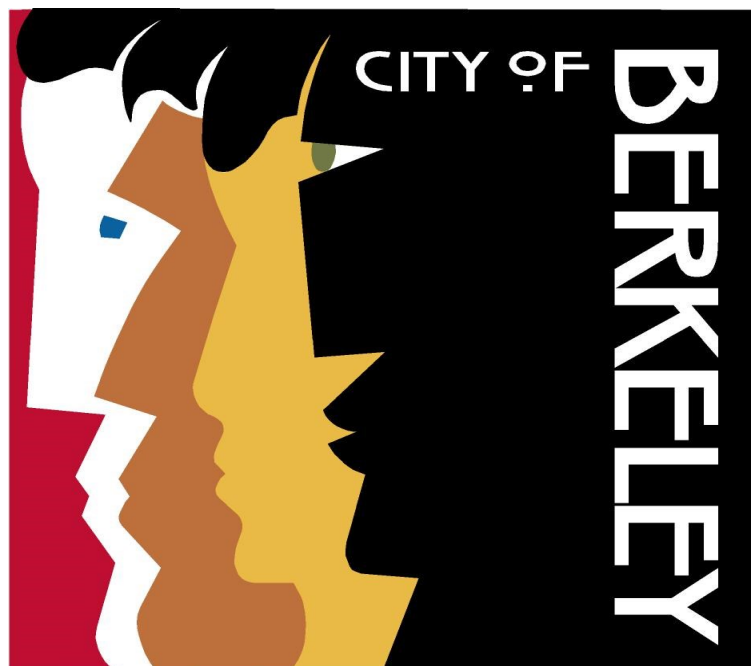


CITY OF BERKELEY
FISCAL YEARS 2018 & 2019
ADOPTED BIENNIAL BUDGET



CITY OF BERKELEY
FY 2018 & FY 2019 ADOPTED BIENNIAL BUDGET

ELECTED OFFICIALS

Mayor

Jesse Arreguin

Councilmembers

Linda Maio (District 1)
Cheryl Davila (District 2)
Ben Bartlett (District 3)
Kate Harrison (District 4)
Sophie Hahn (District 5)
Susan Wengraf (District 6)
Kriss Worthington (District 7)
Lori Droste (District 8)

City Auditor

Ann-Marie Hogan

City Manager

Dee Williams-Ridley

Deputy City Manager

Jovan Grogan

Research and Preparation by:
The Office of Budget & Fiscal Management

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Special thanks to: Department Directors and their staffs for their assistance and contributions in preparing this document.





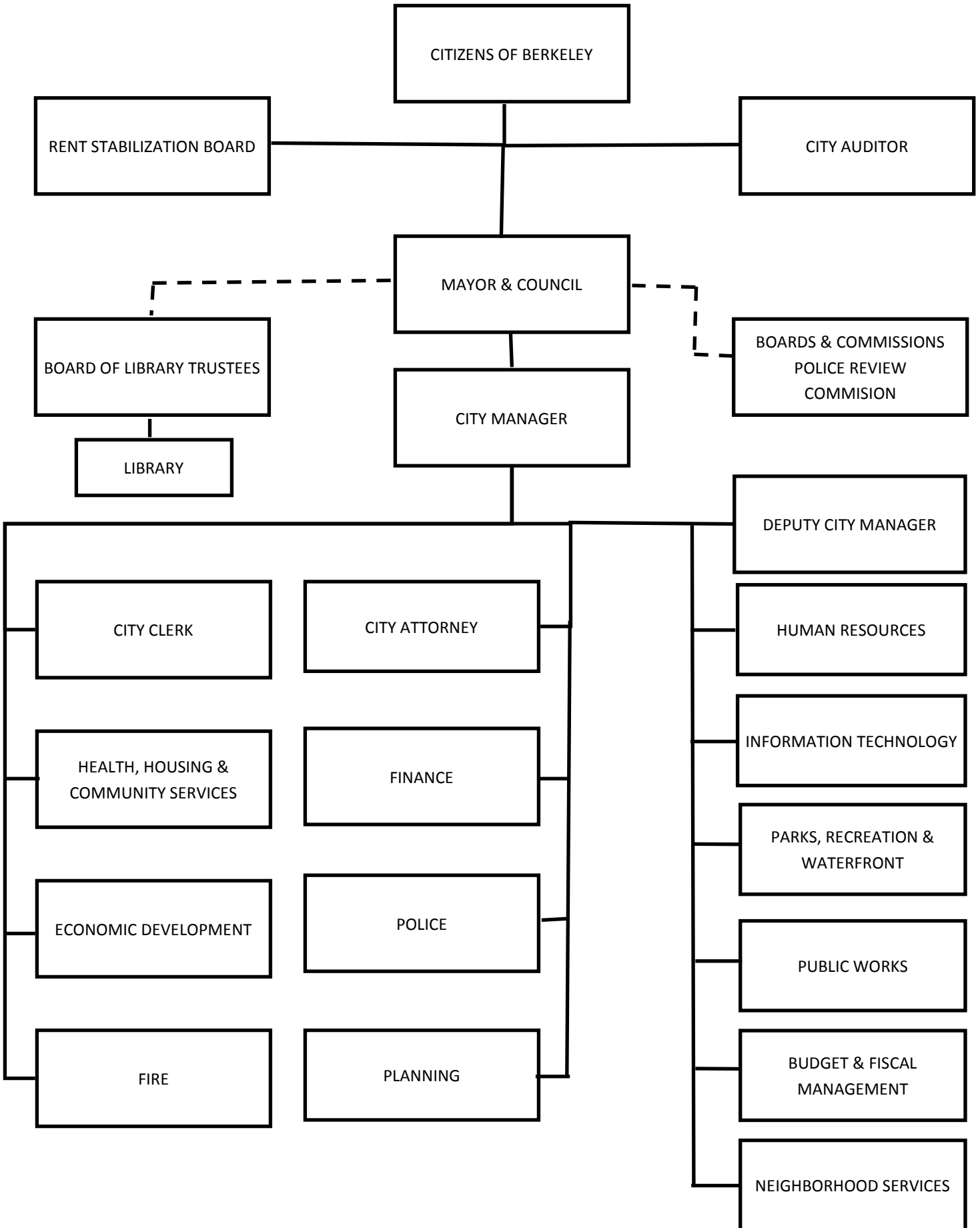
CITY OF

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

ORGANIZATION CHART





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Berkeley
California**

For the Biennium Beginning

July 1, 2015

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, 2015. 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 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, the Strategic Plan, Budget Development Process, and the FY 2018 & FY 2019 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.

Department Budgets: For each City department, includes departments' mission statement, organization chart, department overview, strategic plan priority initiatives for FY 2018 & FY 2019, significant changes from prior fiscal year' budget, and detailed expenditure and financial data

Community Agencies & Special Events: Summary of the community-based organization funding process and the adopted allocation schedule for FY 2018 and a list of adopted special events

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



Office of the City Manager

June 27, 2017

Honorable Mayor and Members of the City Council:

On May 2, 2017, I submitted the Manager's *Proposed FY 2018 & FY 2019 Biennial Budget* (Proposed Budget) for the City of Berkeley. The Proposed Budget was presented for Council's review and consideration. The City Council held several public workshops and public hearings on the contents of the Proposed Budget. Below is a list of the dates and topics that were discussed at each public meeting.

May 2, 2017

- Worksession: [Proposed FY 2018 and FY 2019 Budget](#)¹
- Regular Agenda: [Fiscal Year 2018 and Fiscal Year 2019 Proposed Budget Public Hearing #1](#)²

May 16, 2017

- Worksession: [Measure T1 Update & Public Works Capital Improvement Projects](#)³
- Regular Agenda: [Proposed Biennial Budget Public Hearing #2 and Proposed Fee Increases](#)⁴

May 30, 2017

- Regular Agenda: [City Council Comments on the FY 2018 & FY 2019 Proposed Biennial Budget](#)⁵

June 13, 2017

- Regular Agenda: [Proposed Biennial Budget Public Hearing #3, with Council Discussion on Budget Recommendations](#)⁶

¹ https://www.cityofberkeley.info/Clerk/City_Council/2017/05_May/City_Council_05-02-2017_-_Special_Meeting_Agenda.aspx

² [https://www.cityofberkeley.info/Clerk/City_Council/2017/05_May/City_Council_05-02-2017_-_Regular_Meeting_Agenda.aspx_\(Item_#26\)](https://www.cityofberkeley.info/Clerk/City_Council/2017/05_May/City_Council_05-02-2017_-_Regular_Meeting_Agenda.aspx_(Item_#26))

³ https://www.cityofberkeley.info/Clerk/City_Council/2017/05_May/City_Council_05-16-2017_-_Special_Meeting_Agenda.aspx

⁴ [https://www.cityofberkeley.info/Clerk/City_Council/2017/05_May/City_Council_05-16-2017_-_Regular_Meeting_Agenda.aspx_\(Items_#42_-_52\)](https://www.cityofberkeley.info/Clerk/City_Council/2017/05_May/City_Council_05-16-2017_-_Regular_Meeting_Agenda.aspx_(Items_#42_-_52))

⁵ [https://www.cityofberkeley.info/Clerk/City_Council/2017/05_May/City_Council_05-30-2017_-_Regular_Meeting_Agenda.aspx_\(Item_#47\)](https://www.cityofberkeley.info/Clerk/City_Council/2017/05_May/City_Council_05-30-2017_-_Regular_Meeting_Agenda.aspx_(Item_#47))

⁶ [https://www.cityofberkeley.info/Clerk/City_Council/2017/06_June/City_Council_06-13-2017_-_Regular_Meeting_Agenda.aspx_\(Item_#54\)](https://www.cityofberkeley.info/Clerk/City_Council/2017/06_June/City_Council_06-13-2017_-_Regular_Meeting_Agenda.aspx_(Item_#54))

June 27, 2017

- Regular Agenda: Final discussions and action on the FY 2018 and FY 2019 Biennial Budget, Capital Improvement Program, and tax rates⁷

State law requires that City adopt a budget prior to June 30th. The Council adopted the Biennial Budget on June 27, 2017 with the following amendments for FY 2018 & FY 2019 and specific one-time expenditure allocations for FY 2018:

| TABLE 1: ON-GOING EXPENDITURES (FY18/19) | | |
|---|------------------------------------|--------------------|
| Item Title | Source of Revenue | Amount |
| Flexible Housing Subsidies Pool | General Fund | \$100,000 |
| Increase Berkeley Projects Funding | Parks | \$5,000 |
| Cesar Chavez Solar Calendar | Parks | \$25,000 |
| Funding for Anti-Displacement Programs | U1 | \$650,000 |
| Center for Independent Living | CDBG | \$140,000 |
| | On-Going FY2018/19 Subtotal | \$920,000 |
| TABLE 2: ONE-TIME EXPENDITURES (FY18) | | |
| Item Title | Source of Revenue | Amount |
| Berkeley Inclusion in Opportunity Index | General Fund | \$100,000 |
| Legal + Mental Health Support for Immigrants and Religious Communities | General Fund | \$50,000 |
| Pathways Project Starting Capital | General Fund/Transfer Tax | \$250,000 |
| Pathways Project Capital Expenses | General Fund | \$150,000 |
| South Berkeley Community Church | General Fund | \$14,000 |
| SupplyBank.Org Expanded School Supply Distribution | General Fund | \$25,000 |
| Feasibility Study and Impact Analysis for African American Holistic Resource Center | General Fund | \$75,000 |
| Berkeley Civic Arts Program | General Fund | \$140,000 |
| Berkeley Art Center | General Fund | \$11,000 |
| Evaluation of Allston and California Stop Signs | Transportation/Public Works | \$8,000 |
| Funding for Street Lighting | Transportation/Public Works | \$50,000 |
| Hawk Light at Claremont Boulevard and Russell Street | Transportation/Public Works | \$50,000 |
| Increase Funding for Neighborhood Traffic Calming | Transportation/Public Works | \$50,000 |
| Pedestrian Activated Crosswalk at Sacramento Street and North Berkeley BART | Transportation/Public Works | \$80,000 |
| Three Beacon Lights | Transportation/Public Works | \$75,000 |
| RFP Step Up Housing | General Fund | \$45,000 |
| | One Time FY2018 Subtotal | \$1,173,000 |

⁷ https://www.cityofberkeley.info/Clerk/City_Council/2017/06_June/City_Council_06-27-2017_-_Regular_Meeting_Agenda.aspx (Item #47)

Since November 2016 staff worked on developing the FY 2018 and FY 2019 Biennial Budget adopted by the City Council. In addition to the 3 Public Hearings on the Proposed Budget, staff presented information and received feedback from Council on the City's fiscal position and the financial challenges that influenced the development of the Biennial Budget throughout FY 2017. Below is a list of additional meetings and the topics that were discussed.

November 29, 2016

- Regular Agenda: [FY 2016 Year-End Results and FY 2017 First Quarter Budget Update](#)⁸

February 28, 2017

- Worksession⁹: [Projections of Future Liabilities](#) and [FY 2017 Mid-Year Budget Update](#)

April 4, 2017

- Worksession¹⁰: [Projections of Future Liabilities - Options to Address Unfunded Liabilities Tied to Employee Benefits](#) and [Update on Parks Capital Improvement Projects: Recent and Planned Projects](#)

April 25, 2017

- Worksession¹¹: [Community Agency Funding FY 2018 and FY 2019](#)
- Regular Agenda¹²: [Public Hearing on CDBG & ESG Annual Action Plan, Proposed Funding Allocations to Community Agencies, and Adopt Funding Allocation and Annual Action Plan for CDBG and ESG](#)

The November 29, 2016, report on the [FY 2016 Year-End Results and FY 2017 First Quarter Budget Update](#)¹³ included a warning about the increasing health care rates. The rates increased by 16.16% beginning January 1, 2017. This is the largest rate increase since 2007.

On February 28, 2017, staff presented to Council the [Projections of Future Liabilities](#) report¹⁴ In this report staff presented to Council the almost \$1 billion in unfunded liabilities tied to employee benefits and capital infrastructure. Also, included in this report

⁸ http://www.cityofberkeley.info/Clerk/City_Council/2016/11_Nov/City_Council_11-29-2016_-_Regular_Meeting_Agenda.aspx

⁹ http://www.cityofberkeley.info/Clerk/City_Council/2017/02_Feb/City_Council_02-28-2017_-_Special_Meeting_Agenda.aspx

¹⁰ http://www.cityofberkeley.info/Clerk/City_Council/2017/04_Apr/City_Council_04-04-2017_-_Special_Meeting_Agenda.aspx

¹¹ https://www.cityofberkeley.info/Clerk/City_Council/2017/04_Apr/City_Council_04-25-2017_-_Special_Meeting_Agenda.aspx

¹² https://www.cityofberkeley.info/Clerk/City_Council/2017/04_Apr/City_Council_04-25-2017_-_Regular_Meeting_Agenda.aspx

¹³ http://www.cityofberkeley.info/Clerk/City_Council/2016/11_Nov/City_Council_11-29-2016_-_Regular_Meeting_Agenda.aspx (Item #34)

¹⁴ http://www.cityofberkeley.info/Clerk/City_Council/2017/02_Feb/City_Council_02-28-2017_-_Special_Meeting_Agenda.aspx (Item#1)

were the increases to the California Public Employees' Retirement System (CalPERS) rates primarily resulting from CalPERS reducing the discount rate from 7.5 percent to 7.0 percent over a three-year period.

In addition, throughout FY 2017 Council authorized the expansion of several Citywide services supported by the General Fund. The costs tied to these expanded services were included in the Proposed Budget. The expansion of these services affected various City departments. For example, the Fire Department is permanently staffing a 4th ambulance to increase emergency transport services. The Health Housing and Community Services Department is establishing a three year project-based Homeless Outreach and Treatment Team (HOTT) Program designed to provide outreach and treatment for homeless individuals in the community with serious mental health disorders. In addition, and crossing all City departments, is the redesigning of the City's website to improve the information and services available to community members online. Finally, added to the Proposed Budget are a new Homeless Programs Coordinator and a new Community Development Project Coordinator who is assigned to address the housing crisis. Both positions are supported by the General Fund. While these are much needed services, the costs of these expanded services and new positions combined with the additional costs tied to employee salaries and benefits (mainly increases in pension and health care costs) resulted in a projected General Fund operating shortfall of \$5.0 million in FY 2018 and \$5.3 million in FY 2019.

One of Council's fiscal policies is that any new expenditures requires new revenue or expenditure reductions. New revenues were not identified to support these new General Fund expenditures. However, included in this biennial budget are balancing measures, which propose temporary reductions in expenditures and are discussed in detail in the *Financial Summaries: Five-Year Forecast Assumptions* section of this budget book.

The General Fund, however, is less than half of the City's total budget. There are several new initiatives supported by Special Funds. Fortunately, these new initiatives are funded by new revenues approved by voters. For example, in November 2014 Alameda County voters approved Measure BB (a property tax assessment) that implements a 30 year Transportation Expenditure Plan by renewing the 0.5 percent transportation sales tax approved in 2000 increases the tax by an additional 0.5 percent, effectively doubling the tax. Also in November 2014, Berkeley voters approved Measure F (a countywide vehicle registration fee), increasing the Parks Tax revenues by approximately 16.7 percent. Most recently, in November 2016, Berkeley voters passed Measure T1, authorizing the City to sell \$100 million of General Obligations Bonds to repair, renovate, replace or reconstruct the City's aging infrastructure and facilities¹⁵.

¹⁵ On January 31, 2017, City Council approved a public process for Implementation of Measure T1 to include commission and citizen input for Measure T1 criteria and projects.

Special funds are programmed to support a variety of projects in Fiscal Year 2018 and Fiscal Year 2019. For example, the Public Works Department (PW) is scheduled to make major improvements to the Downtown Berkeley infrastructure and amenities. PW has programmed projects to renovate the Downtown Berkeley BART Plaza, reconfigure Shattuck Avenue, implement the Hearst Complete Streets Project, and modernize the Center Street Plaza. In addition, PW is spearheading the construction of the new Center Street Garage in Downtown Berkeley. The Parks, Recreation and Waterfront Department (PRW) is scheduled to re-construct the Trellis and improve the pathways and lighting at the historic Berkeley Rose Garden. PRW is also moving forward to complete the planning and design for the \$54.4 million construction rebuild of the beloved Berkeley Tuolumne Camp, which was destroyed by the Rim Fire in 2013. Finally, the Planning Department staff, who in collaboration with partners in the community, will develop a long-range, cutting edge plan and Environmental Impact Report for the Adeline/South Shattuck Corridor.

The projects listed above are just a sample of the capital and planning projects programmed for the next two fiscal years. A detail of the City's capital projects along with the funding sources can be found in the *Adopted FY 2018 & FY 2019 Capital Improvement Program Book*.

The Biennial Budget adopted by the City Council is a balanced budget, which means that our projected General Fund revenues are aligned with our expenditures. We used short-term, one-time measures to resolve the deficit. These balancing measures do not resolve future projected General Fund deficits. We are still facing budgetary challenges in FY 2020 and beyond, since our projected expenditures continue to outpace our projected revenues. Over the next fiscal year, staff will work with Council, labor, and the community to address the ongoing structural deficits and bring projected expenditures in line with projected revenues. This may involve a combination of expenditure reductions, identification of new revenues, or realignment of current services or programs.

The budget process assigned resources to address the goals, objectives, and community priorities set by the City Council. The balancing act between projected revenues and escalating expenditures has been challenging. Although the Biennial Budget incorporated balancing strategies, several of the balancing measures included in the balancing plan are short term, one-time solutions, which do not effectively resolve the projected ongoing structural deficit. The impact of the adopted balancing plan spreads across many departments and different funding sources.

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 we move into new labor negotiations. In addition, we must brace ourselves for the possible impacts of the new federal administration. The City of Berkeley is a sanctuary city and as a result of the new federal administration could suffer the loss of federal funding. The City receives approximately \$11.5 million in federal funding annually.

Below is an outline to help the Council and members of the public navigate the Biennial Budget.

1. Council Budget Development Policies
2. Current General Fund Budget Situation
 - a. General Fund Forecast
 - b. General Fund Balancing Plan
3. FY 2018 & FY 2019 Biennial Budget Financial Summary
 - a. Revenue Projections
 - b. Expenditure Projections
4. Staffing
5. Special Funds - Aligning Resources with Service Delivery
6. FY 2017 and Beyond
 - a. Unfunded Liabilities
 - b. Options to address Unfunded Liabilities (Employee Benefits)
7. New Council Fiscal Policies
 - a. General Fund Reserve Policy
 - b. Debt Policy
8. Capital Improvement Program
9. Tax Rates
10. The Strategic Plan
11. Conclusion

1. Council Budget Development Policies

While we have established a stability budget for FY 2018 and FY 2019, we still need to continue to develop solutions that resolve the long-term challenges presented by expenditures growing faster than revenues. The Council has adopted budget development policies which have served us well over the long term, and has also established several budget policies that begin to address some of the long-term problems.

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 new revenue or expenditure reductions.
- ❖ Transfer Tax in excess of \$10.5 million 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).

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 Biennial Budget were modifications to two of the fiscal policies noted above.

- ❖ Resetting the baseline for excess property transfer tax from \$10.5 million to \$12.5 million, and
- ❖ Reducing the subsidy to the new Police Employee Retiree Health Plan (fund 903) resulting from savings due to the decrease in the contribution to the Safety Members Pension Fund.

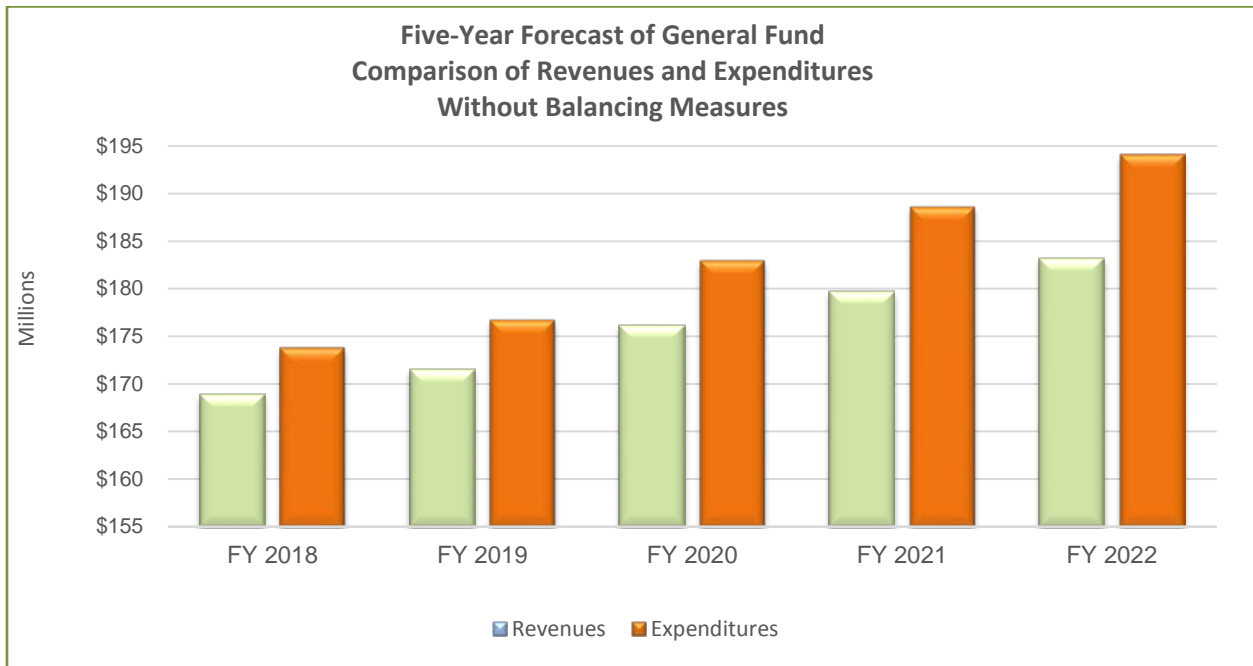
The Biennial Budget provides a plan to control costs and maximize the use of City resources. It is a balanced budget and thus does not require further General Fund expenditure reductions. It also does not propose staffing reductions. In fact, over the two year period there is a net increase of 37.81 FTEs as discussed later in this report. The General Fund, however, is less than half of the City's total budget. Many of the special funds that were struggling are starting to become healthy again due to the City Council and City staff actions over the last several years that have allowed the City to effectively manage and balance its budget as we begin to recover from some very difficult times.

2. Current General Fund Budget Situation (Forecasting Long-Term Ongoing Operational Deficit)

a. General Fund Forecast

Below is the General Fund Five-Year Forecast. The revenue streams into the General Fund are the most discretionary in terms of allocation, and are also highly sensitive to economic conditions. The General Fund typically comprises about one-half of the City's total budget. The remainder of the budget consists of various Special Funds which are restricted in purpose (e.g. Zero Waste, Permit Center, Sewer, Public Health, and Mental Health). Although some General Fund revenue streams are increasing modestly, the rate of increasing expenditures is outpacing the revenue growth rate.

Contributing to the shortfall are COLAs and the new \$500,000 annual mandate for Measure X1 – Public Campaign Financing that the voters approved in November 2016. Further straining the General Fund biennial budget are the costs tied to expanded services such as the 4th ambulance, the three year project-based Homeless Outreach and Treatment Team (HOTT) Program, and the redesigning of the City's website. In addition, there are outside forces placing additional pressure on the budget including the increase in the medical health care rates, and increases to the California Public Employee Retirement System (CalPERS) employer contribution rates imposed by the CalPERS Board. The rate of expenditure increases is outpacing the revenue growth rate which resulted in initial projected long-term General Fund structural deficits of \$5.0 million in Fiscal Year 2018 and \$5.3 million in Fiscal Year 2019. While the initial projected deficits of FY 2018 and FY 2019 were resolved through the balancing plan, the projected ongoing deficits remain unresolved. These deficits are projected to grow to \$6.8 million in FY 2020, \$8.9 million in FY 2021, and \$10.9 million in FY 2022.



b. General Fund Balancing Plan

The 2-year balancing plan for the General Fund adopted \$10.3 million in balancing measures through a combination of short term expenditure reductions and an increase in recurring revenues. The \$3.1 million in recurring revenues is primarily the result of the additional \$2.0 million increase in the Property Transfer Tax baseline and a \$700,000 annual transfer from the Parking Meter Fund. The \$1.9 million expenditure reduction in FY 2018 and the \$2.2 million expenditure reduction in FY 2019 are primarily from temporarily suspending annual General Fund transfers to certain Special Funds.

FY 2018 and FY 2019 Two-Year
Balancing Plan for the General Fund

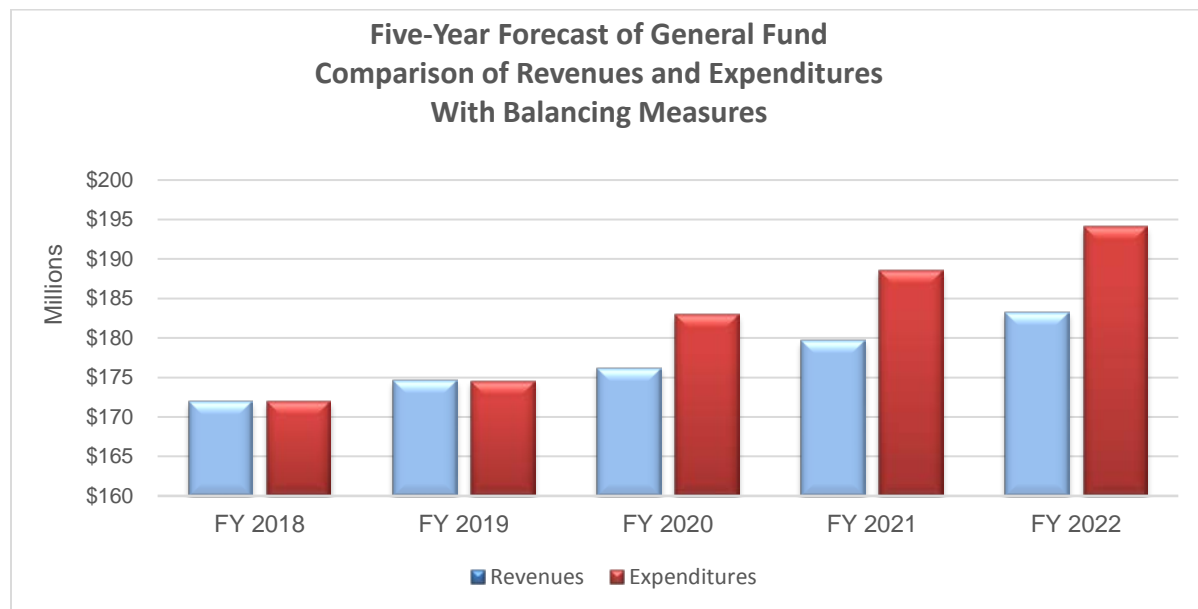
| Balancing Plan (dollars in millions) | FY 2018 | FY 2019 | 2-Year Total |
|---|----------------|----------------|---------------------|
| New Recurring Revenues | \$ 3.1 | \$ 3.1 | \$ 6.2 |
| Reductions | \$ 1.9 | \$ 2.2 | \$ 4.1 |
| Total Balancing Plan | | | \$ 10.3 |

As noted above, the adopted balancing plan includes increasing the Property Transfer Tax operating baseline by \$2.0 million. This resets the baseline from \$10.5 million to \$12.5 million. Property Transfer Tax in excess of the \$12.5 million will continue to be treated as one-time revenue to be used for the City’s capital infrastructure needs. As a result of the increase in the Property Transfer Tax baseline, available funding from excess Property Transfer Tax to support capital infrastructure will be reduced.

In addition, increases to be tied to the Fire department generate an additional 360,000.¹⁶ Finally, we plan to transfer \$700,000 from the Parking Meter Fund to the General Fund to support the costs of the Parking Enforcement Officers

Reductions in expenditures include a \$1.3 million decrease in transfers from the General Fund to key Special Funds. Impacted funds will use the special fund's available fund balance to maintain operations during the two year period. There is also almost a \$250,000 net decrease in General Fund expenditures resulting from reallocations and reductions in debt service payments. We increased the General Fund target salary savings from 2.0 percent to 3.0 percent which further reduces the General Fund expenditures by an additional \$397,000. Salary savings are assessed to account for anticipated savings resulting from employee attrition. Although the actual FY 2016 attrition rate was 8.96 percent, this rate changes from year to year and is influenced by economic conditions.

Even with these adopted balancing measures there is not much relief in the foreseeable future. Our proposed balancing measures are one-time, short-term solutions. While we adopted a balanced Biennial Budget for Fiscal Year 2018 and Fiscal Year 2019, as demonstrated in the chart below, deficits are projected to continue to grow in the out years. General Fund deficits are projected to grow to \$6.8 million in FY 2020, \$8.9 million in FY 2021, and \$10.9 million in FY 2022.



Additional information on the Balancing Plan can be found in the section of the Biennial Budget book titled *Five-Year Forecast Assumptions*.

3. FY 2018 & FY 2019 Biennial Budget Financial Summary

The balancing measures adopted to resolve the projected shortfall of \$5.0 million in Fiscal Year 2018 and \$5.3 million in Fiscal Year 2019 were a combination of increased revenues and

¹⁶https://www.cityofberkeley.info/Clerk/City_Council/City_Council__Agenda_Index.aspx Items #43 and 45

expenditure reductions. It is important to note that the balancing measures are short-term, one time solutions and do not resolve the ongoing General Fund structure deficit.¹⁷

| General Fund FY 2018 | | General Fund FY 2019 | |
|-------------------------|--------------|-------------------------|--------------|
| Revenues | Expenditures | Revenues | Expenditures |
| \$172.9M | \$172.9M | \$175.3M | \$175.3M |

The table below summarizes the adopted City expenditure budget for FY 2018 and FY 2019 for all funds, as well as for the General Fund, in comparison with the FY 2017 Adopted Budget. The City's FY 2018 operating budget shows a modest increase of 3.6% on an All Funds basis when compared with FY 2017. However, the capital budget increases by 148%. The large increase in the adopted FY 2018 capital budget is primarily due to the \$23.3 million programmed for the Center Street Garage and the \$14.6 million programed for Sanitary Sewer rehabilitation, including design and planning. In addition, \$4.0 million has been programed for ERP Replacement (FUND\$), and \$3.3 million has been programed from the General Fund Catastrophic Reserve for the Berkeley Tuolumne rebuild. The FY 2019 General Fund budget projects mild growth from FY 2017 with a change over the 2-year period of 7.2%.

| All Funds (in millions) | Adopted FY 2017 | Adopted FY 2018 | % Change | Adopted FY 2019 | % Change |
|--|----------------------------|----------------------------|---------------------|----------------------------|---------------------|
| Operating Budget | \$ 331.0 | \$ 343.0 | 3.6% | \$ 348.4 | 5.3% |
| Capital Budget | \$ 32.9 | \$ 81.6 | 148.0% | \$ 39.9 | 21.3% |
| Total: | \$ 363.9 | \$ 424.6 | 16.7% | \$ 388.3 | 6.7% |
| General Funds (in millions) | Adopted FY 2017 | Adopted FY 2018 | % Change | Adopted FY 2019 | % Change |
| Operating Budget | \$ 155.20 | \$ 162.8 | 4.9% | \$ 166.9 | 7.5% |
| Capital Budget | \$ 8.4 | \$ 10.1 | 20.2% | \$ 8.4 | 0.0% |
| Total: | \$ 163.6 | \$ 172.9 | 5.7% | \$ 175.3 | 7.2% |

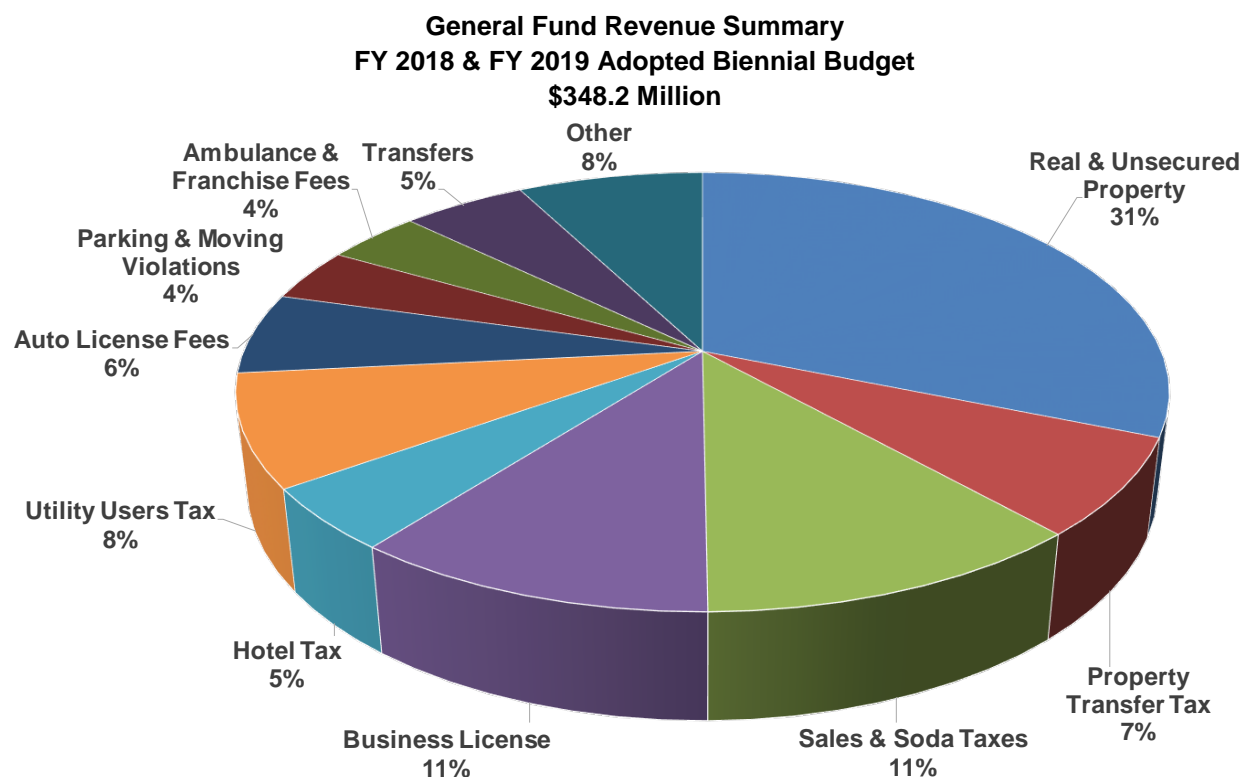
¹⁷Not included in the Adopted Budget are new revenues from Rental unit Business License Tax (U1) or corresponding expenditures.

a. Revenue Projections

Staff has developed a model for revenue projections, assisted by consultants who are familiar with the City's historical revenue growth and economic conditions that have impacted that growth. The revenue projections presented in the chart below are limited to the General Fund as those funds are the most discretionary in terms of allocation, and also highly subject to economic conditions. The General Fund typically comprises about one-half of the City's total budget, the remainder of the budget consists of various Special Funds which are restricted in purpose (e.g. Zero Waste, Permit Center, Sewer, Public Health, Mental Health). The chart below provides a summary of total General Fund Revenues projected through FY 2027.

| General Fund Revenue Projections | | | | | | | | | | | |
|--|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | FY17 Adopted Budget | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 |
| Total General Fund Revenues | 163.7 | 172.9 | 175.3 | 176.2 | 179.7 | 183.2 | 186.9 | 190.6 | 194.3 | 198.2 | 202.2 |

The chart below shows the percent contribution of the various sources of General Fund revenue streams included in the FY 2018 and FY 2019 General Fund Budget. Fifty-eight percent (58%) of the City's General Fund revenue is derived from real and unsecured property, transfer, utility and sales taxes. The following pie chart includes total proposed revenues for both years of \$348.2 million. The annual General Fund revenue is \$172.9 million in FY 2018 and \$175.3 million in FY 2019.



