



Office of the City Manager

SUPPLEMENTAL AGENDA MATERIAL for Supplemental Packet 2

Meeting Date: June 13, 2023

Item Number: 23

Item Description: FY 2024 Proposed Budget Update Public Hearing #2

Submitted by: Sharon Friedrichsen, Budget Manager

The supplemental agenda materials include the following items:

1. The FY 2023 Third Quarter Revenue Report prepared by the City's Finance Director
2. Responses to questions from the May 16, 2023 Budget and Finance Policy Committee and City Council meetings on the FY 2024 Proposed Budget
3. A consolidated list of department funding requests and Council budget referrals through June 6, 2023. These items have not been included within the FY 2024 Proposed Budget at this time.

Five Year General Fund Salary Savings Narrative

General Fund Target Savings is budgeted in department budgets and the savings is realized immediately. This means that there is an account code in the financial system for salary savings with a negative amount and this amount is deducted from a department's budget thereby reducing total expenditures. For example, a department's original budget of \$ 3,513,623 is reduced by \$236,377, the Target Savings, to a new budget of \$3,277,246.

The Target Savings is based upon a formula that multiplies the total General Fund personnel (salaries and benefits) budget by a percentage. From FY 2018 through FY 2022, most departments were budgeted with a 3 percent target savings and Police was budgeted at 1 percent. For FY 2023, General Fund Target Savings was increased to 8.5 percent for most departments and Police was budgeted at 5 percent. The FY 2024 Target Savings is a strategy to negate the cost of some ongoing and one-time funding requests in various departments. For the FY 2024 Proposed, the General Fund Target Savings are noted below:

FY 2024							
Department	General Fund Payroll	Target Savings (3%)	Estimated Savings	Target Savings (5%)	Estimated Savings	Target Savings (8.5%)	Estimated Savings
Mayor and Council	4,399,099	0%	-	0%	-	0%	-
Auditor	2,831,908	0%	-	0%	-	0%	-
Police Accountability	926,442	0%	-	0%	-	0%	-
City Manager	9,888,972	3%	296,669	5%	494,449	8.5%	840,563
City Attorney	3,932,110	0%	-	0%	-	0%	-
City Clerk	1,602,672	3%	48,080	5%	80,134	8.5%	136,227
Information Technology*	-	3%	-	5%	-	-	-
Finance	7,097,048	3%	212,911	5%	354,852	8.5%	603,249
Human Resources	2,769,611	3%	83,088	5%	138,481	8.5%	235,417
HHCS	14,621,007	3%	438,630	5%	731,050	8.5%	1,242,786
Parks, Rec and Waterfront	3,679,570	3%	110,387	5%	183,979	8.5%	312,763
Planning	2,780,911	3%	83,427	5%	139,046	8.5%	236,377
Public Works	4,647,061	3%	139,412	5%	232,353	8.5%	395,000
Fire	33,251,068	0%	-	0%	-	5.5%	1,828,809
Police	76,095,033	1%	760,950	3%	2,282,851	5.5%	4,185,227
Total	168,522,513		2,173,556		4,637,194		10,016,418
IT Target savings of 5%, or \$431,223, paid through transfer from the IT Cost Allocation Plan to General Fund							

Actual Salary Savings, on the other hand, is the dollar amount that is realized at the end of the year after the year-end financials are closed and audited. It compares the budgeted personnel costs of salaries and benefits to the actual expenditures in these personnel costs. The savings are primarily the result of vacancies. However, the use of overtime impacts salary savings. In addition, throughout the course of the fiscal year, departments may use salary savings to offset other operational expenses, such as professional services in lieu of staffing and unplanned increase in other services and supplies, that will impact projections.

The attached chart shows budgeted General Fund Target Savings compared to the Actual General Fund Salary Savings for FY 2018 through FY 2022. As illustrated on the chart, Actual Salary Savings was realized in FY 2018 (\$3.1 million) and in FY 2022 (\$272,000). In FY 2021, the Target Savings were -\$2,104,108; however, the budget also included -\$15,814,799 in Personnel Deferrals. Salaries and benefit costs were \$10.5 million over budget in FY 2021, assumingly attributed to overtime and other impacts of the pandemic on the budget.

Five Year General Fund Salary Savings Narrative

In FY 2022, Target Savings were -\$2,166,665 and the budget included -\$8,388,085 in Personnel Deferrals. Actual Savings were approximately \$272,000. The FY 2023 salary savings is a projection based on personnel costs incurred to date and will be impacted by changes in staffing and overtime that occur in May and June. The actual salary saving achieved will be known after the FY 2023 financial audit has been completed and will be part of the discussion on the FY 2023 Excess Equity calculation.

General Fund Target and Actual Salary Savings
FY 2018 to FY 2023

Department	FY 2018		FY 2019		FY 2020		FY 2021		FY 2022		FY 2023		
	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	Budgeted	Projected Actual	%
Mayor and Council	-	26,300	-	(101,698)		57,932		60,934		432,666		875,698	19.93%
Auditor	-	208,721	-	40,952		190,851		143,664		137,662		263,424	10.13%
City Manager	(259,135)	693,140	(171,402)	(217,990)	(181,434)	(80,284)	(478,475)	(77,960)	(278,769)	704,544	(774,258)	(101,656)	-1.20%
PRC	-	1,936	-	(11,519)		(193)							
Police Accountability								(3,251)		235,126		114,749	16.95%
City Attorney	(65,671)	101,990	(58,659)	(39,215)	(65,335)	276,946	(506,555)	(151,033)	(90,383)	72,261		1,082,665	29.76%
City Clerk	(110,093)	188,477	(111,415)	(116,125)	(114,062)	126,567	(114,494)	(126,777)	(114,400)	107,346	(145,932)	131,956	8.36%
Information Technology	(369,005)	109,157	(373,223)	3,622,613	-	(9,680)							
Finance	(149,812)	784,083	(161,153)	623,709	(165,651)	649,198	(1,144,083)	(437,959)	(758,380)	658,600	(615,647)	1,084,469	15.93%
Human Resources	(53,691)	144,486	(54,315)	181,668	(58,495)	299,924	(365,296)	217,769	(103,299)	530,956	(204,136)	(96,146)	-4.72%
HHCS	(367,281)	(125,869)	(364,610)	114,186	(380,699)	(207,171)	(2,652,851)	(279,698)	(873,137)	2,343,378	(1,257,302)	2,577,705	18.86%
Public Works	(213,731)	205,654	(213,969)	(547,690)	(218,086)	(90,605)	(219,032)	(629,251)	(228,320)	194,901	(324,483)	(436,441)	-11.07%
Parks and Waterfront	(79,412)	284,902	(80,098)	110,299	(82,781)	410,979	(198,270)	(116,245)	(209,227)	542,208	(274,747)	354,828	6.31%
Fire	-	257,332	-	(1,956,588)		(807,981)	(3,504,292)	(3,730,256)	(145,345)	(3,882,400)		(2,723,550)	-8.11%
Police	(572,512)	(101,617)	(580,915)	(3,085,519)	(639,574)	(4,773,691)	(8,286,869)	(5,420,927)	(7,394,498)	(2,483,259)	(3,738,019)	118,849	0.16%
Planning	(56,809)	135,244	(56,599)	255,400	(58,495)	162,005	(413,206)	23,380	(322,423)	167,520	(227,198)	74,304	3.08%
Economic Development	(33,404)	144,205	(31,811)	(115,603)	(34,926)	(64,176)	(35,484)		(36,569)				
Non-Departmental		(6,187)		(250,338)		(308,706)		10,182		510,038	(1,992,070)	(162,536)	10.16%
Totals	(2,330,556)	3,051,954	(2,258,169)	(1,493,458)	(1,999,538)	(4,168,085)	(17,918,907)	(10,517,427)	(10,554,750)	271,549	(9,553,792)	3,158,318	1.97%

Notes:
 Budgeted Salary Savings is built into department budgets and is taken off the top from department General Fund personnel budgets
 Actual Salary Savings is what is realized at the end of the year after the year end financials are closed and audited.
 Information Technology moved to IT Cost Allocation Fund during FY 2019.
 FY 2021 Budgeted Salary Savings was -\$2,104,108 and also included -\$15,814,799 in Personnel Deferrals
 FY 2022 Budget Salary Savings was -\$2,166,665 and also included -\$8,388,085 in Personnel Deferrals
 Percent Realized is the projected actual salary savings compared with revised budget (including Target Savings)



Office of the City Manager

Date: June 8, 2023
To: Budget and Finance Policy Committee
From: Dee Williams-Ridley, City Manager
Submitted by: Henry Oyekanmi, Finance Director
Subject: FY 2023 Third Quarter Revenue Report

The biggest change in our third quarter projections is the steep decline in Property Transfer Taxes. These taxes, which had provided an important backstop to pandemic-related reductions in other revenue sources, fell sharply in the third quarter of FY 2023. While total property sales volumes had averaged almost \$200 million per month for the first six months of FY 2023, the third quarter saw only \$70 million per month, down 64% from the first half of the year, and down 84% from the third quarter of FY 2022. Staff was aware that the high receipts in FY 2022 were an anomaly, which is why we originally projected a 25% decline in the adopted budget for FY 2023, but sales have decreased even more than we had projected. This was the result of continuing interest rate increases by the Federal Reserve which depressed sales values and reduced overall sales transactions.

Borrowing costs also risen because of the Federal Reserve raising rates in an attempt to counter overall inflation. But lenders are also demanding increased collateral for preferable interest terms on new loans, as their own capital costs have increased.

These drops are reminiscent of the last recession in 2008-2009, when transfer tax revenues fell over 50% and did not return to prior levels until FY 2014. There are important differences in the current environment, however. The credit market in 2008-2009 collapsed dramatically, making loans unavailable to many potential buyers. The current year-over-year decline appears to have been driven by the current interest rate environment, as well as a glut of anticipatory sales in FY 2022 and early FY 2023 that were based on expectations of rate increases, and which would otherwise have occurred in the current period. There is some current evidence of potential further tightening of credit markets, and the entire economy could still fall into another full-blown recession, but continued strength in labor markets and consumer spending indicate that this outcome is still avoidable.

