollars raised by the imposition of the tax rate on the assessed valuation of property.

Tax Rate - The amount of tax levied for each \$100 of assessed valuation.

Transient Occupancy Tax - A 12% tax is levied on charges for occupancy of hotel and motel rooms for stays of 30 days or less. The City's lodging industry is largely dedicated to serving its industrial base.

Transportation - Transportation and travel-related expenses incurred in the performance of official City business.

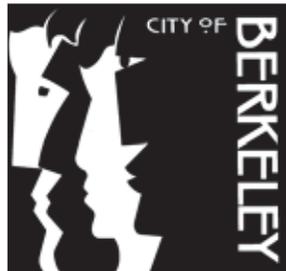
Unfunded (Supplemental) Requests - An item for which funding is not included by the City Administrator due to financial limitations, not because the request lacks merit. The Council may act to include them in the final budget, which

may require reordering of budget priorities.

Unfunded Liabilities - Unfunded liabilities are defined as identifiable obligations of an organization for which the organization does not have 100% of the funding (cash or other assets) set aside to cover the cost should all obligations become immediately due.

Utility Users Tax – A 7.5% tax is levied on utility billings for gas and electric and intra-state telephone services.

Year-End – This term means as of June 30th (end of the fiscal year).



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