Several of the major contributing revenue streams are described in more detail below. Additional information on the General Fund can be found in the section of the Adopted Budget titled *General Fund*.

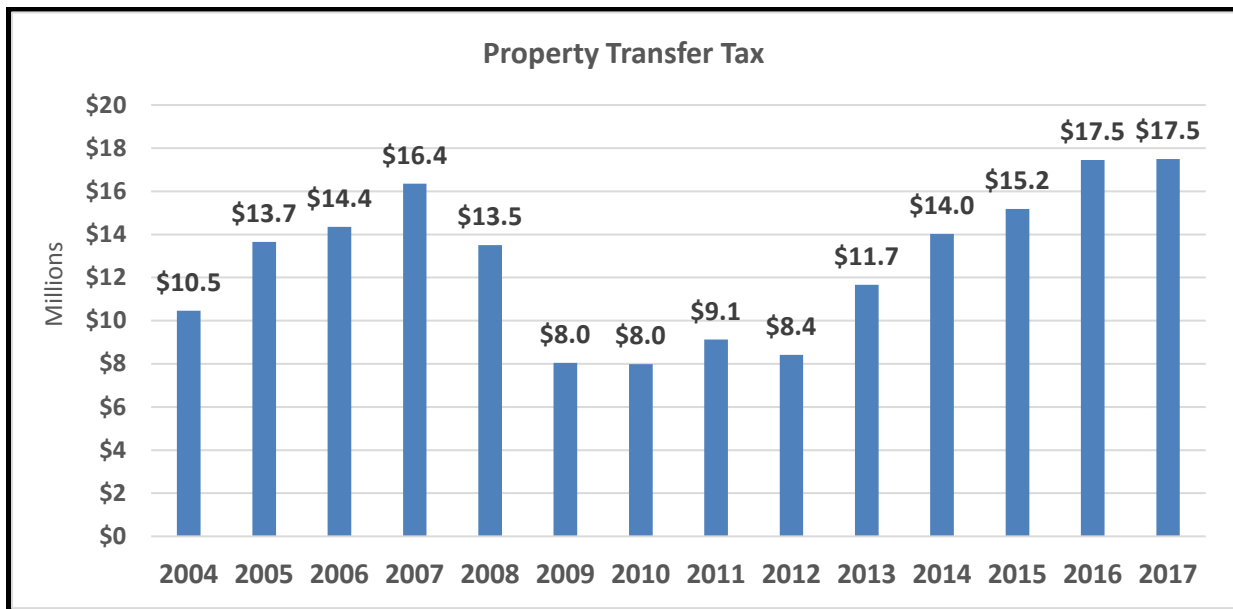
Real Property Tax

Real Property Taxes are applied to all taxable real and personal property and are set at 1% of the assessed value. Proposition 13 limits increases by change in the California Consumer Price Index up to a maximum of 2% per year. The Alameda County Assessor maintains property tax assessment rolls that account for all property. The City's Property Tax is collected by Alameda County. The City receives approximately 32.57% of the real property tax dollar generated within the City limits. (Berkeley receives a comparatively higher share of the property tax dollar than other cities in Alameda County, many of whom receive about 15% of the tax dollar due to the way that Proposition 13 was implemented in 1978.) The projections for real property taxes is currently projected to grow at 1.39% in FY 2017 and 2.57% in FY 2018 and an annual increase averaging about 2% through 2027 based on historical trends. Staff updates these original Adopted Budget projections quarterly.

Property Transfer Tax

The Property 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 sales closing process, and remit the funds to Alameda County when sales or transfers are finalized. Alameda County remits the amounts due monthly, and the amounts are credited to the General Fund.

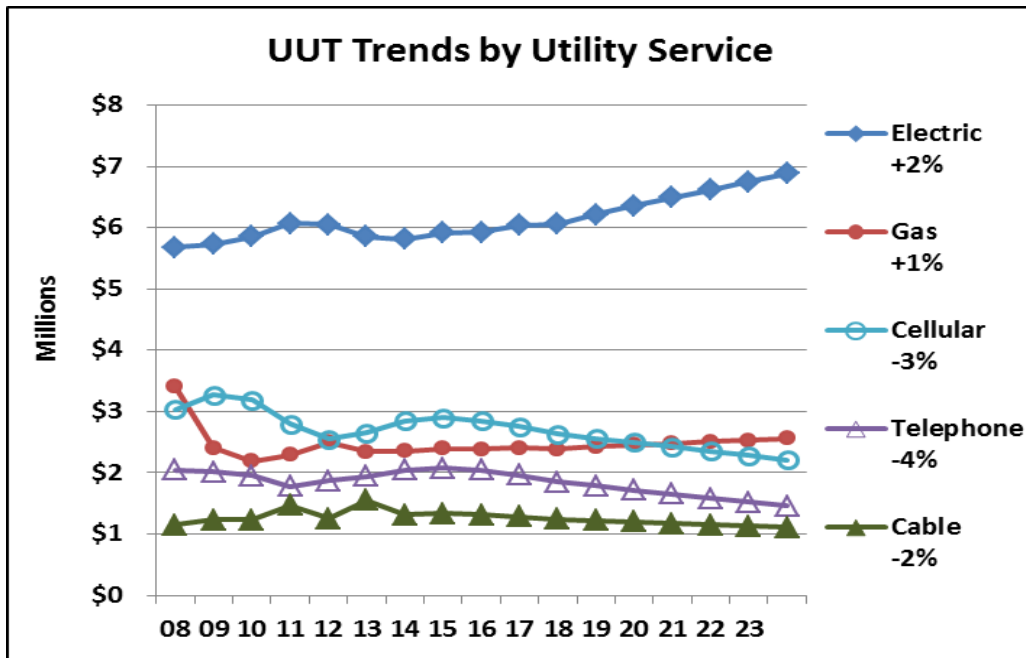
Because Property Transfer Tax is tied directly to real property sales, it is a volatile revenue source, and difficult to predict more than one year at a time. Understanding the volatility of this General Fund revenue stream, Council adopted a policy that Transfer Tax in excess of \$10.5 million is treated as one-time revenue to be transferred to the Capital Improvement Fund for capital infrastructure needs. Since FY 2013 Property Transfer Tax has averaged \$15.2 million a year. The chart below displays the historical trend of the City's Property Transfer Tax from FY 2004 through projected FY 2017.



We proposed that Council's fiscal policy tied to the excess Property Transfer Tax be modified to reset the baseline from \$10.5 million to \$12.5 million. Based on the historical trend of the Property Transfer Tax revenue stream over the past five years, it appears that the proposed \$2.0 million increase is reasonable. Any amounts above this baseline will be non-recurring (one-time) revenue, available for one-time expenditures allocations. Excess Property Transfer Tax has been the primary funding source for the ERP Replacement (FUNDS).

Utility Users Tax

Utility Users Tax (UUT) is charged at the rate of 7.5% to all users of a given utility (gas, electricity, telephone, cable, and cellular). UUT is Berkeley's 4th largest source of General Fund revenue. Factors that affect the revenue generated by UUT include consumption, PUC rate changes, regulatory actions, evolution of technology and market forces.



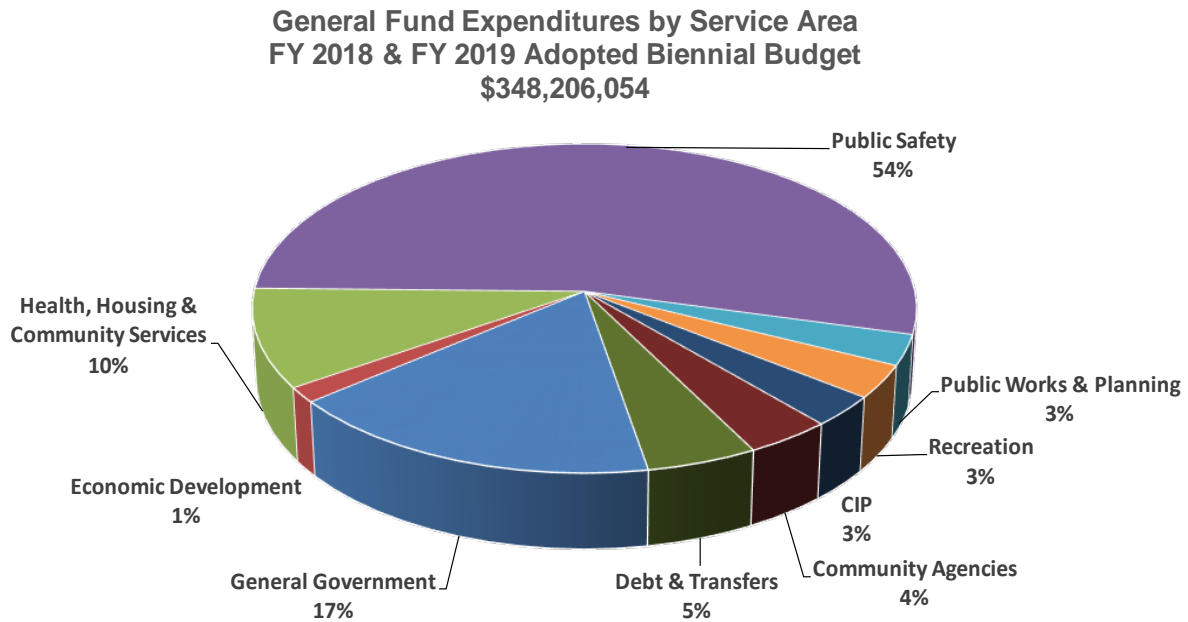
Sales Tax

Sales Tax is an excise tax imposed on retailers. 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. City staff review sales tax revenues regularly and compares Berkeley's performance with other cities in Alameda County, as well as statewide trends. While sales tax is a relatively stable revenue source for Berkeley, with the exception of FY 2012 when the City saw a \$2 million decline, Berkeley is somewhat unique in that 23.1% of its sales tax is from restaurants compared to 13.2% statewide (SF Bay Area is 14.2%). Berkeley otherwise has a generally well diversified sales tax base that is projected to continue to modestly improve over time. However, this revenue stream is highly susceptible to changes in economic conditions.

b. Expenditure Projections

The balancing act between projected revenues and escalating expenditures has been challenging. In FY 2018, salary and benefit costs make up approximately 54% of the citywide budget on an all funds basis and 77% of the General Fund operating budget. Controlling labor costs is the primary method to manage expenditures and ensure sustainability of the General Fund. Expenditure controls must also include addressing some underfunded and unfunded employee benefits. Labor and management must continue to work in partnership to 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.

The chart below shows the percent allocation of the General Fund expenditures for both FY 2018 and FY 2019 by service area. Fifty-four percent of the General Fund biennial budget is allocated to Police (36%) and Fire (18%). The following pie chart includes total proposed General Fund expenditures for both years of \$348.2 million. The annual General Fund expenditures are \$172.9 million in FY 2018 and \$175.3 million in FY 2019.



California Public Employee Retirement System (CalPERS)

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. Since 2013 CalPERS rates have continued to climb based on changes in their assumptions and Board policies.

In 2013, the CalPERS Board voted to change the actuarial model for the pension plans along with certain actuarial assumption upon which rates are based. First, the model provides that the plans will be 100% funded in a fixed 30-year time period. Second, the time period to “smooth out” the impacts of CalPERS’ investment losses due to the recession was reduced from 15 years to 5 years. Finally, the rates are structured in such a way that the first five years are a “ramp up” period to improve the plans funded percentage. That meant higher rates beginning in FY 2016.

On February 18, 2014, the CalPERS Board voted to retain its long-term assumed rate of return of 7.5 percent, but adopted new mortality assumptions since retirees are living longer. As a result of these assumptions, the cost of employer contributions increased again beginning in FY 2017.

Most recently, in December 2016, the CalPERS Board of Administration took action to strengthen the fund by cutting the discount rate by a half percentage point over a three year period¹⁸. CalPERS is reducing the return rate from 7.5% to 7.375% immediately, to 7.25% in July 2018, and to 7.0 percent a year later. CalPERS lowered the discount rate because they determined that achieving a 7.5 percent rate of return was now far less likely. The impact of the lower return rate can be seen in the chart below as determined by the actuarial analysis performed by Bartel Associates, LLC. The result of this lowered discount rate is that liabilities will grow and that the City's pension contributions will again increase.

CalPERS uses an amortization and smoothing policy that spreads rate increases or decreases over a 5-year period, and amortizes all experience gains and losses over a fixed 30-year period.

The City contributes to three plans in the CalPERS system: Miscellaneous Employee Plan, Police Safety Plan, and Fire Safety Plan. Benefits vest after five years of service and are based on the employee's 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. 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. For the Miscellaneous plan, historically, the City paid both the employer share of the contribution and the additional 8% employee share. However, effective January 1, 2018 all of the Miscellaneous employees, except for one labor group, will be paying 8% towards the Employer's Contribution. For FY 2017 and FY 2018, the City is using CalPERS' actual rates. For FY 2019 and beyond, the rates are projections provide by the City's outside actuary.

| | CalPERS Actuals FY 2017 | CalPERS Actuals FY 2018 | Actuary's Estimates FY 2019 | Actuary's Estimates FY 2020 | Actuary's Estimates FY 2021 | Actuary's Estimates FY 2022 | Cumulative Growth from FY 2017 |
|---------------|-------------------------|-------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------------|
| Miscellaneous | 25.7% | 27.9% | 31.0% | 33.9% | 36.3% | 38.5% | 12.8% |
| Police | 52.7% | 56.6% | 61.3% | 65.7% | 69.4% | 72.7% | 20.0% |
| Fire | 37.9% | 39.9% | 44.3% | 48.5% | 51.5% | 54.8% | 16.9% |

The above rates do not include the City-paid Employee Rate of 8% for Miscellaneous (non-sworn) employees. However, effective January 1, 2018 all of the Miscellaneous employees, except for one labor group will be paying 8% towards the Employer's Contribution, which is also not shown in the above rates.

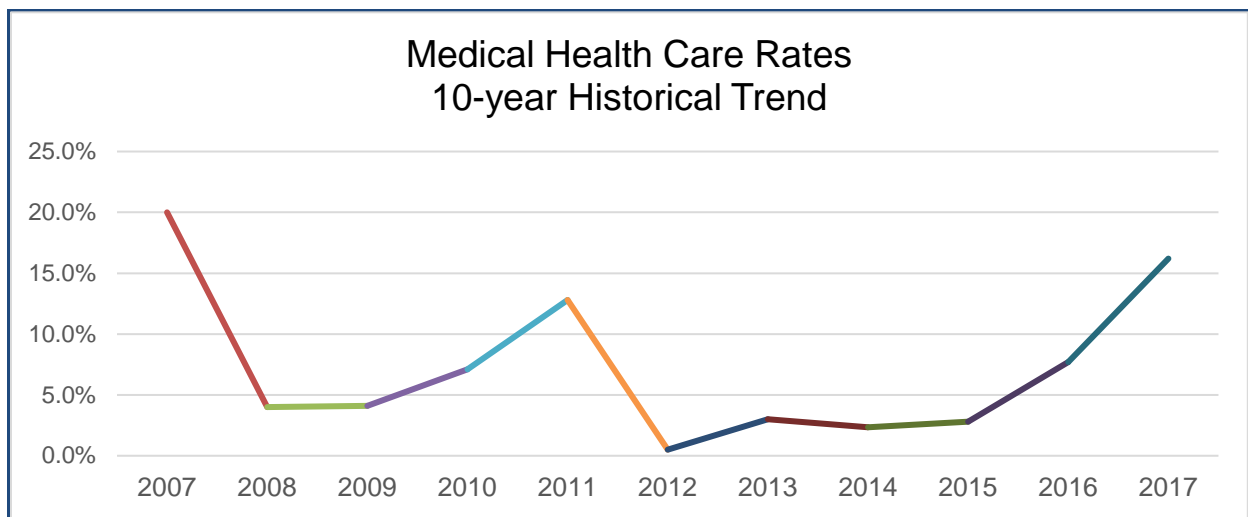
¹⁸ https://www.calpers.ca.gov/page/newsroom/for-the-record/2017/action-prudent-smart-decision?utm_source=newsroom&utm_medium=banner&utm_campaign=FTR-Discount-Rate

As noted above, the changes made by CalPERS in the last few years are planned to achieve 100% funding for all plans within a 30-year time period. This means that there will be sufficient funds held in each plan to pay obligations for all inactives (including retirees) and benefits due to prior service for actives.

CalPERS calculates the value of the City's plan assets based on the market value of assets (MVA). 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. Incorporating the negotiated cost sharing included in the labor contracts, the rising CalPERS rates are projected to increase the City's costs by over \$4.26 million for all funds over the next two-year period. The funded status of a pension plan is defined as the ratio of assets to a plans accrued liabilities. Based on the CalPERS' actuarial valuations as of June 30, 2015, the City's plans are currently funded as follows: Police Safety 60.75%; Fire Safety 71.58%; and Miscellaneous 71.08%.

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 experienced unusually low health rate increases in FY 2015 and FY 2016, our outside brokers advised us to plan for larger increases in the future reflective of historical trends. Since 2005, health premium increases have ranged from 0.5 percent to 20 percent. Effective January 1, 2017, the health care rates increased by 16.16%. As reflected in the chart below, this is the largest increase since 2007.



Health care rates are provided to the City on a calendar year basis. Considering the most recent jump in rates along with the advice of our outside broker, we budgeted a 12% rate increase in FY 2018 and FY 2019. The City's is estimated to pay \$21.6 million in FY 2018 and \$24.2 million in FY 2019 for medical health insurance for active employees. If medical health care rates increase by 12% per year, by FY 2022 the City is projected to pay \$33.9 million for medical health insurance for active employees.

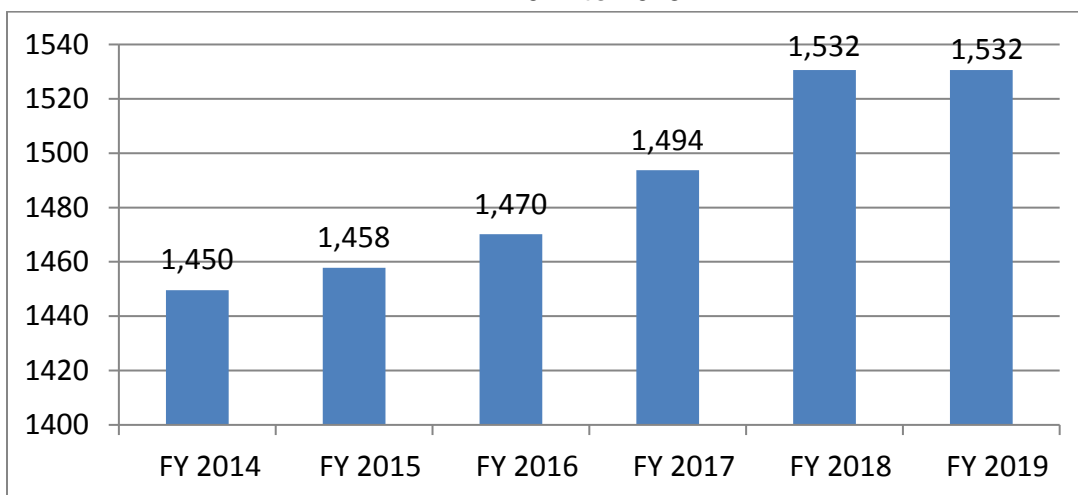
In FY 2002, the City learned that it had achieved a position where it had enough funds in its account with CalPERS that it did not need to pay CalPERS the miscellaneous employee contribution rate for FY 2002. The adopted FY 2002 and FY 2003 Biennial Budget included provisions setting aside approximately 6% 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 had 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. Beginning in FY 2014 the calculated rates increased 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. These updated rates strengthened the fund's balance and allowed us to terminate the General Fund transfer. The increased rates result in \$3.2 million being contributed to this fund in each fiscal year, FY 2018 and FY 2019.

4. Staffing

As discussed above the balancing act between projected revenues and escalating expenditures has been challenging. In FY 2018, salary and benefit costs make up approximately 54 percent of the citywide budget on an all funds basis and 77 percent of the General Fund operating budget. FY 2015 was the first year in which there was not a planned permanent reduction in staffing level since 2009. Between FY 2015 and FY 2018, staffing is budgeted to increase by 74 FTEs. Between FY 2017 and FY 2018 staffing is budgeted to increase by 38 FTEs.

**Number of Full Time Equivalent Employees (FTEs)
FY 2014 to 2019**



New positions were added to the budget to expand and improve services. Funding was budgeted to support the 4th ambulance, the newly established HOTT program, to improve the City's website, to create a Homeless Programs Coordinator, and to form a new Community Development Project Coordinator position to address the housing crisis. Although these additional positions provide much needed expanded services to the community, the new positions also place additional strain on the General Fund. Additional positions in the Planning Department and the Parks, Recreation and Waterfront departments are supported by Special Funds. As we struggle to resolve the General Fund structural deficit any new positions, programs, and services must be supported by new revenues or offset by a reduction in expenditures.

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. It is important that we continue making fiscally prudent strategic decisions with the future in mind. Achieving a sustainable balance of both personnel and non-personnel expenditures against reasonable revenue projections will require close attention to ensure the ongoing fiscal stability of the City.

Additional detailed information on the staffing changes can be found under the tab titled *Staffing* in the Adopted Budget Book.

5. Special Funds - Aligning Resources with Service Delivery

Several recent actions by the voters have significantly improved the strength and fiscal position of some of the City's major special funds. These actions by the voters will provide the City with the needed funding to begin to address the long-time deferred maintenance, repair, and capital improvements desperately needed by the City's aging infrastructure.

- ❖ Most recent, in November 2016, Berkeley voters passed Measure T1, authorizing the City to sell \$100 million in General Obligation Bonds to repair, renovate, replace, or reconstruct the City's aging infrastructure and facilities, including sidewalks, storm drains, parks, streets, senior and recreation centers, and other important City facilities. On January 31, 2017¹⁹, City Council approved a Public Process for implementation of Measure T1 to include commission and citizen input for Measure T1 criteria and projects.
- ❖ In November 2014, voters approved Measure F (a countywide vehicle registration fee), increasing the Parks Tax revenues by approximately 16.7%. Measure F provides an additional \$750,000 per year to Berkeley for major maintenance projects, raising annual funding for parks capital and major maintenance projects from \$250,000 to \$1 million.

¹⁹ [http://www.cityofberkeley.info/Clerk/City_Council/2017/01_Jan/City_Council_01-31-2017_-_Regular_Meeting_Agenda.aspx_\(Item_#4\)](http://www.cityofberkeley.info/Clerk/City_Council/2017/01_Jan/City_Council_01-31-2017_-_Regular_Meeting_Agenda.aspx_(Item_#4))

- ❖ In November 2014, Alameda County voter approved Measure BB, which implements a 30 year Transportation Expenditure Plan by renewing the 0.5 percent transportation sales tax approved in 2000 and increasing the tax by 0.5 percent, will benefit the City's streets and roads, as well as pedestrian and bicycle infrastructure. This 1 percent sales tax is managed by the Alameda County Transportation Commission, and Berkeley will receive over \$3 million a year in additional funding as well as capital funding.
- ❖ In November 2012, Berkeley voters approved Measure M, (a general obligation bond) to provide an additional \$30 million which is being used to significantly accelerate the implementation of the 5-Year Street Plan and install green infrastructure where appropriate, improving the conditions of city streets and projects as defined in the Watershed Master Plan.

There is one special fund, however, that is struggling, the Street Light Assessment Fund. This fund is in need of a rate increase. Since FY 1993, the Street Light Assessment District No. 1982-1 has not had a rate increase and the district's current revenue level is insufficient to cover regular ongoing operation and maintenance costs. The General Fund has been making annual transfers in excess of \$500,000 to subsidize the fund and offset the Street Light Program deficits. Now as the General Fund struggled to balance its initial \$5 million operating shortfall in FY 2018 and \$5.3 million operating shortfall in FY 2019 the General Fund transfer to the Street Light Fund will be suspended beginning in FY 2018. The Street Light Assessment has available Fund Balance to support operations through FY 2018 but is facing a projected shortfall in FY 2019. Staff is analyzing the feasibility of a Proposition 218 process to increase the assessment in FY 2019. If rates are increased, the additional revenues will be used to fund future Street Light District budget needs.

In addition, not included in the Biennial Budget are new revenues from Rental Unit Business License Tax (U1) and corresponding expenditures. This measure amends the City's business license tax ordinance to permanently increase the gross receipts tax on owners of five or more residential rental units. The funds are deposited into the General Fund and may be used to support affordable housing and protect Berkeley residents from homelessness. Revenues from this General Fund revenue stream are projected to be \$1.5 million in FY 2018 and \$3.0 million in FY 2019. As Council appropriates funds to support these priorities in FY 2018 and FY 2019 the expenditures will be supported by the revenue generated by U1. Additional information on U1 revenue projections can be found in Attachment 5 of the Projections of Future Liabilities Report.²⁰

Additional information on major special funds can be found under the tab titled *Other Funds in the Adopted Budget Book*.

²⁰ http://www.cityofberkeley.info/Clerk/City_Council/2017/02_Feb/City_Council_02-28-2017_-_Special_Meeting_Agenda.aspx

6. FY 2017 and Beyond

a. 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 the entire obligation and the associated risk that the obligation 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 cash to be reserved and not available for providing services or meeting other immediate obligations, needs, or desires of the community. Maintaining a careful balance between cash on hand to fund daily operations and liquidity to cover unfunded liabilities is a key challenge for all governments

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 65,748- N.S. "Requiring that the City Manager Develop and Publish a Biennial Report of Current Liabilities and Projections of Future Liabilities."²¹ This report was initially presented at the February 19, 2013, Council Worksession. This report has been updated and most recently was presented at the February 28, 2017 Council Worksession.²² Almost \$1 billion in unfunded liabilities tied to benefits and infrastructure were discussed during the presentation.

b. Options to Address Unfunded Liabilities (Employee Benefits)

On April 4, 2017²³ the City's actuary presented several options for the Council's consideration that would reduce the City unfunded liabilities tied to post-employee benefits. Included in the recommendations were the following:

- ❖ Investing for the long-term to generate more earnings to meet long-term funding targets,
- ❖ Increase annual contributions by approximately \$4.5 million per year and fully pre-fund the plans, and

²¹ http://www.ci.berkeley.ca.us/Clerk/City_Council/2013/02Feb/Documents/2013-02-19_Worksession_Item_01b_Projections_of_Future_Liabilities.aspx

²² http://www.cityofberkeley.info/Clerk/City_Council/2017/02_Feb/City_Council_02-28-2017_-_Special_Meeting_Agenda.aspx

²³ [http://www.cityofberkeley.info/Clerk/City_Council/2017/04_Apr/City_Council_04-04-2017_-_Special_Meeting_Agenda.aspx_\(Item_1_Presentation\)](http://www.cityofberkeley.info/Clerk/City_Council/2017/04_Apr/City_Council_04-04-2017_-_Special_Meeting_Agenda.aspx_(Item_1_Presentation))

- ❖ Establish an irrevocable supplemental trust for CalPERS to stabilize the increasing employer contribution rates resulting from changes in the CalPERS Board's assumptions.

Additional information on the City's unfunded liabilities can be found in the section of the Adopted Budget titled *Unfunded Liabilities*.

7. New Council Fiscal Policies

a. General Fund Reserve Policy

On January 24, 2017, Council adopted a new General Fund Reserve Policy²⁴. The General Fund is the City's primary operating fund. It is not connected to any one revenue source and may be used at the Council's discretion. The General Fund is the operation fund that pays for general services provided by the City as well as public safety and capital improvements. The General Fund accounts for all general revenues and expenditures of the City related to the delivery of the City's general services not specifically collected or levied for other City funds. The City must maintain an adequate General Fund Reserve (Reserves) to prepare for the impact of economic cycles and catastrophic events and ensure that fluctuations in revenue do not impede the City's ability to meet expenditure obligations.

The Reserve is comprised of two elements: a Stability Reserve and a Catastrophic Reserve.

- ❖ A Stability Reserve will be maintained to mitigate loss of service delivery and financial risks associated with unexpected revenue shortfalls during a single fiscal year or during a prolonged recessionary period. The purpose of the Stability Reserve is to provide fiscal stability in response to unexpected downturns or revenue shortfall, and not to serve as a funding source for new programs or projects.
- ❖ A Catastrophic Reserve will be maintained for the purpose of sustaining General Fund operations in the case of a public emergency such as a natural disaster or other catastrophic event. The Catastrophic Reserve will be used to respond to extreme, onetime events, such as earthquakes, fire, floods, civil unrest, and terrorist attacks. The Catastrophic Reserve will not be accessed to meet operational shortfalls or to fund new programs or projects.

The Reserve allocation will be 55% to the Stability Reserve and 45% to the Catastrophic Reserve.

The target level for the Reserves is a minimum of 13.8% of FY 2017 Adopted General Fund Revenues with an intermediate goal of 16.7% by the end of FY 2020, if financially feasible. The Long Term Goal is a minimum of 30% of General Fund Revenues to be achieved within no more than 10 years.

Staff has established a process to separate the General Fund Reserves from the General Fund Excess Equity for a more effective tracking system.

²⁴ <http://www.ci.berkeley.ca.us/recordsonline/export/17153922.pdf>

b. Debt Policy

On March 14, 2017. Council was provided disclosure training as part of the Debt Management and Disclosure Policy (Debt Policy).²⁵ The training session provided education on the disclosure procedures, the City's disclosure obligation under applicable federal and state securities laws and the disclosure responsibilities, and potential liabilities of member of the City Council.

On that same night Council formally adopted the City's Debt Policy²⁶. The purpose the Debt Policy is to provide a functional tool for debt management and capital planning, as well as to enhance the City's ability to manage its debt obligation and lease financing in a conservative and prudent manner. The policies have been developed to provide clear and comprehensive guidelines for the issuance and financial management of the City's debt portfolio and any other entity for which the City Council acts as a legislative body. The Debt Policy guidelines governs the issuance and management of all debt funded for short and long-term capital financing needs and cash flow needs.

8. Capital Improvement Program

The purpose of the Capital Improvement Program (CIP) is to provide a tool that captures the detail of the City's CIP in order to assist Council with their long range planning efforts and decisions around capital expenditures. The CIP is the City's 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. 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 Fund

| <i>(dollars in millions)</i> | Adopted FY 2018 | Adopted FY 2019 | Planned FY 2020 | Planned FY 2021 | Planned FY 2022 | Total |
|------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------|
| Facilities | 1.3 | 0.9 | 0.9 | 0.9 | 0.9 | |
| Information System* | 1.8 | 1.7 | 1.5 | 1.5 | 1.5 | |
| Parks and Marina | 1.2 | 1.1 | 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 | 1.1 | 0.2 | 0.2 | 0.2 | 0.2 | |
| Other Infrastructure | 0.05 | | | | | |
| Debt | 1.3 | 1.3 | 0.9 | 0.9 | 0.9 | |
| Total General Fund | 9.3 | 7.7 | 6.8 | 6.8 | 6.8 | 37.4 |

²⁵ <http://www.cityofberkeley.info/recordsonline/export/17190534.pdf>

²⁶ http://www.cityofberkeley.info/Clerk/City_Council/2017/03_Mar/City_Council_03-14-2017_-_Regular_Meeting_Agenda.aspx (Item #33)

Note: Not included in the chart above are personnel costs in excess of \$1 million per year that will ultimately be charged to projects supported by other funds. Also not included is the \$3.3 million allocation from the General Fund Catastrophic Reserve for the rebuild of Berkeley Tuolumne.