LOCAL ECONOMY

The financial outlook for the Bay Area economy in 2023 is mixed. On the one hand, the region continues to be a hub for innovation and technology, which are driving economic growth. The Bay Area is also home to a large and affluent population, which provides a strong consumer base. On the other hand, the Bay Area faces a number of challenges, including high housing costs, a lack of affordable housing, and a shortage of skilled workers. These challenges could dampen economic growth in the region.

Overall, the financial outlook for the Bay Area economy in 2023 is positive, but there are a number of factors that could weigh on growth. Here are some of the key factors that could impact the Bay Area economy in 2023:

- Tech industry: The Bay Area is home to a large and growing tech industry, which is a major driver of economic growth. The tech industry is expected to continue to grow in 2023, but at a slower pace than in recent years.
- Housing market: The Bay Area housing market is one of the most expensive in the country. High housing costs make it difficult for many people to afford to live in the region, which could dampen economic growth.
- Labor market: The Bay Area labor market is tight, with many businesses struggling to find qualified workers. This could lead to wage inflation, which could make it more difficult for businesses to compete.
- Public finances: The Bay Area faces a number of fiscal challenges, including a large budget deficit and a growing unfunded pension liability. These challenges could lead to higher taxes and/or cuts to government services, which could dampen economic growth.

While changes in the real estate market have caused staff to pare back its transfer tax revenue projections, continued strength in sales tax, business license tax and utility users tax receipts mean that we still project that final FY 2023 General Fund revenues will exceed the adopted budget by 2.8%.

For FY 2024, we project that total General Fund revenue will be \$266.4M which is \$4.67M or 1.78% higher than the FY 2023 adopted budget.

General Fund Revenue and Transfer In FY 2023 Third Quarter vs FY 2022 Third Quarter Comparison

Revenue Categories	FY 2023				FY 2022				Comparison FY23 vs FY22	
	Adopted	Actual	Variance	% Received	Adopted	Actual	Variance	% Received	Amount	%
	(a)	(b)	c=(b) - (a)	(d) = (b)/(a)	(e)	(f)	g=(f) - (e)	(h) = (f)/(g)	(i) = (b) - (f)	(j) = (i)/(f)
Secured Property	\$75,664,920	\$50,561,010	(\$25,103,910)	66.82%	\$71,382,000	\$46,074,107	(\$25,307,893)	64.55%	4,486,903	9.74%
Redemptions - Regular	831,441	638,419	(193,022)	76.78%	831,441	613,418	-218,023	73.78%	25,001	4.08%
Supplemental Taxes	2,000,000	1,229,929	(770,071)	61.50%	2,000,000	608,905	-1,391,095	30.45%	621,024	101.99%
Unsecured Property Taxes	3,516,000	3,806,995	290,995	108.28%	2,625,000	3,637,247	1,012,247	138.56%	169,748	4.67%
Property Transfer Tax	34,462,172	18,953,345	(15,508,827)	55.00%	21,000,000	32,558,537	11,558,537	155.04%	(13,605,192)	-41.79%
Property Transfer Tax-Measure P (New December 21, 2018)	14,073,750	9,086,940	(4,986,810)	64.57%	8,500,000	14,670,038	6,170,038	172.59%	(5,583,098)	-38.06%
Sales Taxes	19,016,546	14,558,589	(4,457,957)	76.56%	18,287,215	13,885,146	-4,402,069	75.93%	673,443	4.85%
Soda Taxes	990,210	875,532	(114,678)	88.42%	990,210	720,178	-270,032	72.73%	155,354	21.57%
Utility Users Taxes	13,800,000	12,701,095	(1,098,905)	92.04%	13,000,000	10,835,311	-2,164,689	83.35%	1,865,784	17.22%
Transient Occupancy Taxes	5,000,000	4,845,561	(154,439)	96.91%	2,173,000	3,502,092	1,329,092	161.16%	1,343,469	38.36%
Short-term Rentals	1,000,000	1,088,160	88,160	108.82%	630,000	886,762	256,762	630.00%	201,398	22.71%
Business License Tax	19,000,000	18,222,692	(777,308)	95.91%	18,498,146	11,267,370	-7,230,776	60.91%	6,955,322	61.73%
Recreational Cannabis	1,400,000	837,715	(562,285)	59.84%	1,643,739	982,618	-661,121	59.78%	(144,903)	-14.75%
U1 Revenues	4,900,000	4,853,469	(46,531)	99.05%	5,120,350	2,719,252	-2,401,098	53.11%	2,134,217	78.49%
Other Taxes	1,800,000	2,762,939	962,939	153.50%	1,761,714	1,631,952	-129,762	92.63%	1,130,987	69.30%
Vehicle In-Lieu Taxes	15,926,168	8,329,833	(7,596,335)	52.30%	14,959,837	7,503,002	-7,456,835	50.15%	826,831	11.02%
Parking Fines-Regular Collections	4,326,450	4,470,746	144,296	103.34%	3,726,450	3,855,090	128,640	103.45%	615,656	15.97%
Parking Fines-Booting Collections										
Moving Violations	132,600	106,329	(26,271)	80.19%	132,600	117,019	-15,581	88.25%	(10,690)	-9.14%
Ambulance Fees	3,880,779	3,672,839	(207,940)	94.64%	3,154,002	2,736,858	-417,144	86.77%	935,981	34.20%
Interest Income	6,000,000	5,942,994	(57,006)	99.05%	4,462,320	4,800,122	337,802	107.57%	1,142,872	23.81%
Franchise Fees	1,613,283	373,789	(1,239,494)	23.17%	1,613,283	511,590	-1,101,693	31.71%	(137,801)	-26.94%
Other Revenue	6,729,977	5,378,615	(1,351,362)	79.92%	6,729,977	5,585,280	-1,144,697	82.99%	(206,665)	-3.70%
IDC Reimbursement	5,490,000	4,732,212	(757,788)	86.20%	5,490,000	3,612,496	-1,877,504	65.80%	1,119,716	31.00%
Transfers	17,096,148	10,731,462	(6,364,686)	62.77%	27,354,923	20,516,193	-6,838,730	75.00%	(9,784,731)	-47.69%
Total Revenue:	\$258,650,444	\$188,761,209	-\$69,889,235	72.98%	\$236,066,207	\$193,830,583	-\$42,235,624	82.11%	(\$5,069,374)	-2.62%

Notes: (1) This statement is presented on a budgetary basis (i.e., cash).
 (2) Current vendor no longer breaks out Regular and Booting Parking Fines Collections

General Fund revenue and transfers decreased 2.62% or \$5,069,371, from \$193,830,583 in the nine months of FY 2022, to \$188,761,209 for the same period in FY 2023, due primarily to a decline of \$13,605,192 in Property Transfer Taxes, a decline of \$5,583,098 in Measure P Property Transfer Taxes, and a decline of \$9,784,731 in Transfers.

The declines in Property Transfer Taxes and Measure P Property Transfer Taxes were especially troubling because they appear to be a collapse in the real estate market in Berkeley in the third quarter of FY 2023, resulting in year-over-year declines of \$10,806,858 and \$5,121,360 for Property Transfer Taxes and Measure P Property Transfer Taxes, respectively. It also resulted in significant decreases in the FY 2023 revenue projections for these two revenue sources: From \$34,462,172 to \$22,873,786 for Property Transfer Taxes and from \$14,073,750 to \$10,189,500 for Measure P Property Transfer Taxes. Staff will continue to closely monitor the impact the Federal Reserve Board’s dramatic increases in interest rates has on mortgage rates, the tightening of credit standards and the resulting lower affordability of potential home buyers, and on the anticipated slowing economy in the near future.

The declines in Property Transfer Taxes, Measure P Property Transfer Taxes and Transfers were partially cushioned by increases in the following revenue sources that warranted an increase in FY 2023 revenue projections: Secured Property Taxes, Supplemental Taxes, Sales Taxes, Utility Users Tax, Transient Occupancy Taxes (TOT), Business License Taxes, Other Taxes, Vehicle in Lieu Taxes, Parking Fines, Ambulance Fees, Interest Income, IDC Reimbursements, and Other Revenue.

Supplemental Taxes (+\$621,024 more than FY 2022 Actual)

During the nine months of FY 2023, Supplemental Taxes totaled \$3,806,995, which was \$621,024 or 102.0% more than the \$608,905 received for the same period in FY 2022.

As a result, staff raised the FY 2023 projection from \$2,000,000 to \$3,400,000.

Secured Property Tax (+\$4,486,903 more than FY 2022 Actual)

During the nine months of FY 2023, Secured Property Tax revenues totaled \$50,561,010, which was \$4,486,903 or 9.74% more than the \$46,074,107 received for the same period in FY 2022. This result was consistent with the County’s Certification of Assessed Valuation (received from the County in August 2022), which reflects growth of 10.8%. However, the FY 2023 Adopted Budget assumes a 6.00% increase for FY 2023 (based on the last preliminary estimate of FY 2023 growth received from the County prior to July 1, 2022). As a result, staff increased the FY 2023 Secured Property Tax projection from \$75,664,920 to \$79,091,256.

Unsecured Property Tax (+\$169,748 more than FY 2022 Actual)

During the nine months of FY 2023, Unsecured Property Tax revenues totaled \$3,806,995, which was \$169,748 or 4.67% more than the amount of \$3,637,247 received in the same period in FY 2022. This amount is lower than the County's Certification of Assessed Valuation growth reflected of 16.9% for FY 2023.

Property Transfer Tax (-\$13,605,192 less than FY 2022 Actual)

During the third quarter of FY 2023 (December 1, 2022 to February 28, 2023 payments from the County), the market for sales of real estate property in Berkeley collapsed as follows:

- Total Property Transfer Taxes received during this three-month period in FY 2023 (excluding County fees and seismic retrofit rebates) was \$3,180,411, down 81.5% from the \$13,987,269 received for the same period in FY 2022;
- Total Property transactions during the period was 108, down 57% from the total of 251 for the same period in FY 2022; and,
- There was only one property sale of \$10,000,000 during this period in FY 2023, compared to 11 with total property sales of \$342,200,000 for the same period in FY 2022

As a result, during the nine months of FY 2023, Property Transfer Tax totaled \$18,953,345 which was \$13,605,192 or 48.1% less than the \$32,558,537 received for the same period in FY 2022. However, \$2,117,407 of that decrease resulted from the late payment (in FY 2022) by the County of the May 2021 Property Transfer Taxes, which should have been received in FY 2021.