9. Tax Rates

The established growth index for the Emergency Medical Services Tax (Paramedic Tax) is the April Consumer Price Index (CPI). The Emergency Services for the Disabled Tax, the Library Tax, Parks 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). For FY 2018, all of the taxes were set with a CPI increase of 3.79% since this was higher than the PIG increase of 3.69%. The additional revenue will support several of the City’s special funds. The following table reflects additional revenue beyond the 2 percent increase assumed in the Proposed Budget.

| | <i>Additional FY 2018 Revenue</i> |
|---|--|
| <i>Paramedic Tax</i> | \$50,273 |
| <i>Measure E- Emergency Services for the Disabled</i> | \$20,850 |
| <i>Library Tax</i> | \$323,824 |
| <i>Parks Tax</i> | \$220,002 |
| <i>Measure GG- Fire Protection and Emergency Response</i> | \$82,960 |

For FY 2019, an increase of 2% is assumed for all tax rates.

10. The Strategic Plan

This year, staff has developed a City of Berkeley Strategic Plan (Strategic Plan) to accompany the biennial budget. The City’s budget is a reflection of the FY 2018 and FY 2019 Strategic Plan. The Strategic Plan identifies the long-term goals that the City government will achieve on behalf of the community and the specific, short-term, two-year priority initiatives designed to advance those goals. The priority initiatives included in the Strategic Plan are updated every two years along with the City’s biennial budget.

The Plan serves as a guide for the City’s staff to ensure that the priorities of the Mayor and Council are met. It was developed with Council’s input and guidance, as well as

with input from our community and from staff at all levels of our organization. The Strategic Plan is designed to reflect our work and who we are as an organization, and to help us be as effective as possible.

The Adopted Budget and the Strategic Plan are closely connected in several ways:

- ❖ For a priority initiative to be included in the Strategic Plan, there must be adequate resources in the City's budget to get the work done.
- ❖ Priority initiatives in the Strategic Plan must be completed (or at least a clear phase of the work must be completed) within the two-year budget cycle.
- ❖ The priority initiatives proposed to be implemented in FY 2018 and FY 2019 are articulated in both this Adopted Budget (see priority initiatives in each City department budget section) and in the Strategic Plan.

We will continue to work to improve our efforts and to meet the goals and priorities identified in the Strategic Plan, within the resources available to us in our Adopted Budget.

11. Conclusion

The *Adopted FY 2018 & 2019 Biennial Budget* reflects a stable budget that supports the City's ability to deliver services to the community. However, the goal is to achieve a long-term sustainable fiscal organization. To resolve the FY 2018 and FY 2019 General Fund deficits we used short-term, one-time measures. These balancing measures do not resolve future projected General Fund deficits. We are still facing budgetary challenges in FY 2020 and beyond, since our projected expenditures continue to outpace our projected revenues. Over the next fiscal year, staff will work with Council, labor, and the community to address the ongoing structural deficits and bring projected expenditures in line with projected revenues. This may involve a combination of expenditure reductions, identification of new revenues, or realignment of current services and programs. Achieving a sustainable balance of both personnel and non-personnel expenditures against reasonable revenue projections will continue to require close attention, especially as we identify additional service needs of the community and move into labor negotiations. Furthermore, we must prepare ourselves for the possible impacts of the new federal administration.

As the Council's priorities change we should strive to comply with Council's fiscal policy that new expenditures must be met with new revenue or expenditure reductions. This is especially true when establishing new programs and services. As Council moves forward, we will look to Council to identify either new resources or available resources to reallocate in support of new Council mandates. It is critical that we recognize and understand the long and short-term fiscal impacts of Council's policy decisions. The proposed budget reflects our continued 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, Diane Hayes, and Michelle Rosette, for their dedication and hard work to develop

a balanced budget, with special thanks to Jovan Grogan, Deputy City Manager; Henry Oyekanmi, Finance Director; and Timothy Burroughs, Assistant to the City Manager; as well as the staff in all of the Departments who assisted with this effort.

Respectfully Submitted,

A handwritten signature in black ink, reading "Dee Williams-Ridley". The signature is written in a cursive style with a large, looping initial "D".

Dee Williams-Ridley
City Manager



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Community Profile Data

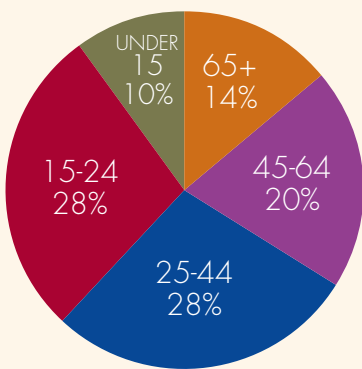
Budget Book FY 2018 & FY 2019



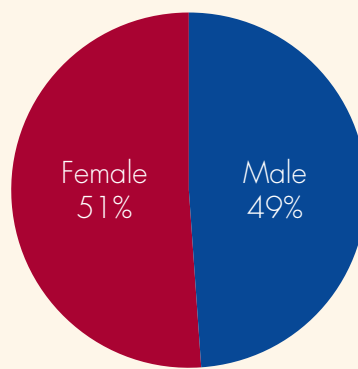
Berkeley Population 117,384

(Data from 2011-2015 American Community Survey (ACS) 5-Year Estimates)

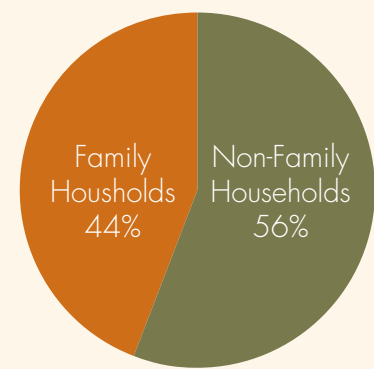
By Age



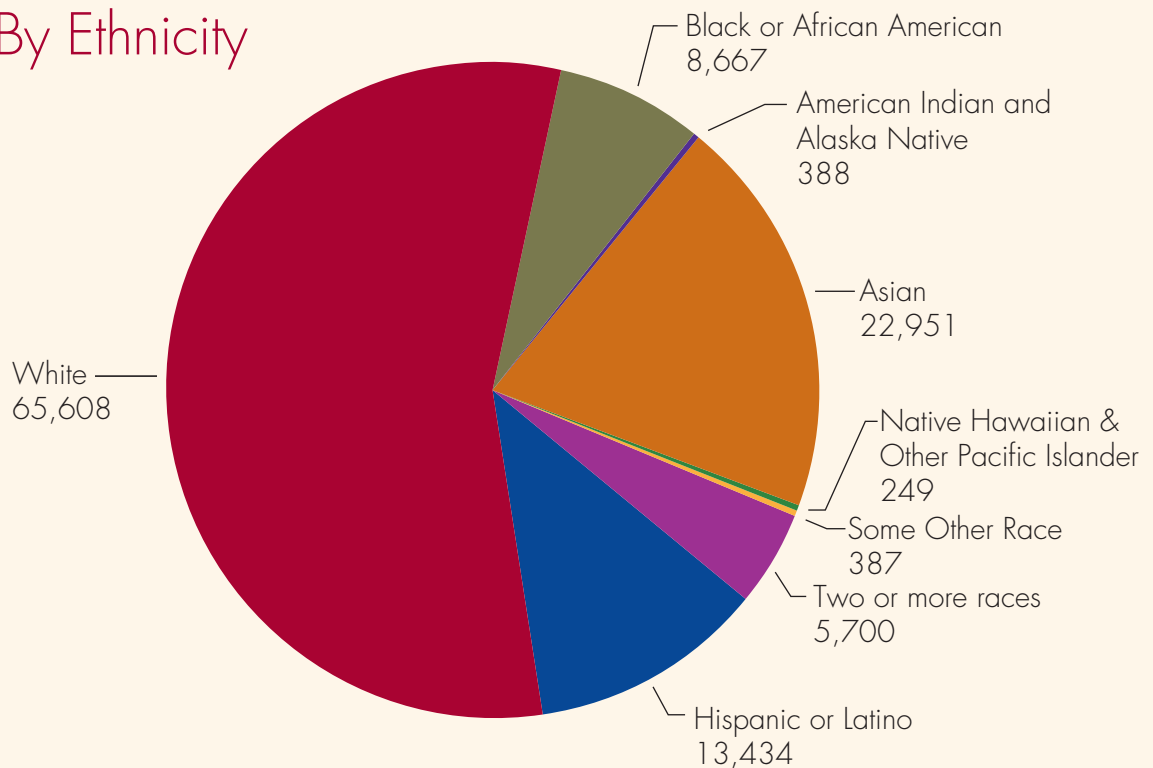
Male/Female



Type of Households



By Ethnicity



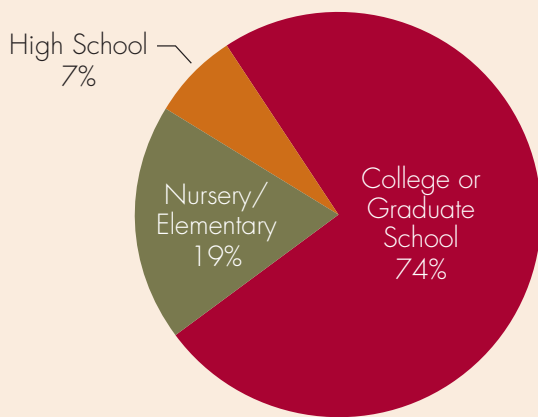
Education (ACS)

Schools in Berkeley*

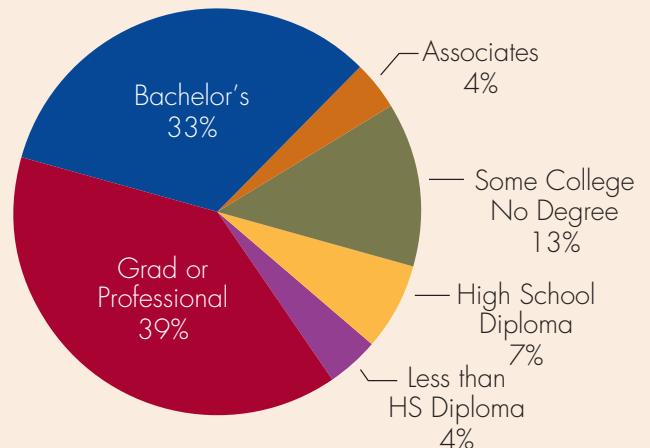
- 11 public elementary schools
- 3 public middle schools
- 2 public high schools (Berkeley High School & B-Tech)
- 1 adult school
- 7 Western Association of Schools and Colleges (WASC)-accredited private elementary/secondary schools
- University of California, Berkeley
- Berkeley City College
- 5 WASC-Accredited Colleges (in addition to Cal and City College)

*Source: BUSD, California Department of Education, WASC

Population 3+ years enrolled in school: 43,875



Educational Attainment of Population Over 25 Years Old: 72,998 (ACS)



Transit and the Environment

- The community has access to 158 car share vehicles at 38 locations, an increase of approximately 208% and 37% respectively between 2002 and 2016.
- There were 1,233 electric vehicles (EVs) registered in Berkeley as of 2015 – that’s an EV for every 97 residents.
- Through our innovative Residential Curbside EV Charging Pilot Program, 7 Berkeley households without off-street parking can now charge an EV at home.
- Residential electricity consumption decreased 13% and natural gas consumption decreased 17% between 2000 and 2013.
- Commercial electricity consumption decreased 21% between 2000 and 2013.
- Approximately 1,800 solar photovoltaic systems were installed in Berkeley between 2000 and 2015.
- Berkeley has seen a 63% increase in biking between 2000-2016 (based on counts at 5 of the busiest cycling intersections).
- As of 2014, Berkeley has the highest percent of bike commuters (9.7% in 2014) for medium sized cities (>100,000 population) and second highest in the U.S. of any city.
- Berkeley has 10 community gardens and 17 school gardens.
- There are 145 Green Certified businesses in Berkeley.
- Berkeley residents and businesses have reduced their landfilled waste by 53% between 2000 and 2014.
- Over 120,000 tons of construction and demolition waste has been diverted from landfills between 2008 and 2016.

Employment, Economy, Housing (ACS)

Employment

| | |
|---|----------|
| Median Household income: | \$66,237 |
| Residents 16 and older: | 104,594 |
| In labor force | 61.3% |
| Employed: | 56.2% |
| Unemployed: | 5.0% |
| Armed Forces | 0.1% |
| Not in labor force: (e.g. students not looking for work) | 38.7% |

Occupation (ACS)

| | |
|--|-----|
| Management, business, science, and arts: | 66% |
| Service: | 11% |
| Sales & Office: | 17% |
| Natural Resources, construction, and maintenance: | 3% |
| Production: | 4% |

Largest Employers*

| | |
|----------------------------------|------------------------------------|
| Alta Bates Medical Center | Lifelong Medical Care |
| Ansys, Inc. | Meyer Sound |
| Bayer Healthcare, LLC | MSCI Inc. |
| Berkeley Bowl Produce | Pacific Steel Casting Company, LLC |
| Berkeley Cement Inc. | Recreational Equipment Inc. |
| Berkeley City College | Siemens Corporation |
| Berkeley Marina Doubletree | Siteworks Landscape, Inc. |
| Berkeley Repertory Theatre | University of California, Berkeley |
| Berkeley Unified School District | US Postal Service |
| City of Berkeley | Weatherford Motors Inc. |
| Dynavax Technologies Corporation | Whole Foods Market California Inc. |
| Kaiser Permanete | YMCA of the Central Bay Area |
| Lawrence Berkeley Laboratory | |

* Source: EDD, QCEW Data Q1 2016

Housing (ACS)

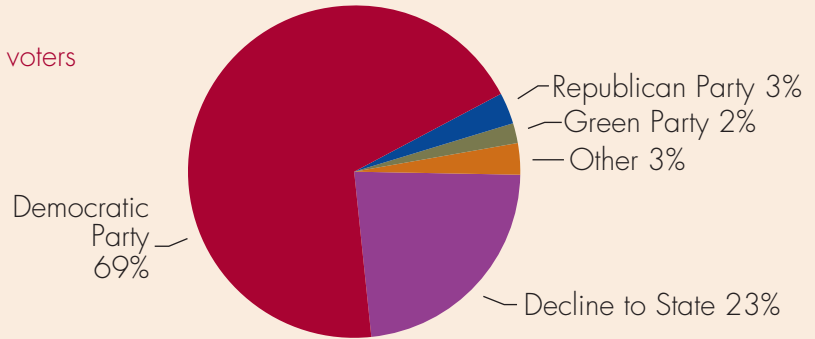
| | |
|---|--------------|
| Average sale price of new & existing single-family homes: | \$1,181,285 |
| Average sale price of new & existing condos: | \$710,871 |
| Total housing units: | 49,671 |
| Vacant housing units: | 3,754 |
| Occupied housing units: | 45,917 |
| Owner-occupied: | 19,583 (43%) |
| Renter-occupied: | 26,334 (57%) |
| Median Rental Market Rates:* | |
| Studio | \$1,600 |
| 1 Bedroom | \$1,995 |
| 2 Bedroom | \$2,750 |
| 3 Bedroom | \$3,595 |

* 2016 data provided by the Berkeley Rent Stabilization Board

Community Engagement

Berkeley has
83,768 registered voters

*California Secretary of State,
October 2016*



- There are 108 Disaster Caches in the community;
- Public meeting notices, agendas and meeting-related documents are online, and 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;
- 2 skateboard park;
- 1 Adventure Playground;
- A municipal urban forest of 35,000 public street and park trees;
- 15 sports fields;
- 49 sports courts;
- 35 picnic areas;
- 63 play areas;
- 17 acres of off leash dog parks;
- 242 acres of public open space;
- 152 landscaped street medians and triangles;
- 263 irrigation systems;
- 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
- Portions of the San Francisco Bay Trail
- Shorebird Nature Center and Classroom
- 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

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 expenditures (e.g., capital investments and deferred maintenance);
6. Requiring enterprise and grant funds to balance and new programs to pay for themselves; and
7. Any new expenditure requires new revenue or expenditure reductions.
8. Transfer Tax revenue in excess of \$12.5 million dollars will be treated as one-time revenue to be used for the City's capital infrastructure needs (Fund 610).
9. 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).

The Budget Reflects the City's Strategic Goals and Priorities

The City's budget is a reflection of the City of Berkeley Strategic Plan, which identifies the long-term goals that the City government will achieve on behalf of the community, and the specific, short-term, two-year priority initiatives designed to advance those goals. The Plan serves as a guide for the City's staff to ensure that the priorities of the Mayor and City Council are met, all regulatory and financial obligations are fulfilled, and that the City continuously improves the services it provides for the community. The Plan helps employees throughout the organization to prioritize limited time and resources and to connect short-term, week-to-week work with longer-term goals for our city.

The City of Berkeley Strategic Plan reflects Berkeley's values and provides a strategic framework for the work that our employees accomplish. The specific priorities associated with each goal are updated every two years along with the City's biennial budget.

For an initiative to be included as a two-year priority in the Strategic Plan, it must:

- Help to advance one or more City Council priorities
- Be completed within the Plan's two-year cycle (or at least a clear phase of the work must be completed)
- Have adequate resources in the City's budget to get the work done
- Engage multiple City departments collaborating to advance a shared priority

Budget Development Process

The budget process assigns resources to the goals and priorities set by the City Council. New programs are added based on Council service and program priorities.

BUDGET POLICIES & PROCESS

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 a process for identifying short-term priority initiatives that will be accomplished in a given budget cycle. 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, increase productivity, and align with the Strategic Plan.

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.

FY 2018 & FY 2019 Biennial Budget Development Calendar

| Date | Agenda | Action/Topic |
|-------------------|---------------|--|
| February 28, 2017 | Workshop | FY 2017 Mid-Year Budget Update & Review of Unfunded Liabilities |
| April 4, 2017 | Workshop | Parks, Recreation & Waterfront - Capital Improvements and Infrastructure |
| April 25, 2017 | Workshop | Community Agency Funding FY 2018 & FY 2019 |
| April 25, 2017 | Action | Public Hearing on CDBG & ESG Annual Action Plan and proposed funding allocations to community agencies |
| April 25, 2017 | Action | Adopt funding allocations and Annual Action Plan for CDBG and ESG |
| May 2, 2017 | Workshop | FY 2018 & FY 2019 Proposed Biennial Budget |
| May 2, 2017 | Action | Public Hearing #1: Budget |
| May 16, 2017 | Workshop | Measure T1 Update |
| May 16, 2017 | Action | Public Hearing #2: Budget & Proposed Fee Increases |
| May 30, 2017 | Action | Council recommendations on budget due to City Manager |
| June 13, 2017 | Action | Public Hearing #3: Budget & Council discussion on budget recommendations |
| June 27, 2017 | Action | Adopt FY 2018 & FY 2019 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; 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; and Measure M (2012) for streets and watershed improvements. Measure T1, which authorized the City to sell \$100 million of General Obligation Bonds (GO Bonds) to repair, renovate, replace, or reconstruct the City's aging infrastructure and facilities, including sidewalks, storm drains, parks, streets, senior and recreation centers, and other important City facilities and buildings, was passed in November 2016 and the bond proceeds have not been issued as of yet. Debt Limit information is further detailed in the Financial Summaries 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 upper echelon of all California cities that maintain tax-backed ratings.

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

BUDGET PRACTICES

within any fund. The Council must approve any transfer that alters the total appropriations of any fund.

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

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.

Biennial Budget

A budget that spans two year consecutive fiscal years. For the City of Berkeley, the adopted budget covers FY 2017-2018 and FY 2018-2019. These are also referred to as FY 2018 & FY 2019.

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 2015, FY 2016, FY 2017 and the adopted budget figures for FY 2018 and FY 2019.



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**SUMMARY OF FY 2018 & FY 2019 ADOPTED BUDGET
By Funding Source**

| Fund Description | Adopted FY 2018 | | Adopted FY 2019 | |
|---|------------------------|-----------------------|------------------------|-----------------------|
| | Revenue ^(b) | Expenses | Revenue ^(b) | Expenses |
| General Fund Discretionary | \$ 172,891,802 | \$ 172,891,802 | \$ 175,314,252 | \$ 175,314,252 |
| Special Revenue Funds | | | | |
| Emergency Disabled Services ^(a) | 1,209,625 | 1,209,625 | 1,233,817 | 1,233,817 |
| Paramedic Tax ^(a) | 3,417,084 | 3,520,512 | 3,475,415 | 3,628,507 |
| Parks Tax | 12,816,390 | 12,266,259 | 13,081,657 | 12,483,952 |
| Downtown Berkeley Prop & Improv. District | 1,250,000 | 1,250,000 | 1,250,000 | 1,250,000 |
| Measure GG - Fire Prep Tax | 4,812,892 | 4,457,228 | 4,909,150 | 4,491,172 |
| Street Light Assess. District ^(a) | 1,352,432 | 2,814,494 | 1,410,489 | 2,621,896 |
| Solano Avenue Bus. Imp Dist. | 35,000 | 35,000 | 35,000 | 35,000 |
| Telegraph Pro Bus. Imp. Dist. | 489,000 | 489,000 | 489,000 | 489,000 |
| N. Shattuck Bus. Imp. Dist. | 174,011 | 174,011 | 174,011 | 174,011 |
| Berkeley Tourism BID | 664,136 | 664,136 | 674,098 | 674,098 |
| Elmwood BID | 30,000 | 30,000 | 30,000 | 30,000 |
| Enterprise Funds | | | | |
| Zero Waste ^(a) | 40,453,300 | 41,444,140 | 41,242,753 | 42,094,040 |
| Marina Operation ^(a) | 6,245,459 | 6,476,842 | 6,270,459 | 6,147,478 |
| Sewer ^(a) | 21,384,982 | 26,842,838 | 22,827,768 | 24,250,479 |
| Clean Storm Water | 2,388,633 | 2,234,311 | 2,396,937 | 2,261,496 |
| Private Sewer Lateral ^(a) | 240,501 | 246,193 | 240,501 | 249,888 |
| Permit Service Center ^(a) | 14,528,343 | 15,691,557 | 15,003,859 | 15,857,920 |
| Off Street Parking ^{(a)(b)} | 3,496,428 | 26,961,022 | 3,496,428 | 3,396,685 |
| Parking Meter ^(a) | 9,191,713 | 10,044,625 | 9,191,713 | 9,379,512 |
| Unified Program - Toxics ^(a) | 792,500 | 889,892 | 780,500 | 897,400 |
| Building Management (1947 Center St.) | 3,043,752 | 2,928,872 | 3,056,813 | 2,935,706 |
| Gas / Sales Tax Street Improvement Funds ^(a) | 9,197,989 | 11,008,784 | 9,376,698 | 9,935,191 |
| Bonds ^(b) | 203,336 | 8,302,691 | 203,336 | 1,822,243 |
| Debt Service Funds ^(a) | 8,106,198 | 9,028,189 | 7,842,641 | 8,324,680 |
| Grant Funds ^(c) | 29,330,988 | 35,904,331 | 29,580,988 | 34,596,607 |
| Internal Service Funds | 25,141,143 | 24,349,783 | 25,253,127 | 26,252,103 |
| Other Funds | | | | |
| Capital Improvement Fund ^(a) | 5,348,269 | 10,081,532 | 5,348,269 | 8,438,586 |
| Public Liability ^(a) | 695,000 | 1,866,749 | 393,623 | 1,884,198 |
| Library ^(a) | 19,020,937 | 20,191,635 | 19,396,671 | 19,338,686 |
| Rent Board ^(a) | 5,500,000 | 5,525,740 | 5,500,000 | 5,525,740 |
| Successor Agency | 486,367 | 57,040 | 486,367 | 57,600 |
| Playground Camp ^(a) | 1,000,832 | 1,254,767 | 1,000,832 | 1,283,302 |
| Health State Aid Realignment Trust ^(c) | 3,703,018 | 3,763,906 | 3,703,018 | 3,795,532 |
| Other Funds ^{(a)(d)} | 4,183,079 | 11,499,064 | 4,031,843 | 10,464,319 |
| Revenue & Expenditure Totals: | \$ 412,825,139 | \$ 476,396,570 | \$ 418,702,033 | \$ 441,615,096 |

(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 2018 & FY 2019 grant revenues and expenditures will be adjusted to match once award amounts are known.

(d) Revenues do not reflect transfer of excess property transfer tax revenues for FUND\$ Replacement which is budgeted at \$5,718,082 in FY 2018 and \$6,327,670 in FY 2019.

Summary of Expenditures by Department - All Funds

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|---|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| Mayor & Council | 1,788,656 | 1,892,881 | 1,761,098 | 2,028,441 | 2,074,738 |
| Auditor | 1,962,336 | 2,076,413 | 2,112,477 | 2,424,263 | 2,470,998 |
| Police Review Commission | 555,769 | 584,348 | 602,055 | 722,180 | 738,060 |
| City Manager | 4,971,041 | 5,435,075 | 6,113,487 | 6,637,466 | 6,867,862 |
| Office of Economic Development | 4,601,743 | 4,849,433 | 4,348,174 | 5,626,805 | 5,501,089 |
| Information Technology ^(a) | 8,051,698 | 9,206,331 | 10,962,328 | 16,291,888 | 17,243,481 |
| City Attorney | 3,245,138 | 3,048,482 | 3,450,054 | 4,343,771 | 4,418,951 |
| City Clerk | 2,177,080 | 1,513,959 | 2,499,350 | 2,059,366 | 2,097,256 |
| Finance | 6,738,287 | 6,871,471 | 6,450,770 | 7,727,093 | 7,743,231 |
| Human Resources | 2,859,755 | 3,496,149 | 3,922,257 | 3,810,616 | 3,900,907 |
| Health, Housing & Community Services | 33,347,403 | 36,894,107 | 42,950,327 | 47,355,255 | 48,602,035 |
| Police | 60,832,054 | 63,115,430 | 66,428,530 | 66,747,004 | 68,665,330 |
| Fire | 33,826,344 | 36,850,998 | 39,124,707 | 39,091,308 | 40,213,292 |
| Public Works ^(b) | 95,484,137 | 107,791,704 | 120,952,957 | 151,198,065 | 115,099,741 |
| Parks, Recreation & Waterfront | 22,219,147 | 24,439,308 | 28,275,284 | 28,271,481 | 26,964,125 |
| Planning | 14,492,842 | 15,881,505 | 16,700,110 | 18,201,442 | 18,391,816 |
| Library | 16,453,411 | 16,321,146 | 17,458,877 | 20,990,466 | 19,588,394 |
| Rent Board | 3,936,487 | 4,577,154 | 4,857,543 | 5,525,740 | 5,525,740 |
| Non-Departmental ^(c) | 58,807,171 | 88,701,754 | 102,451,886 | 47,343,920 | 45,508,051 |
| Gross Appropriations: | 376,350,499 | 433,547,648 | 481,422,271 | 476,396,570 | 441,615,096 |
| Less: Dual Appropriations ^(d) | (34,901,497) | (34,457,340) | (67,619,534) | (25,589,992) | (25,157,694) |
| Less: Revolving & Internal Service Funds ^(e) | (20,044,795) | (22,224,322) | (30,403,924) | (26,216,532) | (28,136,301) |
| Net Expenditure: | \$ 321,404,207 | \$376,865,986 | \$ 383,398,813 | \$ 424,590,046 | \$ 388,321,101 |

(a) Information Technology budget includes \$5,317,793 in FY 2018 and \$5,923,194 in FY 2019 for FUND\$ Replacement.

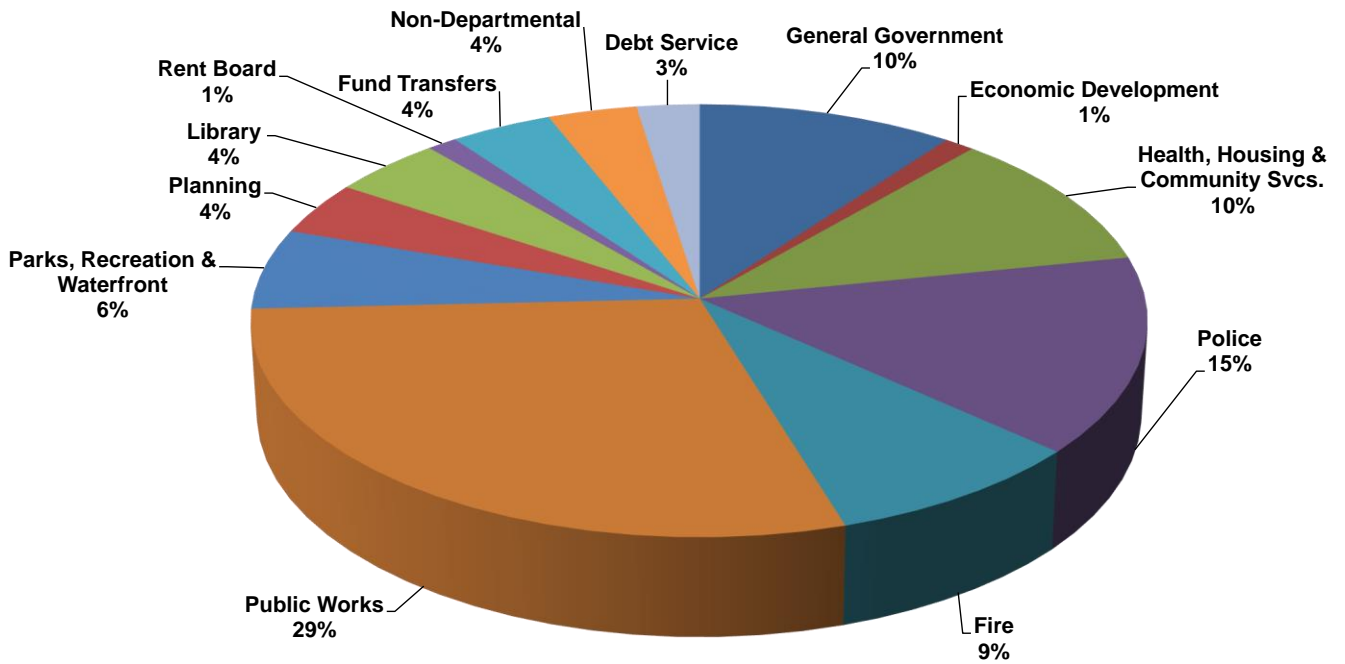
(b) Public Works budget includes \$56,848,102 in FY 2018 for Capital Project expenditures.

(c) Non-Departmental consists of operational overhead costs such as Property Insurance and School Board Salaries, General Fund allocation for Community Based Organizations, Workers' Compensation costs, Debt Service, and Interfund Transfers.

(d) Dual Appropriations are revenues that are initially budgeted for receipt in one fund and subsequently transferred for expenditure in another fund.

(e) Revolving & Internal Service Funds are funds that derive revenue by virtue of payment from other fund sources as benefits are received by such funds.

All Funds Expenditures by Department
FY 2018 & FY 2019
Biennial Budget
\$918,011,666 (Gross)
\$812,911,147 (Net)



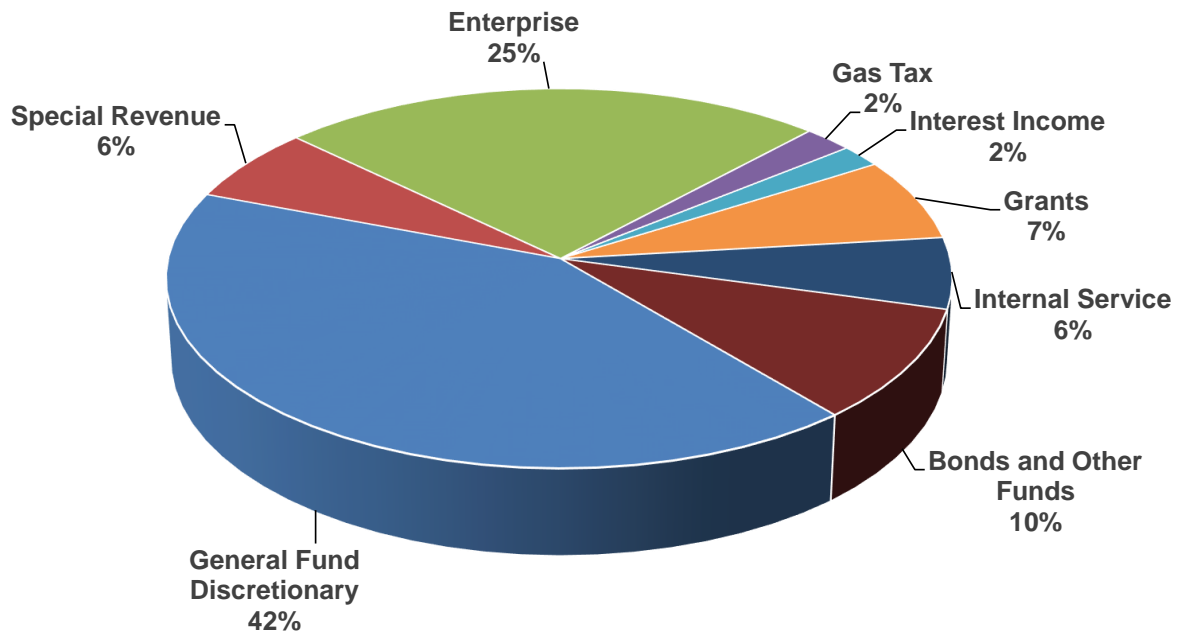
REVENUE BY FUNDING SOURCE

| Fund Description | Actual Revenue FY 2016 | Actual Revenue FY 2017 | Adopted Revenue FY 2018 | Adopted Revenue FY 2019 |
|--|------------------------------|------------------------------|-------------------------------|-------------------------------|
| 10 General Fund Discretionary | \$171,941,428 | \$181,212,958 | \$ 172,891,802 | \$ 175,314,252 |
| General Fund - Stabilization Reserves | | \$12,421,507 | | |
| General Fund - Catastrophic Reserves | | \$10,163,051 | | |
| Special Revenue Funds | | | | |
| 18 Emergency Disabled Services ^(a) | 1,115,324 | 1,154,561 | 1,209,625 | 1,233,817 |
| 160 Paramedic Assessment/Tax ^(a) | 3,117,077 | 3,267,425 | 3,417,084 | 3,475,415 |
| 450 Parks Tax ^(a) | 12,190,145 | 12,436,918 | 12,816,390 | 13,081,657 |
| 451 Downtown Berkeley Prop & Improv. District ^(b) | 1,010,855 | 1,212,274 | 1,250,000 | 1,250,000 |
| 456 Measure GG - Fire Prep Tax ^(a) | 4,467,332 | 4,701,604 | 4,812,892 | 4,909,150 |
| 470 Streetlight Assessment District | 1,935,121 | 1,918,884 | 1,352,432 | 1,410,489 |
| 472 Sustainable Energy Fin Dis. | -1 | | | |
| 474 Solano Avenue Business Imp. District ^(b) | 24,789 | 25,108 | 35,000 | 35,000 |
| 476 Downtown Business Imp. District ^(b) | -1 | 0 | - | - |
| 477 Telegraph Bus Pro Imp District ^(b) | 265,039 | 247,688 | 489,000 | 489,000 |
| 478 N. Shattuck Bus. Imp. Dist. ^(b) | 161,885 | 175,173 | 174,011 | 174,011 |
| 971 Berkeley Tourism BID ^(b) | 633,182 | 619,013 | 664,136 | 674,098 |
| 972 Elmwood BID ^(b) | 25,715 | 33,900 | 30,000 | 30,000 |
| Enterprise Funds | | | | |
| 820 Refuse | 40,652,200 | 41,909,396 | 40,453,300 | 41,242,753 |
| 825 Marina Operation | 6,383,337 | 6,318,116 | 6,245,459 | 6,270,459 |
| 830 Sewer | 14,568,558 | 19,515,370 | 21,384,982 | 22,827,768 |
| 831 Clean Storm Water | 2,475,490 | 2,465,990 | 2,388,633 | 2,396,937 |
| 832 Private Sewer Lateral | 91,001 | 90,501 | 240,501 | 240,501 |
| 833 Permit Service Center | 14,897,395 | 17,607,690 | 14,528,343 | 15,003,859 |
| 835 Off Street Parking | 4,905,035 | 40,293,669 | 3,496,428 | 3,496,428 |
| 840 Parking Meter | 9,655,532 | 10,343,929 | 9,191,713 | 9,191,713 |
| 845 Unified Program - Toxics | 900,876 | 911,601 | 792,500 | 780,500 |
| 850 Building Management - 1947 Center St. | 2,783,751 | 1,977,663 | 3,043,752 | 3,056,813 |
| Gas / SalesTax Street Improvement Funds | 9,371,695 | 9,339,350 | 9,197,989 | 9,376,698 |
| Bond Funds | | | | |
| Measure FF - Branch Libraries | 3,410 | 6,083 | - | - |
| Measure G Bond Capital Imprvmnts | 1,028 | 996 | - | - |
| Measure M - GO St & Wtr Imps | 0 | 15,384,356 | | |
| Measure S Bond Capital Imprvmnts | 21 | | | |
| 640 BJPFA Lease Revenue Bonds | 0 | 0 | 103,336 | 103,336 |
| 656 00 Mello-Roos - Fire Equipment | 100,000 | 100,000 | 100,000 | 100,000 |
| 676 Meas I - Animal Shelter | 10 | 17 | - | - |
| Debt Service Funds | | | | |
| 710 Debt Service Fund | 336,498 | 297,013 | 262,500 | - |
| 714 09 Measure FF Library Debt Service | 1,382,712 | 1,571,319 | 1,604,969 | 1,604,969 |
| 720 99 Lease Re Bds BJPFA \$9M | 500,654 | 499,376 | 499,942 | 498,935 |
| 721 SPL Tax Bds CFD#1 ML-ROOS | 1,002,093 | 998,800 | - | - |
| 723 2002 G.O. Refunding Bonds | 6,251,501 | 514,420 | 1,463,321 | 1,463,321 |
| Other Debt Service | 40,994,516 | 6,518,463 | 4,275,466 | 4,275,416 |
| Grant Funds | | | | |
| Federal Grants | 10,077,339 | 10,401,449 | 9,810,018 | 9,810,018 |
| State/County Grants | 20,130,070 | 21,192,199 | 19,257,523 | 19,507,523 |
| Other Grants | 383,253 | 672,314 | 263,447 | 263,447 |
| Internal Service Funds | | | | |
| 488 Employee Training Fund | 500,000 | 500,000 | 750,000 | 750,000 |
| 860 Equipment Replacement | 4,649,083 | 5,156,570 | 4,163,406 | 4,163,406 |
| 865 Equipment Maintenance | 6,544,303 | 6,239,403 | 6,461,013 | 6,461,013 |
| 866 Building Maintenance Fund | 4,008,678 | 4,049,478 | 3,588,738 | 3,588,738 |
| 870 Warehouse | 325,546 | 323,918 | 225,000 | 225,000 |
| 873 Computer & Server Replacement | 399,808 | 389,775 | 382,998 | 382,998 |
| 875 Workers Compensation | 9,175,684 | 9,779,865 | 9,569,988 | 9,681,972 |
| Other Funds | | | | |
| 610 Capital Improvement Fund | 9,638,367 | 6,758,412 | 5,348,269 | 5,348,269 |
| 881 Public Liability | 1,695,888 | 0 | 695,000 | 393,623 |
| 301 Library ^(a) | 17,504,309 | 18,291,483 | 19,020,937 | 19,396,671 |
| 440 Rent Board | 4,299,029 | 4,778,411 | 5,500,000 | 5,500,000 |
| Successor Agency | 1,028,134 | 126,321 | 486,367 | 486,367 |
| 330 Playground Camp | 890,005 | 2,057,031 | 1,000,832 | 1,000,832 |
| 958 Hlth State Aid Realign Trust | 3,731,991 | 3,758,228 | 3,703,018 | 3,703,018 |
| Other Funds | 9,954,913 | 19,957,152 | 4,183,079 | 4,031,843 |
| Revenue Totals | \$459,081,603 | \$520,686,191 | \$412,825,139 | \$418,702,033 |

(a) The established growth index for the Emergency Medical Services Tax (Paramedic Tax) is the April Consumer Price Index (CPI). The Emergency Services for the Disabled Tax, the Library Tax, Parks 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).

(b) Business Improvement District Revenues will be adjusted based on approved increases

**Revenue By Funding Source
FY 2018 & FY 2019
Biennial Budget
\$831,527,172
(Excludes Use of Fund Balances)**



AVAILABLE CASH BY FUNDING SOURCE

| Fund Description | Balance 7/1/2016 | Actual Revenue FY 2017 | Actual Expenses FY 2017 | Balance 6/30/2017 | Adopted Revenue FY 2018 | Adopted Expenses FY 2018 | Projected Balance 6/30/2018 | Adopted Revenue FY 2019 | Adopted Expenses FY 2019 | Projected Balance 6/30/2019 |
|---|------------------|------------------------|-------------------------|-------------------|-------------------------|--------------------------|-----------------------------|-------------------------|--------------------------|-----------------------------|
| 10 General Fund Discretionary | \$45,169,736 | \$181,212,958 | \$205,676,340 | \$20,706,354 | \$172,891,802 | \$172,891,802 | \$20,706,354 | \$175,314,252 | \$175,314,252 | \$20,706,354 |
| General Fund - Stabilization Reserves | | \$12,421,507 | | \$12,421,507 | | | \$12,421,507 | | | \$12,421,507 |
| General Fund - Catastrophic Reserves | | \$10,163,051 | | \$10,163,051 | | | \$10,163,051 | | | \$10,163,051 |
| Special Revenue Funds | | | | | | | | | | |
| 18 Emergency Disabled Services | 524,575 | 1,154,561 | 1,229,228 | 449,908 | 1,209,625 | 1,209,625 | 449,908 | 1,233,817 | 1,233,817 | 449,908 |
| 160 Paramedic Tax | 173,029 | 3,267,425 | 3,214,949 | 225,505 | 3,417,084 | 3,520,512 | 122,077 | 3,475,415 | 3,628,507 | (31,015) |
| 450 Parks Tax | 4,377,424 | 12,436,918 | 11,433,904 | 5,380,438 | 12,816,390 | 12,266,259 | 5,930,569 | 13,081,657 | 12,483,952 | 6,528,274 |
| 451 Downtown Berkeley Prop & Improv. District | 96,008 | 1,212,274 | 703,314 | 604,968 | 1,250,000 | 1,250,000 | 604,968 | 1,250,000 | 1,250,000 | 604,968 |
| 456 Measure GG - Fire Prep Tax | 3,038,011 | 4,701,604 | 5,225,230 | 2,514,385 | 4,812,892 | 4,457,228 | 2,870,049 | 4,909,150 | 4,491,172 | 3,288,027 |
| 470 Street Light Assess. District | 1,744,450 | 1,918,884 | 1,776,320 | 1,887,014 | 1,352,432 | 2,814,494 | 424,952 | 1,410,489 | 2,621,896 | (786,455) |
| 471 DST #47 Miller/Stevenson | (258,262) | - | - | (258,262) | - | - | (258,262) | - | - | (258,262) |
| 474 Solano Avenue Business Imp. District | 13,978 | 25,108 | 25,660 | 13,426 | 35,000 | 35,000 | 13,426 | 35,000 | 35,000 | 13,426 |
| 477 Telegraph Pro Bus. Imp. District | 8,315 | 247,688 | 262,690 | (6,687) | 489,000 | 489,000 | (6,687) | 489,000 | 489,000 | (6,687) |
| 478 N. Shattuck Bus. Imp. District | (6,005) | 175,173 | 174,010 | (4,842) | 174,011 | 174,011 | (4,842) | 174,011 | 174,011 | (4,842) |
| 971 Berkeley Tourism BID | 86,359 | 619,013 | 533,388 | 171,984 | 664,136 | 664,136 | 171,984 | 674,098 | 674,098 | 171,984 |
| 972 Elmwood BID | 613 | 33,900 | 34,512 | 1 | 30,000 | 30,000 | 1 | 30,000 | 30,000 | 1 |
| Enterprise Funds | | | | | | | | | | |
| 820 Zero Waste | 11,403,206 | 41,909,396 | 39,635,225 | 13,677,377 | 40,453,300 | 41,444,140 | 12,686,537 | 41,242,753 | 42,094,040 | 11,835,250 |
| 825 Marina Operation | 3,639,469 | 6,318,116 | 5,958,741 | 3,998,844 | 6,245,459 | 6,476,842 | 3,767,461 | 6,270,459 | 6,147,478 | 3,890,442 |
| 830 Sewer | 5,309,970 | 19,515,370 | 15,621,757 | 9,203,583 | 21,384,982 | 26,842,838 | 3,745,727 | 22,827,768 | 24,250,479 | 2,323,016 |
| 831 Clean Storm Water | 676,596 | 2,465,990 | 2,627,849 | 514,737 | 2,388,633 | 2,234,311 | 669,059 | 2,396,937 | 2,261,496 | 804,500 |
| 832 Private Sewer Lateral | (114,475) | 90,501 | 234,451 | (258,425) | 240,501 | 246,193 | (264,117) | 240,501 | 249,888 | (273,504) |
| 833 Permit Service Center | 11,233,849 | 17,607,690 | 17,325,220 | 11,516,319 | 14,528,343 | 15,691,557 | 10,353,105 | 15,003,859 | 15,857,920 | 9,499,044 |
| 835 Off Street Parking | 9,981,522 | 40,293,669 | 18,025,633 | 32,249,558 | 3,496,428 | 26,961,022 | 8,784,964 | 3,496,428 | 3,396,685 | 8,884,707 |
| 840 Parking Meter | 5,379,084 | 10,343,929 | 10,039,065 | 5,683,948 | 9,191,713 | 10,044,625 | 4,831,036 | 9,191,713 | 9,379,512 | 4,643,237 |
| 845 Unified Program (Toxics) | 486,297 | 911,601 | 928,660 | 469,238 | 792,500 | 889,892 | 371,846 | 780,500 | 897,400 | 254,946 |
| 850 Building Management - 1947 Center St.. | 1,900,108 | 1,977,663 | 3,921,766 | (43,995) | 3,043,752 | 2,928,872 | 70,885 | 3,056,813 | 2,935,706 | 191,992 |
| Gas / Sales Tax Street Improvement Funds | | | | | | | | | | |
| 8,494,029 | 9,339,350 | 9,460,835 | 8,372,544 | 9,197,989 | 11,008,784 | 11,008,784 | 6,561,749 | 9,376,698 | 9,935,191 | 6,003,256 |
| Bond Funds | | | | | | | | | | |
| Measure FF - Branch Libraries | 1,332,657 | 6,083 | 4,778 | 1,333,962 | - | - | 1,333,962 | - | - | 1,333,962 |
| Measure T1 - Infra & Facilities | - | - | - | - | - | 426,181 | - | - | 425,684 | (425,684) |
| Measure G Bond Capital Imprvments | 351,142 | 996 | 174,952 | 177,186 | - | - | 177,186 | - | - | 177,186 |
| Measure M - GO St & W/r Imps | 1,908,300 | 15,384,356 | 2,048,251 | 15,244,405 | - | 7,664,740 | 7,579,665 | - | 1,181,602 | 6,398,063 |
| 640 BJPFA Lease Revenue Bonds | - | - | - | - | 103,336 | 100,000 | 3,336 | 103,336 | 100,000 | 6,672 |
| 656 00 Mello-Roos - Fire Equipment | 125,324 | 100,000 | 61,943 | 163,381 | 100,000 | 111,770 | 151,611 | 100,000 | 114,957 | 136,654 |
| 676 Measure I - Animal Shelter | 3,804 | 17 | - | 3,821 | - | - | 3,821 | - | - | 3,821 |
| Debt Service Funds | | | | | | | | | | |
| 710 Debt Service Fund | 130,367 | 297,013 | 298,618 | 128,762 | 262,500 | 265,132 | 126,130 | - | 2,632 | 123,498 |
| 714 09 Measure FF Library Debt Service Fund | 1,388,950 | 1,571,319 | 1,614,918 | 1,345,351 | 1,604,969 | 1,618,502 | 1,331,818 | 1,604,969 | 1,618,665 | 1,318,122 |
| 720 99 Lease Re Bids BJPFA \$9M | (765) | 499,376 | 501,083 | (2,472) | 499,942 | 503,542 | (6,072) | 498,935 | 501,535 | (8,672) |
| 721 SPL Tax Bids CFD#1 ML-ROOS | 3,740,553 | 998,800 | 877,200 | 3,862,153 | - | 874,112 | 2,988,041 | - | 875,847 | 2,112,194 |
| 723 2015 GORBS - 2002 GO REF BD | 1,309,878 | 514,420 | 510,593 | 1,313,705 | 1,463,321 | 537,816 | 2,239,210 | 1,463,321 | 483,543 | 3,218,988 |
| Other Debt Service | 11,383,745 | 6,518,463 | 12,090,653 | 5,811,555 | 4,275,466 | 5,229,085 | 4,857,936 | 4,275,416 | 4,842,458 | 4,290,894 |
| Grant Funds | | | | | | | | | | |
| Federal Grants | (352,224) | 10,401,449 | 11,663,946 | (1,614,721) | 9,810,018 | 11,724,914 | (3,529,617) | 9,810,018 | 9,883,545 | (3,603,144) |

AVAILABLE CASH BY FUNDING SOURCE

| Fund Description | Balance 7/1/2016 | Actual Revenue FY 2017 | Actual Expenses FY 2017 | Balance 6/30/2017 | Adopted Revenue FY 2018 | Adopted Expenses FY 2018 | Projected Balance 6/30/2018 | Adopted Revenue FY 2019 | Adopted Expenses FY 2019 | Projected Balance 6/30/2019 |
|--|---------------------|------------------------------|-------------------------------|----------------------|-------------------------------|--------------------------------|-----------------------------------|-------------------------------|--------------------------------|-----------------------------------|
| State/County Grants | 22,953,902 | 21,192,199 | 21,058,051 | 23,088,050 | 19,257,523 | 23,915,379 | 18,430,194 | 19,507,523 | 24,441,483 | 13,496,234 |
| Other Grants | (731,705) | 672,314 | 1,242,710 | (1,302,101) | 263,447 | 264,038 | (1,302,692) | 263,447 | 271,579 | (1,310,824) |
| Internal Service Funds | | | | | | | | | | |
| 488 Employee Training Fund | 380,791 | 500,000 | 852,483 | 28,308 | 750,000 | 743,742 | 34,566 | 750,000 | 753,583 | 30,983 |
| 860 Equipment Replacement | 7,342,980 | 5,156,570 | 5,061,937 | 7,437,613 | 4,163,406 | 4,675,665 | 6,925,354 | 4,163,406 | 6,371,144 | 4,717,616 |
| 865 Equipment Maintenance | 1,078,497 | 6,239,403 | 6,925,849 | 392,051 | 6,461,013 | 7,490,697 | (637,633) | 6,461,013 | 7,579,451 | (1,756,071) |
| 866 Building Maintenance Fund | 789,355 | 4,049,478 | 3,537,657 | 1,301,176 | 3,588,738 | 3,987,416 | 902,498 | 3,588,738 | 4,059,603 | 431,633 |
| 870 Central Services | 15,666 | 323,918 | 278,385 | 61,199 | 225,000 | 374,002 | (87,803) | 225,000 | 376,632 | (239,435) |
| 873 Computer & Server Replacement | 466,787 | 389,775 | 446,758 | 409,804 | 382,998 | 506,300 | 286,502 | 382,998 | 505,500 | 164,000 |
| 875 Workers Compensation | 27,154,203 | 9,779,865 | 12,126,775 | 24,807,293 | 9,569,988 | 6,571,961 | 27,805,320 | 9,681,972 | 6,606,190 | 30,881,102 |
| Other Funds | | | | | | | | | | |
| 610 Capital Improvement Fund | 14,404,946 | 6,758,412 | 10,200,152 | 10,963,206 | 5,348,269 | 10,081,532 | 6,229,943 | 5,348,269 | 8,438,586 | 3,139,626 |
| 881 Public Liability | 3,148,620 | - | 1,174,080 | 1,974,540 | 695,000 | 1,866,749 | 802,791 | 393,623 | 1,884,198 | (687,784) |
| 301 Library | 5,787,418 | 18,291,483 | 17,242,824 | 6,836,077 | 19,020,937 | 20,191,635 | 5,665,379 | 19,396,671 | 19,338,686 | 5,723,364 |
| 440 Rent Board | 429,280 | 4,778,411 | 4,943,059 | 264,632 | 5,500,000 | 5,525,740 | 238,892 | 5,500,000 | 5,525,740 | 213,152 |
| Successor Agency | (232,790) | 126,321 | (197,626) | 91,157 | 486,367 | 57,040 | 520,484 | 486,367 | 57,600 | 949,251 |
| 330 Playground Camp | 4,888,427 | 2,057,031 | 1,252,228 | 5,693,230 | 1,000,832 | 1,254,767 | 5,439,295 | 1,000,832 | 1,283,302 | 5,156,825 |
| 958 Hlth State Aid Realign Trust | 558,230 | 3,758,228 | 3,178,604 | 1,137,854 | 3,703,018 | 3,763,906 | - | 3,703,018 | 3,795,532 | 984,452 |
| Other Funds | 14,470,435 | 19,957,152 | 8,182,663 | 26,244,924 | 4,183,079 | 11,499,064 | 18,950,075 | 4,031,843 | 10,464,319 | 12,517,599 |
| Revenue & Expenditures Total: | | 520,686,191 | 481,422,271 | | 412,825,139 | 476,396,570 | | 418,702,033 | 441,615,096 | |

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, 2017)

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 2017 assessed valuation (less other exemptions) | \$16,200,872,000 |
| Debt limit (15% of assessed value) | 2,430,130,800 |
| Amount of debt applicable to the debt limit | 91,475,160 |
| Legal debt margin (if Berkeley were a general law city) | <u>\$2,338,655,640</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 (please see notes below for 2015 G.O. Refunding Bonds) are entirely tax-supported and the City has identifiable sources of debt repayment for its governmental revenue bonds, certificates of participation, and its enterprise lease revenue bonds, as follows:

Governmental Revenue Bonds and Certificate of Participation

| Description | Principal Outstanding at June 30, 2017 | Year of Final Maturity | Debt Service Due in FY 2018 | Debt Service Due in FY 2019 |
|--|--|------------------------|-----------------------------|-----------------------------|
| Theatre Facility and Park Land Acquisition Bonds | \$4,703,108 | 2030 | \$499,942 | \$498,935 |
| Refunding Pension Obligation Bonds | 250,000 | 2018 | 262,500 | |
| Certificates of Participation for Acquisition and Construction of Animal Shelter | 5,235,000 | 2040 | 402,963 | 402,913 |
| Total Governmental Revenue Bonds | \$10,188,108 | | \$1,165,405 | \$901,848 |

- 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

DEBT LIMIT COMPUTATION (June 30, 2017)

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

Enterprise Funds Lease Revenue Bonds

| Description | Principal Outstanding at June 30, 2017 | Year of Final Maturity | Debt Service Due in FY 2018 | Debt Service Due in FY 2019 |
|---|--|---|-----------------------------|-----------------------------|
| Garage Improvement Bonds | \$0.00 | 2022 but the City elected to Pay it off on March 2015. Please see notes below | \$0.00 | \$0.00 |
| Certificates of Participation for Acquisition of 1947 Center Street | 18,326,893 | 2032 | 1,634,570 | 1,631,277 |
| 2016 Parking Revenue Bonds | 33,970,000 | 2046 | 1,153,050 | 1,153,050 |
| Total Enterprise Funds Lease Revenue Bonds and COP's | \$52,296,893 | | \$2,787,620 | \$2,784,327 |

- 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. The City elected to pay off these bonds in March 2015.

On March 1, 2015, in accordance with the provisions of Article IV of the indenture of Trust dated August 1, 2005, by and among the City of Berkeley (the "City"), the Berkeley Joint Powers Financing Authority (the "Authority") and then Bank of New York Mellon Trust Company (the "Trustee"), the City called for the full optional redemption of all the outstanding principal amount of the \$5,620,000 City of Berkeley Revenue Bonds, 2005 (Garage Improvement Bonds) (the "Bonds") to occur on

DEBT LIMIT COMPUTATION (June 30, 2017)

March 1, 2015 (the “Redemption Date”) at the redemption price (the “Price”) of 100% of the principal amount thereof together with accrued interest to said Redemption Date. The indentures of Trust allows the City to notify the Trustee, on or before the Redemption Date, of its decision to rescind the proposed redemption if for any reason sufficient funds will not be or are not available on the Redemption Date.

- 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 earning equity in the building. For these reasons, these bonds won’t negatively impact current or future City operations.

- Parking Revenue Bonds, Series 2016: On August 9, 2016, the BJPFA issued \$33,970,000 in parking revenue bonds, on behalf of the City, to provide funds to (1) finance the demolition of the current Center Street garage, the construction of a new downtown Center Street Garage and other related work; (2) purchase a reserve fund insurance policy for the bonds; and (3) pay capitalized interest through June 1, 2019. Interest rates ranging from 3.00%-4.00% are payable semi-annually on June 1 and December 1. Principal is due annually on June 1 starting in FY 2019-20. The bonds mature June 1, 2046 and are collateralized solely by all the installment payments received by BJPFA from the City under the installment sale agreement, any business interruption insurance proceeds paid to the Trustee pursuant to the installment sale agreement, and certain moneys derived from certain other funds and accounts held by the Trustee pursuant to the indenture. This bond has an underlying rating of A from S&P, and an insured rating of AA.

City of Berkeley
FY 2016 - FY 2020 Debt Service Details

| Account Number | Account Description | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | Total |
|-------------------|--|------------------|------------------|------------------|------------------|------------------|-------------------|
| 710-9902-470-8210 | Principal Payment | 295,000 | 270,000 | 250,000 | - | - | 815,000 |
| 710-9902-470-8225 | <u>Interest Payment</u> | 40,750 | 26,000 | 12,500 | - | - | 79,250 |
| | 1998 Pension Refunding Bonds | 335,750 | 296,000 | 262,500 | - | - | 894,250 |
| | | | | | | | - |
| 721-9902-470-8210 | Principal Payment | 560,000 | 585,000 | 610,000 | 640,000 | 670,000 | 3,065,000 |
| 721-9902-470-8225 | <u>Interest Payment</u> | 194,818 | 169,908 | 143,313 | 114,788 | 84,075 | 706,900 |
| | 2002 Measure Q (Mello Roos) | 754,818 | 754,908 | 753,313 | 754,788 | 754,075 | 3,771,900 |
| | | | | | | | - |
| 722-9902-470-8210 | Principal Payment | 35,000 | 40,000 | 40,000 | 40,000 | 45,000 | 200,000 |
| 722-9902-470-8225 | <u>Interest Payment</u> | 60,285 | 58,613 | 56,773 | 54,933 | 52,912 | 283,515 |
| | 2004 TOH Improvement Bonds | 95,285 | 98,613 | 96,773 | 94,933 | 97,912 | 483,515 |
| | | | | | | | - |
| 728-9902-470-8210 | Principal Payment | 10,408 | 11,111 | 11,861 | 12,662 | 13,516 | 59,558 |
| 728-9902-470-8225 | <u>Interest Payment</u> | 16,967 | 16,241 | 15,466 | 14,638 | 13,754 | 77,066 |
| | 2008 Sustainable Energy District | 27,375 | 27,352 | 27,327 | 27,300 | 27,270 | 136,624 |
| | | | | | | | - |
| 860-9902-470-8210 | Principal Payment | 470,177 | 490,996 | 512,737 | 535,441 | - | 2,009,351 |
| 860-9902-470-8225 | <u>Interest Payment</u> | 82,917 | 62,098 | 40,357 | 17,653 | - | 203,025 |
| | 2009 Fire Engine Lease | 553,094 | 553,094 | 553,094 | 553,094 | - | 2,212,376 |
| | | | | | | | - |
| 714-9902-470-8210 | Principal Payment | 185,000 | 195,000 | 205,000 | 215,000 | 225,000 | 1,025,000 |
| 714-9902-470-8225 | <u>Interest Payment</u> | 475,163 | 469,463 | 463,206 | 455,844 | 447,875 | 2,311,550 |
| | 2009 GO Measure FF - Branch Libraries | 660,163 | 664,463 | 668,206 | 670,844 | 672,875 | 3,336,550 |
| | | | | | | | - |
| 714-9902-470-8210 | Principal Payment | 355,000 | 365,000 | 380,000 | 395,000 | 415,000 | 1,910,000 |
| 714-9902-470-8225 | <u>Interest Payment</u> | 597,906 | 583,506 | 568,606 | 551,131 | 530,881 | 2,832,031 |
| | 2010 GO Measure FF - Branch Libraries | 952,906 | 948,506 | 948,606 | 946,131 | 945,881 | 4,742,031 |
| | | | | | | | - |
| 729-9902-470-8210 | Principal Payment | 100,000 | 110,000 | 110,000 | 115,000 | 120,000 | 555,000 |
| 729-9902-470-8225 | <u>Interest Payment</u> | 302,063 | 297,638 | 292,963 | 287,913 | 282,613 | 1,463,189 |
| | 2010 COP (Animal Shelter) | 402,063 | 407,638 | 402,963 | 402,913 | 402,613 | 2,018,189 |
| | | | | | | | - |
| 820-9902-470-8210 | Principal Payment | 379,072 | 392,455 | 201,394 | - | - | 972,921 |
| 820-9902-470-8225 | <u>Interest Payment</u> | 30,764 | 17,381 | 3,524 | - | - | 51,669 |
| | 2011 Recycling Carts | 409,836 | 409,836 | 204,918 | - | - | 1,024,590 |
| | | | | | | | - |
| 720-9902-470-8210 | Principal Payment | 262,325 | 271,693 | 283,404 | 293,944 | 306,826 | 1,418,192 |
| 720-9902-470-8225 | <u>Interest Payment</u> | 238,320 | 227,640 | 216,538 | 204,991 | 192,976 | 1,080,465 |
| | 2012 Refunding Lease Revenue Bonds(Refunding of 1999 Lease Revenue Bonds) | 500,645 | 499,333 | 499,942 | 498,935 | 499,802 | 2,498,657 |
| | | | | | | | - |
| 850-9902-470-8210 | Principal Payment | 857,675 | 888,307 | 926,596 | 961,056 | 1,003,174 | 4,636,808 |
| 850-9902-470-8225 | <u>Interest Payment</u> | 779,192 | 744,273 | 707,975 | 670,222 | 630,937 | 3,532,599 |
| | 2012 Refunding Lease Revenue Bonds(Refunding of 2003 COP) | 1,636,868 | 1,632,579 | 1,634,571 | 1,631,278 | 1,634,111 | 8,169,407 |
| | | | | | | | - |
| 730-9902-470-8210 | Principal Payment | 265,000 | 280,000 | 290,000 | 305,000 | 320,000 | 1,460,000 |
| 730-9902-470-8225 | <u>Interest Payment</u> | 633,075 | 620,850 | 608,000 | 593,125 | 577,500 | 3,032,550 |
| | 2014 GO Bonds - Measure M - Street & Intergrated Watershed Improvements | 898,075 | 900,850 | 898,000 | 898,125 | 897,500 | 4,492,550 |
| | | | | | | | - |
| 730-9902-470-8210 | Principal Payment | | | 185,000 | 280,000 | 285,000 | 750,000 |
| 730-9902-470-8225 | <u>Interest Payment</u> | | | 485,413 | 477,963 | 465,238 | 1,428,613 |
| | 2016 GO Bonds - Measure M - Street & Intergrated Watershed Improvements | | | 670,413 | 757,963 | 750,238 | 2,178,613 |
| | | | | | | | - |
| 718-9902-470-8210 | Principal Payment | | 1,701,091 | 1,939,782 | 1,741,433 | 1,825,479 | 7,207,785 |
| 718-9902-470-8225 | <u>Interest Payment</u> | 702,545 | 1,072,318 | 972,194 | 875,314 | 786,141 | 4,408,512 |
| | 2015 GO Bonds Refunding (2002, 2007, 2008) | 702,545 | 2,773,409 | 2,911,976 | 2,616,747 | 2,611,620 | 11,616,297 |
| | | | | | | | - |
| 723-9902-470-8210 | Principal Payment | | 312,716 | 356,595 | 320,132 | 335,582 | 1,325,025 |
| 723-9902-470-8225 | <u>Interest Payment</u> | 129,150 | 197,127 | 178,721 | 160,911 | 144,518 | 810,427 |
| | 2015 GO Bonds Refunding (2002, 2007, 2008) | 129,150 | 509,843 | 535,316 | 481,043 | 480,100 | 2,135,452 |
| | | | | | | | - |
| 725-9902-470-8210 | Principal Payment | | 117,782 | 134,308 | 120,575 | 126,394 | 499,059 |
| 725-9902-470-8225 | <u>Interest Payment</u> | 48,643 | 74,246 | 67,314 | 60,606 | 54,432 | 305,241 |

City of Berkeley
FY 2016 - FY 2020 Debt Service Details

| Account Number | Account Description | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | Total |
|-----------------------|---|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2015 GO Bonds Refunding (2002, 2007, 2008) | 48,643 | 192,028 | 201,622 | 181,181 | 180,826 | 804,300 |
| 726-9902-470-8210 | Principal Payment | | 398,412 | 454,315 | 407,860 | 427,545 | 1,688,132 |
| 726-9902-470-8225 | Interest Payment | 164,543 | 251,147 | 227,697 | 205,007 | 184,122 | 1,032,516 |
| | 2015 GO Bonds Refunding (2002, 2007, 2008) | 164,543 | 649,559 | 682,012 | 612,867 | 611,667 | 2,720,648 |
| 860-9902-470-8210 | Principal Payment | 186,973 | 379,405 | 386,801 | 394,341 | 402,028 | 1,749,548 |
| 860-9902-470-8225 | Interest Payment | 27,056 | 48,653 | 41,257 | 33,716 | 26,029 | 176,711 |
| | 2016 Fire Truck | 214,029 | 428,058 | 428,058 | 428,057 | 428,057 | 1,926,259 |
| 825-9902-470-8210 | Principal Payment | 147,170 | 153,786 | - | - | - | 300,956 |
| 825-9902-470-8225 | Interest Payment | 13,543 | 6,920 | - | - | - | 20,463 |
| | Notes Payable Harbor Construction # 4 | 160,713 | 160,706 | - | - | - | 321,419 |
| 825-9902-470-8210 | Principal Payment | 150,871 | 156,896 | 165,036 | 172,633 | 180,579 | 826,015 |
| 825-9902-470-8225 | Interest Payment | 334,848 | 328,823 | 320,683 | 313,086 | 305,140 | 1,602,580 |
| | Notes Payable Harbor Construction # 5 | 485,719 | 485,719 | 485,719 | 485,719 | 485,719 | 2,428,595 |
| 470-9902-470-8210 | Principal Payment | | 299,578 | 344,303 | 347,754 | 351,190 | 1,342,825 |
| 470-9902-470-8225 | Interest Payment | | 70,873 | 26,148 | 22,697 | 19,261 | 138,979 |
| | CA energy conservation commission | | 370,451 | 370,451 | 370,451 | 370,451 | 1,481,804 |
| 048-9902-470-8210 | Principal Payment | 26,000 | 26,000 | 26,000 | 26,000 | 26,000 | 130,000 |
| 048-9902-470-8225 | Interest Payment | 10,898 | 9,565 | 8,202 | 6,815 | 5,406 | 40,886 |
| | HUD 108 Loan - Adeline Apartments | 36,898 | 35,565 | 34,202 | 32,815 | 31,406 | 170,886 |
| 048-9902-470-8210 | Principal Payment | - | 325,000 | 335,000 | 350,000 | 360,000 | 1,370,000 |
| 048-9902-470-8225 | Interest Payment | 101,063 | 148,375 | 145,468 | 141,583 | 135,872 | 672,361 |
| | HUD 108 Loan - Ed Roberts Campus | 101,063 | 473,375 | 480,468 | 491,583 | 495,872 | 2,042,361 |
| 048-9902-470-8210 | Principal Payment | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 10,000 |
| 048-9902-470-8225 | Interest Payment | 17,521 | 17,500 | 17,472 | 17,439 | 17,401 | 87,333 |
| | HUD 108 Loan-UNA | 19,521 | 19,500 | 19,472 | 19,439 | 19,401 | 97,333 |
| 938-9902-470-8210 | Principal Payment | 25,000 | 27,000 | 29,000 | 32,000 | 34,000 | 147,000 |
| 938-9902-470-8225 | Interest Payment | 32,360 | 30,280 | 28,040 | 25,600 | 22,960 | 139,240 |
| | Savo Island Debt Service | 57,360 | 57,280 | 57,040 | 57,600 | 56,960 | 286,240 |
| | Total Principal | 4,312,671 | 7,799,228 | 8,179,132 | 7,707,831 | 7,474,313 | 35,473,175 |
| | Total Interest | 5,034,390 | 5,549,435 | 5,647,829 | 5,305,974 | 4,980,043 | 26,517,670 |
| | Total Debt Service | 9,347,061 | 13,348,663 | 13,826,961 | 13,013,805 | 12,454,356 | 61,990,845 |

GANN APPROPRIATIONS LIMITATION
Actual for FY 2017, Projected For FY 2018 AND FY 2019

| | |
|--|----------------------------|
| Fiscal 2016 Gann Appropriation | \$209,575,636 |
| Add: Fiscal Library Relief Tax | 18,786,687 |
| Emergency Medical Services Special Tax | 2,916,558 |
| Park Maintenance, City Trees and Landscaping Special Tax | 12,763,390 |
| Emergency Paratransit Tax | 1,209,625 |
| Disaster Fire Protection Tax | 985,734 |
| Fire Protection and Emergency Response and Preparedness | <u>4,812,892</u> |
| Total Gann Appropriations Limitation FY 2017 | 251,050,522 |
| Appropriation Subject to Gann Limitation FY 2017 | <u>182,063,469</u> |
| Excess of Limitation Over Appropriation FY 2017 | <u><u>\$68,987,053</u></u> |
| % Under Gann Limit-for FY 2017 | <u>27.48%</u> |
| Fiscal 2018 Gann Appropriation Limitation | \$213,767,149 |
| Add: Fiscal Library Relief Tax | 19,111,584 |
| Emergency Medical Services Special Tax | 2,966,997 |
| Park Maintenance, City Trees and Landscaping Special Tax | 12,984,120 |
| Emergency Paratransit Tax | 1,230,544 |
| Disaster Fire Protection Tax | 985,734 |
| Fire Protection and Emergency Response and Preparedness | <u>4,896,126</u> |
| Total Projected Gann Appropriations Limitation FY 2018 | 255,942,254 |
| Appropriation Subject to Gann Limitation FY 2018 | <u>170,551,036</u> |
| Excess of Limitation Over Appropriation FY 2018 | <u><u>\$85,391,218</u></u> |
| Projected % Under Gann Limit-Projected for FY 2018 | <u>33.36%</u> |
| Fiscal 2019 Gann Appropriation Limitation | \$218,042,492 |
| Add: Fiscal Library Relief Tax | 19,162,421 |
| Emergency Medical Services Special Tax | 2,974,889 |
| Park Maintenance, City Trees and Landscaping Special Tax | 13,018,657 |
| Emergency Paratransit Tax | 1,233,817 |
| Disaster Fire Protection Tax | 985,734 |
| Fire Protection and Emergency Response and Preparedness | <u>4,909,150</u> |
| Total Projected Gann Appropriations Limitation FY 2019 | 260,327,160 |
| Projected Appropriation Subject to Gann Limitation FY 2019 | <u>169,818,999</u> |
| Projected Excess of Limitation Over Appropriation FY 2019 | <u><u>\$90,508,161</u></u> |
| Projected % Under Gann Limit-Projected for FY 2019 | 34.77% |

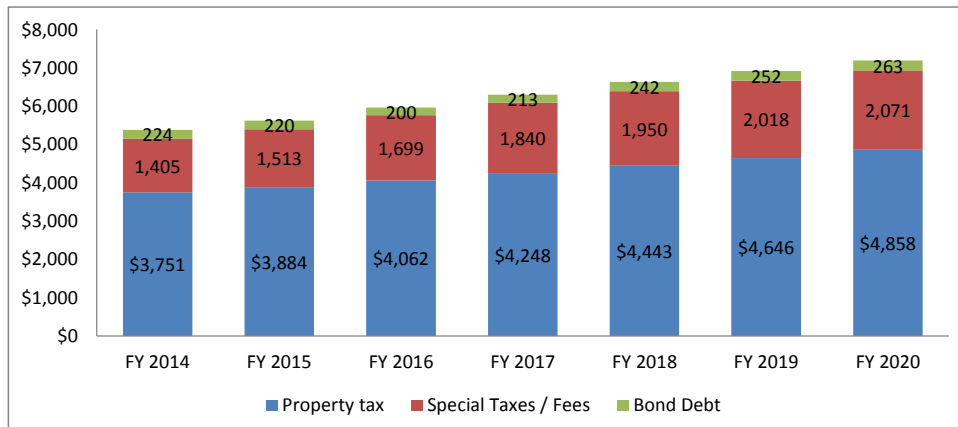
(1) The GANN Limit override to raise the spending limit for the special taxes are required to be renewed by voters every four years. The date the next GANN Limit override is to be submitted to voters is November, 2020.