The primary reasons for the remaining \$11,487,785 decrease in Property Transfer Tax were the following:

- (1) the dollar value of property sales decreased by 43.1%, from \$2.457 billion in the nine months of FY 2022 to \$1.397 billion during the nine months of FY 2023, as illustrated in Table 1 below.
- (2) There were ten property sales of \$10 million or more, with total sales of \$410,979,500 in the nine months in the nine months of FY 2023 compared to 23 property sales of \$10 million or more, with total sales of \$581,538,500 in the nine months of FY 2022; and,
- (3) The number of property sales transactions decreased by 225 or 26.0% from 865 in the nine months of FY 2022 to 640 during the nine months of FY 2023, as illustrated in the Table 2 below.

Staff will continue to closely monitor this volatile revenue, especially in light of the high mortgage rates and slowing economy resulting from the Federal Reserve Board's aggressive attempt to slow down the US economy in order to reduce inflation, by sharply raising interest rates and selling Agency and Mortgage-backed securities from its Balance Sheet.

Table 1- Property Sales in Million \$

	July	Aug	Sept	Oct	Nov	Dec	Subtotal
FY 2022	\$172.1	\$197.5	\$309.1	\$192.9	\$243.5	\$197.1	\$1,312.2
FY 2023	188.9	320.0	134.6	143.9	254.9	142.4	1,184.7
Change	16.8	122.5	-174.5	-49.0	11.4	54.7	-127.5
% Change	9.7%	62.0%	56.5%	-25.4%	4.7%	-27.8%	-9.7%

	Jan	Feb	Mar				Total
FY 2022	\$465.7	\$453.7	\$225.1				\$2,456.7
FY 2023	86.5	72.2	53.4				1,396.8
Change	-379.2	-381.5	-171.7				-1,059.9
% Change	-81.4%	-84.1%	-76.3%				-43.1%

Table 2-Number of Property Sales Transactions

	July	Aug	Sept	Oct	Nov	Dec	Total
FY 2022	114	91	72	103	119	115	614
FY 2023	113	101	108	79	74	57	532
Change	-1	10	36	-24	-45	-58	-82
% Change	-.88%	11.0%	50.0%	-23.3%	-37.8%	-50.4%	-13.4%

	Jan	Feb	Mar				Total
FY 2022	128	62	61				865
FY 2023	40	37	31				640
Change	-88	-25	-30				-225
% Change	-.68.8%	-40.3%	-49.2%				-26.0%

Measure P-Property Transfer Tax (-\$5,583,098 less than FY 2022 Actual)

As indicated above for Property Transfer Taxes, during the third quarter of FY 2023 (December 1-February 28, 2023 payments from the County), the market for sales of real estate property in Berkeley collapsed as follows:

- Total Measure P Property Transfer Taxes (a tax which took effect on December 21, 2018) received during this three-month period in FY 2023 (excluding County fees) was \$824,700, down 86.1% from the \$5,946,060 received for the same period in FY 2022;
- Total Property transactions during the period was 31, down 70.8% from the total of 106 for the same period in FY 2022; and,
- There was only one property sale of \$10,000,000 during this period in FY 2023, compared to 11 transactions with total property sales of \$342,200,000 for the same period in FY 2022.

As a result, Measure P taxes totaling \$9,086,940 was collected during the nine months of FY 2023, which was \$5,583,098 or 38.1% less than the \$14,670,038 collected during the same period of FY 2022. This decrease resulted primarily from the following: (1) A decrease of 36.9% in the dollar value of property sales amount in the nine months of FY 2023 versus those for the same period in FY 2022 as reflected in Table 3; (2) The number of property sales transactions decreased by 137 or 35.8% during the nine months of FY 2023, as illustrated in the Table 4 below.

Table 3- Property Sales \$1.5 million+ In Million \$

	July	Aug	Sept	Oct	Nov	Dec	Total
FY 2022	\$117.7	\$126.8	\$147.9	\$145.5	\$190.1	\$134.1	\$862.1
FY 2023	114.4	271.1	84.1	63.3	203.7	99.8	836.4
Change	-3.3	144.3	-63.8	82.2	-13.6	-34.3	-25.7
% Change	-2.8%	113.8%	-43.1%	-56.5%	-7.2%	-25.6%	-3.0%

	Jan	Feb	Mar				Total
FY 2022	\$234.7	\$249.5	\$110.4				\$1,456.7
FY 2023	34.3	28.0	20.2				918.9
Change	-200.4	-221.5	-90.2				-537.8
% Change	-85.4%	-88.8%	-81.7%				-36.9%

Table 4- Property Transactions \$1.5 Million and Above

	July	Aug	Sept	Oct	Nov	Dec	Total
FY 2022	50	45	26	47	58	51	277
FY 2023	52	41	48	31	24	19	215
Change	2	-4	22	-16	-34	-32	-62
% Change	.4.0%	-8.9%	84.6%	-34.0%	-58.6%	-62.7%	-22.4%

	Jan	Feb	Mar				Total
FY 2022	53	25	28				383
FY 2023	12	10	9				246
Change	-41	-15	-19				-137
% Change	-77.4%	-60.0%	-67.9%				-35.8%

Sales Tax (+\$673,443 more than FY 2022 Actual)

For the nine months of FY 2023, Sales Tax revenue totaled \$14,558,589, which was \$673,443 or 4.85% more than the \$13,885,146 received for the nine months of FY 2022. The increase was significantly more than the .50% increase reflected in the Adopted Budget and was more consistent with the City’s sales tax consultant’s 3.7% projection: The sales tax consultant projects increases in the following categories over the FY 2022 actuals: General Retail (+\$237,193); Transportation (+\$236,709); Business-to-business (+\$149,551); and County Pool (+\$227,039). As a result, staff increased the FY 2023 projection from \$19,016,546 to \$19,449,474.

Utility Users Taxes (+\$1,865,784 more than FY 2022 Actual)

Utility Users Tax revenue for the nine months of FY 2023 totaled \$12,701,095, which was \$1,865,784 or 17.2% more than the \$10,835,311 received for the same period in FY 2022.

This increase of \$1,865,784 resulted from the following:

FY 2023 Actual Nine Months Revenues and FY 2022 Actual Nine Months Revenues				
	FY2023	FY 2022	\$ Change	% Change
Telephone	\$ 800,870	\$ 864,937	\$ -64,067	-7.41%
Cable	751,333	782,504	- 31,171	-4.00%
Cellular	1,354,465	1,281,710	72,755	5.68%
Electric	6,623,243	5,531,038	1,092,205	19.75
Gas	3,171,184	2,375,122	796,062	33.52%
Total	\$12,701,095	\$10,835,311	\$1,865,784	17.2%

The increases in gas and electric primarily resulted from the following: (1) The increased cost of natural gas to PG&E and the colder-than-normal temperatures, which increased energy bills; (2) The higher energy demands and tighter supplies on the West Coast, as customers used more natural gas for heating during cooler temperatures; and, (3) PG&E received an 8% increase in electricity rates in January 2022 and another increase of 8.9% in March 2023.

As a result, staff raised the FY 2023 projection from \$13,800,000 to \$17,454,320.

Transient Occupancy Tax (+\$1,343,469 more than FY 2022 Actual)

Transient Occupancy Tax (TOT) revenue for the nine months of FY 2023 totaled \$4,845,561, which was \$1,343,469 or 38.4% more than the \$3,502,092 received for the nine months of FY 2022, after including TOT rebates owed. The increase in FY 2023 was primarily attributable to a gross increase of 47.9% at the six largest hotels in Berkeley during the nine months of FY 2023.

As a result, staff increased the FY 2023 gross TOT revenue projection from \$5,000,000 to \$7,022,353 after subtraction of estimated TOT rebates owed.

Short-Term Rentals (+\$201,398 more than FY 2022 Actual)

Short-Term Rentals revenue for the nine months of FY 2023 totaled \$1,088,160, which was \$201,398 or 22.7% more than the \$886,762 received for the period of FY 2022. As a result, staff increased the Short-term rentals projection from \$1,000,000 to \$1,497,432.

Business License Taxes (+\$6,955,322 more than FY 2022 Actual)

Business license Taxes (BLT) revenue for the nine months of FY 2023 totaled \$18,222,692, which was \$6,955,322 or 61.7% more than the \$11,267,370 received for the nine months of FY 2022.

The big increase through the nine-month period of FY 2023 was primarily due to staff working overtime much earlier than in past years, and staff’s ability to process licenses timelier. Trend analysis indicates that BLT receipts are exceeding expectations, primarily due to increases in the following categories: Rental of Real Property (+\$1,130,142); Constructor or Contractor (+\$338,528); and, Professional/Semi-professional (+\$245,371) As a result, staff increased the FY 2023 Business License Taxes (BLT) revenue projection from \$19,000,000 to \$21,138,023.

U1 Revenues (+2,134,217 more than FY 2022 Actual)

U1 revenues for the nine months of FY 2023 totaled \$4,853,469, which was \$2,134,217 or 78.5% more than the \$2,719,252 received in the same period in FY 2022. The big increase through the nine-month period of FY 2023 was primarily due to staff working overtime much earlier than in past years, and staff's ability to process licenses timelier.

As a result, staff increased the FY 2023 U1 revenue projection from \$4,900,000 to \$5,800,000.

Vehicle in Lieu Taxes (+\$826,831 more than FY 2022 Actual)

Vehicle in Lieu Taxes (VLF) for the nine months of FY 2023 totaled \$8,329,833, which was \$826,831 or 11.02% more than the \$7,503,002 received for the nine months of FY 2022. This result was consistent with the County's Certification of Assessed Valuation (received from the County in August 2022), which reflects growth of 10.8%. Changes in VLF revenues are based on the growth in assessed values. However, the Adopted Budget reflects growth of 6.0%. As a result, staff increased the FY 2023 Vehicle in Lieu Tax projection from \$15,926,168 to \$16,626,651.

Other Taxes (+\$1,130,987 more than FY 2022 Actual)

Other Taxes for the nine months of FY 2023 totaled \$2,762,939, which was \$1,130,987 or 69.3% more than the \$1,631,952 received for the nine months of FY 2022. The primary reason for the increase was (1) an increase of \$667,626 or 155.4% in Parking Lot Taxes from \$429,487 in the nine months of FY 2022 to \$1,097,113 for the same period in FY 2023; and, (2) an increase of \$197,062 in Transportation Network Company User Tax (i.e., a tax on ride sharing companies enacted during the height of the COVID-19 pandemic) from \$431,007 in the nine months of FY 2022 to \$628,069 in the nine months of FY 2023.