**ANNUAL IMPACT OF CITY OF BERKELEY FEES TAXES ON HOMEOWNER
FY 2014 - FY 2020**
(excludes other jurisdictions: School District, Peralta College, etc.)

| Home average square feet = 1900 SF | ACTUAL | | | | PROJECTION | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Average Home Assessed Value | \$382,077 | \$395,450 | \$413,245 | \$431,841 | \$451,274 | \$471,581 | \$492,803 |
| Exemption: | -7,000 | -7,000 | -7,000 | -7,000 | -7,000 | -7,000 | -7,000 |
| Average Home Assessed Value (Net) | \$375,077 | \$388,450 | \$406,245 | \$424,841 | \$444,274 | \$464,581 | \$485,803 |
| Property Tax | \$3,751 | \$3,884 | \$4,062 | \$4,248 | \$4,443 | \$4,646 | \$4,858 |
| Measure S - Civic Center Seismic Improvements | 75 | 74 | 66 | | | | |
| Measure G - Safety Bldgs Seismic Improvements | 49 | 49 | 32 | | | | |
| Measure I - Animal Shelter | 8 | 8 | 8 | | | | |
| Rebonded Measure G,S I-Consolidated | | | | 106 | 98 | 102 | 107 |
| Measure FF - Library Seismic Seismic Improvements | 43 | 39 | 32 | 38 | 7 | 7 | 7 |
| Measure Q - Fire Equipment | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
| Measure M - Streets/Watershed | 26 | 27 | 37 | 45 | 44 | 46 | 49 |
| Measure T1 - Infrastructure/Facilities | 0 | 0 | 0 | 0 | 70 | 73 | 76 |
| TOTAL | 224 | 220 | 200 | 213 | 242 | 252 | 263 |
| Sanitary Sewer Fee | 245 | 245 | 358 | 444 | 507 | 543 | 562 |
| City Landscaping & Parks Tax | 232 | 239 | 279 | 293 | 305 | 311 | 317 |
| Emergency Disabled Services | 25 | 25 | 26 | 28 | 29 | 29 | 30 |
| Street Light Assessment District | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| Zero Waste Fees | 355 | 443 | 457 | 470 | 484 | 499 | 514 |
| Library Tax | 343 | 353 | 366 | 386 | 400 | 408 | 417 |
| Paramedic Tax | 62 | 64 | 65 | 65 | 68 | 69 | 71 |
| Fire Protection/Emergency Response | 89 | 90 | 94 | 99 | 103 | 105 | 107 |
| Stormwater Program Fee | 34 | 34 | 34 | 34 | 34 | 34 | 34 |
| TOTAL | 1,405 | 1,513 | 1,699 | 1,840 | 1,950 | 2,018 | 2,071 |
| TOTAL | \$5,381 | \$5,618 | \$5,961 | \$6,301 | \$6,635 | \$6,917 | \$7,192 |

GENERAL ASSUMPTIONS

- Basic 1% County Property Tax:** based on an average assessed value (City receives 32.5% of the 1%)
- Sanitary Sewer Fee:** 14.2% increase in FY 2018, 7.0% increase in FY 2019, & 3.6% increase in FY 2020
- City Landscaping & Parks Tax:** 3.789% increase in FY 2018, 2% increase thereafter
- Emergency Disabled Services:** 3.789% increase in FY 2018, 2% increase thereafter
- Street Light Assessment District:** no increase in FY 2018 and thereafter
- Zero Waste Fees:** 3% increase in FY 2018; 3% increase thereafter
- Library Tax:** 3.789% increase in FY 2018, 2% increase thereafter
- Paramedic Tax:** 3.789% increase in FY 2018, 2% increase thereafter
- Fire Protection/Emergency Response Tax:** 3.789% increase in FY 2018, 2% increase thereafter
- Stormwater Program Fee:** no increase in FY 2018 and thereafter
- Very low income households refund applies to:** Sanitary Sewer Fee, Library, Paramedic, Parks, CFD-1, Fire Protection Taxes & Cleanstorm Water Fee



FIVE-YEAR FORECAST ASSUMPTIONS (ALL FUNDS)

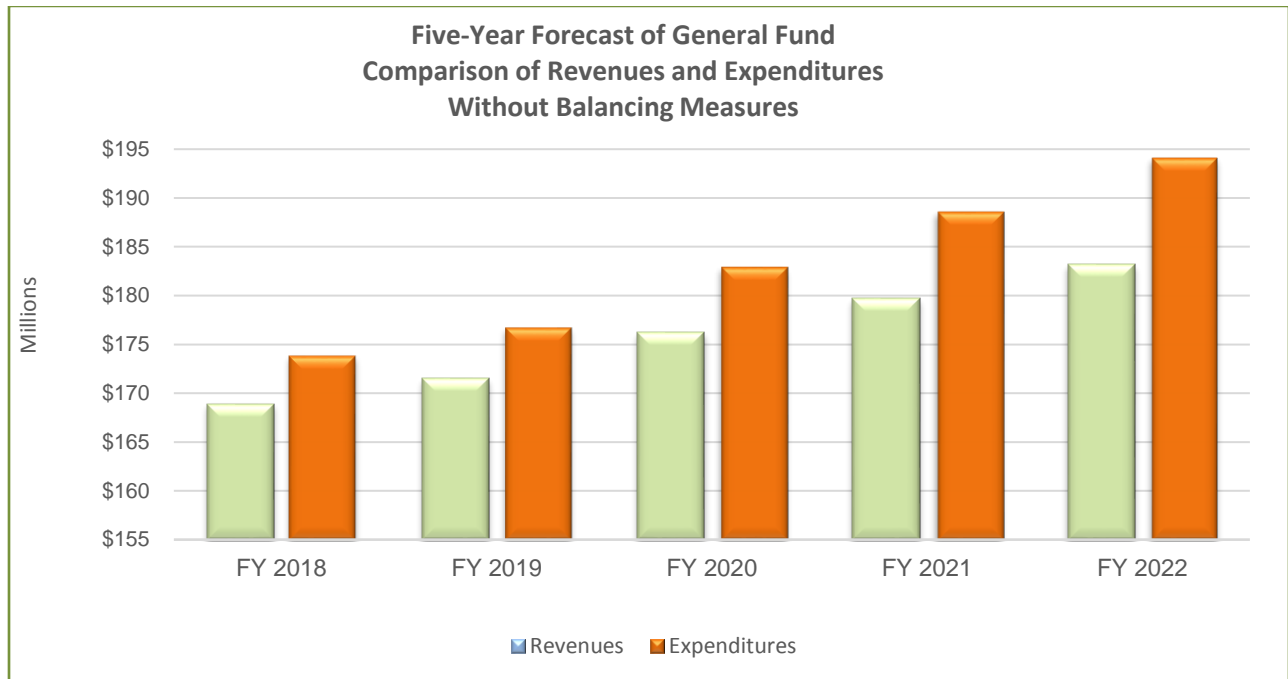
Projected Outlook

The City was challenged with General Fund expenditures outpacing projected revenues, resulting in projected operating deficits of \$5.0 million in FY 2018 and \$5.3 million in FY 2019. Furthermore, the operating deficit is projected to be ongoing over the next five years.

We have tough decisions ahead as we work to address the skyrocketing cost of employee benefits, which includes over \$640 million in unfunded retiree personnel costs. Our approach to addressing these challenges must be practical and responsible. One of the adopted Council fiscal policies is long-term planning. We review the budget in the context of a multi-year plan. Completing a five-year forecast for key operating funds is a critical budgetary tool that provides a long-term perspective on Berkeley's ability to achieve financial stability through future economic cycles.

General Fund Five-Year Forecast

Below is the General Fund Five-Year forecast without balancing measures. The budget projections estimated General Fund operating deficits of \$5.0 million in FY 2018 and \$5.3 million FY 2019. Those estimates did not include additional operating deficits in other special funds such as the Street Light Assessment. Although some General Fund revenue streams are increasing modestly, the rate of increasing expenditures is outpacing the revenue growth rate resulting in a projected long-term General Fund structural deficit.



FIVE-YEAR FORECAST ASSUMPTIONS (ALL FUNDS)

Balancing Plan

The 2-year balancing plan for the General Fund adopted \$10.3 million in balancing measures through a combination of short term expenditure reductions and an increase in recurring revenues. The \$3.1 million in recurring revenues is primarily the result of the additional \$2.0 million increase in the Property Transfer Tax operating baseline and a \$700,000 annual transfer from the Parking Meter Fund. The \$1.9 million expenditure reduction in FY 2018 and the \$2.2 million expenditure reduction in FY 2019 are primarily from temporarily suspending annual General Fund transfers to certain Special Funds.

**FY 2018 and FY 2019 Two-Year
Balancing Plan for the General Fund**

| Balancing Plan (dollars in millions) | FY 2018 | FY 2019 | 2-Year Total |
|---|----------------|----------------|---------------------|
| Revenues | \$ 3.1 | \$ 3.1 | \$ 6.2 |
| Reductions | \$ 1.9 | \$ 2.2 | \$ 4.1 |
| Total Balancing Plan | | | \$ 10.3 |

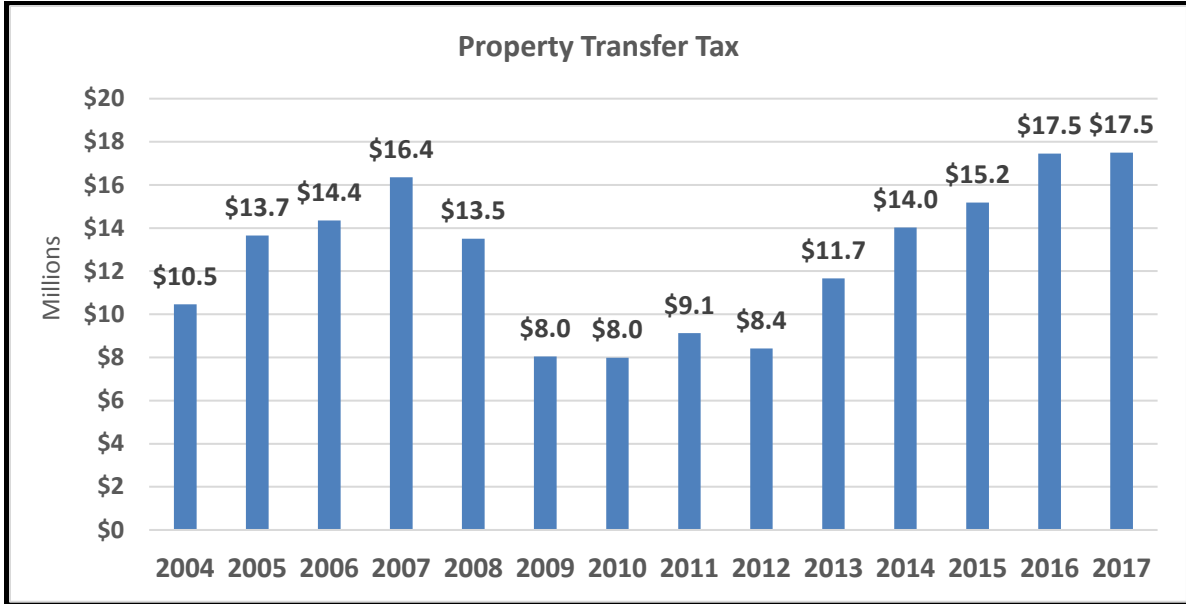
Although the FY 2018 and FY 2019 Adopted Biennial Budget recommended balancing strategies, several of the adopted balancing measures are short term solutions, which do not effectively resolve the projected ongoing structural deficit. The impact of the adopted balancing plan spreads across many departments and different funding sources.

As we developed the adopted balancing plan we focused on Council’s fiscal policies and are adopted a change to the following policy:

- Transfer Tax in excess of \$10.5 million will be treated as one-time revenue to be used for the City’s capital infrastructure needs.

Since FY 2013 Property Transfer Tax has averaged \$15.2 million a year. The chart below displays the historical trend of the City’s Property Transfer Tax from FY 2004 through projected FY 2017.

FIVE-YEAR FORECAST ASSUMPTIONS (ALL FUNDS)



As part of the balancing strategy we adopted an increase the Property Transfer Tax operating baseline from \$10.5 million to \$12.5 million. Property Transfer Tax in excess of \$12.5 million will be treated as one-time revenue to be used for the City’s capital infrastructure needs. We adopted changes to fees¹ in the Fire department that would generate an additional \$360,000. Furthermore, we plan to transfer \$700,000 from the Parking Meter Fund to the General Fund to support the costs of the Parking Enforcement Officers.

General Fund transfers are used to subsidize special funds to support operations when the special fund has an operating deficit. The reductions, which will occur in FY 2018 and FY 2019 are based on the FY 2017 General Fund transfers. These special funds will use available fund balance to support operations. We are proposing to reduce the General Fund transfers to the special funds listed below.

| Fund | FY 2018 Adopted Reductions* |
|-------------------------------------|-----------------------------------|
| Streetlight Assessment | \$ 514,529 |
| VoiP Replacement | \$ 88,000 |
| Clean Storm Water | \$ 130,000 |
| Police Employee Retiree Health Plan | \$ 267,252 |
| Sick Leave Entitlement Fund | \$ 250,000 |
| Total Reductions | \$ 1,249,781 |

* Additional net reductions of about \$250,000 were from a combination of reallocation of the remaining General Fund transfers and debt reductions.

¹ Proposed changes to City fees will be on the May 16, 2017, Council Agenda

FIVE-YEAR FORECAST ASSUMPTIONS (ALL FUNDS)

Finally, we increased salary savings by 1 percent, resulting in additional General Fund salary savings of \$397,000 in FY 2018 and \$402,000 in FY 2019. Salary savings are assessed to account for anticipated savings resulting from employee attrition. The following salary savings were included in the preliminary General Fund budget.

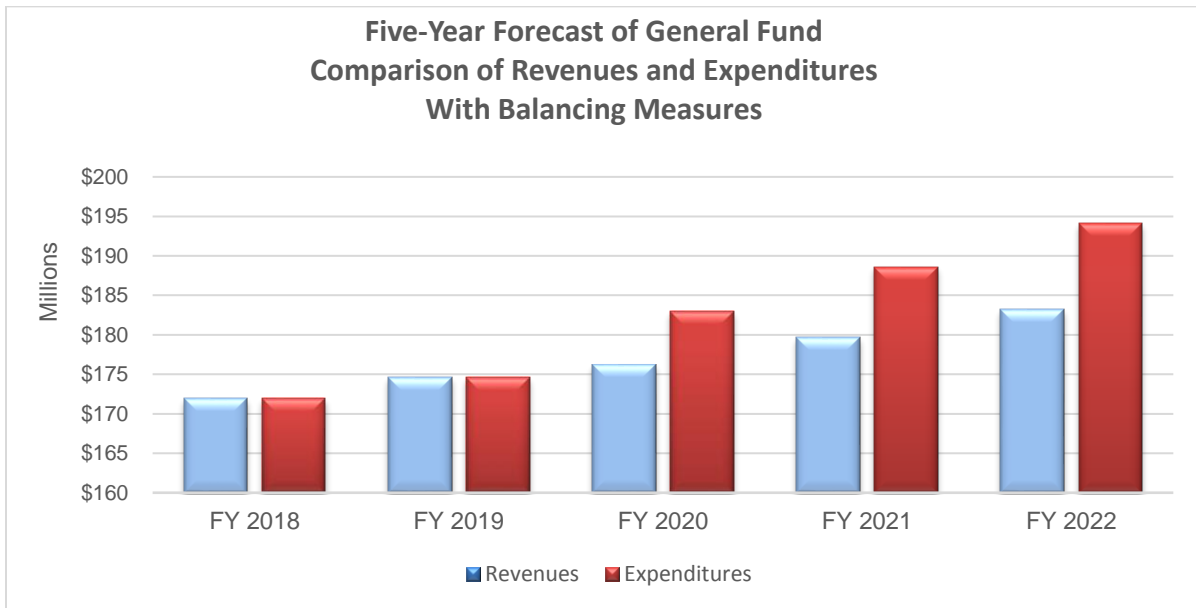
Citywide = 2.0% Police = 1.0% Fire = 0.0%

As part of the balancing plan we include the following salary savings in the proposed budget.

Citywide = 3.0% Police = 1.0% Fire = 0.0%

There was no change to the salary savings targets tied to Police and Fire. Please note that the actual FY 2016 attrition rate was 8.96 percent, this rate changes from year to year and is influenced by economic conditions.

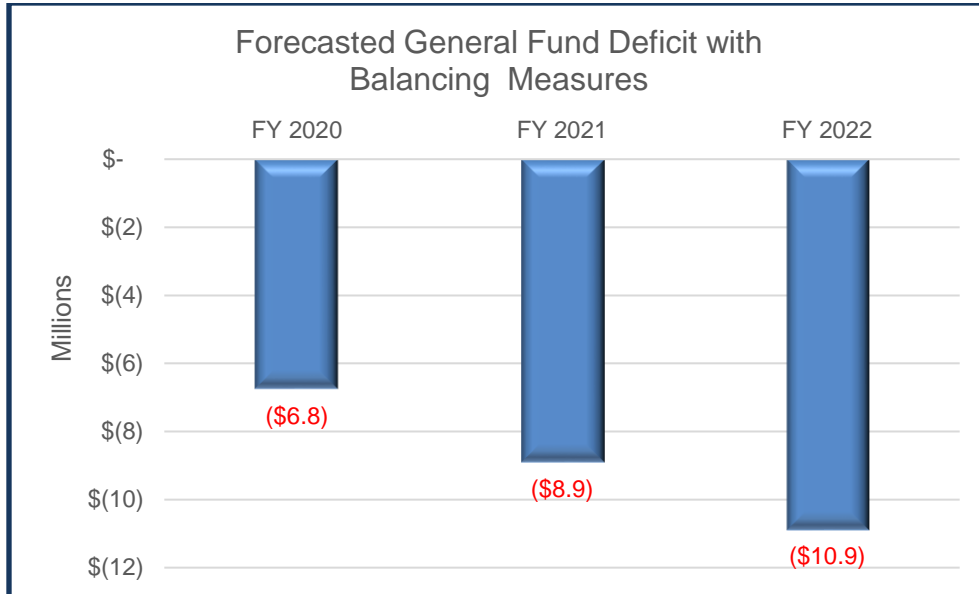
Even with these adopted balancing measures, it appears that there is not much relief in the future. As noted in the chart below, while we adopted a balanced stability budget for FY 2018 and FY 2019, deficits are projected to continue to grow in the out years.



Not included in the chart are expenditures and anticipated revenues from the Rental Unit Business License Tax (U1).

FIVE-YEAR FORECAST ASSUMPTIONS (ALL FUNDS)

Projected General Fund deficits are \$6.8 million in FY 2020, \$8.9 million in FY 2021, and \$10.9 million in FY 2022. Even though we adopted a stability budget in FY 2018 and FY 2019, solutions to resolve these future General Funds deficits have not yet been identified.



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 we move into new labor negotiations. In addition, we must brace ourselves for the possible impacts of the new federal administration. Over the next fiscal year, staff will work with Council, labor, and the community to address the ongoing structural deficits and bring projected expenditures in line with projected revenues. This may involve a combination of expenditure reductions, identification of new revenues, or realignment of current services or programs.

The "General Fund" and "Other Funds" sections of this book include detailed discussions of the 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 impacts 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 cost.

FIVE-YEAR FORECAST ASSUMPTIONS (ALL FUNDS)

In addition, included in Council's fiscal policies is the following:

- ❖ Any new expenditures require either new revenue or expenditure reductions.

Over \$1.8 million in new staffing costs supported by the General Fund are included in the adopted biennial budget beginning in FY 2019. However, these costs were not offset by new revenues. Instead the temporary balancing measure previously described were used to cover these new expenditures. These new expenditures include staffing the fourth ambulance, the addition of the Digital Communications Coordinator to improve the design and public navigation of the City's website, a Community Services Specialist III to coordinated the homeless program, a Community Development Project Coordinator to address the housing crisis, and new staffing to support the HOTT program. The increased costs tied to these new services beginning in FY 2019 are contributing to the General Fund operational shortfall. Given the state required restrictions on raising 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 acquiring additional debt?
- ❖ What are the long-term impacts of acquiring undeveloped or underdeveloped assets?
- ❖ What are the long term impacts of establishing a new program or providing a new service?

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 of the organization. Examples of such issues in the FY 2018 and FY 2019 Adopted Budget include:

- ❖ Increases in the CalPERS contribution rates,
- ❖ Increases in health care costs, and
- ❖ Increases in unfunded liabilities.

A variety of assumptions and factors drive the forecast, such as labor costs, inflation, federal and state initiatives, and unforeseen events and emergencies. These assumptions impact revenue and expenditure projections and variations can cause unanticipated 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 2.82% over the last five years.

FIVE-YEAR FORECAST ASSUMPTIONS (ALL FUNDS)

CONSUMER PRICE INDEX

Change from previous year (April to April)

| YEAR | % INCREASE |
|-------------------------|-------------------|
| 2007 | 3.3 |
| 2008 | 2.9 |
| 2009 | 0.8 |
| 2010 | 1.7 |
| 2011 | 2.8 |
| 2012 | 2.1 |
| 2013 | 2.4 |
| 2014 | 2.8 |
| 2015 | 2.4 |
| 2016 | 2.7 |
| 2017 | 3.8 |
| 5 – Year Average | 2.82 |

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

The established growth index for the Emergency Medical Services Tax (Paramedic Tax) is the April Consumer Price Index (CPI). The Emergency Services for the Disabled Tax, the Library Tax, Parks 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). For FY 2018, all of the taxes were set with a CPI increase of 3.79% since this was higher than the PIG increase of 3.69%. For FY 2019, an increase of 2% is assumed for all tax rates.

Population

Based on data from the 2010 Census, Berkeley's population grew by almost 4 percent compared to the 2015 American Community Survey (ACS) data. Berkeley is estimated to have a population of 117,384. Some revenues, such as Motor Vehicle In-Lieu, are based on population.

Managing Escalating Costs

Salary and benefit costs make up approximately 54 percent of the citywide budget on an all funds basis and 77 percent of the General Fund. Five-year forecasts do not include assumptions or adjustments to personnel expenditures to cover the costs of future unknown negotiated compensation packages per the various labor contracts. However, controlling labor costs is the primary method to manage expenditures and ensure sustainability of the General Fund.

FIVE-YEAR FORECAST ASSUMPTIONS (ALL FUNDS)

California Public Employee Retirement System (CalPERS)

The CalPERS Board has made several changes to their assumptions. The changes are designed to pay off the unfunded actuarial liabilities, smooth out the rates, and mitigate contribution volatility. The most recent change is that the Board lowered the discount rate from 7.5 percent to 7.0 percent over the next three years. As a result the rate increases ramp up in FY 2017 through FY 2021. In addition, all amortization bases have fixed periods. The plans are designed to achieve 100% funding within a 30-year time period. This means that there will be sufficient funds held in each plan to pay obligations for all inactive (including retirees) and benefits due to prior service for actives. For FY 2017 and FY 2018, the City is using CalPERS' actual rates. For FY 2019 and beyond, the rates are projections provide by the City's outside actuary.

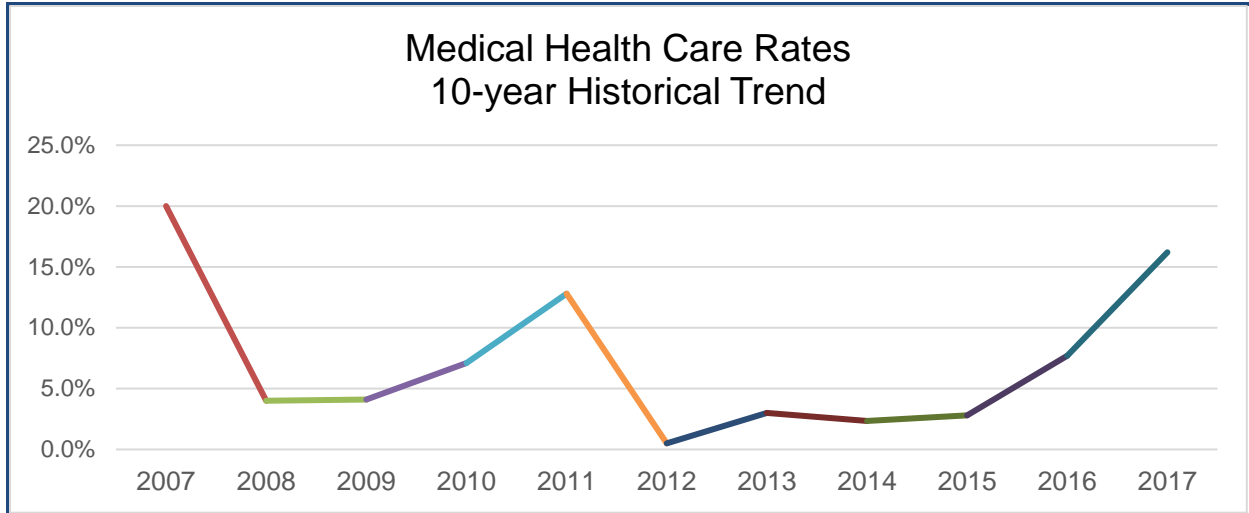
| | CalPERS Actuals FY 2017 | CalPERS Actuals FY 2018 | Actuary's Estimates for FY 2019 | Actuary's Estimates for FY 2020 | Actuary's Estimates for FY 2021 | Actuary's Estimates for FY 2022 | Cumulative Growth from FY 2017 |
|---|-------------------------|-------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|--------------------------------|
| Miscellaneous | 25.7% | 27.9% | 31.0% | 33.9% | 36.3% | 38.5% | 12.8% |
| Police | 52.7% | 56.6% | 61.3% | 65.7% | 69.4% | 72.7% | 20.0% |
| Fire | 37.9% | 39.9% | 44.3% | 48.5% | 51.5% | 54.8% | 16.9% |
| The above rates do not include the City-paid Employee Rate of 8% for Miscellaneous (non-sworn) employees. However, effective January 1, 2018 all of the Miscellaneous employees, except for one, will be paying 8% towards the Employer's Contribution, which is also not shown in the above rates. | | | | | | | |

Incorporating the negotiated cost sharing included in the labor contracts, the rising CalPERS rates are projected to increase the City's costs by over \$4.26 million for all funds over the next two-year period. The funded status of a pension plan is defined as the ratio of assets to a plans accrued liabilities. Based on the CalPERS' actuarial valuations as of June 30, 2015, the City's plans are currently funded as follows: Police Safety 60.75%; Fire Safety 71.58%; and Miscellaneous 71.08%.

Medical Health Care Rates

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 experienced unusually low health rate increases in FY 2015 and FY 2016, our outside brokers advised us to plan for larger increases in the future reflective of historical trends. Since 2005, health premium increases have ranged from 0.5 percent to 20 percent. Effective January 1, 2017, the health care rates increased by 16.16%. As reflected in the chart below, this is the largest increase since 2007.

FIVE-YEAR FORECAST ASSUMPTIONS (ALL FUNDS)

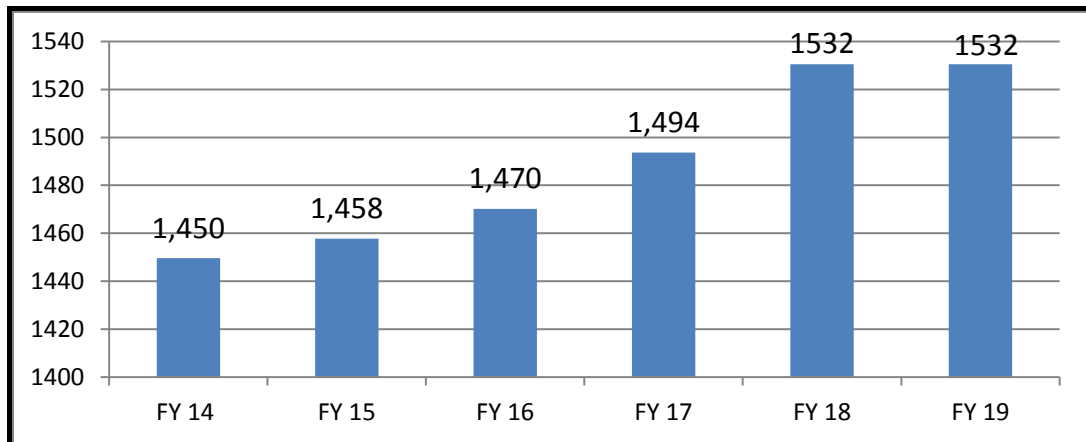


Health care rates are provided to the City on a calendar year basis. Considering the most recent jump in rates along with the advice of our outside broker, we budgeted a 12% rate increase in FY 2018 and FY 2019. The City's is estimated to pay \$21.6 million in FY 2018 and \$24.2 million in FY 2019 for medical health insurance for active employees. If medical health care rates increase by 12% per year, by FY 2022 the City is projected to pay \$33.9 million for medical health insurance for active employees.

Staffing

The balancing act between projected revenues and escalating expenditures has been challenging. In FY 2018, salary and benefit costs make up approximately 54 percent of the citywide budget on an all funds basis and 77 percent of the General Fund operating budget. Fiscal Year 2015 was the first year in which there was not a planned permanent reduction in staffing level since 2009. Between FY 2015 and FY 2018, staffing is budgeted to increase by 75 FTEs. Between FY 2017 and FY 2018 staffing is budgeted to increase by 38 FTEs.

**Number of Full Time Equivalent Employees (FTEs)
FY 2014 to 2019**



FIVE-YEAR FORECAST ASSUMPTIONS (ALL FUNDS)

New positions were added to the budget to expand and improve services. Funding was budgeted to support the 4th ambulance, the newly established HOTT program, and to improve the City's website. In addition, both the new Homeless Programs Coordinator and the new Community Development Project Coordinator who is assigned to address the housing crisis are supported by the General Fund. Although these additional positions provide much needed expanded services to the community, the new positions also place an additional strain on the General Fund. Additional positions in the Planning Department and the Parks, Recreation and Waterfront departments are supported by Special Funds. As we struggle to resolve the General Fund structural deficit any new positions, programs, and services must be supported by new revenues or offset by a reduction in expenditures.

It is important that we continue making fiscally prudent strategic decisions with the future in mind. Achieving a sustainable balance of both personnel and non-personnel expenditures against reasonable revenue projections will require close attention to ensure the fiscal stability of the City.

The General Fund, however, is less than half of the City's total budget. Many of the special funds that were struggling are becoming healthy again due to the City Council and City staff actions, as well as voters' actions over the last several years.

New Revenue Streams

Several recent actions by the voters have improved the picture for Berkeley. Most recent, in November 2016, Berkeley voters passed Measure T1, authorizing the City to sell \$100 million in General Obligation Bonds to repair, renovate, replace, or reconstruct the City's aging infrastructure and facilities, including sidewalks, storm drains, parks, streets, senior and recreation centers, and other important City facilities and buildings. On January 31, 2017², City Council approved a Public Process for implementation of Measure T1 to include commission and citizen input for Measure T1 criteria and projects.

In November 2014, voters approved Measure F that benefits the Parks, Recreation & Waterfront Department by providing additional annual funding for major maintenance and capital expenses for parks facilities. In addition, voters approved Measure BB, which implements a 30 year Transportation Expenditure Plan by renewing the 0.5 percent transportation sales tax approved in 2000 and increasing the tax by 0.5 percent, will benefit the City's streets and roads, as well as pedestrian and bicycle infrastructure. This 1 percent sales tax is managed by the Alameda County Transportation Commission, and Berkeley will receive over \$3 million a year in additional funding as well as capital funding for the Gilman interchange project. Finally, in November 2012, Berkeley voters approved Measure M, General Obligation bonds not-to-exceed \$30 million, which are being used to significantly accelerate the implementation of the 5-Year Street Plan and install green infrastructure.

² [http://www.cityofberkeley.info/Clerk/City_Council/2017/01_Jan/City_Council_01-31-2017_-_Regular_Meeting_Agenda.aspx_\(Item_#4\)](http://www.cityofberkeley.info/Clerk/City_Council/2017/01_Jan/City_Council_01-31-2017_-_Regular_Meeting_Agenda.aspx_(Item_#4))

FIVE-YEAR FORECAST ASSUMPTIONS (ALL FUNDS)

The Street Light Assessment Fund, however, is in need of a rate increase. Since FY 1993, Street Light Assessment District No. 1982-1 has not had a rate increase and the district's current revenue level is insufficient to cover regular ongoing operation and maintenance costs. The General Fund has been making annual transfers in excess of \$500,000 to subsidize the fund and offset the Street Light Program deficits. Now as the General Fund struggles to balance its \$5 million operating shortfall in FY 2018 and \$5.3 million operating shortfall in FY 2019 the General Fund transfer to the Street Light Fund is scheduled to be suspended beginning in FY 2018. The Street Light Assessment has available Fund Balance to support operations through FY 2018 but is facing a shortfall in FY 2019. Staff is analyzing the feasibility of a Proposition 218 process to increase the assessment in FY 2019. If rates are increased, the additional revenues will be used to fund future Street Light District budget needs. Additional information on the Streetlight Assessment Fund can be found under the tab titled "Other Funds".

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.

UNFUNDED LIABILITIES (employee benefits) SUMMARY

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 the entire obligation and the associated risk that the obligation 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 fund 100% of the obligations causing a great portion of cash to be reserved and not available for providing services or meeting other immediate obligations, needs, or desires of the community. Maintaining a careful balance between cash on hand to fund daily operations and liquidity to cover unfunded liabilities is a key challenge for all governments. The City has a history of prudently balancing its approach to future obligations with its response to current economic variables and will continue to do so.

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. 65,748-N.S. "Requiring that the City Manager Develop and Publish a Biennial Report of Current Liabilities and Projections of Future Liabilities." This report was updated and presented at the February 28, 2017, Council Worksession¹. The following chart shows the funded status of the City's various benefits based on the most recent actuarial valuations.

| Name of Plan (dollars in millions) | Valuation Date | Plan Assets | Estimated Liabilities | Unfunded Liability | % Funded |
|---|---------------------------|------------------------|----------------------------------|-------------------------------|---------------------|
| CalPERS (all plans) | 6/30/16 | 1044.0 | 1521.1 | 477.1 | 69% |
| Worker's Compensation | 6/30/16 | 27.4 | 30.9 | 3.5 | 89% |
| Non-sworn Retiree Medical | 7/1/16 | 21.0 | 55.6 | 34.6 | 38% |
| Police Retiree Health (new) | 7/1/16 | 1.4 | 41.0 | 39.6 | 3% |
| Police Retiree Income Plan (closed) | 6/30/16 | 6.5 | 76.4 | 69.9 | 9% |
| Fire Retiree Medical | 7/1/16 | 9.4 | 25.3 | 15.9 | 37% |
| TOTAL | | 1109.7 | 1750.3 | 640.6 | 63% |

¹ [http://www.cityofberkeley.info/Clerk/City_Council/2017/02_Feb/City_Council_02-28-2017_-_Special_Meeting_Agenda.aspx_\(Item_#1\)](http://www.cityofberkeley.info/Clerk/City_Council/2017/02_Feb/City_Council_02-28-2017_-_Special_Meeting_Agenda.aspx_(Item_#1))

UNFUNDED LIABILITIES (employee benefits) SUMMARY

Overall, the cumulative total of the City's funding level for its benefit is 63%. 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 are closed to new enrollees and are being phased out such as the SRIP I Disability, the Safety Members Pension Fund, and the Police Sick Leave Entitlement. These programs are discussed later in this section of the Proposed Budget Book.

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. Since 2013 CalPERS rates have continued to climb based on changes in their assumptions and Board policies.

In 2013, the CalPERS Board voted to change the actuarial model for the pension plans along with certain actuarial assumption upon which rates are based. First, the model provides that the plans will be 100% funded in a fixed 30-year time period. Second, the time period to "smooth out" the impacts of CalPERS' investment losses due to the recession was reduced from 15 years to 5 years. Finally, the rates are structured in such a way that the first five years are a "ramp up" period to improve the plans funded percentage. That meant higher rates beginning in FY 2016.

On February 18, 2014, the CalPERS Board voted to retain its long-term assumed rate of return of 7.5 percent, but adopted new mortality assumptions since retirees are living longer. As a result of these assumptions, the cost of employer contributions increased again beginning in FY 2017.

Most recently, in December 2016, the CalPERS Board of Administration took action to strengthen the fund by cutting the discount rate by a half percentage point over a three year period². CalPERS is reducing the return rate from 7.5% to 7.375% immediately, to 7.25% in July 2018, and to 7.0 percent a year later. CalPERS lowered the discount rate because they determined that achieving a 7.5 percent rate of return was now far less likely. The impact of the lower return rate can be seen in the chart below as determined by the actuarial analysis performed by Bartel Associates, LLC. The result of this lowered discount rate is that liabilities will grow and that the City's pension contributions will again increase.

² https://www.calpers.ca.gov/page/newsroom/for-the-record/2017/action-prudent-smart-decision?utm_source=newsroom&utm_medium=banner&utm_campaign=FTR-Discount-Rate

UNFUNDED LIABILITIES (employee benefits) SUMMARY

CalPERS uses an amortization and smoothing policy that spreads rate increases or decreases over a 5-year period, and amortizes all experience gains and losses over a fixed 30-year period.

The City contributes to three plans in the CalPERS system: Miscellaneous Employee Plan, Police Safety Plan, and Fire Safety Plan. Benefits vest after five years of service and are based on the employee's 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. 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. For the Miscellaneous plan, historically, the City paid both the employer share of the contribution and the additional 8% employee share. However, effective January 1, 2018 all of the Miscellaneous employees, except for one labor group, will be paying 8% towards the Employer's Contribution. For FY 2017 and FY 2018, the City is using CalPERS' actual rates. For FY 2019 and beyond, the rates are projections provide by the City's outside actuary.

| | CalPERS Actuals FY 2017 | CalPERS Actuals FY 2018 | Actuary's Estimates FY 2019 | Actuary's Estimates FY 2020 | Actuary's Estimates FY 2021 | Actuary's Estimates FY 2022 | Cumulative Growth from FY 2017 |
|--|-------------------------------|-------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---|
| Miscellaneous | 25.7% | 27.9% | 31.0% | 33.9% | 36.3% | 38.5% | 12.8% |
| Police | 52.7% | 56.6% | 61.3% | 65.7% | 69.4% | 72.7% | 20.0% |
| Fire | 37.9% | 39.9% | 44.3% | 48.5% | 51.5% | 54.8% | 16.9% |
| The above rates do not include the City-paid Employee Rate of 8% for Miscellaneous (non-sworn) employees. However, effective January 1, 2018 all of the Miscellaneous employees, except for one labor group will be paying 8% towards the Employer's Contribution, which is also not shown in the above rates. | | | | | | | |

Funding Status

As noted above, the changes made by CalPERS in the last few years are planned to achieve 100% funding for all plans within a 30-year time period. This means that there will be sufficient funds held in each plan to pay obligations for all inactives (including retirees) and benefits due to prior service for actives.

CalPERS calculates the value of the City's plan assets based on the market value of assets (MVA). 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. Below are the funding levels of the three plans in the CalPERS system: Miscellaneous Employee Plan, Police Safety Plan, and Fire Safety Plan.

UNFUNDED LIABILITIES (employee benefits) SUMMARY

California Public Employees' Retirement System Annual Valuation Based on the Market Value of the Assets as of June 30, 2016 (*dollars in millions*)

| | Market Value of Assets | Estimated Liability | Unfunded Liability | % Funded |
|----------------------|-----------------------------------|--------------------------------|-------------------------------|---------------------|
| Miscellaneous | 641.3 | 902.2 | 260.9 | 71.1 |
| Police | 226.1 | 372.2 | 146.1 | 60.8 |
| Fire | 176.6 | 246.7 | 70.1 | 71.6 |
| Total | 1044.0 | 1521.1 | 477.1 | 68.6 |

Based on the CalPERS' actuarial valuations as of June 30, 2016, of the City's assets held by CalPERS for the City's plans are currently funded as follows: Miscellaneous 71.1%; Police Safety 60.8%; and Fire Safety 71.6%. Based on the market value of assets, the pension plans combined are about 70% funded.

Workers' Compensation

Benefit History & Summary

The City is required by law to provide workers' compensation coverage for its employees. The worker's compensation system has an extensive statutory scheme for determining compensability, payment and provisions of benefits and payment for various medical and legal services that are part of treating the injured worker.

Funding Status

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 2016, the City transferred \$9.2 million into the Fund. The total annual expenditure from the fund, including claims paid and administrative costs as of June 30, 2016 was \$5.2 million. The available assets as of June 30, 2016 was \$27.4 million.

The actuarial estimate for the program's liability for outstanding claims was \$30.9 million as of June 30, 2016. 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 twelve years since the City established the formula for assessing charges to departments, the Fund has achieved an 88.6% 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.

UNFUNDED LIABILITIES (employee benefits) SUMMARY

| Workers Compensation as of June 30, 2016 | | | | | | |
|---|--------------------------------|-------------------------------------|----------------------------|--------------------------------------|---------------------------|-----------------|
| Estimated Liability | Plan Assets³ | Annual Required Contribution | Actual Contribution | Funding Target | Unfunded Liability | % Funded |
| \$ 30.9 | \$ 27.4 | \$7.1 – 9.8 | \$ 9.2 | between 75% and 85% confidence level | \$ 3.4 | 88.6% |

Even though the plan is 88.6% funded, the City has to fund the plan to at least 111.7% to 130.2% to have a confidence level between 75% and 85%⁴. At the 88.6% funded level the probability that the City will meet the liability is just 30%. That means there is a 70% possibility that the City may not be able to meet the total liability. If the City funds 100%, which amounts to an additional \$1.002 million annually, the City will have a probability of meeting the liability with a 55% confidence level, and not meeting the liability with 44% confidence level. The probability or confidence level should be around 75% to 85%. At June 30, 2016, it would have cost the City an additional one-time contribution between \$7.1 million and \$9.8 million to obtain a confidence level between 75% and 85%. Thus, the confidence level is currently below the target

Based on the analysis contained in the most recent actuarial study, rates have been updated for FY 2018 and FY 2019 resulting in an annual contribution of \$9.6 million.

| Workers' Compensation Rates by Classification | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Class Code | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
| 7706 - Firefighter | 10.42% | 11.70% | 11.70% | 12.72% | 12.72% | 11.23% | 11.23% |
| 7720 - Police | 7.58% | 8.23% | 8.23% | 8.64% | 8.64% | 8.25% | 8.25% |
| 8810 - Office | 1.67% | 1.78% | 1.78% | 2.03% | 2.03% | 1.81% | 1.81% |
| 9410 - Field | 4.51% | 4.72% | 4.72% | 5.42% | 5.42% | 5.71% | 5.71% |
| 9420 - Laborer | 17.78% | 19.96% | 19.96% | 22.54% | 22.54% | 21.12% | 21.12% |

³ Does not include the purchase of the property located at University and Ninth Streets (Premier Cru Property) for \$6.7 million funded by the Worker's Compensations Fund. Staff proposed that repayment to the Worker's Compensation Fund be made form a combination of excess Property Transfer Tax and revenue generated from the Business License Tax of five or more units (U1) for affordable housing. http://www.cityofberkeley.info/Clerk/City_Council/2017/04_Apr/City_Council_04-04-2017_-_Regular_Meeting_Agenda.aspx (Item E)

⁴ Confidence Level - An estimated probability that a given level of funding will be adequate to pay actual claims costs. For example, the 85% confidence level refers to an estimate for which there is an 85% chance that the amount will be sufficient to pay loss costs.

UNFUNDED LIABILITIES (employee benefits) SUMMARY

Safety Members Pension Fund (closed plan)

Benefit History & Summary

The City maintains the Safety Members Pension Fund (SMPF). This plan is a single-employer defined benefit pension plan for fire and police officers that retired before March 1973. In March 1973 all active fire and police officers were transferred from SMPF to CalPERS. 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.

The SMPF 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.

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 Mass Mutual. This contract provides annual payments through 2018 and an annual guaranteed 9.68% rate of return (net of expenses).

The City currently pays the difference between the total SMPF benefits and the amount received from the Massachusetts Mutual Guaranteed Income Contract (GIC). The City will receive declining amounts from the GIC through FY 2019. At June 30, 2016, the City recognized a pension expense of \$696,400, with an actuarial accrued liability of \$3.8 million. There are 13 participants remaining in the plan, with ages ranging from 85 to 102, with an average of 93 years.

As the General Fund subsidy to the SMPF declines over the next several years, the amount of the annual decrease can be used to help fund the new Police Employee Retiree Health Plan (fund 903). However, in FY 2018 and FY 2019 some of the savings will be used to help resolve the \$5.0 million General Fund shortfall and thus the transfer to the Police Employee Retiree Health Plan will be reduced by \$267,252.

UNFUNDED LIABILITIES (employee benefits) SUMMARY

| 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 | 1,167,402 | (1) | -484,000 | (1) | 683,402 |
| 2014 | 1,003,120 | (1) | -435,000 | (1) | 568,120 |
| 2015 | 847,160 | (1) | -397,201 | (1) | 449,959 |
| 2016 | 696,400 | (1) | -360,091 | (1) | 336,309 |
| 2017 | 656,197 | (2) | -329,000 | (1) | 327,197 |
| 2018 | 551,804 | (2) | -298,000 | (1) | 253,804 |
| 2019 | 460,397 | (2) | -100,000 | (1) | 360,397 |
| 2020 | 381,327 | (2) | 0 | | 381,327 |
| 2021 | 313,733 | (2) | 0 | | 313,733 |

(1) Actual amount

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

Retiree Medical Benefits:

The City provides post-retirement health insurance benefits in accordance with the Memoranda Agreements between the City and the various collective bargaining units. The City has individual trusts for each bargaining unit that fund the medical plans, as well as a closed plan for Police that provides a cash benefit. 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 is responsible for investing the assets in these plans. The results of that investment activity are provided to the City Council in the regular Investment Report.

In some cases the City’s actual contribution to each plan on an annual basis is based on the actuarially established “Actuarially Determined Contribution” (ADC) 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.

UNFUNDED LIABILITIES (employee benefits) SUMMARY

On April 4, 2017⁵ the City's actuary presented several options for the Council's consideration that would reduce the City unfunded liabilities tied to post-employee benefits. Included in the recommendations were the following:

- ❖ Investing for the long-term to generate more earnings to meet long-term funding targets,
- ❖ Increase annual contributions by approximately \$4.5 million per year and fully pre-fund the plans, and
- ❖ Establish an irrevocable supplemental trust for CalPERS to stabilize the increasing employer contribution rates resulting from changes in the CalPERS Board's assumptions.

Retiree Medical Benefit Plan (Non-safety Members)

Benefit History & Summary

Effective June 28, 1998, the City adopted the City of Berkeley Retiree Health Premium Assistance Plan (For Non-Safety Members). Employees who retire from the City are eligible for retiree health benefits beginning on or after age 55 if they terminate employment with the City on or after age 50 with at least 8 years of service. Retirees can select from among any of the health plans or enroll in any of the health plans offered active employees. A retiree living outside the coverage area of the City's health plans can select an out-of-area health plan.

Benefits are payable for the retiree's lifetime and continue for his or her covered spouse's/domestic partner's lifetime. The City pays the monthly cost of the monthly premiums up to a Participant's applicable percentage of the Base Dollar Amount and subject to annual 4.5% increases as specified in the Retiree Health Premium Assistance Plan document. A Participant's applicable percentage is based on years of service with the City. Contribution amounts are negotiated and vary by bargaining unit.

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 funds 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. Contribution

⁵ [http://www.cityofberkeley.info/Clerk/City_Council/2017/04_Apr/City_Council_04-04-2017_-_Special_Meeting_Agenda.aspx_\(Item_1_Presentation\)](http://www.cityofberkeley.info/Clerk/City_Council/2017/04_Apr/City_Council_04-04-2017_-_Special_Meeting_Agenda.aspx_(Item_1_Presentation))

UNFUNDED LIABILITIES (employee benefits) SUMMARY

amounts are negotiated and vary by bargaining unit. 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.

As of July 1, 2016, the most recent actuarial valuation date, the plan was 37.8% funded. The actuarial accrued liability for benefits was \$55.6 million, and the actuarial value of assets was \$21.0 million, resulting in an unfunded accrued liability of \$34.6 million.

Fire Retiree Health Benefit Plan Sworn Fire Members

Benefit History & Summary

The City sponsors a retiree health benefit plan for its Fire employees. To be eligible for benefits, Fire employees must retire from the City on or after July 1, 1997, be vested in a CalPERS pension, and retire from the City on or after age 50. Retirees can select from among any of the health plans offered to active employees. Benefits commence immediately upon retirement, but may also be deferred for a period during which the member is covered under another health insurance plan. Benefits are payable for the retiree's lifetime and continue for his or her covered spouse's/domestic partner's lifetime.

Funding Status

The City makes a contribution toward the medical premium depending on whether the retiree has dependent coverage, and date of retirement. The City's contribution increases 4.5% per year regardless of the amount of increase in the underlying premium rate. The City's contribution is prorated based on years of service. In 2016, the City's monthly premium cost per participant for this benefit ranged from \$376 to \$1,015.

As of July 1, 2016, the most recent actuarial valuation date, the plan was 37.2% funded. The actuarial accrued liability for benefits was \$25.3 million, and the actuarial value of assets was \$9.4 million, resulting in an unfunded accrued liability of \$15.9 million.

Police Retiree Income Benefit Plan (closed plan)

Benefit History & Summary

The City provides a Retiree Income Benefit Plan for Police retirees. To be eligible for benefits, Police employees must retire from the City on or after July 1, 1989 and before September 19, 2012, be vested in a CalPERS pension, have ten years of service with the Berkeley Police department, and retire from the City on or after age 50 or with a disability benefit. Benefits commence 10 years after retirement for retirements before July 6, 1997, 5 years after retirement for retirements before July 1, 2007, and 2 years after retirement for retirements on or after July 1, 2007.

UNFUNDED LIABILITIES (employee benefits) SUMMARY

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

Benefits are payable for the retiree's lifetime and continue for the life of the surviving spouse. For employees retiring before September 19, 2012, the City pays a monthly income benefit equal to the City's Active 2-party Kaiser premium regardless of marital status. In 2016, the City's monthly payment per participant for this benefit ranged from \$280 to \$1,153, depending on the retirees' years of service at retirement. The monthly benefit is pro-rated based on years of service.

As of June 30, 2016, the most recent actuarial valuation date, the plan was 8.57% funded. The actuarial accrued liability for benefits in this plan was \$76.4 million, and the actuarial value of assets was \$6.5 million, resulting in an unfunded accrued liability of \$69.9 million. Since the implementation of GASB 67 and 68 the Annual Required Contribution (ARC) is no longer provided. In addition, the Police Retiree Income benefit Plan is a closed plan and therefore no "Actuarially Determined Contribution" is provided due to no new members and no payroll information.

Police Retiree Health Premium Assistance Plan (new plan)

Benefit History & Summary

The Retiree Health Premium Assistance Plan (new plan) replaced the Police Retiree Income Benefit Plan (closed plan) above. To be eligible for benefits, Police employees must retire from the City on or after September 19, 2012, be vested in a CalPERS pension, have ten years of service with the Berkeley Police department, and retire from the City on or after age 50. Benefits commence immediately upon retirement, but may also be deferred for a period during which the member is covered under another health insurance plan. Under the newly established retiree health premium assistance plan, benefits will be the paid by the City directly to the provider who is providing retiree health coverage to the retiree or his or her surviving spouse. The maximum amount will be equal in value to the City sponsored health plan.

Benefits are payable for the retiree's lifetime. The City will pay for employees retiring on or after September 19, 2012, \$679/month toward the cost of single party coverage and \$1,358/month toward the cost of two party coverage for retirees under age 65 enrolled in the City's Retiree Health plan. For retirees over age 65 the City's share of single/two party coverage is \$401/\$803 per month and retirees must pay the difference of the actual premium cost. The City's share will increase by either the amount Kaiser increases the retiree medical premium for that year, or 6%, whichever is less. The monthly benefit is pro-rated based on years of service. The City pays this benefit plan on a pay-as-you-go basis.

UNFUNDED LIABILITIES (employee benefits) SUMMARY

Funding Status

As of July 1, 2016, the most recent actuarial valuation date, the Annual Required Contribution was \$6.0 million and the plan was 3.2% funded. The actuarial accrued liability for benefits was \$41.0 million, and the actuarial value of assets was \$1.3 million, resulting in an unfunded accrued liability of \$39.7 million

The FY2018 & FY 2019 Proposed Biennial Budget includes funding the new plan with savings realized through the decrease in the General Fund subsidy to the Safety Members Pension Fund. However, in FY 2018 and FY 2019, as a General Fund balancing measure, the transfer to the Police Employee Retiree Health Plan will be reduced by \$267,252. Available fund balance (plan assets) will be used to cover the cost of the pay-as-you-go benefit in FY 2018 and FY 2019. The estimated payment amounts in FY 2018 and FY 2019 are \$250,000 and \$346,000.

| Retiree Medical Plan Actuarial Data <i>(dollars in millions)</i> | | | | | | |
|--|----------------|---------------------------------|----------------|------------------------------------|---------------------|---------------|
| Plan | Valuation Date | Actuarial Estimated Liabilities | Plan Assets | Annual Required Contribution (ARC) | Actual Contribution | % Funded |
| Retiree Health Premium Assistance Plans (Non-Safety Members) | 7/1/2016 | \$55.63 | \$21.02 | \$3.61 | \$1.81 | 37.80% |
| Fire Employees Retiree Health Plan | 7/1/2016 | \$25.28 | \$9.41 | \$0.854 | \$0.84 | 37.20% |
| Police Employee Retiree Income Benefit Plan (closed) | 6/30/2016 | \$76.42 | \$6.50 | \$ * | \$1.94 | 8.57% |
| Police Employees Retiree Health Premium Assistance Plan (new) | 7/1/2016 | \$41.03 | \$1.35 | \$5.96 | \$0.542 | 3.20% |
| TOTAL | | \$198.36 | \$38.28 | \$17.39 | \$5.13 | 19.30% |

*No Actuarially Determined Contribution (ADC) was calculated. When trust assets are depleted, contribution assumed to be equal to benefit payments

UNFUNDED LIABILITIES (employee benefits) SUMMARY

Supplementary Retirement and Income Plan (SRIP I Disability - closed plan)

Benefit History & Summary

On January 1, 1983, Ordinance No. 5450-N.S., which was codified in the Berkeley Municipal Code under Chapter 4.36.101 et seq., established SRIP I. The SRIP I plan consists of two components: 1) a defined contribution money purchase pension plan adopted in accordance with Sections 401(a) and 501(a) of the internal revenue Code, and 2) an employer paid disability benefit.

The City's administrators of the money purchase pension plan are MassMutual and Prudential Retirement Services. The plan is a defined contribution plan whereby the City contributed 5.7% of salary up to a salary of \$32,000 into a tax deferred and self-directed investment account and 1% of salary up to a salary of \$32,400 into a disability reserve account for each covered employee. The total assets of SRIP I available for benefits at July 1, 2016, was \$7,930,890, which was comprised of participant accounts. These assets are the property of the individual account holders and not the property of the City.

The disability benefit is for employees hired after January 1, 1983 but prior to July 22, 1988, who became disabled and are entitled to receive a disability income benefit equal to 60% of their highest compensation, reduced by any disability payments they receive from Social Security, State Disability Insurance, or Worker's Compensation. Employees hired after July 21, 1988 are not eligible for benefits under this plan which was closed to new enrollees. Benefits are payable for the disabled participant's lifetime or until recovery from disability. The third party administrator is MidAmerica.

Funding Status

On February 8, 2017, the City received the actuarial analysis of the SRIP I plan. Currently, the City pays the monthly cost of the monthly disability benefits on a pay-as-you-go basis. The average monthly benefit is \$1,913. Benefits are payable for the disabled participant's lifetime or until recovery from disability. The unfunded liability for SRIP 1 at July 1, 2016, the date of the last actuarial study was \$16.4 million, with projected benefit payments in FY 2018 and FY 2019 of \$1.5 million and \$1.4 million. As of July 1, 2016, there were a total of 89 closed group participants, 20 active employees and 69 disabled participants receiving benefits. As this too is a closed plan, annual contributions are projected to decrease over time.

Sick and 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.

UNFUNDED LIABILITIES (employee benefits) SUMMARY

A major problem with 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. This is true for all employees except Police sworn. Police sworn sick and vacation liabilities are managed by means of a PORAC medical trust account.

Beginning January 1, 2013, at the end of each calendar year, if a Police sworn employee has an accrued sick leave balance of 200 hours or more, 50% of all hours accrued in excess of 200 hours are converted into a cash equivalent. The annual cash conversion is calculated at the employee's current hourly rate and is not subject to future increases (COLA, step increase, promotions) reducing the long term cost of the liability. The City pays the annual cash equivalent into an employee's retirement PORAC medical trust account on behalf of the employee. The remaining 50% of the sick leave balance in excess of 200 hours is credited into the employee's separate "catastrophic/service time" bank up to a maximum of 500 hours. Upon retirement, the employee forfeits any sick leave hours that have not been converted into an employee's PORAC medical trust or catastrophic/service time" bank.

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 6% 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. The FY 2016 calculated rates are 3.75% of base salary for sworn employees and 1.90% of salary for all other employees.

The City's Finance Department reported the current reserve balances if available leave hours were converted to cash payments. The sick leave reserve balance as of June 30, 2016, for all current employees was \$2,368,773⁶. The estimated vacation hours reserve balance as of June 30, 2016, was \$13,265,334⁷.

⁶ Capped at 1600 hours. SEIU Local 1021 Maintenance and Clerical can defer accrued but unused sick leave at time of retirement into a 4019a) plan or be paid out the balance of the accrued but unused sick leave less withholding of applicable federal and state taxes.

⁷ Capped at 320 hours per each employee except Police and Fire employees.

UNFUNDED LIABILITIES (employee benefits) SUMMARY

Current contracted actuarial/consultant companies:

| Benefit Category | Contractor | Type of Service |
|------------------------------------|------------------------|------------------------|
| CalPERS | Bartel Associates | Actuary |
| Workers' Compensation | Bickmore Risk Services | Actuary |
| Retiree Medical Health (all plans) | Bartel Associates | Actuary |
| Police Retiree SLE | Bartel Associates | Actuary |
| Safety Members Pension Fund | Bartel Associates | Actuary |
| SRIP | Bartel Associates | Actuary |
| All plans as needed | Hansen Bridgett | Tax Counsel |

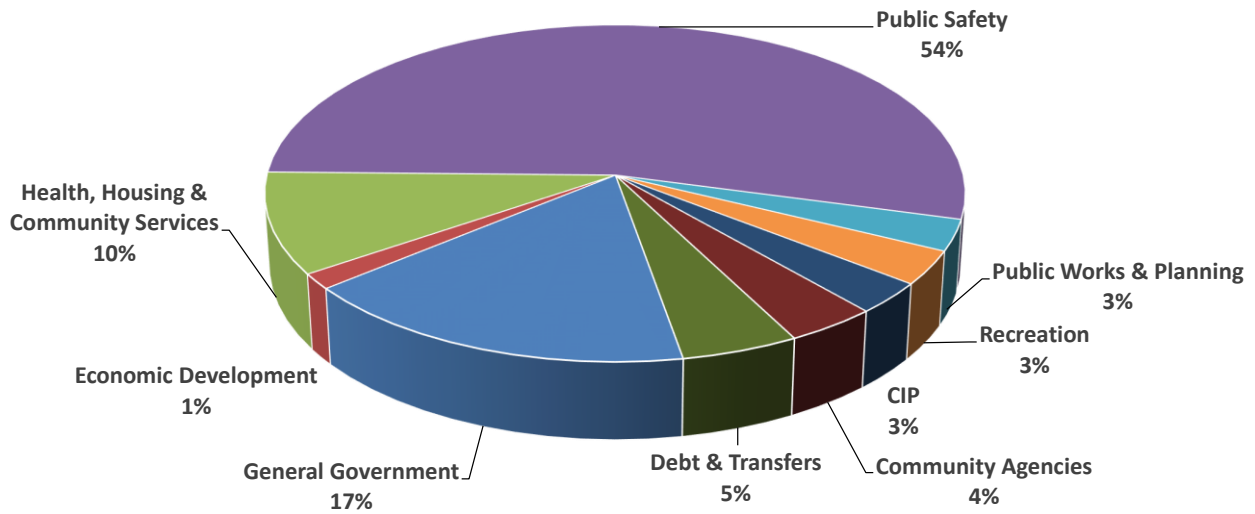


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Summary of Expenditures by Department - General Fund

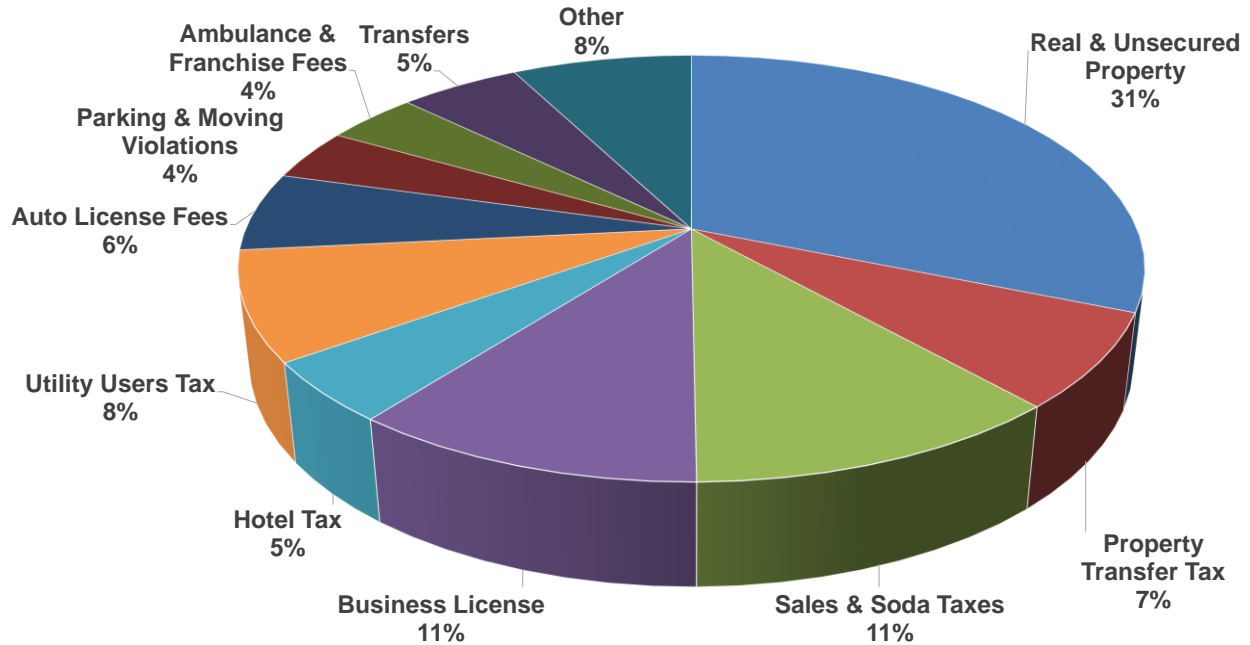
| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|--------------------------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| Mayor & Council | 1,788,656 | 1,892,881 | 1,761,098 | 2,028,441 | 2,074,738 |
| Auditor | 1,831,294 | 1,939,511 | 1,962,038 | 2,261,463 | 2,304,413 |
| Police Review Commission | 555,769 | 584,348 | 602,055 | 722,180 | 738,060 |
| City Manager | 4,575,484 | 4,864,723 | 5,470,970 | 5,883,194 | 6,106,514 |
| Office of Economic Development | 2,027,452 | 2,346,260 | 2,318,386 | 2,691,403 | 2,560,121 |
| Information Technology | 4,863,199 | 5,344,143 | 5,682,791 | 5,770,103 | 6,232,527 |
| City Attorney | 2,288,013 | 2,044,601 | 2,199,910 | 2,398,356 | 2,453,702 |
| City Clerk | 2,177,080 | 1,513,959 | 2,499,350 | 2,059,366 | 2,097,256 |
| Finance | 5,128,394 | 4,982,927 | 4,769,454 | 5,756,160 | 5,741,525 |
| Human Resources | 1,871,155 | 1,924,022 | 2,079,446 | 1,977,674 | 2,024,979 |
| Health, Housing & Community Services | 11,927,266 | 11,584,622 | 13,963,151 | 15,049,190 | 14,946,689 |
| Police | 57,057,838 | 59,074,465 | 62,156,096 | 61,378,677 | 63,187,683 |
| Fire | 27,116,862 | 29,037,855 | 29,897,724 | 30,984,535 | 31,985,365 |
| Public Works | 2,403,636 | 2,917,731 | 3,325,083 | 3,276,300 | 3,317,370 |
| Parks, Recreation & Waterfront | 5,452,415 | 5,818,770 | 5,755,400 | 5,689,002 | 5,741,567 |
| Planning | 1,604,589 | 1,639,989 | 1,561,673 | 1,923,055 | 1,939,915 |
| Community Agencies | 4,393,571 | 5,255,169 | 6,580,980 | 6,634,869 | 6,595,869 |
| Non-Departmental | 19,893,581 | 21,099,757 | 53,090,735 | 16,407,834 | 15,265,959 |
| Total General Fund | \$156,956,254 | \$163,865,733 | \$205,676,340 | \$ 172,891,802 | \$ 175,314,252 |

General Fund Expenditures by Service Area FY 2018 & FY 2019 Adopted Biennial Budget \$348,206,054



**FY 2018 AND FY 2019
PROPOSED GENERAL FUND REVENUES
SUMMARY**

| | Actual Revenues FY 2015 | Actual Revenues FY 2016 | Actual Revenues FY 2017 | Adopted Revenues FY 2018 | Adopted Revenues FY 2019 |
|-----------------------|----------------------------|----------------------------|----------------------------|-----------------------------|-----------------------------|
| Secured Property | \$44,187,339 | \$48,046,765 | \$51,474,746 | \$50,018,636 | \$50,768,165 |
| Unsecured Property | 2,602,010 | 2,661,235 | 2,568,891 | 2,767,684 | 2,809,200 |
| Supplemental Taxes | 1,445,409 | 1,469,993 | 1,874,630 | 1,100,000 | 1,116,500 |
| Property Transfer Tax | 15,178,243 | 17,452,190 | 17,151,793 | 12,500,000 | 12,500,000 |
| Sales Tax | 16,708,652 | 15,944,002 | 20,105,287 | 18,000,000 | 18,522,000 |
| Soda Tax | 242,986 | 1,712,892 | 1,550,222 | 1,721,456 | 1,747,278 |
| Business License | 16,102,327 | 18,089,403 | 18,829,739 | 18,451,191 | 18,727,959 |
| Utility Users Tax | 14,302,057 | 14,211,318 | 15,109,305 | 14,282,375 | 14,496,610 |
| Hotel Tax | 7,038,640 | 7,813,366 | 7,810,884 | 7,969,633 | 8,089,178 |
| Vehicle In-Lieu | 9,616,322 | 10,308,802 | 10,994,452 | 10,320,402 | 10,475,208 |
| Parking Fines | 6,248,975 | 6,134,784 | 6,120,474 | 6,503,322 | 6,600,871 |
| Moving Violations | 673,244 | 252,752 | 232,523 | 239,770 | 243,367 |
| Interest | 2,650,102 | 2,465,654 | 2,385,492 | 2,211,000 | 2,244,165 |
| Ambulance Fees | 4,313,595 | 4,102,074 | 4,183,673 | 4,823,720 | 4,913,194 |
| Franchise Fees | 1,864,892 | 1,916,975 | 1,988,589 | 1,955,315 | 1,984,644 |
| Other Revenue | 12,574,200 | 10,544,785 | 9,414,370 | 11,106,877 | 11,114,390 |
| Transfers | 8,170,977 | 8,814,438 | 9,417,888 | 8,920,421 | 8,961,523 |
| TOTAL | \$163,919,970 | \$171,941,428 | \$181,212,958 | \$172,891,802 | \$175,314,252 |



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.