As a result, staff increased the FY 2023 Other Taxes projection from \$2,631,441 to \$4,453,059.

Parking Fines (+\$615,656 more than FY 2022 Actual)

Parking Fines revenue for the nine months of FY 2023 totaled \$4,470,746, which was \$615,656 or 16.0% more than the \$3,855,090 received for the nine months of FY 2022. The primary reason for the increase was a significant increase in ticket writing, resulting from the lifting of COVID-19 restrictions.

During the nine months, ticket writing increased by 15,151 or 16.2% from 93,347 in the nine months of FY 2022 to 108,498 for the same period in FY 2023, as follows:

	July	Aug	Sept	Oct	Nov	Dec	Total
FY 2022	9,240	9,373	11,409	11,033	10,439	10,170	61,664
FY 2023	10,881	11,414	12,984	12,419	12,369	10,525	70,592
Difference	1,641	2,041	1,575	1,386	1,930	355	8,928
% Difference	17.8%	21.8%	13.8%	12.6%	18.5%	3.5%	14.5%

	Jan	Feb	Mar				Total
FY 2022	8,729	10,846	12,108				93,347
FY 2023	12,169	12,386	13,351				108,498
Difference	3,440	1,540	1,243				15,151
% Difference	39.4%	14.2%	10.3%				16.2%

As a result, staff increased the FY 2023 Parking Fines revenue projection from \$4,326,450 to \$5,800,000.

Ambulance Fees (+\$935,981 more than FY 2022 Actual)

Ambulance Fees revenue for the nine months of FY 2023 totaled \$3,672,839, which was \$935,981 or 34.2% more than the \$2,736,858 received for the same period during FY 2022. This increase was primarily due to an increase in the number of transports, which increased by 375 in the nine months of FY 2023.

In addition, the Fire Department was notified of the reinstatement of the Ground Emergency Medical Transportation (GEMT) cost report program, which will enable the department to receive reimbursement payments for FY 2019 through FY 2022 totaling approximately \$2.9 million. As a result, staff increased the Ambulance Fee revenue projection from \$3,880,779 to \$5,330,779 in FY 2023 and FY 2024.

Interest Income (+\$1,142,872 more than FY 2022 Actual)

For the nine month of FY 2023, interest income totaled \$5,942,994, which was \$1,142,872 or 23.8% more than the total of \$4,800,122 received for the same period in FY 2022. This increase was primarily attributable to an increase in the portfolio size, and a significant increase in average interest rates earned after the Federal Reserve reversed course and started raising interest rates on March 17, 2022. Primarily as a result of the Fed's actions beginning March 17, 2022, the net interest rate earned by the City increased from a range of .912%-1.078% during the nine months of FY 2022, to a range of 1.837%-2.8251% during the nine months of FY 2023, as follows:

Monthly Net Interest Rate Earned:

FY	July	Aug	Sept	Oct	Nov	Dec
2022	.912%	1.028%	1.057%	1.078%	1.018%	.961%
2023	1.837%	2.025%	1.972%	2.258%	2.390%	2.616%

FY	Jan	Feb	Mar	Apr	May	June
2022	.9402%	.9452%	1.005%			
2023	2.738%	2.7145%	2.8251%			

As a result, staff increased the FY 2023 Interest Income projection from \$6,000,000 to \$7,618,485.

Franchise Fees (-\$137,801 less than FY 2022 Actual)

Franchise Fees for the nine months of FY 2023 totaled \$373,789, which was \$137,801 or 26.9% less than the \$511,590 received for the same period in FY 2022.

Indirect Cost Reimbursements (+\$1,119,716 more than FY 2022 Actual)

Indirect Cost Reimbursements (IDC) for the nine months of FY 2023 totaled \$4,732,212, which was \$1,119,716 or 31.0% more than the \$3,612,496 received in the nine months of FY 2022. This increase was primarily accounted for by (1) an increase in the indirect cost rates calculated for FY 2023 (a range of 21-25%) compared to the rates calculated in FY 2022 (a range of 17%-18%), and (2) An increase of 4.66% in the indirect cost allocation base (total direct salaries and wages) from \$20,289,745 in the nine months of FY 2022 to \$21,234,357 for the same period in FY 2023.

As a result, staff increased the FY 2023 IDC revenue projection from \$5,490,000 to \$6,640,308.

Transfers (-\$9,784,731 less than FY 2022 Actual)

Transfers from other funds for the nine months of FY 2023 totaled \$10,731,462 which was \$9,784,731 or 47.7% less than the \$20,516,193 received for the same period in FY 2022. This was primarily attributable to the Transfer of \$17,227,017 from the American Rescue Plan Fund to recover from the impact of the COVID-19 pandemic, and Transfer of \$1,982,460 from the Health State Aide Realignment Fund in the nine months of FY 2022, compared to the Transfer of \$9,203,709 from the American Rescue Plan Fund in the same period of FY 2023 and a delay in the Health State Aide Realignment Fund transfer in FY 2023.

Other Revenues (-\$206,665 more than FY 2022 Actual)

Other Revenues primarily consists of licenses and permits; grants; preferential parking fees; general government charges for services; public safety charges for services; health charges for services; culture and recreation charges for services; rents and royalties; and other miscellaneous revenues that are not considered major.

Other Revenues for the nine months of FY 2023 totaled \$5,378,615 which was \$206,665 or 3.7% less than the \$5,585,280 received for the nine months of FY 2022. Staff decreased the FY 2023 Other Revenue projection from \$6,729,977 to \$6,029,977 consistent with the trends seen in this revenue category.

5 YEARS PROJECTED GENERAL FUND REVENUES

	Projected General Fund Revenue FY 2021 through FY 2025						
	FY 2023 Adopted	FY 2022 Actual	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Undesignated Revenues							
Secured Property Taxes	75,664,920	71,607,561	79,091,256	84,725,717	89,385,632	92,514,129	95,752,123
Supplemental Taxes	2,000,000	2,317,723	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000
Unsecured Property Taxes	3,516,000	3,472,334	3,806,995	3,806,995	3,806,995	3,806,995	3,806,995
Property Transfer Taxes	18,000,000	18,000,000	18,000,000	18,000,000	16,000,000	16,000,000	16,000,000
Property Transfer Tax - Measure P	14,073,750	20,591,313	10,189,500	10,189,500	10,698,975	11,233,923	11,795,619
Sales Taxes	19,016,546	18,928,278	19,449,474	19,654,225	20,351,959	21,215,626	22,061,376
Soda Tax	990,210	1,025,800	1,147,387	1,147,387	1,147,387	1,147,387	1,147,387
Utility Users Taxes	13,800,000	14,750,065	17,454,320	17,454,320	17,054,320	17,054,320	17,054,320
Transient Occupancy Taxes(TOT)	5,000,000	5,727,046	7,022,353	8,374,588	8,655,826	9,621,409	10,683,549
Short-term Rentals	1,000,000	1,295,798	1,497,432	1,400,000	1,400,000	1,400,000	1,400,000
Business License Taxes	19,000,000	20,403,974	21,138,023	21,560,783	21,991,999	22,431,839	22,880,476
Recreational Cannabis	1,400,000	1,250,792	1,000,000	1,000,000	1,020,000	1,040,400	1,061,208
Measure U1	4,900,000	4,913,872	5,865,147	5,900,000	5,900,000	5,900,000	5,900,000
Vacancy Tax					2,500,000	5,000,000	5,150,000
Other Taxes	2,631,441	3,189,999	4,453,059	4,453,059	4,453,059	4,453,059	4,453,059
Vehicle In Lieu Taxes	15,926,168	15,006,003	16,626,651	17,811,134	18,790,746	19,448,422	20,129,117
Parking Fines - Regular Collections	4,326,450	4,765,819	5,800,000	5,800,000	5,300,000	5,300,000	5,300,000
Parking Fines - Booting Collections	-	-	-	-	-	-	-
Moving Violations	132,600	156,253	132,600	132,600	135,252	137,957	137,957
Ambulance Fees	3,880,779	3,833,730	5,330,779	5,350,779	3,880,779	3,880,779	3,880,779
Interest Income	6,000,000	6,694,122	7,618,485	8,826,211	8,826,211	8,826,211	8,826,211
Franchise Fees	1,613,283	1,720,056	1,720,056	1,720,056	1,720,056	1,720,056	1,720,056
Other Revenues	6,729,977	7,546,099	6,640,308	6,640,308	6,640,308	6,640,308	6,640,308
Indirect cost reimbursements	5,490,000	5,074,695	6,604,970	6,604,970	6,604,970	6,604,970	6,604,970
Transfers	17,096,148	27,354,923	17,096,148	7,591,924	4,472,621	4,562,074	4,562,074
Total Undesignated Revenues	242,188,272	259,626,255	261,084,943	261,544,556	264,137,095	273,339,864	280,347,585
Designated Revenues							
Prop. Transfer Taxes for capital improvements	16,462,172	24,901,750	4,873,786	4,873,786	8,017,475	9,218,349	10,479,266
Total Designated Revenues	16,462,172	24,901,750	4,873,786	4,873,786	8,017,475	9,218,349	10,479,266
TOTAL REVENUES AND TRANSFERS	258,650,444	284,528,005	265,958,729	266,418,342	272,154,570	282,558,213	290,826,851

Secured Property Taxes

In the Mid-Year FY 2023 report staff reported that, given the continued high collection rate, and the resilience of property values in the City, as well as a large volume of recent property sales (which bring assessed values to market value), staff projected that FY 2023 growth would be 10.8% and annual growth would be approximately 5.5% for the next several years. The FY 2023 projected growth still remains at 10.8%. However, as a result of the collapse in the real estate market during the third quarter of FY 2023 discussed above in the Property Transfer Tax section, the expectation for FY 2024 is 7.124%, and for FY 2025 it is 5.5%, but the growth for FY 2026 and FY 2027 have been lowered to 3.5%.