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.

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

KEY GENERAL FUND REVENUES

REAL PROPERTY TAXES cont.

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 | 2014 | 2015 | 2016 | 2017 |
|------------------------------------|--------------|--------------|--------------|--------------|
| Taxable Assessed Value (\$1,000) | \$13,568,104 | \$14,116,004 | \$15,225,086 | \$16,200,873 |
| \$ Change Assessed Value (\$1,000) | 850,964 | 547,900 | 1,109,082 | 975,787 |
| % Change Assessed Value | 6.69% | 4.04% | 7.85% | 6.41% |
| % Prop Tax Collected | 98.9% | 99.01% | 98.58% | 98.92% |

FY 2017 Secured Property Tax revenues totaled \$51,474,746, which was \$3,427,981 or 7.13% more than the \$48,046,765 received in FY 2016. The FY 2017 total of \$51,474,746 is \$2,758,892 more than the adopted budget amount of \$48,715,854.

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 -2.83% in FY 2018, 1.49% in FY 2019 and 1.50% in FY 2020. Staff updates these original Adopted Budget projections quarterly.

| REAL PROPERTY TAXES | Actual Revenue | | | Projected Revenue | | |
|--------------------------|----------------|--------------|--------------|-------------------|--------------|--------------|
| | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
| Total Collections | \$44,187,339 | \$48,046,765 | \$51,474,746 | \$50,018,636 | \$50,768,165 | \$51,530,449 |
| \$ Change | 2,005,958 | 3,859,426 | 3,427,981 | (1,456,110) | 749,529 | 762,284 |
| % Change | 4.80% | 8.73% | 7.13% | (2.83%) | 1.49% | 1.50% |

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 2017, Supplemental Tax revenue totaled \$1,874,630, which is an increase of \$404,637 or 27.53% from the \$1,469,993 received in FY 2016. The amount of \$1,874,630 received in FY 2017 was \$1,031,208 more than the adopted budget amount of \$843,422. The reason for the increase in supplemental tax revenue in FY 2017 was a net growth of 23% countywide supplemental revenue, due to the intense growth in real estate market in the East Bay.

Forecast of Supplemental Real Property Tax Revenue

Supplemental Tax revenues are very volatile and are projected to decrease by 41.32% in FY 2018 and increase by 1.50% in FY 2019. The volatility is due to fluctuations in the reassessment backlog worked on by the County Assessor's Office. As the County works on reassessment applications, this revenue typically goes up. Staff updates these original adopted budget projections quarterly.

| SUPPLEMENTAL REAL PROPERTY | Actual Revenue | | | Projected Revenue | | |
|---|-----------------------|----------------|----------------|--------------------------|----------------|----------------|
| | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
| Total Collections | \$1,445,409 | \$1,469,993 | \$1,874,630 | \$1,100,000 | \$1,116,500 | \$1,133,248 |
| \$ Change | 314,364 | 24,584 | 404,637 | (774,630) | 16,500 | 16,748 |
| % Change | 27.8% | 1.70% | 27.53% | (41.32%) | 1.50% | 1.50% |

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 2017, Property Transfer Tax revenue decreased by \$300,397 or -1.72%, to \$17,151,793 from \$17,452,190 received in FY 2016. The amount of \$17,151,793 received in FY 2017 was \$6,651,793 more than the adopted budget amount of \$10,500,000.

The decrease was due to a decrease in the dollar value of property sales for FY 2017, which totaled \$ 1,143,452,867 or \$151,596,466 less than the \$1,163,479,333 in FY 2016. The decrease in property sales was a result of a decrease in the number of property sales from 960 in FY 2017 to 873 in FY 2016, but was partially offset by an increase in the average sales price from \$1,211,958 in FY 2016 to \$1,309,797 in FY 2017.

KEY GENERAL FUND REVENUES

PROPERTY TRANSFER TAXES *cont.*

Forecast of Transfer Tax Revenue

Staff is forecasting recurring Transfer Tax revenue of \$12.5 million in FY 2018, FY 2019 and FY 2020, net of budgeted seismic retrofit rebates. Staff is of the opinion that total Transfer Tax revenue (the recurring and non-recurring amounts) will be close to the level of FY 2017 and FY 2018 for the near future. Any amounts above the \$12.5 million baseline will be non-recurring (one-time) revenue, available for one-time expenditure allocations only.

| PROPERTY TRANSFER TAX | Actual Revenue | | | Projected Revenue | | |
|-----------------------------|----------------|--------------|--------------|-------------------|--------------|--------------|
| | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2000 |
| Total Collections | \$15,178,243 | \$17,452,190 | \$17,151,793 | \$12,500,000 | \$12,500,000 | \$12,500,000 |
| \$ Change | 1,160,636 | 2,273,947 | (300,397) | (4,651,793) | 0 | 0 |
| % Change | 8.3% | 14.98% | (1.72%) | (27.12%) | 0% | 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 began to 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 2017, VLF revenue totaled \$10,994,452, which is \$685,650 or 6.65% more than the \$10,308,802 received in FY 2016, consistent with the 6.41% increase in assessed values for FY 2017. The amount of \$10,994,452 received in FY 2017 was \$725,395 more than the adopted budget amount of \$10,269,057.

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.

| VLF | Actual Revenue | | | Projected Revenue | | |
|--------------------------|-----------------------|----------------|----------------|--------------------------|----------------|----------------|
| | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
| Total Collections | \$9,616,322 | \$10,308,802 | \$10,994,452 | \$10,320,402 | \$10,475,208 | \$10,632,336 |
| \$ Change | 338,620 | 692,480 | 685,650 | (674,050) | 154,806 | 157,128 |
| % Change | 3.7% | 7.2% | 6.65% | (6.13%) | 1.50% | 1.50% |

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 FY2017, Unsecured Property Tax revenues totaled \$2,568,891, which was \$92,344 or 3.47% less than the \$2,661,235 received in FY 2016. The amount of \$2,568,891 received in FY 2017 was \$367,405 less than the adopted budget amount of \$2,936,296.

Forecast of Personal Property Tax Revenue

Staff is projecting an increase in the Personal Property Tax in FY 2018 of 7.74%, a 1.5% increase in FY 2019 and an increase of 1.5% in FY 2020.

| PERSONAL PROPERTY TAX | Actual Revenue | | | Projected Revenue | | |
|--------------------------------------|-----------------------|----------------|----------------|--------------------------|----------------|----------------|
| | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
| Total Collections | \$2,602,010 | \$2,661,235 | \$2,568,891 | \$2,767,684 | \$2,809,200 | 2,851,338 |
| \$ Change | 105,689 | 59,225 | (92,344) | 198,793 | 41,516 | 42,138 |
| % Change | 4.06% | 2.28% | (3.47%) | 7.74%) | 1.5% | 1.5% |

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 9.25% and distributed as follows:

Distribution of Sales Tax Collected within Alameda County

| Agency | Distribution % |
|---|----------------|
| State of California | 6.00% |
| State Public Safety Fund (Proposition 172) | 0.25% |
| City of Berkeley | 1.00% |
| Alameda County Transportation Commission | 1.00% |
| Alameda County Essential Health Care Services | 0.50% |
| Alameda County BART | 0.50% |
| Total Sales Tax | 9.25% |

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

SALES TAXES cont.

For FY 2017, Sales Tax revenue totaled \$20,105,287, which is \$4,161,286 or 26.10% more than the \$15,944,002 received in FY 2016. The reason for the increase in Sales Tax revenue of \$4,161,286 in FY 2017 and the projected decline in FY 2018 was that \$2,311,802 of the

KEY GENERAL FUND REVENUES

Triple Flip deducted in FY 2016 was not paid in FY 2016, but instead paid in FY 2017 and the program ended in FY 2017, so the City started receiving the entire 1% in FY 2017.

The amount of \$20,105,287 received in FY 2017 was \$2,303,587 more than the adopted budget amount of \$17,801,700.

The economic segments that accounted for most of the decrease were the following segments: Furniture/ Appliances – 5.8%; Drug Stores – 1.4%; Apparel Stores – 4.2%; Service Stations – 7.6%; Misc. Vehicle Sales – 15.1%; Recreation Products – 1.9% and Light Industry – 21.2%.

Forecast of Sales Tax Revenue

Annual Sales Tax revenue is projected to decrease by 10.47% in FY 2018, increase by 2.9% in FY 2019 and increase by 2.9% in FY 2020.

| SALES TAX | Actual Revenue | | | Projected Revenue | | |
|--------------------------|-----------------------|----------------|----------------|--------------------------|----------------|----------------|
| | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
| Total Collections | \$16,708,652 | \$15,944,002 | \$20,105,287 | \$18,000,000 | \$18,522,000 | \$19,059,138 |
| \$ Change | 208,328 | (764,650) | 4,161,286 | (2,105,287) | 522,000 | 537,138 |
| % Change | 1.3% | (4.58%) | 26.10% | (10.47%) | 2.9% | 2.9% |

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 2017, BLT revenue totaled \$18,829,739, which is \$740,336 or 4.09% more than the \$18,089,403 received in FY 2016. The \$18,829,739 collected in FY 2017 was \$2,346,539 or 14.23% more than the adopted budget amount of \$16,483,200.

Forecast of Business License Tax Revenue

The BLT revenues are projected to decrease by 2.01% in FY2018, increase by 1.5% in FY 2019, and increase by 1.5% in 2020.

| BUSINESS LICENSE TAX | Actual Revenue | | | Projected Revenue | | |
|--|-----------------------|----------------|----------------|--------------------------|----------------|----------------|
| | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
| Total Collection s | \$16,102,327 | \$18,089,403 | \$18,829,739 | \$18,451,191 | \$18,727,959 | \$19,008,878 |
| \$ Change | 748,931 | 1,987,076 | 740,336 | (378,548) | 276,768 | 280,919 |
| % Change | 4.9% | 12.34% | 4.09% | (2.01%) | 1.5% | 1.5% |
| # of Licenses (calendar year) | 12,899 | 13,332 | 13,029 | 13,600 | 13,736 | 13,736 |

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 2017 increased by \$897,987 or 6.32%, to \$15,109,305 from the \$14,211,318 received in FY 2016. The \$15,109,305 collected in FY 2017 was \$817,805 or 5.72% more than the adopted budget amount of \$14,291,500.

The 6.3% increase in UUT was primarily due to a 3% increase in electric UUT and a 35% increase in gas UUT. The increase in gas revenue was driven some by an increase in residential gas usage, but mostly by an increase in gas prices. In Berkeley, 93% of PG&E customers are residential, and they accounted for an average of 28.5% of the gas usage from July 2015 to June 2017. Overall gas usage increased 1.2%, while gas usage for residential customers increased 8.9% and non-residential customers decreased 1.9%.

KEY GENERAL FUND REVENUES

UTILITY USERS TAX *cont.*

Forecast of UUT Revenues

UUT is expected to decrease from FY 2017 to FY2018. This projected decrease is due to the leveling off of the decreases in cable, telephone and cellular rates and continued growth in electric and gas categories, and flat growth in land-line phones. Projections are based on current trend analysis.

| UTILITY USERS TAX | Actual Revenue | | | Projected Revenue | | |
|------------------------------|----------------|------------|--------------|-------------------|--------------|--------------|
| | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
| Total Collections | 14,302,057 | 14,211,318 | \$15,109,305 | \$14,282,375 | \$14,496,610 | \$14,714,059 |
| \$ Change | (19,657) | (90,739) | 897,987 | 826,930 | 214,235 | 217,449 |
| % Change | (.1%) | (0.63%) | 6.32% | (5.47%) | 1.5% | 1.5% |
| Cable | 1,327,856 | 1,283,102 | 1,251,842 | 1,289,513 | 1,308,855 | 1,328,488 |
| Gas/Elec | 8,288,863 | 8,675,201 | 9,445,069 | 8,718,598 | 8,849,378 | 8,982,119 |
| Phone | 2,102,760 | 2,043,557 | 2,009,0350 | 2,053,767 | 2,084,573 | 2,115,841 |
| Cellular | 2,582,578 | 2,209,458 | 2,403,544 | 2,220,497 | 2,253,804 | 2,287,611 |

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 2017, Franchise Fee revenue totaled \$1,988,589, which is \$71,614 or 3.74% more than the \$1,916,975 received for in FY 2016. The \$1,988,589 collected in FY 2017 was \$161,697 or 8.85% more than the adopted budget amount of \$1,826,892.

KEY GENERAL FUND REVENUES

FRANCHISE FEES: CABLE - ELECTRIC – GAS cont.

Forecast of Franchise Fee Revenue

Franchise Fee revenues are projected to decrease in FY 2018 and have marginal changes in FY 2019 and FY 2020.

| FRANCHISE FEES | Actual Revenue | | | Projected Revenue | | |
|--------------------------|----------------|-------------|-------------|-------------------|-------------|-------------|
| | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
| Total Collections | \$1,864,892 | \$1,916,975 | \$1,988,589 | \$1,955,315 | \$1,984,644 | \$2,014,414 |
| Cable | 995,778 | 1,039,341 | 1,022,157 | 1,060,131 | 1,075,759 | 1,091,895 |
| Electric | 528,197 | 547,529 | 593,420 | 558,478 | 567,129 | 575,636 |
| Gas | 340,917 | 330,105 | 373,012 | 336,706 | 341,756 | 346,883 |

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 decreased by \$2,482 or .03% in FY 2017 to \$7,810,884, from \$7,813,366 in FY 2016. *There was a significant slowdown in the growth rates at several of the major hotels tracked by City staff. Hotel operators attributed some of the slow down to the impact of Short Term Rentals.* The \$7,810,884 collected in FY 2017 was \$658,444 or 9.21% more than the adopted budget amount of \$7,152,440.

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 2018, and increase by 1.5% in FY 2019 and 1.5% in FY 2020. The increase in FY 2019 was a result of the actual revenues received in FY 2017. The projections for FY 2019 and FY 2020 are based on the actual revenue for FY 2017.

| TRANSIENT OCCUPANCY TAX | Actual Revenue | | | Projected Revenue | | |
|------------------------------------|-----------------------|----------------|----------------|--------------------------|----------------|----------------|
| | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
| Total Collections | \$7,038,640 | \$7,813,366 | \$7,810,884 | \$7,969,633 | \$8,089,178 | 8,210,516 |
| \$ Change | 869,479 | 774,726 | (2,482) | 158,749 | 119,545 | 121,338 |
| % Change | 14.1% | 11.01% | (.03%) | 2.0% | 1.5% | 1.5% |

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 2017, Interest Income totaled \$2,385,492, which was \$80,162 or 3.25% less than the \$2,465,654 received in FY 2016. It was also \$185,492 more than the adopted budget amount of \$2,200,000. This revenue source trended as expected, with the current policy of the Federal Reserve Board (the Feds) continuing to extend its aggressive program to keep short-term rates low and medium-term interest rates at about 1%-1.25%. 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%-1.75% 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). At the Federal Reserve Board's Federal Open Market Committee meeting held on June 14, 2017, The Federal Reserve raised interest rates for the third time since December 2015 to a level of between 1.00% and 1.25%. Since the Federal Reserve increased rates, this will help to increase the city's interest income marginally over the next few quarters. Staff will continue to monitor these events closely.

| INTEREST INCOME | Actual Revenue | | | Projected Revenue | | |
|--------------------------|----------------|-------------|-------------|-------------------|-------------|-------------|
| | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
| Total Collections | \$2,650,102 | \$2,465,654 | \$2,385,492 | \$2,211,000 | \$2,244,165 | \$2,277,827 |

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

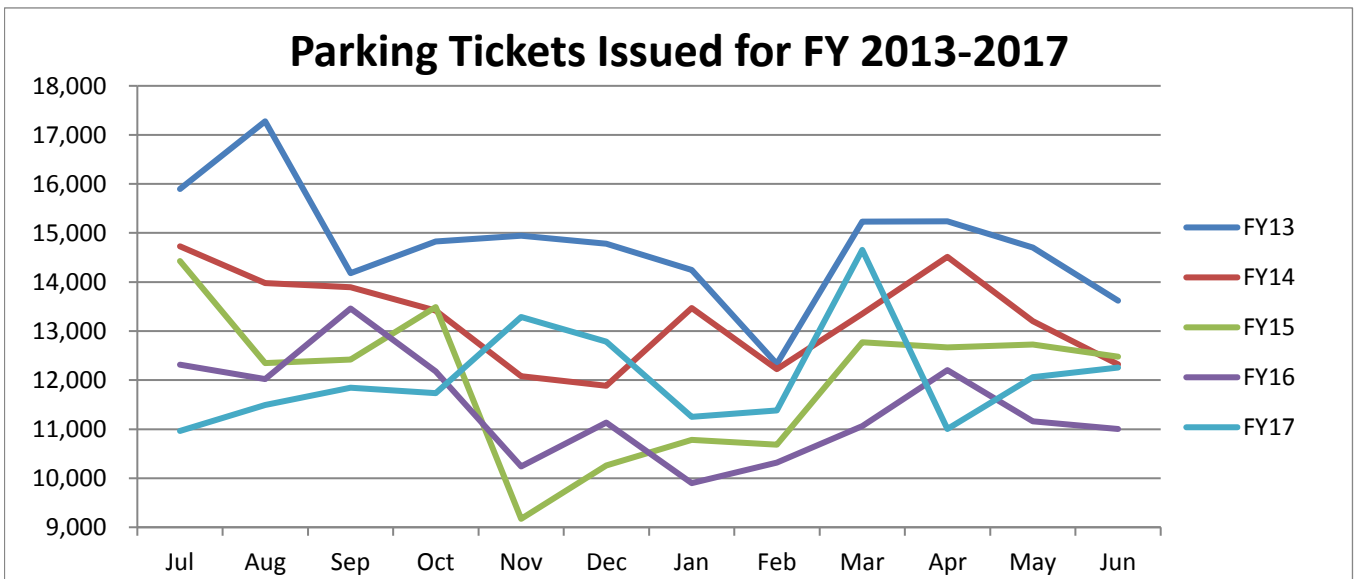
Factors that affect the revenue generated by Parking Fines include:

- ❑ 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 2017, Parking Fines revenue (excluding booting collections) decreased by \$51,358 or .9% to \$5,900,383, from \$5,951,741 in FY 2016. *This decrease in Parking Fines revenue was in spite of a small increase in ticket writing, from 138,297 in FY 2016 to 144,719 in FY 2017.*

The vehicle booting program, which started in October 2011, declined as expected during FY 2017. During that period, booting collections totaled \$220,091, an increase of \$37,047 or 20.2% from the total of \$183,044 received in FY 2016. The total of \$220,091 received in FY 2017 was \$20,091 more than the adopted budget amount of \$200,000.

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 2013 through FY 2017, as follows:



KEY GENERAL FUND REVENUES

PARKING FINES cont.

| PARKING FINE REVENUE | Actual Revenue | | | Projected Revenue | | |
|--------------------------------------|----------------|-------------|-------------|-------------------|-------------|-------------|
| | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
| Total Net Regular Collections | \$6,057,878 | \$5,951,740 | \$5,900,383 | \$6,299,322 | \$6,398,811 | \$6,489,719 |
| Total Booting Collections | 191,097 | 183,044 | 220,091 | 204,000 | 207,060 | 210,166 |
| Total Collections | 6,248,975 | 6,134,784 | 6,120,474 | 6,503,322 | 6,600,871 | 6,699,885 |
| \$ Change | (839,941) | (114,191) | (14,310) | 382,848 | 97,549 | 99,014 |
| % Change | (11.85%) | (1.83%) | .23% | 6.26% | 1.5% | 1.5% |
| Parking Citations | 144,237 | 138,297 | 144,719 | 154,000 | 154,000 | 154,000 |

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 June 30, 2018. 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 2017, Ambulance Fee revenue totaled \$4,183,673, which is \$81,599 or 1.99% more than the \$4,102,074 received in FY 2016. The total of \$4,183,673 collected was \$202,327 less than the FY 2017 adopted budget amount of \$4,386,000.

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 15.30% in FY 2018 and 2% in FY 2019 and by 2% in FY 2020. The big increase in FY 2018 is due to the addition of a fourth ambulance.

| AMBULANCE FEES | Actual Revenue | | | Projected Revenue | | |
|--------------------------|----------------|-------------|-------------|-------------------|-------------|-------------|
| | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
| Total Collections | \$4,313,595 | \$4,102,074 | \$4,183,673 | \$4,823,720 | \$4,920,194 | \$5,018,598 |
| \$ Change | 376,436 | (211,521) | 81,599 | 640,047 | 96,474 | 98,404 |
| % Change | 9.6% | (4.9%) | 1.99% | 15.30% | 2% | 2.0% |



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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
- ❑ Zero Waste 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 either the higher of the rate of inflation (i.e. Bay Area Consumer Price Index (CPI) or the Per Capita Personal Income Growth (PIG). For FY 2018, the CPI Increase of 3.789% was higher than PIG increase of 3.69% and was used for all of the tax rate increases. FY 2019 assumes a 2% increase. The City has no discretion in increasing revenues in these funds without voter-approval. The impacts of the economy on some of our enterprise funds have caused significant revenue losses in the past. Nonetheless, expenditures within these funds have increased 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 was adjusted annually based on the Consumer Price Index (CPI). In the November 2014 election, voters approved a 16.7% increase to the Parks Tax and approved allowing the annual adjustment to the tax rate to be indexed to greater of either the CPI 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.

Analysis

As it stands right now, the fund balance remains healthy from FY 2018 through FY 2021. Almost \$1.0 million dollars is set aside annually for capital improvements.

Fund Forecast

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Adopted | Projected | Projected |
| Beginning Balance | 2,534,212 | 4,397,419 | 5,400,433 | 5,950,564 | 6,548,269 | 6,875,309 |
| Revenues | 12,190,145 | 12,436,918 | 12,816,390 | 13,081,657 | 13,342,030 | 13,607,611 |
| Parks Tax | 11,672,588 | 12,282,394 | 12,763,390 | 13,018,657 | 13,279,030 | 13,544,611 |
| Other Revenue | 517,557 | 154,524 | 53,000 | 63,000 | 63,000 | 63,000 |
| Expenditures | 10,326,938 | 11,433,904 | 12,266,259 | 12,483,952 | 13,014,990 | 13,577,891 |
| Personnel | 7,460,711 | 7,851,685 | 8,640,137 | 8,850,639 | 9,381,677 | 9,944,578 |
| Non-Personnel | 2,679,722 | 3,042,232 | 2,644,872 | 2,652,063 | 2,652,063 | 2,652,063 |
| Capital Improvements | 186,505 | 539,987 | 981,250 | 981,250 | 981,250 | 981,250 |
| Annual Surplus/Shortfall | 1,863,207 | 1,003,014 | 550,131 | 597,705 | 327,040 | 29,720 |
| Ending Balance | 4,397,419 | 5,400,433 | 5,950,564 | 6,548,269 | 6,875,309 | 6,905,029 |

Revenue Assumptions

- Annual tax rate increases are tied to either Bay Area CPI Index or Per Capita Personal Income Growth.
- FY 2018 tax rate set at 3.789% increase.
- FY 2019 through FY 2021 assumes a 2% increase in the Parks Tax.

Expenditures Assumptions

- FY 2018 & FY 2019 Adopted Personnel includes approved cost of living increases and updated benefit rates.
- FY 2020 & FY 2021 Projected Personnel assumes no cost of living increases and 6% increases for benefit costs annually.

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 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Adopted | Projected | Projected |
| Beginning Balance | 4,332,540 | 5,787,405 | 6,836,064 | 5,665,366 | 5,723,351 | 5,467,933 |
| Revenues | 17,504,309 | 18,291,483 | 19,020,937 | 19,396,671 | 19,779,919 | 20,170,833 |
| Library Tax | 17,286,659 | 18,077,484 | 18,786,687 | 19,162,421 | 19,545,669 | 19,936,583 |
| Other Revenue | 217,650 | 213,999 | 234,250 | 234,250 | 234,250 | 234,250 |
| Expenditures | 16,049,444 | 17,242,824 | 20,191,635 | 19,338,686 | 20,035,337 | 20,985,788 |
| Personnel | 12,977,918 | 13,643,413 | 14,780,140 | 14,944,191 | 15,840,842 | 16,791,293 |
| Non-Personnel | 1,781,476 | 2,105,522 | 2,766,086 | 2,449,086 | 2,449,086 | 2,449,086 |
| Library Materials | 1,289,660 | 1,331,106 | 1,345,409 | 1,345,409 | 1,345,409 | 1,345,409 |
| Capital Improvements | 390 | 162,783 | 1,300,000 | 600,000 | 400,000 | 400,000 |
| Annual Surplus/Shortfall | 1,454,865 | 1,048,659 | -1,170,698 | 57,985 | -255,418 | -814,955 |
| Ending Balance | 5,787,405 | 6,836,064 | 5,665,366 | 5,723,351 | 5,467,933 | 4,652,978 |

Revenue Assumptions

- Annual tax rate increases are tied to either Bay Area CPI Index or Per Capita Personal Income Growth.
- FY 2018 tax rate set at 3.789% increase.
- FY 2019 through FY 2021 assumes a 2% tax increase in the Library Tax.

Expenditures Assumptions

- FY 2018 & FY 2019 Adopted Personnel includes approved cost of living increases and updated benefit rates.
- FY 2020 & FY 2021 Projected Personnel assumes no cost of living increases and 6% increases for benefit costs annually.

FINANCIAL FORECASTS: OTHER OPERATING FUNDS

PARAMEDIC TAX FUND

The Paramedic Tax generates around \$2.9 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 has been slightly increased in FY 2018 & FY 2019 by \$50,000.

Fund Forecast

| | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted | FY 2020 Projected | FY 2021 Projected |
|---------------------------------|-------------------|-------------------|--------------------|--------------------|----------------------|----------------------|
| Beginning Balance | 189,134 | 173,028 | 225,504 | 129,129 | -23,963 | 0 |
| Revenues | 3,117,077 | 3,267,425 | 3,424,137 | 3,475,415 | 3,727,713 | 3,818,226 |
| Paramedic Tax | 2,754,168 | 2,816,899 | 2,923,611 | 2,974,889 | 3,034,387 | 3,095,075 |
| General Fund Subsidy | 362,909 | 450,526 | 500,526 | 500,526 | 693,326 | 723,151 |
| Expenditures | 3,133,183 | 3,214,949 | 3,520,512 | 3,628,507 | 3,703,750 | 3,818,225 |
| Personnel | 2,652,277 | 2,732,643 | 3,053,970 | 3,161,965 | 3,237,208 | 3,351,683 |
| Non-Personnel | 480,906 | 482,306 | 466,542 | 466,542 | 466,542 | 466,542 |
| Annual Surplus/Shortfall | -16,106 | 52,476 | -96,375 | -153,092 | 23,963 | 1 |
| Ending Balance | 173,028 | 225,504 | 129,129 | -23,963 | 0 | 0 |

Revenue Assumptions

- FY 2018 tax increase set at 3.789%.
- FY 2019 through FY 2021 assume a 2% tax increase in the Paramedic Tax.
- General Fund subsidy will need to be increase in FY 2019 and beyond unless CPI increases cover annual shortfalls.

Expenditures Assumptions

- FY 2018 & FY 2019 Adopted Personnel includes approved cost of living increases and updated benefit rates.
- FY 2020 & FY 2021 Projected Personnel assumes no cost of living increases and 6% increases for benefit costs annually.

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 2021, there is little money allocated for capital improvements and only limited funding to perform minimal system cleaning and maintenance activities. A Proposition 218 rate study is being planned for FY 2018 to fund these activities.

Fund Forecast

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Actual | Actual | Adopted | Adopted | Projected | Projected |
| Beginning Balance | 860,415 | 676,591 | 514,732 | 669,054 | 804,495 | 872,832 |
| Revenues | 2,475,490 | 2,465,990 | 2,388,633 | 2,396,937 | 2,405,492 | 2,414,303 |
| Program revenues | 2,078,014 | 2,064,509 | 2,111,785 | 2,111,785 | 2,111,785 | 2,111,785 |
| UC In-Lieu Payment | 260,955 | 268,784 | 276,848 | 285,152 | 293,707 | 302,518 |
| General Fund Transfer | 130,000 | 130,000 | | | | |
| Miscellaneous | 6,521 | 2,697 | | | | |
| Expenditures | 2,659,314 | 2,627,849 | 2,234,311 | 2,261,496 | 2,337,154 | 2,417,351 |
| Personnel | 1,632,420 | 1,595,134 | 1,236,822 | 1,260,960 | 1,336,618 | 1,416,815 |
| Non-Personnel | 645,671 | 689,881 | 600,970 | 575,785 | 575,785 | 575,785 |
| Capital Improvements | 156,590 | 117,730 | 200,000 | 200,000 | 200,000 | 200,000 |
| Indirect Costs | 224,633 | 225,104 | 196,519 | 224,751 | 224,751 | 224,751 |
| Annual Surplus/Shortfall | -183,824 | -161,859 | 154,322 | 135,441 | 68,338 | -3,048 |
| Ending Balance | 676,591 | 514,732 | 669,054 | 804,495 | 872,832 | 869,785 |

Revenue Assumptions

- Fund receives \$200,000 annually (adjusted by CPI) from UC Berkeley settlement agreement for storm drain infrastructure improvements.
- Fund began to receive \$130,000 from the General Fund in FY 2016 for storm response and storm emergency repairs. This transfer is being suspended starting in FY 2018.

Expenditures Assumptions

- FY 2018 & FY 2019 Adopted Personnel includes approved cost of living increases and updated benefit rates.
- FY 2020 & FY 2021 Projected Personnel assumes no cost of living increases and 6% increases for benefit costs annually.

FINANCIAL FORECASTS: OTHER OPERATING FUNDS

STREET LIGHT ASSESSMENT DISTRICT FUND

The Streetlight Assessment District Fund provides for maintenance of the City's 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 Proposition 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). The fund is projected to be in deficit by the end of FY 2019. A Proposition 218 rate study is being planned for in FY 2018.

Fund Forecast

| | FY 2016 Actual | FY 2017 Actual | FY 2018 Proposed | FY 2019 Proposed | FY 2020 Projected | FY 2021 Projected |
|---------------------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|
| Beginning Balance | 1,037,181 | 1,744,450 | 1,887,014 | 424,952 | -786,455 | -2,044,657 |
| Revenues | 1,935,121 | 1,918,884 | 1,352,432 | 1,410,489 | 1,410,489 | 1,410,489 |
| Program Revenues | 1,410,490 | 1,387,721 | 1,352,432 | 1,410,489 | 1,410,489 | 1,410,489 |
| Miscellaneous Revenues | 10,102 | 7,763 | | | | |
| General Fund Subsidy | 514,529 | 514,529 | | | | |
| Interest | | 8,871 | | | | |
| Expenditures | 1,227,852 | 1,776,320 | 2,814,494 | 2,621,896 | 2,668,691 | 2,340,673 |
| Personnel | 529,982 | 604,531 | 1,058,739 | 1,069,372 | 1,133,534 | 1,201,546 |
| Non-Personnel | 697,870 | 1,171,789 | 1,755,755 | 1,552,524 | 1,535,157 | 1,139,127 |
| Annual Surplus/Shortfall | 707,269 | 142,564 | -1,462,062 | -1,211,407 | -1,258,202 | -930,184 |
| Ending Balance | 1,744,450 | 1,887,014 | 424,952 | -786,455 | -2,044,657 | -2,974,842 |

Revenue Assumptions

- Fund revenues are capped by Proposition 218.
- General Fund subsidy suspended beginning in FY 2018.

Expenditures Assumptions

- FY 2018 & FY 2019 Adopted Personnel includes approved cost of living increases and updated benefit rates.
- FY 2020 & FY 2021 Projected Personnel assumes no cost of living increases and 6% increases for benefit costs annually.

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

The Measure B fund balance is presently healthy and is growing over the next few years.