Sales Taxes

This revenue source is back to pre-pandemic levels, and growth is projected to increase 1.1% in FY 2024 and then level off to approximately 4% in FY 2025 through FY 2027. There is still some potential risk that the overall slowdown in the economy will be greater than currently expected due to the Federal Reserve Board's dramatic increase in interest rates from zero to over 5%, and due to tightening of credit standards due to the fallout from the recent three failures of three regional banks.

Business License Taxes

We are projecting a 3.6% growth in FY 2023 Business License Tax revenue and 2% from FY 2024 through FY 2027, led by growth in rentals of real property. Long-term projections will be adjusted as the impact of the recent dramatic increase in interest rates on the post-pandemic economic environment becomes clearer.

Transient Occupancy Tax

With the addition of a new hotel, we are currently projecting 22.6% growth in FY 2023 revenues, after subtracting the TOT rebates owed. We are currently projecting annual growth (TOT revenue increase after deducting TOT rebates owed) of 10% from the FY 2023 projected gross revenue levels. Based on those projections, we see the gross TOT revenue reaching the pre-pandemic level by the end of FY 2023. In addition, after subtracting projected TOT rebates owed, we expect that the net TOT level will be reached in FY 2024. We will continue to monitor the major hotels' projections of future occupancies and will adjust long-term projections as necessary.

Utility Users Tax

We expect UUT revenue to fall marginally from the FY 2023 and FY 2024 totals from FY 2025 through FY 2027, after increasing significantly in FY 2023 due to rate increases approved by the Public Utilities Commission and higher usage due to colder-than-normal temperatures.

Transfer Tax

Given the dramatic slowdown in the real estate market in the third quarter of FY 2023, the continuation of the trend in the first two months of the fourth quarter, and the continuing increases in interest rates by the Federal Reserve Board (along with rising mortgage rates), and a slowing US economy, we expect a decline in property values and in property sales activity in FY 2024. We project no growth in Transfer Tax revenue in FY 2024 from the revised FY 2023 total, followed by growth of 5% per year from FY 2025 – FY 2027.

Over the 5 years prior to the pandemic, transfer tax revenues grew 6% per year on average, but the high level of mortgage rates will continue to negatively impact sales prices and volumes somewhat in the next few years. After the sharp decline in FY 2023, we expect growth in revenues from Measure P supplemental tax on high value property transfers to be flat in FY 2024 and then increase at a rate of 5% from FY 2025 through FY 2027.

Conclusion

Projecting revenues many years into the future is inherently difficult to do with accuracy, as shifts in macroeconomic climate can cause asset valuations and economic output to fluctuate in ways not able to be anticipated at the time projections are made. Staff use the best assumptions available, based on historic trends, observation of leading economic indicators, and known changes in the regulatory environment. The current environment, however, presents heightened uncertainty due to several macroeconomic factors that could impact future City revenues.

First, while the health emergency related to the COVID-19 pandemic is finally receding, and while many of the restrictions that had constrained economic activity have been or soon will be lifted, there is a possibility that the local economy has been reshaped in ways that will not return to a pre-pandemic “normal.” The increase in telecommuting that occurred in the past couple of years may not fully recede. This could have effects on spending activities of residents, businesses and institutions, as well as the desirability of certain locations for home purchases. These trends will have to be studied and analyzed and adjustments made as more data comes in.

Second, after being kept at manageable levels for many years, there are signs that inflationary pressure is driving prices higher. It is not yet clear if this is the temporary effect of disrupted supply chains caused by COVID-19 or a more long-lasting phenomenon. The Federal Reserve Board has indicated that the markets are adjusting to the fact that interest rates are being raised as the Fed’s start to tighten monetary policy to combat inflation. This will have immediate effects on economic activities in all sectors of the economy.

Third, with the lowering of the growth rate for Secured Property Taxes and the decline projected for Property Transfer Taxes, the City General Fund has, at least for the near term, lost its two primary drivers of annual growth, and the overall growth in General Fund revenue will struggle to remain positive.

Fourth, the continuation of the war in Europe between Ukraine and Russia continues to have negative effects on global markets. The effects can worsen at any minute if Russian oil and natural gas supplies are cut off from the rest of the world. This would drive fuel and transportation prices higher, with downstream effects on the prices of most goods. This could keep the inflation rate and interest rates higher for a longer period of time, and impact consumer spending.

Any one or a combination of these factors could necessitate further revision of the projections presented here. Staff will continue to monitor the revenues we actually receive and changes in the economic environment, so that we may update or revise our projections if changes in our forecasts are warranted.

Questions and Responses Generated from May 16, 2023 Budget and Finance Policy Committee and City Council Meeting on the FY 24 Proposed Budget

1. **Question:** The community agency funding chart includes funding for the organization "Through the Looking Glass". What is this organization and why the decrease in funding from \$1,805,670 in FY 23 to \$27,206 in FY 24?

Response: Through the Looking Glass Provides primarily home-based mental health and developmental/occupational therapy intervention to parenting families with disability, developmental, medical or trauma issues (in child/youth, parent or parenting grandparent/caregiver), serving children/youth (prioritizing 5 to 26 years) and their families with unmet needs. The entire family is served, as appropriate. Most intervention is provided during weekly home (or community) visits of 1.5-2 hours, working with children, parents/caregivers together. Services include: Identification and guidance/intervention regarding disability or developmental issues, crisis and trauma intervention, preventive mental health services/play therapy to children/youth who do not qualify for EPSDT, parenting skills, nurturing parent/child relationships, therapeutic play preparing for child surgeries, case management/systems navigation/referrals, disability adaptations/strategies supporting parenting, development, homework, school functioning. The funding chart for FY 23 has been corrected and the proposed funding in both FY 23 & FY 24 is \$27,206.

2. **Question:** The community agency chart includes Larkin Street - 3404 King Street - TAY Transitional Housing with funding of \$415,144 in FY 23. However, there is no funding proposed for FY 24. There is also funding of \$407,643 in FY 24 for Larkin Street. What is the status of Larkin Street?

Response: Larkin Street received one-time funding in FY 23 under the category of "community facility improvement" for rehab work to upgrade the kitchen shared by the participants at Turning Point by making general improvements and replacing the countertops and flooring. It will also address the immediate needs to bring the facility up to ADA compliance; improve the energy efficiency; and ensure that the building meets city Health and Safety codes for the well-being of the participants and staff. In addition, in FY23, Council authorized \$407,643 in funding for Larkin Street/Turning Point, but they were only operational for the first three quarters of FY23. They are currently not operating due to the pending rehab project (which is funded by CDBG). However, because of the rehab, Larkin Street declined the RRH funding (\$218,388) and are only contracted for the \$189,000, which we expect will be fully spent on the first 3 quarters combined with some security costs that the contract is being amended to cover. The rehab was delayed, in part because of the ownership transition, but also because of HUD requirements pertaining to the CDBG bid and environmental review (NEPA). We currently expect the rehab to be done by the end of the calendar year, and we anticipate they will still need only \$189,000 in FY24 for transitional housing/services. The community agency funding chart has been revised accordingly.

3. **Question:** The community agency funding chart also includes funding of \$1,133,244 for the Step-Up Housing Project at 1367 University Avenue. What is the status of this project?

Response: This project will be discussed at the Budget and Finance Policy Committee and a written update will be provided to Council for the June 13, 2023 meeting.

Questions and Responses Generated from May 16, 2023 Budget and Finance Policy Committee and City Council Meeting on the FY 24 Proposed Budget

4. **Question:** What is the projected salary savings amount for FY 23? What is the historical trend for the last 3 years prior to the pandemic?

Response: Please see the attachment narrative Five Year General Fund Salary Savings Narrative and spreadsheet entitled “General Fund Target and Actual Salary Savings_ FY 2018-FY 2023.”

5. **Question:** What is the status of the implementation of the Small Business Rental and Legal Support grant program, funded through the City’s allocation of federal ARPA funds?

Response: The implementation of this program was paused in light of the State eviction moratorium. However, the program could be started in FY 24. Alternatively, OED has identified some other options to help assist small businesses and is exploring if these options would meet ARPA regulations. OED will schedule time to discuss these ideas with Mayor Arreguin after further research.

6. **Question:** What is the impact if the new FY 24 HR requested positions for Employer of Choice are not funded on 7/1/24?

Response: The greatest impact would be on the Department’s efforts to revamp training. As HR redesigns the Skilled Workers Academy, reconfigures the whole training curriculum, and tries to launch the LEARN module on NeoGov, an HR Tech will be integral to the logistical pieces of these endeavors., including the ability to go live with LEARN before the end of the calendar year.

7. **Question:** Provide the fund balance for the Asset Seizure and City Optional Public Safety.

Response: The Asset Seizure is comprised of funds seized by the state through the asset forfeiture process that are disbursed to state and local entities and are primarily intended to be spent on efforts to enhance law enforcement and prosecution resources and the funds disbursed through asset forfeiture cannot be used to cover or supplant routine funding made available to the agency. The Asset Forfeiture fund balance is \$64,233.76. Revenues continue to be minimal and sporadic (\$10,000 over past 3 years). The City Optional Public Safety funds are provided by the State for “front line law enforcement services” and “front line municipal police services.” Funding shall not be used by local agencies to supplant other funding for Public Safety Services nor be used for capital or construction projects, or administrative fees above .5%. The Citizens’ Options for Public Safety fund balance is \$990,561.27. Annual revenues vary slightly around \$190,000.

8. **Question:** Do we need to budget for more than \$1M for the Southside Complete Streets project?

Response: Current project funding plan based on construction bid results will NOT require additional General Fund or impact other local funds if the Public Works planned use of \$1.6M in new allocations from the UC Settlement Fund across FY 24 and FY25 are approved.

Questions and Responses Generated from May 16, 2023 Budget and Finance Policy Committee and City Council Meeting on the FY 24 Proposed Budget

9. **Question:** Is there funding available within the comprehensive Waterfront planning effort that could be used for the J&K Parking Lot and Bicycle Park (Unfunded Tier 2 and 3 departmental requests and Council budget referrals)?

Response: Council authorized \$1.01 million in 2019 for the Waterfront Specific Plan/BMASP. PRW has spent approximately \$735,000 of this amount and anticipates spending the remaining funding by the end of the project. Councilmember Taplin's budget referral for the \$800,000 for the bike park is for a portion of the design development and construction. PRW funded the conceptual design with Parks Tax this year. The project is estimated to cost \$2.0 million and the \$800,000, if funded, would serve as a match for several grant opportunities.

10. **Question:** What is projected revenue and would it cover the cost of the Tier 2 West Berkeley Residential Preferential Parking (RPP) Program?

Response: The \$1.046 million yearly cost reflects a 2019 estimate for 6 new parking enforcement officers (PEOs) and 1 Supervisor plus vehicles with ALPR and new signage. On the revenue side, that estimate projected that hiring six (6) more PEOs is expected to increase citation revenue in both new and existing RPP areas. Staff estimate that each new PEO would issue up to \$75,000/year in RPP citations, for a total of \$450,000/year. Compiling current and potential future RPP program costs and revenues was a significant effort, so Transportation Parking Services has not been able to update the estimate since then in light of other high priorities and limited staff capacity. \$75,000 a year in revenue however, will not cover the cost of a fully loaded PEO, plus a share of a supervisor, plus non-personnel costs, including vehicle maintenance and replacement contributions, ALPR software and hardware maintenance, and signage. Given its current and projected financial forecast, the On-Street Parking funding cannot afford to add these positions to its expenditure budget. Further, Public Works ability to implement any new RPP district is hampered by staffing with upcoming vacancies in Parking Services.

11. **Question:** Regarding traffic calming/safety budget referrals under \$40,000 - why can't these just be part of the Transportation baseline instead of referrals? Also, what is being funded in the Traffic Calming program with the \$50,000 increase in baseline? What's been done in the queue, what's pending, and how much more money is needed?

Response: Traffic Engineering estimates our annual Traffic Calming budget needs to be about \$125,000. We will come close to that level in FY 24 as a result of a Tier 1 allocation for an additional \$70,000 approved for year 2 of the biennial budget. At the \$125,000 funding level, Public Works should be able to handle a few referral-type projects per year with the existing budget. From the FY 23 baseline of \$50,000, about \$5,600 is left for traffic calming device implementation. Public Works estimates needing an additional \$80,000 beyond the current planned \$120,000 budget in FY24 to complete the list. Traffic Calming Queue List (based on ranking/order) follows:

A. Sixth Street – Installation of 2 speed feedback signs (case from 2018).

Approximate Cost: \$31,000.

Status: DC Electric will be installing these devices within the next 4 weeks. Traffic calming budget (FY23) has been placed aside for this implementation.

Location: Sixth St between Allston Way & Channing Way.

B. Hopkins St – Installation of 1 speed table (case from 2018).

Questions and Responses Generated from May 16, 2023 Budget and Finance Policy Committee and City Council Meeting on the FY 24 Proposed Budget

Approximate Cost: \$15,000.

Status: This project is currently on hold. The speed table has been included in the engineering plans. FY24 to be used when available.

Location: Hopkins St between Kains Ave & Curtis St.

C. Delaware Street – Installation of a raised crosswalk (case from 2017).

Approximate Cost: \$20,000.

Status: This project will be added to a CIP during the fall 2024 once the FY24 budget is available.

Location: Delaware St between West Street and Acton Street

D. Sacramento St – Installation of 2 speed feedback signs (case from 2019).

Approximate Cost: \$32,000

Status: This project will be implemented once the FY24 budget is available.

Location: Sacramento St between Rose St and Cedar St.

E. Bonar St – Installation of 2 speed tables (case from 2019).

Approximate Cost: \$20,000.

Status: This project has been added to Parker-Addison Mobility and Safety Improvements Project. No need to use traffic calming budget for this implementation. The Parker-Addison Mobility and Safety Improvements Project budget will cover the cost of these speed tables.

Location: Bonar St between Addison St and Allston Way.

F. Sixth St – Installation of 2 speed feedback signs (case from 2020).

Approximate Cost: \$32,000.

Status: This project will be implemented once the FY24 budget is available.

Location: Sixth St between Camelia St and Cedar St.

G. Arlington Ave – Installation of 2 speed feedback signs and implementation of signage/striping improvements along this corridor (case from 2021).

Approximate Cost: \$75,000.

Status: This project required a council referral due to the amount of work that is needed along this stretch.

Location: Arlington Ave between Mendocino and The Circle.

21	Pedestrian Safety Upgrades for Arlington Avenue	3/21/2023	\$	35,000	Allocation of \$35,000 for traffic control measures on Arlington Avenue from The Circle to Mendocino Avenue, to enhance pedestrian safety at hidden crosswalks and where paths cross mid-block, and refresh painted markings that narrow lanes and encourage reduced speeds.	Hahn and Taplin
22	Speed Feedback Signs for Arlington Avenue	3/21/2023	\$	40,000	Allocation of \$40,000 for two Speed Feedback Signs on Arlington Avenue between The Circle and Mendocino Avenue, to encourage slower speeds on a stretch with numerous hidden and mid-block crosswalks.	Hahn and Taplin

H. Colusa Ave – Potential Installation of 1 speed feedback sign (case from 2021).

Approximate Cost: \$20,000.

Status: This project will be implemented once the FY24 budget is available.

Location: Colusa Ave between Thousand Oaks and Vincente

12. **Question:** What is program and planning costs for Vision 2050?

Questions and Responses Generated from May 16, 2023 Budget and Finance Policy Committee and City Council Meeting on the FY 24 Proposed Budget

Response: Vision 2050 improvements to asset management planning are on hold pending filling vacancies and the CIP Manager position is no longer needed given Measure L did not pass.

**FY 2024 Proposed Budget
Consolidated General Fund Funding Request**

Department	Expenditure Type/Description	Requesting Amount	Request Category	Type of Request	Reason for Request	Recommend to fund	AAO#1 or AAO#2	Defer to FY 25 & FY 26 Budget Dev.	Withdraw from Consideration
PERSONNEL									
City Attorney	Deputy City Attorney IV (7 FTEs)	\$ 377,359	New FY24 GF Dept. Request	On-Going	Reallocation of 7 DCA III to DCA IV position				
CMO - Communications	Communications Specialist	\$ 208,776	Unfunded Tier 2 & 3 Request	On-Going	Backup PIO coverage for emergencies				
CMO - Neighborhood Svcs.	Community Services Specialist I	\$ 167,595	New FY24 GF Dept. Request	On-Going	Homeless Response Team Unit			X	
CMO - Neighborhood Svcs.	Community Services Specialist III	\$ 235,458	New FY24 GF Dept. Request	On-Going	Homeless Response Team Unit			X	
CMO - Neighborhood Svcs.	Code Enforcement Officer I	\$ 156,100	Unfunded Tier 2 & 3 Request	On-Going	Reduce response time to complaints			X	
HHCS	Senior Community Development Project Coordinator	\$ 215,121	New FY24 GF Dept. Request	On-Going	HCS staffing study recommendation				
HHCS	Program Manager II	\$ 238,121	New FY24 GF Dept. Request	On-Going	HCS staffing study recommendation				
Human Resources	Assistant HR Analyst	\$ 180,952	New FY24 GF Dept. Request	On-Going	Position request through Employer of Choice Initiative to support Workers' Compensation				
Human Resources	HR Technician	\$ 170,652	New FY24 GF Dept. Request	On-Going	Position request through Employer of Choice Initiative to support Training / Workforce Development				
Human Resources	HR Technician	\$ 170,652	New FY24 GF Dept. Request	On-Going	Position request through Employer of Choice Initiative to support Transactions				
ODPA	Police Accountability Investigator	\$ 220,916	Appeared on two or more list	On-Going	To reach parity with the IAB and have 2 dedicated full-time investigators for the highly complex misconduct investigations.				
ODPA	Communications Specialist	\$ 211,456	New FY24 GF Dept. Request	On-Going	To assist the DPA in the outreach to the community as referenced in section (14)(m) of the charter				
PRW	Associate Civil Engineer	\$ 266,968	Appeared on two or more list	On-Going	To cover project management costs of CIP Funded projects				
PRW	DEI Internships	\$ 101,000	New FY24 GF Dept. Request	On-Going	To cover costs of 6 DEI / Connectedness internships				
Planning	Green Building Program Manager	\$ 128,671	New FY24 GF Dept. Request	On-Going	Convert position from temporary to permanent. Full Cost of the position - \$257,342; General Fund portion is \$128,671				
Planning	50% GIS Specialist	\$ 73,544	Unfunded Tier 2 & 3 Request	One-Time	Assistant Planner/Geographic Information Systems Analyst. 2 year term				
Police	5 Parking Enforcement Officers	\$ 641,975	Unfunded Tier 2 & 3 Request	On-Going	Address parking/traffic matters that do not necessitating a sworn officer response. Expanded Preferential Parking Program				
Police	1 Parking Enforcement Supervisor	\$ 150,350	Unfunded Tier 2 & 3 Request	On-Going	Required supervision for added Parking Enforcement Officers				
Public Works	Parking Enforcement Personnel -Parking Meter Fund	\$ 2,800,000	New FY24 GF Dept. Request	On-Going	Shifting PEO direct personnel costs from on-street parking fund to General Fund				
Public Works	OS II - (100% GF)	\$ 123,137	Appeared on two or more list	On-Going	Transportation: Parking Citation Review. Support to citation review program, continuing backlog with current staffing levels				
Public Works	Applications Programmer Analyst I (GF - 15%)	\$ 29,459	Appeared on two or more list	On-Going	Streets & Utilities: To support implementation of NexGen, Assetworks, Zonar and Mobile Device Management.				
Public Works	Transportation Manager (GF - 12.5%, 501 - 12.5%)	\$ 79,593	Appeared on two or more list	On-Going	Transportation - Restoring Transportation Division Manager classification after Reclass of previous Transportation Manager to Dept Deputy Director over Transportation and				
Councilmember Taplin	West Berkeley Park Ambassadors	\$ 300,000	Unfunded Tier 2 & 3 Request	One-Time	Funding for Park Ambassadors:2-3 part time positions for one year at San Pablo Park, Strawberry Creek Park and Aquatic Park seven days a week				
Councilmember Droste, Parks and Waterfront &	Adopt-A-Spot Program	\$ 500,000	Unfunded Tier 2 & 3 Request	On-Going	Volunteer coordinator and entry level position coordinator- Recommending partial funding for 1 position in Tier 1				
Councilmember Robinson, Councilmember Harrison, Councilmember Bartlett, and Councilmember Hahn	Parking/Towing Fines & Fees Reform	\$ 383,512	FY 23 Council Budget Referrals	On-Going	Ongoing annual funding to the FY 2024 Mid-Biennial Budget Update for 2 Associate Management Analyst FTEs to administer and expand the indigent payment plan program.				
Councilmember Robinson, Councilmember Bartlett, Councilmember Harrison, and Councilmember Humbert	Southside Impact Fee Nexus Study	\$ 250,000	FY 23 Council Budget Referrals	One-Time	Consultant to be engaged over a two-year process, starting in 2024, to assist with the vision, capital list, nexus study, fee schedule, and other requirements.				
Councilmember Harrison	Staffing Costs Associated with Acquisition of and Prevention of Displacement from Multi-Family Housing	\$ 579,000	FY 23 Council Budget Referrals	On-Going	Refer \$579,000 to the June 2023 Budget Process for annual City staffing costs and for allied non-profits to implement and administer programs associated with acquisition and prevention of displacement from multi-family housing including the Small Sites Program, and implementation of other programs to allow purchases by the city, non-profits and or residents to maintain affordability				
Councilmember Harrison and Councilmember Hahn	Adopt an Ordinance Adding a Chapter 11.62 to the Berkeley Municipal Code to Regulate the Use of Carryout and Produce Bags and Promote the Use of Reusable Bags	\$ 350,000	FY 23 Council Budget Referrals	On-Going	Refer to the Fiscal Year 2023 AAO #1 Budget Process up to \$350,000 per year for staffing for this ordinance and other plastic reduction ordinances.				
Councilmember Harrison	Sole source procurement contract for Two Full-Time Social Workers for Social Justice	\$ 147,000	FY 23 Council Budget Referrals	On-Going	Sole source procurement contract for annual staffing costs associated with funding two social workers to provide low-income immigrants, asylum seekers, unaccompanied children, young dreamers, and displaced families with direct legal services and legal representation.				
George Lippman, Chairperson, Peace and Justice Commission	Two health educator positions to the COB FY 2024 budget process	\$ 150,000	FY 23 Council Budget Referrals	On-Going	Request for estimated \$150,000 annually, beginning in FY 2024 or as early as the AAO #2 process in spring 2023, for staffing, materials, and supplies to be able to more broadly and flexibly conduct health education, prevention, and outreach to reduce health disparities, as proposed by the Peace and Justice Commission.				

**FY 2024 Proposed Budget
Consolidated General Fund Funding Request**

Department	Expenditure Type/Description	Requesting Amount	Request Category	Type of Request	Reason for Request	Recommend to fund	AAO#1 or AAO#2	Defer to FY 25 & FY 26 Budget Dev.	Withdraw from Consideration
Councilmember Harrison	Staffing Costs Associated with Administering the Empty Homes Tax	\$ 372,000	FY 23 Council Budget Referrals	On-Going	Refer \$372,000 to the June 2023 Budget Process for annual City staffing costs to administer the Empty Homes Tax: Accounting Office Specialist III (Finance) 0.25 FTE - \$38,750 Associate Planner (Rent Stabilization Board) 1 FTE - \$185,670 Office Specialist II (Rent Stabilization Board) 1 FTE - \$115,000 Mailing Costs for Outreach and Noticing (Rent Stabilization Board)\$10,000 7.4% Overhead Costs for Counselors, General Counsel, and Office of Executive Director (Rent Stabilization Board)\$22,250				
Sub-Total Personnel		\$ 9,979,367							
NON-PERSONNEL									
CMO - Communications	Replacement for Citywide Email system	\$ 100,000	New FY24 GF Dept. Request	One-Time	IT and Communications have developed requirements to match capabilities of current system with refinements to upgrade system				
CMO - Neighborhood Svcs.	Traffic barricades rental	\$ 75,000	New FY24 GF Dept. Request	On-Going	for large street closures on special events				
Fire	Recruitment & Retention- Priority 5	\$ 200,000	New FY24 GF Dept. Request	One-Time	Retention & Referral Program (Paramedic)- based on 10				
Fire	Recruitment & Retention- Priority 6	\$ 200,000	New FY24 GF Dept. Request	One-Time	Retention & Referral Program (Firefighter)- based on 10				
HHCS	Supplies, Equipment, Cubicles, etc.	\$ 10,000	New FY24 GF Dept. Request	On-Going	Costs associated with adding new staff				
Human Resources	LEARN Module for Training	\$ 50,000	New FY24 GF Dept. Request	One-Time	Training Citywide				
Human Resources	Consulting Fee - data analysis	\$ 50,000	New FY24 GF Dept. Request	On-Going	Threat Assessment and Workplace Violence Prevention				
Human Resources	Consulting Fee - data analysis	\$ 100,000	New FY24 GF Dept. Request	One-Time	Class & Comp, Recruitment Project Management, Data Analysis				
Information Technology	City-wide Facilities Wi-Fi	\$ 350,000	New FY24 GF Dept. Request	One-Time	Improve connectivity for all City facilities, including outdoor areas, such as, Marina and other offsite facilities				
Information Technology	MS Teams and SharePoint	\$ 100,000	New FY24 GF Dept. Request	One-Time	Enterprise solution for collaboration on broader scale to increase productivity and efficiencies.				
OED	Civic Arts Grants	\$ 41,685	New FY24 GF Dept. Request	On-Going	Increases Civic Arts Grants Budget to annual amount of \$200,000				
PRW	Camp Scholarships / DEI Programs	\$ 154,450	New FY24 GF Dept. Request	On-Going	FY 24 budget at \$75,000. Request for additional funding to cover the cost of camp scholarships, per new policy, and DEI programs				
PRW	Marina Fund	\$ 1,500,000	New FY24 GF Dept. Request	On-Going	To cover gap in FY24 operations costs; fund balance is depleted				
PRW	Training, conferences, certifications	\$ 128,115	New FY24 GF Dept. Request	On-Going	Training for PRW staff				
PRW	Online registration software	\$ 28,000	New FY24 GF Dept. Request	On-Going	To cover costs of new server and doc mgmt. system, required to meet increased online recreation registration needs				
Planning	Historic Context Statement OR Historic Resource Evaluation	\$ 275,000	Appeared on two or more list	One-Time	Provide funding for a citywide Historic Context Statement (HCS) per Landmarks Preservation Commission budget request in 2022				
Police	Police Training Academy	\$ 299,550	New FY24 GF Dept. Request	On-Going	Estimated Academy cost, Body Armor and equipment, Hotel, Per Diem, various training supplies, etc. per recruit (12 recruits)				
Police	Police Recruitment and Retention Pilot Program	\$ 107,000	New FY24 GF Dept. Request	On-Going	Costs for retention and referral pilot programs				
Public Works	Maintenance for (3) new public restrooms	\$ 48,000	New FY24 GF Dept. Request	On-Going	FY24 for all three bathrooms is \$48,000 for Jan – June 2024 for two new restrooms + Channing Restroom				
Public Works	Sewer Low Income Discount/Subsidy	\$ 55,000	New FY24 GF Dept. Request	One-Time	FY24 EBMUD Berkeley participation CIP low income cap program				
Public Works	Parking enforcement non-personnel- Parking Meter Fund	\$ 700,000	New FY24 GF Dept. Request	On-Going	Shifting PEO non-personnel costs from on-street parking fund to General Fund				
Public Works	Zero Waste Low Income Discount/Subsidy	\$ 100,000	New FY24 GF Dept. Request	On-Going	Proposed ZW rate discount for low income customers				
Public Works	ISF Request	\$ 1,603,000	New FY24 GF Dept. Request	On-Going	Projected General Fund impact of all four ISF funds updated for FY 24 at full levels. Future costs to be determined			X	
Councilmember Harrison	Fund Mayoral Budgetary Analyses	\$ 100,000	Unfunded Tier 2 & 3 Request	One-Time	Certified public accountant to provide supplemental budgetary assistance				
Councilmember Taplin	West Berkeley Transportation Plan	\$ 300,000	Unfunded Tier 2 & 3 Request	One-Time	Consultant to conduct a study and draft a comprehensive plan for transportation in West Berkeley through 2050				
Councilmember Harrison	Transportation Network Company User Tax to Support Priority Mobility Infrastructure,	\$ 1,800,000	Unfunded Tier 2 & 3 Request	One-Time	Transportation Network Company User Tax General Fund revenue for the construction and maintenance of Tier 1 protected bicycle lanes and crossings, Priority pedestrian street crossings and quick-build public transit projects under the Street Repair Program.				
Councilmember Taplin	West Berkeley Residential Preferential Parking Program	\$ 1,046,009	Unfunded Tier 2 & 3 Request	One-Time	Staffing (6 Officers and 1 Supervisor) 6 new parking enforcement vehicles with automated license plate recognition systems and signage installation				
Councilmember Hahn and Councilmember Wengraf	Reconsideration of Hopkins Corridor Plan in Light of Newly Available Material Information	\$ 400,000	FY 23 Council Budget Referrals	One-Time	Refer \$400,000 to the FY 2024 budget process to fund a comprehensive, independent study of the McGee to Gilman portion of Hopkins Street, as specified below under Alternatives to be Considered and Independent Study Specifications.				
Councilmember Taplin and Councilmember Wengraf	No Right on Red Signs	\$ 135,000	FY 23 Council Budget Referrals	One-Time	Implementation of "No Right on Red" signs to all intersections with traffic lights. Refer the necessary appropriations of \$135,000 to the 2022 November Annual Appropriations Ordinance.				

**FY 2024 Proposed Budget
Consolidated General Fund Funding Request**

Department	Expenditure Type/Description	Requesting Amount	Request Category	Type of Request	Reason for Request	Recommend to fund	AAO#1 or AAO#2	Defer to FY 25 & FY 26 Budget Dev.	Withdraw from Consideration
Councilmember Taplin, Councilmember Harrison, and Councilmember Hahn	Down Payment Assistance (DPA) and Closing Cost Assistance Revolving Loan Fund Pilot	\$ 500,000	FY 23 Council Budget Referrals	One-Time	Refer to the budget process \$500,000 for a local Down Payment Assistance (DPA) and Closing Cost Assistance Revolving Loan Fund Pilot Program, providing third-lien shared appreciation loans (SALs) to cover down payments and closing costs for qualifying applicants in a racial equity and reparative justice framework consistent with regulations for local, state, federal, and nonprofit DPA programs including, but not limited to: California Dream For All (CalHFA), AC Boost (Alameda County), Community Seconds (Fannie Mae), and Black Wealth Builders Fund.				
Councilmember Robinson, Councilmember Harrison, Councilmember Taplin, and Councilmember Hahn	Establishing an Electric Bike Rebate Program and Expanding Low-Income E-Bike Ownership through the Climate Equity Action Fund	\$ 500,000	FY 23 Council Budget Referrals	On-Going	Refer \$500,000 to the FY 2023 AAO #1 process as follows: •\$400,000 for the point of sale rebate program •\$100,000 in supplementary funding towards the Climate Equity Action Fund (CEAF) to further facilitate e-bike ownership among low-income Berkeley residents.				
Councilmember Robinson, Councilmember Harrison, Councilmember Taplin, and Councilmember Hahn	Office of Racial Equity: Re-Entry Employment and Guaranteed Income Programs	\$ 50,000	FY 23 Council Budget Referrals	One-Time	Refer \$50,000 to the Budget Process to engage a consultant to recommend a Universal Income Pilot for Berkeley.				
Councilmember Taplin	Vision 2050 Complete Streets Parcel Tax Community Engagement and Program Plan	\$ 400,000	FY 23 Council Budget Referrals	One-Time	\$400,000 in General Fund impacts with an estimated \$100,000 in cost to conduct community outreach, and an additional \$300,000 to develop a final 2050 Program Plan.				
Mayor Arreguin	Post COVID-19 Rental Assistance/Anti-Displacement	\$ 2,000,000	FY 23 Council Budget Referrals	One-Time	Augment the Housing Retention Program, (administered by the Eviction Defense Center, EDC) as part of the City's anti-displacement programs (launched in 2017), for the purpose of providing rental assistance to tenants due to the COVID-19 eviction moratorium expiration and rent debt due to inflation and rental increases. (Measure P - proposed funding source)				
Civic Arts Commission	Grant Program for Retaining and Improving Creative Spaces	\$ 300,000	FY 23 Council Budget Referrals	On-Going	Annual allocation of \$300,000 for funding the Civic Arts program to administer an annual Capital Projects Grant Program for Berkeley-based nonprofit arts and cultural organizations in order to retain and sustain the vitality of Berkeley's arts sector through real estate and capital project support.				
Councilmember Hahn, Councilmember Bartlett, and Councilmember Taplin	Funds to Study Berkeley's Affordable and Social Housing Needs and Programmatic and Funding Opportunities	\$ 250,000	FY 23 Council Budget Referrals	One-Time	Study and report to include a plan to meet Berkeley's Affordable and Social Housing needs and requirements and recommendations for additional funds, programs, and other measures to meet needs over the next decade.				
Councilmember Harrison	Harold Way Placemaking Project Schematic Design	\$ 100,000	FY 23 Council Budget Referrals	One-Time	Fund Harold Way Placemaking Project Schematic Design.				
Councilmember Harrison and Councilmember Bartlett	Design a Comprehensive Berkeley Police Early Intervention and Risk Management System	\$ 100,000	FY 23 Council Budget Referrals	One-Time	Contract to design and assist with implementing a comprehensive Berkeley Police Department Early Intervention and Risk Management System to provide necessary data and help in implementing fair and impartial policing policies and public safety reimagining.				
Councilmember Hahn, Councilmember Harrison, and Councilmember Taplin	Study to support Housing Element commitment to increase housing and enhance economic vitality on all commercial corridors, with particular attention to the higher-resourced commercial avenues identified in Program 27 of the Housing Element, Solano Avenue, North Shattuck, and College Avenue.	\$ 250,000	FY 23 Council Budget Referrals	One-Time	Refer \$250,000 to the FY 2024 budget process to study and develop options for all commercial corridors, with particular attention to the higher-resourced commercial avenues identified in Program 27 of the Housing Element, Solano Avenue, North Shattuck, and College Avenue, including but not limited to changes to zoning, incentives/programs/financing mechanisms, and objective design standards.				
Councilmember Harrison	City Recreational Vehicle Pump-Out Station	\$ 94,000	FY 23 Council Budget Referrals	One-Time	Refer \$94,000 to the June 2023 Budget Process in Measure P funds for City recreational vehicle pump-out station, including minimal staffing costs, liability, maintenance, and replacement costs to allow individuals to discharge effluent waste directly into the City's sewer system.				
Councilmember Harrison	Purchase Marking Equipment to Engrave Identification	\$ 7,000	FY 23 Council Budget Referrals	One-Time	Referral to the June 2023 Budget Process for \$7,000 to purchase marking equipment to				
Councilmember Kesarwani, Councilmember Humbert, Councilmember Taplin, and Councilmember Wengraf	Additional Street Maintenance Funding to Improve Pavement Condition, Saving Tax Dollars and Our Streets	\$ 4,700,000	FY 23 Council Budget Referrals	One-Time	Refer to the FY 2023-25 biennial budget process to further increase the street paving budget by \$4.7 million General Fund in FY 2024-25 for a total street paving budget of approximately \$20 million in FY 2024-25.				
Sub-Total Non-Personnel		\$ 19,306,809							
CAPITAL									
Police	Jail Bus Replacement	\$ 220,000	New FY24 GF Dept. Request	One-Time	Shortfall to support the anticipated replacement cost. Researching cost for an electric or hybrid option as well.				
Public Works	Fire Truck Lease Payment	\$ 1,300,000	Unfunded Tier 2 & 3 Request	One-Time	FY 21 deferral of payment Equipment Replacement Fund for fire truck				
Public Works	CIP Project Management & Planning Software	\$ 200,000	Unfunded Tier 2 & 3 Request	One-Time	One time funding, 5 Year cost of \$1.2M; cost share PW/PRW/T1 or bond				
Public Works	Parking Meters Replacement	\$ 4,000,000	Unfunded Tier 2 & 3 Request	One-Time	Replacement of outdated meters, assist in generating new revenue				
Public Works	Equipment Replacement Funding	\$ 2,000,000	Unfunded Tier 2 & 3 Request	One-Time	\$18M needed to fund at appropriate level. Ongoing request for 10 years				
Councilmember Taplin	Pedestrian Crossing Improvements at Ashby and Acton	\$ 100,000	Unfunded Tier 2 & 3 Request	One-Time	Rectangular Rapid Flashing Beacons at Ashby Avenue and Acton Street; an estimated \$50,000 and an estimated \$50,000 for 10 years of maintenance				
Councilmember Taplin	Russell Street Improvements	\$ 360,000	Unfunded Tier 2 & 3 Request	One-Time	Bicycle and pedestrian improvements along Russell Street				

**FY 2024 Proposed Budget
Consolidated General Fund Funding Request**

Department	Expenditure Type/Description	Requesting Amount	Request Category	Type of Request	Reason for Request	Recommend to fund	AAO#1 or AAO#2	Defer to FY 25 & FY 26 Budget Dev.	Withdraw from Consideration
Councilmember Hahn and Councilmember Taplin	Pedestrian Safety Upgrades for Arlington Avenue	\$ 35,000	FY 23 Council Budget Referrals	One-Time	Allocation of \$35,000 for traffic control measures on Arlington Avenue from The Circle to Mendocino Avenue, to enhance pedestrian safety at hidden crosswalks and where paths cross mid-block, and refresh painted markings that narrow lanes and encourage reduced speeds.				
Councilmember Hahn and Councilmember Taplin	Speed Feedback Signs for Arlington Avenue	\$ 40,000	FY 23 Council Budget Referrals	One-Time	Allocation of \$40,000 for two Speed Feedback Signs on Arlington Avenue between The Circle and Mendocino Avenue, to encourage slower speeds on a stretch with numerous hidden and mid-block crosswalks.				
Councilmember Humbert and Councilmember Robinson	Fully Fund the City's 50-50 Sidewalk Repair Program	\$ 2,200,000	FY 23 Council Budget Referrals	On-Going	Fully funding clearance of the existing backlog in Berkeley's 50-50 Sidewalk Repair Program. Refer an additional \$1 million per year (above the existing \$1 million baseline funding for sidewalk repair) to future budget processes to ensure all of Berkeley's sidewalks are kept in a state of good repair.				
Councilmember Wengraf	Yield Signs at Two Unmarked Intersections	\$ 30,000	FY 23 Council Budget Referrals	One-Time	Install "YIELD" signs at two unmarked intersections at Shasta and Queens and Quail and Queens.				
Councilmember Wengraf, Councilmember Hahn, Councilmember Humbert, and Councilmember Taplin	Handrails, Lights and Signage for City Pedestrian Path Network	\$ 150,000	FY 23 Council Budget Referrals	One-Time	Installation of lighting, handrails and signage on paths deemed most critical for safe evacuation throughout Berkeley.				
Councilmember Taplin	Berkeley Marina J&K Parking Lot	\$ 1,150,000	Appeared on two or more list	One-Time	Design and implementation of the Marina's J&K Parking Lot reconstruction. Also listed as a PRW Unfunded Tier 2 request.				
Councilmember Taplin	Berkeley Waterfront Bike Park	\$ 800,000	Appeared on two or more list	One-Time	Design and implement the construction of a Berkeley Waterfront Bike Park. Also listed as a PRW Unfunded Tier 3 request.				
Councilmember Taplin	Dreamland for Kids Playground Design	\$ 300,000	FY 23 Council Budget Referrals	One-Time	Conceptual design of the reconstruction of the Dreamland for Kids Playground at Aquatic Park				
Councilmember Taplin	Shorebird Park Playground Design	\$ 200,000	FY 23 Council Budget Referrals	One-Time	Conceptual design of the reconstruction of the Shorebird Park Playground.				
Councilmember Harrison	Traffic Safety Upgrades for the MLK and Haste Intersection	\$ 100,000	FY 23 Council Budget Referrals	One-Time	Referral to the June 2023 Budget Process for \$100,000 in traffic safety improvements at MLK and Haste.				
Councilmember Taplin	Vision Zero Improvements at 6th & Addison Intersection	\$ 600,000	FY 23 Council Budget Referrals	One-Time	Refer \$600,000 to the budget process for HAWK (High-intensity Activated crossWalk) beacons and a median refuge island at 6th and Addison Streets.				
Sub-Total Capital		\$ 13,785,000							
TOTAL GF FUNDING REQUEST		\$ 43,071,176							