Fund Forecast

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Actual | Actual | Adopted | Adopted | Projected | Projected |
| Beginning Balance | 841,718 | 1,173,164 | 1,264,133 | 795,975 | 1,190,732 | 1,394,893 |
| Revenues | 2,889,513 | 2,987,962 | 2,846,059 | 2,877,358 | 2,877,358 | 2,877,358 |
| Program Revenues | 2,886,749 | 2,980,406 | 2,846,059 | 2,877,358 | 2,877,358 | 2,877,358 |
| Miscellaneous Revenues | 415 | 1,980 | | | | |
| Interest | 2,349 | 5,576 | | | | |
| Expenditures | 2,558,067 | 2,896,993 | 3,314,217 | 2,482,601 | 2,673,197 | 2,767,552 |
| Personnel | 1,648,157 | 1,853,878 | 1,448,997 | 1,483,577 | 1,572,592 | 1,666,947 |
| Non-Personnel | 909,910 | 1,043,115 | 1,865,220 | 999,024 | 1,100,605 | 1,100,605 |
| Annual Surplus/Shortfall | 331,446 | 90,969 | -468,158 | 394,757 | 204,161 | 109,806 |
| Ending Balance | 1,173,164 | 1,264,133 | 795,975 | 1,190,732 | 1,394,893 | 1,504,699 |

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 2019.

Expenditures Assumptions

- FY 2018 & FY 2019 Adopted Personnel includes approved cost of living increases and updated benefit rates.
- In FY 2018, \$916,389 was budgeted for the Shattuck Reconfiguration project. The project will break ground in June 2018 and no invoices will be paid till FY 2019. However, the contract will be put out to bid and awarded in FY 2018.
- FY 2020 & FY 2021 Projected Personnel assumes no cost of living increases and 6% increases for benefit costs annually.

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

The fund is maintaining a positive fund balance over the next few years but is facing an annual operating shortfall.

Fund Forecast

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Actual | Adopted | Adopted | Projected | Projected |
| Beginning Balance | 12,617,224 | 11,233,859 | 11,516,329 | 10,353,115 | 9,499,054 | 8,357,095 |
| Revenues | 14,897,395 | 17,607,690 | 14,528,343 | 15,003,859 | 15,453,976 | 15,917,594 |
| Building Fees | 10,219,246 | 13,896,374 | 11,895,343 | 12,257,859 | 12,625,595 | 13,004,363 |
| Land Use Fees | 1,595,867 | 1,531,688 | 1,753,000 | 1,796,000 | 1,849,880 | 1,905,376 |
| Other | 3,082,282 | 2,179,628 | 880,000 | 950,000 | 978,501 | 1,007,855 |
| Expenditures | 16,280,760 | 17,325,220 | 15,691,557 | 15,857,920 | 16,595,935 | 17,378,230 |
| Personnel | 9,320,006 | 9,946,393 | 12,172,410 | 12,300,244 | 13,038,259 | 13,820,554 |
| Non-Personnel | 6,960,754 | 7,378,827 | 3,519,147 | 3,557,676 | 3,557,676 | 3,557,676 |
| Annual Surplus/Shortfall | -1,383,365 | 282,470 | -1,163,214 | -854,061 | -1,141,959 | -1,460,636 |
| Ending Balance | 11,233,859 | 11,516,329 | 10,353,115 | 9,499,054 | 8,357,095 | 6,896,459 |

Revenue Assumptions

- Revenues assume a 3% growth annually.

Expenditures Assumptions

- FY 2018 & FY 2019 Adopted Personnel includes approved cost of living increases and updated benefit rates.
- FY 2020 & FY 2021 Projected Personnel assumes no cost of living increases and 6% increases for benefit costs annually.

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

Revenues in the Sanitary Sewer Fund were insufficient to fund the capital improvements, operations, and maintenance required to properly manage our Sanitary Sewer Collection System and comply with new requirements imposed by the Consent Decree entered into with the Environmental Protection Agency in July 2014. In June 2015, the City Council approved new Sanitary Sewer service rates for the five year period beginning FY 2016. The new rates fund capital improvements required to maintain the system in full regulatory compliance, while addressing revenue lost to drought-related water conservation. The total effect of the increased sewer rates will vary with the degree of water conservation actually achieved by City residents. Single family residence sewer rates are scheduled to increase 14% in FY 2018, 7% in FY 2019, and 3.6% in FY 2020.

Fund Forecast

| | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted | FY 2020 Projected | FY 2021 Projected |
|---------------------------------|-------------------|-------------------|--------------------|--------------------|----------------------|----------------------|
| Beginning Balance | 7,879,389 | 5,309,962 | 9,203,575 | 3,745,719 | 2,323,008 | 3,695,581 |
| Revenues | 14,568,558 | 19,515,370 | 21,384,982 | 22,827,768 | 23,668,103 | 23,708,243 |
| Expenditures | 17,137,985 | 15,621,757 | 26,842,838 | 24,250,479 | 22,295,530 | 24,645,956 |
| Personnel | 7,054,894 | 7,263,056 | 9,578,952 | 9,764,604 | 10,350,480 | 10,971,509 |
| Non-Personnel | 10,083,091 | 8,358,701 | 17,263,886 | 14,485,875 | 11,945,050 | 13,674,447 |
| Other Non-Personnel | 3,293,447 | 3,236,784 | 5,418,965 | 5,544,195 | 2,516,907 | 2,565,042 |
| Capital Improvements | 6,699,143 | 5,031,416 | 11,754,420 | 8,851,179 | 9,337,642 | 11,018,904 |
| Private Sewer Lateral Transfer | 90,501 | 90,501 | 90,501 | 90,501 | 90,501 | 90,501 |
| Annual Surplus/Shortfall | -2,569,427 | 3,893,613 | -5,457,856 | -1,422,711 | 1,372,573 | -937,713 |
| Ending Balance | 5,309,962 | 9,203,575 | 3,745,719 | 2,323,008 | 3,695,581 | 2,757,868 |

Revenue Assumptions

- FY 2018 through FY 2020 revenues reflect sewer rate increase approved by the City Council on June 30, 2015.

Expenditures Assumptions

- FY 2018 & FY 2019 Adopted Personnel includes approved cost of living increases and updated benefit rates.
- FY 2020 & FY 2021 Projected Personnel assumes no cost of living increases and 6% increases for benefit costs annually.

FINANCIAL FORECASTS: OTHER OPERATING FUNDS

ZERO WASTE FUND

The Zero Waste 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

The Zero Waste Fund gained substantial operational breathing room due to a 24.7% rate increase approved in May 2014, including minimum annual 3% increases going forward. The fund balance will enable the development of a plan to address capital needs at the Transfer Station.

Fund Forecast

| | FY 2016 Actual | FY 2017 Adopted | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted | FY 2020 Projected | FY 2021 Projected |
|---------------------------------|-------------------|--------------------|-------------------|--------------------|--------------------|----------------------|----------------------|
| Beginning Balance | 5,566,976 | 11,403,226 | 11,403,226 | 13,677,397 | 12,803,438 | 12,803,438 | 12,072,117 |
| Revenues | 40,652,200 | 38,372,033 | 41,909,396 | 40,453,300 | 41,242,753 | 42,480,036 | 43,754,437 |
| Expenditures | 34,815,950 | 39,468,042 | 39,635,225 | 41,327,259 | 41,974,074 | 41,995,889 | 44,032,806 |
| Personnel | 15,710,698 | 17,868,340 | 17,499,646 | 18,299,186 | 18,772,132 | 19,898,460 | 21,092,368 |
| Non-Personnel | 18,534,736 | 20,854,102 | 21,520,853 | 22,528,073 | 22,701,942 | 21,897,429 | 22,740,438 |
| Capital Improvements | 570,516 | 745,600 | 614,726 | 500,000 | 500,000 | 200,000 | 200,000 |
| Annual Surplus/Shortfall | 5,836,250 | -1,096,009 | 2,274,171 | -873,959 | -731,321 | 484,147 | -278,369 |
| Ending Balance | 11,403,226 | 10,307,217 | 13,677,397 | 12,803,438 | 12,072,117 | 13,287,585 | 11,793,748 |

Revenue Assumptions

- FY 2018 & FY 2019 Adopted Revenues include a 3% rate increase per year.

Expenditures Assumptions

- FY 2018 & FY 2019 Adopted Personnel includes approved cost of living increases and updated benefit rates.
- FY 2020 & FY 2021 Projected Personnel assumes no cost of living increases and 6% increases for benefit costs annually.

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 \$10 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 and started to increase beginning in FY 2015 due to the addition of revenues from the goBerkeley Program.

Fund Forecast

| | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted | FY 2020 Projected | FY 2021 Projected |
|---------------------------------|-------------------|-------------------|--------------------|--------------------|----------------------|----------------------|
| Beginning Balance | 5,241,583 | 5,379,078 | 5,683,942 | 4,831,030 | 4,643,231 | 4,869,814 |
| Revenues | 9,655,532 | 10,343,929 | 9,191,713 | 9,191,713 | 9,191,713 | 9,191,713 |
| Program Revenues | 9,655,532 | 10,343,929 | 9,191,713 | 9,191,713 | 9,191,713 | 9,191,713 |
| Expenditures | 9,518,037 | 10,039,065 | 10,044,625 | 9,379,512 | 8,965,130 | 9,267,886 |
| Personnel | 4,233,869 | 4,209,390 | 4,642,744 | 4,760,304 | 5,045,922 | 5,348,678 |
| Non-Personnel | 3,357,359 | 2,797,732 | 3,664,778 | 2,876,920 | 2,876,920 | 2,876,920 |
| TXFR to General Fund | 1,026,809 | 1,031,943 | 1,737,103 | 1,742,288 | 1,042,288 | 1,042,288 |
| TXFR to Off-Street Parking Fund | 900,000 | 2,000,000 | | | | |
| Annual Surplus/Shortfall | 137,495 | 304,864 | -852,912 | -187,799 | 226,583 | -76,173 |
| Ending Balance | 5,379,078 | 5,683,942 | 4,831,030 | 4,643,231 | 4,869,814 | 4,793,641 |

Revenue Assumptions

- FY 2018 & FY 2019 Adopted Revenues assume no increase from the FY 2017 Adopted Revenues. Actual revenues in each fiscal year maybe more than what is budgeted.

Expenditures Assumptions

- FY 2018 & FY 2019 Adopted Personnel includes approved cost of living increases and updated benefit rates.
- FY 2018 & FY 2019 increases the transfer to the General Fund by \$700,000 as a balancing measure.
- FY 2020 & FY 2021 Projected Personnel assumes no cost of living increases and 6% increases for benefit costs annually

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 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted | FY 2020 Projected | FY 2021 Projected |
|---------------------------------|-------------------|-------------------|--------------------|--------------------|----------------------|----------------------|
| Beginning Balance | 2,709,368 | 3,640,031 | 3,999,406 | 3,999,406 | 3,768,023 | 4,122,387 |
| Revenues | 6,383,337 | 6,318,116 | 6,245,459 | 6,270,459 | 6,298,485 | 6,318,887 |
| Berth Rentals | 3,624,218 | 3,435,203 | 3,596,909 | 3,596,909 | 3,740,785 | 3,740,785 |
| Marina Leases | 2,137,792 | 2,210,634 | 2,000,000 | 2,020,000 | 2,040,200 | 2,060,602 |
| Interest | 7,792 | 16,212 | 2,500 | 2,500 | 2,500 | 2,500 |
| Other Fees | 613,535 | 656,067 | 646,050 | 651,050 | 515,000 | 515,000 |
| Expenditures | 5,452,674 | 5,958,741 | 6,476,842 | 6,147,478 | 6,185,549 | 6,409,788 |
| Personnel | 3,114,588 | 3,298,161 | 3,453,603 | 3,525,765 | 3,737,311 | 3,961,550 |
| Non-Personnel | 1,634,703 | 1,953,155 | 1,889,895 | 1,890,682 | 1,717,207 | 1,717,207 |
| Capital Improvements | 56,951 | 61,000 | 647,625 | 245,312 | 245,312 | 245,312 |
| Debt Service | 646,432 | 646,425 | 485,719 | 485,719 | 485,719 | 485,719 |
| Annual Surplus/Shortfall | 930,663 | 359,375 | -231,383 | 122,981 | 112,936 | -90,900 |
| Ending Balance | 3,640,031 | 3,999,406 | 3,768,023 | 4,122,387 | 3,880,959 | 4,031,487 |

Revenue Assumptions

- An increase in Marina Fees for FY 2019 will be proposed to help with a projected fund deficit in FY 2022.

Expenditures Assumptions

- FY 2018 & FY 2019 Adopted Personnel includes approved cost of living increases and updated benefit rates.
- FY 2020 & FY 2021 Projected Personnel assumes no cost of living increases and 6% increases for benefit costs annually

FY 2018 AND FY 2019 POSITION CHANGES SUMMARY DETAIL

| | City Attorney | City Auditor | City Clerk | City Manager | OED | Finance | Fire | HHCS | HR | IT | Library | Planning | Police | PRC | PRW | PW | Rent Board | Total | |
|--|---------------|--------------|------------|--------------|--------|---------|--------|--------|--------|------|---------|----------|--------|-----|--------|--------|------------|-------|---------|
| FY 2018 Position Reductions/Reallocations | | | | | | | | | | | | | | | | | | | |
| Accounting Office Specialist III | | | | | | | | | | | | | | | (1.00) | | | | (1.00) |
| Administrative Staff Assistant | | | | | | | | | | | | | | | | | (1.00) | | (1.00) |
| Administrative Secretary | | | | | | | | | (1.00) | | | | | | | | | | (1.00) |
| Assistant Fire Chief | | | | | | (1.00) | | | | | | | | | | | | | (1.00) |
| Assistant Management Analyst | | | (1.31) | | | | | | | | | | | | | (1.00) | | | (2.31) |
| Associate Civil Engineer | | | | | | | | (0.50) | | | | | | | | | | | (1.00) |
| Community Health Worker | | | | | | | | | | | | | | | | | | | (0.50) |
| Community Services Specialist II | | | | | (1.00) | | | | | | | | | | | | | | (1.00) |
| Community Services Specialist III | | | | | (1.85) | | | | | | | (0.12) | | | | | | | (1.97) |
| Disability Services Specialist | | | | | | | | | | | | | | | (1.00) | | | | (1.00) |
| Harbormaster | | | | | | | | | | | | | | | (1.00) | | | | (1.00) |
| Housing Inspector (Certified) | | | | | | | | (1.00) | | | | | | | | | | | (1.00) |
| Human Resources Manager | | | | | | | | | (1.00) | | | | | | | | | | (1.00) |
| Human Resources Technician | | | | | | | | | (1.00) | | | | | | | | | | (1.00) |
| Office Specialist II | | | | | | (6.00) | | | | | | (3.00) | (1.00) | | (1.00) | | | | (11.00) |
| Office Specialist III | | | | | | (1.00) | (1.00) | (1.00) | | | | | | | | (1.00) | | | (5.00) |
| Police Officer | | | | | | | | | | | | | (1.00) | | | | | | (1.00) |
| Psychiatrist II & III | | | | | | | | (0.50) | | | | | | | | | | | (0.50) |
| Records Manager | | | (1.00) | | | | | | | | | | | | | | | | (1.00) |
| Revenue Development Specialist II | | | | | | (1.00) | | | | | | | | | | | | | (1.00) |
| Senior Accountant | | | | | | (1.00) | | | | | | | | | | | | | (1.00) |
| Senior Building Plans Examiner | | | | | | | | | | | | (2.00) | | | | | | | (2.00) |
| Staff Attorney I | | | | | | | | | | | | | | | | | | | (2.00) |
| FY 2019 Position Reductions/Reallocations | | | (2.31) | | (2.85) | (9.00) | (2.00) | (3.00) | (3.00) | | | (5.12) | (2.00) | | (3.00) | (3.00) | | | (40.28) |
| None | | | | | | | | | | | | | | | | | | | |
| FY 2019 Reductions Total | | | | | | | | | | | | | | | | | | | |
| Total FY 2018 & 2019 Reductions/Reallocations | | | (2.31) | | (2.85) | (9.00) | (2.00) | (3.00) | (3.00) | | | (5.12) | (2.00) | | (3.00) | (3.00) | | | (40.28) |
| FY 2018 New Positions | | | | | | | | | | | | | | | | | | | |
| Accounting Office Specialist II | | | | | | 6.00 | | | | | | | | | 1.00 | 1.00 | | | 8.00 |
| Accounting Office Specialist III | | | | | | 0.50 | 1.00 | | | | | 1.00 | | | 1.00 | 1.00 | | | 4.50 |
| Accounting Office Specialist Supervisor | | | | | | | | | | | | | | | 1.00 | | | | 1.00 |
| Administrative Assistant | | | | | | | | 1.00 | | | | | | | | | | | 1.00 |
| Animal Control Officer | | | | 1.00 | | | | | | | | | | | | | | | 1.00 |
| Animal Services Assistant | | | | 0.50 | | | | | | | | | | | | | | | 0.50 |
| Assistant City Clerk | | | 2.00 | | | | | | | | | | | | | | | | 2.00 |
| Assistant Management Analyst | | | | | 1.00 | | | 1.00 | 1.00 | | | 1.00 | | | 1.00 | 1.00 | | | 6.00 |
| Associate Management Analyst | | | | 1.00 | | | | | | | | | | | | 1.00 | | | 2.00 |
| Battalion Chief | | | | | | | 1.00 | | | | | | | | | | | | 1.00 |
| Building Inspect I (certified) | | | | | | | | | | | | 1.00 | | | | | | | 1.00 |
| Building Plans Examiner | | | | | | | | | | | | 2.00 | | | | | | | 2.00 |
| Camp Manager | | | | | | | | | | | | | | | 0.75 | | | | 0.75 |
| Capital Improvements Program Manager | | | | | | | | 1.00 | | | | | | | 1.00 | | | | 1.00 |
| Community Development Project Coordinator | | | | | | | | | | | | | | | | | | | 1.00 |
| Community Services Specialist II | | | | | | | | 1.00 | | | | | | | | | | | 1.00 |
| Community Services Specialist III | | | | | | | | 1.00 | | | | | | | | | | | 1.00 |
| Database Administrator | | | | | | | | | | 1.00 | | | | | | | | | 1.00 |
| Digital Communications Coordinator | | | | 1.00 | | | | | | | | | | | | | | | 1.00 |

FY 2018 AND FY 2019 POSITION CHANGES SUMMARY DETAIL

| | City Attorney | City Auditor | City Clerk | City Manager | OED | Finance | Fire | HHCS | HR | IT | Library | Planning | Police | PRC | PRW | PW | Rent Board | Total |
|--|---------------|--------------|------------|--------------|------|---------|------|-------|------|------|---------|----------|--------|-----|---------|------|------------|---------|
| Economic Development Project Coordinator | | | | | 1.00 | | | | | | | | | | | 1.00 | | 1.00 |
| Engineering Inspector | | | | | | | | | | | | | | | | 1.00 | | 1.00 |
| Epidemiologist | | | | | | | 1.00 | | | | | | | | | | | 1.00 |
| Fire and Life Safety Plans Examiner | | | | | | | 3.00 | | | | | | | | | | | 3.00 |
| Firefighter | | | | | | | | 1.00 | | | | | | | | | | 1.00 |
| Health Services Program Specialist | | | | | | | | | | 1.00 | | | | | | | | 1.00 |
| Information Security Manager | | | | | | | | | | | | | | | 1.00 | | | 1.00 |
| Landscape Gardener Supervisor | | | | | | | | | | | 0.05 | | | | | | | 0.05 |
| Mail Services Aide | | | | | | | | | | | | | | | | | | 1.00 |
| Mental Health Clinical Supervisor | | | | | | | | 1.00 | | | | | | | | | | 1.00 |
| Office Specialist II | | | | 1.00 | | | | 1.00 | | | | 0.25 | | | | | 1.00 | 3.25 |
| Office Specialist Supervisor | | | | | | | | | | | | 1.00 | 1.00 | | | | | 2.00 |
| Paramedic Supervisor I | | | | | | | 3.00 | | | | | | | | | | | 3.00 |
| Permit Specialist | | | | | | | | | | | | 1.00 | | | | | | 1.00 |
| Police Captain | | | | | | | | | | | | | 1.00 | | | | | 1.00 |
| Recreation Activity Leader | | | | | | | | | | | | | | | | | | 1.00 |
| Registered Nurse | | | | | | | | 1.00 | | | | | | | | | | 1.00 |
| Revenue Collection Manager | | | | | | 1.00 | | | | | | | | | | | | 1.00 |
| Revenue Development Specialist I | | | | | | 1.00 | | | | | | | | | | | | 1.00 |
| Senior Environmental Health Specialist | | | | | | | | 0.25 | | | | | | | | | | 0.25 |
| Senior Librarian | | | | | | | | | | | 1.00 | | | | | | | 1.00 |
| Senior Management Analyst | | | | 1.00 | | | | | | | | | | | | | | 1.00 |
| Senior Planner | | | | | | | | | | | | 1.00 | | | | | | 1.00 |
| Social Services Specialist | | | | | | | | 1.00 | | | | | | | | | | 1.00 |
| Staff Attorney II | | | | | | | | | | | | | | | | | | 1.00 |
| Supervising Civil Engineer | | | | | | | | | | | | | | | 1.00 | 1.00 | | 2.00 |
| Supervising Librarian | | | | | | | | | | | 1.00 | | | | | | | 1.00 |
| Tool Lending Specialist | | | | | | | | | | | 0.15 | | | | | | | 0.15 |
| Waterfront Supervisor | | | | | | | | | | | | | | | 1.00 | | | 1.00 |
| FY 2018 New Positions Total | - | - | 2.00 | 5.50 | 2.00 | 8.50 | 9.00 | 11.25 | 1.00 | 2.00 | 2.20 | 8.25 | 2.00 | - | 8.75 | 5.00 | 5.00 | 72.45 |
| FY 2019 New Positions | | | | | | | | | | | | | | | | | | |
| None | | | | | | | | | | | | | | | | | | |
| FY 2019 New Positions Total | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total FY 2018 & 2019 New Positions | - | - | 2.00 | 5.50 | 2.00 | 8.50 | 9.00 | 11.25 | 1.00 | 2.00 | 2.20 | 8.25 | 2.00 | - | 8.75 | 5.00 | 5.00 | 72.45 |
| FY 2018 Hourly Reductions/Reallocations | | | | | | | | | | | | | | | | | | |
| Aquatics Specialist I | | | | | | | | | | | | | | | | | | (0.78) |
| Camp Maintenance Mechanic | | | | | | | | | | | | | | | | | | (1.11) |
| Camp Staff Leader | | | | | | | | | | | | | | | | | | (2.05) |
| Camp Staff Member | | | | | | | | | | | | | | | | | | (10.88) |
| Camp Staff Supervisor | | | | | | | | | | | | | | | | | | (0.08) |
| Cashier Attendant | | | | | | | | | | | | | | | | | | (0.34) |
| Library Aides | | | | | | | | | | | (0.38) | | | | | | | (0.38) |
| Sports Field Monitor | | | | | | | | | | | | | | | | | | (0.05) |
| Vegetation Reduction Supervisor | | | | | | | | | | | | | | | | | | (0.06) |
| FY 2018 Hourly Reductions/Reallocations Total | - | - | - | - | - | - | - | - | - | - | (0.38) | - | - | - | (15.35) | - | - | (15.73) |
| FY 2019 Hourly Reductions/Reallocations | | | | | | | | | | | | | | | | | | |
| None | | | | | | | | | | | | | | | | | | |
| FY 2019 Hourly Reductions/Reallocations Total | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total FY 2018 & 2019 Hourly Reductions | - | - | - | - | - | - | - | - | - | - | (0.38) | - | - | - | (15.35) | - | - | (15.73) |

FY 2018 AND FY 2019 POSITION CHANGES SUMMARY DETAIL

| | City Attorney | City Auditor | City Clerk | City Manager | OED | Finance | Fire | HHCS | HR | IT | Library | Planning | Police | PRC | PRW | PW | Rent Board | Total | |
|--|---------------|--------------|------------|--------------|--------|---------|------|------|--------|------|---------|----------|--------|-----|-------|------|------------|-------|-------|
| FY 2018 New Hourly Positions | | | | | | | | | | | | | | | | | | | |
| Aquatics Specialist II | | | | | | | | | | | | | | | 1.02 | | | | 1.02 |
| Assistant Aquatics Coordinator | | | | | | | | | | | | | | | 0.78 | | | | 0.78 |
| Camp Medical Staff Member | | | | | | | | | | | | | | | 2.07 | | | | 2.07 |
| Groundskeeper | | | | | | | | | | | | | | | 0.73 | | | | 0.73 |
| Intern | | | | | | | | | | | | 5.00 | | | | | | | 5.00 |
| Office Specialist II | | | | | | | | | | | | | | | 0.19 | | | | 0.19 |
| Playground Lead Trainee | | | | | | | | | | | | | | | 7.40 | | | | 7.40 |
| Recreation Activity Leader | | | | | | | | | | | | | | | 3.12 | | | | 3.12 |
| Senior Aquatics Specialist | | | | | | | | | | | | | | | 0.79 | | | | 0.79 |
| Sports Official | | | | | | | | | | | | | | | 0.27 | | | | 0.27 |
| FY 2018 New Hourly Positions | - | - | - | - | - | - | - | - | - | - | - | 5.00 | - | - | 16.37 | - | - | - | 21.37 |
| FY 2019 New Hourly Positions | | | | | | | | | | | | | | | | | | | |
| None | | | | | | | | | | | | | | | | | | | |
| FY 2019 New Hourly Positions | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total FY 2018 & 2019 New Hourly Positions | - | - | - | - | - | - | - | - | (2.00) | 2.00 | 1.82 | 8.13 | - | - | 6.77 | 2.00 | - | - | 21.37 |
| TOTAL FY 2018 & 2019 POSITION CHANGES | - | - | (0.31) | 5.50 | (0.85) | (0.50) | 7.00 | 8.25 | (2.00) | 2.00 | 1.82 | 8.13 | - | - | 6.77 | 2.00 | - | - | 37.81 |

Full Time Position Summary

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|--------------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| City Attorney | 12.00 | 12.00 | 13.00 | 13.00 | 13.00 |
| City Auditor | 13.00 | 13.50 | 13.50 | 13.50 | 13.50 |
| City Clerk | 9.78 | 9.78 | 9.78 | 9.47 | 9.47 |
| City Manager | 27.50 | 27.50 | 28.75 | 34.25 | 34.25 |
| Economic Development | 5.85 | 5.85 | 7.85 | 7.00 | 7.00 |
| Finance | 45.00 | 45.00 | 45.50 | 45.00 | 45.00 |
| Fire Department | 140.00 | 140.00 | 141.00 | 148.00 | 148.00 |
| Health, Housing & Community Services | 207.06 | 214.78 | 216.13 | 224.38 | 224.38 |
| Human Resources | 20.00 | 20.00 | 23.00 | 21.00 | 21.00 |
| Information Technology | 40.50 | 40.50 | 40.50 | 42.50 | 42.50 |
| Library | 113.10 | 113.28 | 112.28 | 114.10 | 114.10 |
| Mayor and Council | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 |
| Parks, Recreation & Waterfront | 150.48 | 148.10 | 147.35 | 154.12 | 154.12 |
| Planning | 70.00 | 76.50 | 83.95 | 92.08 | 92.08 |
| Police Department | 279.20 | 275.20 | 280.20 | 280.20 | 280.20 |
| Police Review Commission | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Public Works | 289.60 | 292.60 | 293.60 | 295.60 | 295.60 |
| Rent Board | 19.75 | 20.60 | 22.35 | 22.35 | 22.35 |
| FTE Total | 1457.82 | 1470.19 | 1493.74 | 1531.55 | 1531.55 |

*It should be noted that the FTE totals may not include all hourly FTEs and may vary. Changes that have occurred during FY 2017 are reflected in the FY 2018 Adopted figures.

FY 2018 & FY 2019 POSITION SUMMARY BY DEPARTMENT

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 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 | 1.00 |
| Paralegal | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 |
| Senior Legal Secretary | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| TOTAL CITY ATTORNEY | 12.00 | 12.00 | 13.00 | 13.00 | 13.00 |
| CITY AUDITOR'S OFFICE | | | | | |
| Accounting Office Specialist III | 1.00 | 1.50 | 1.50 | 1.50 | 1.50 |
| 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 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Auditor II | 3.00 | 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 | 13.00 | 13.50 | 13.50 | 13.50 | 13.50 |
| CITY CLERK'S OFFICE | | | | | |
| Assistant City Clerk | 1.00 | 1.00 | 1.00 | 3.00 | 3.00 |
| Assistant Management Analyst | 1.78 | 1.78 | 1.78 | 0.47 | 0.47 |
| 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 II | | 1.00 | 1.00 | 1.00 | 1.00 |
| Office Specialist III | 3.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Records Assistant | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Records Manager | 1.00 | 1.00 | 1.00 | 0.00 | 0.00 |
| TOTAL CITY CLERK'S OFFICE | 9.78 | 9.78 | 9.78 | 9.47 | 9.47 |
| CITY MANAGER'S OFFICE | | | | | |
| Administrative Assistant | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Administrative Hearing Examiner | 0.50 | 0.50 | 0.75 | 0.75 | 0.75 |
| Animal Control Officer | 4.00 | 4.00 | 4.00 | 5.00 | 5.00 |
| Animal Services Assistant | 3.00 | 3.00 | 3.00 | 3.50 | 3.50 |
| 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 | 2.00 | 2.00 | 3.00 | 3.00 | 3.00 |
| Associate Management Analyst | 2.00 | 2.00 | 1.00 | 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 2018 & FY 2019 POSITION SUMMARY BY DEPARTMENT

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|------------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| Deputy City Manager | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Digital Communications Coordinator | | | | 1.00 | 1.00 |
| Office Specialist II | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 |
| Office Specialist III | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Registered Veterinary Technician | | | 1.00 | 1.00 | 1.00 |
| Secretary to the City Manager | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Senior Management Analyst | 2.00 | 2.00 | 2.00 | 3.00 | 3.00 |
| TOTAL CITY MANAGER'S OFFICE | 27.50 | 27.50 | 28.75 | 34.25 | 34.25 |

OFFICE OF ECONOMIC DEVELOPMENT

| | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| Assistant Management Analyst | | | | 1.00 | 1.00 |
| 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 | | | 1.00 | 0.00 | 0.00 |
| Community Services Specialist III | 0.85 | 0.85 | 1.85 | 0.00 | 0.00 |
| Economic Development Project Coordinator | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 |
| 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 | 7.85 | 7.00 | 7.00 |

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 II | | | | 6.00 | 6.00 |
| Accounting Office Specialist III | 3.00 | 3.00 | 3.50 | 4.00 | 4.00 |
| Accounting Office Specialist Supv | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Accounting Technician | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 |
| Administrative Secretary | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Assistant Management Analyst | 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 | 0.00 | 0.00 | | |
| Customer Service Specialist II | | | 5.00 | 5.00 | 5.00 |
| 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 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| General Services Manager | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Mail Services Aide | | 1.00 | 1.00 | 1.00 | 1.00 |
| Office Specialist II | 11.00 | 11.00 | 6.00 | 0.00 | 0.00 |
| Office Specialist III | 1.00 | 1.00 | 1.00 | 0.00 | 0.00 |
| Revenue Collection Manager | 2.00 | 1.00 | 1.00 | 2.00 | 2.00 |
| Revenue Development Specialist I | 1.00 | 0.00 | 0.00 | 1.00 | 1.00 |
| Revenue Development Specialist II | | 1.00 | 1.00 | 0.00 | 0.00 |
| Revenue Development Supervisor | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Senior Accountant | 3.00 | 4.00 | 3.00 | 2.00 | 2.00 |
| 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 | 45.00 | 45.00 | 45.50 | 45.00 | 45.00 |

FY 2018 & FY 2019 POSITION SUMMARY BY DEPARTMENT

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|--|-------------------|-------------------|-------------------|--------------------|--------------------|
| FIRE DEPARTMENT | | | | | |
| Accounting Office Specialist III | 3.00 | 3.00 | 4.00 | 5.00 | 5.00 |
| 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 | 2.00 | 3.00 | 3.00 | 2.00 | 2.00 |
| Associate Management Analyst | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Battalion Chief | 2.00 | 2.00 | 2.00 | 3.00 | 3.00 |
| Deputy Fire Chief | 2.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Deputy Fire Marshal | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Emergency Services Coordinator | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Fire and Life-Safety Plans Examiner | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 |
| Fire Apparatus Operator | 33.00 | 33.00 | 33.00 | 33.00 | 33.00 |
| Fire Captain | 11.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Fire Captain I/II | | 29.00 | 29.00 | 29.00 | 29.00 |
| Fire Chief | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Fire Lieutenant | 19.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Fire Marshal | | 1.00 | 1.00 | 1.00 | 1.00 |
| 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 | 55.00 | 55.00 |
| Office Specialist II | | 1.00 | 1.00 | 1.00 | 1.00 |
| Office Specialist III | 3.00 | 2.00 | 2.00 | 1.00 | 1.00 |
| Paramedic Supervisor I | 3.00 | 3.00 | 3.00 | 6.00 | 6.00 |
| TOTAL FIRE DEPARTMENT | 140.00 | 140.00 | 141.00 | 148.00 | 148.00 |

HEALTH, HOUSING & COMMUNITY SERVICES

Career Employees:

| | | | | | |
|---|------|-------|-------|-------|-------|
| Accountant I | 1.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| Accounting Office Specialist III | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Accounting Technician | 0.00 | 0.00 | 1.00 | 1.00 | 1.00 |
| Administrative & Fiscal Services Manager | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Administrative Assistant | 0.00 | 0.00 | 0.00 | 1.00 | 1.00 |
| Administrative Secretary | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Assistant Architect | 1.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| Assistant Environmental Health Specialist | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Assistant Management Analyst | 2.00 | 2.00 | 3.00 | 4.00 | 4.00 |
| Assistant Mental Health Clinician | 3.00 | 6.00 | 1.00 | 1.00 | 1.00 |
| Associate Management Analyst | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| Associate Planner | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Behavioral Health Clinician I | 0.00 | 0.00 | 2.00 | 2.00 | 2.00 |
| Behavioral Health Clinician II | 0.00 | 22.30 | 20.30 | 20.30 | 20.30 |
| Clinical Psychologist | 1.00 | 0.50 | 0.50 | 0.50 | 0.50 |
| Community Development Project Coordinator | 2.00 | 3.00 | 3.00 | 4.00 | 4.00 |
| Community Health Worker | 2.00 | 3.00 | 3.00 | 2.50 | 2.50 |
| Community Health Worker Specialist | 9.80 | 9.80 | 9.80 | 9.80 | 9.80 |
| Community Service Specialist I | 6.00 | 6.00 | 5.50 | 5.50 | 5.50 |
| Community Services Specialist II | 3.00 | 4.00 | 4.00 | 5.00 | 5.00 |
| Community Services Specialist III | 1.00 | 2.00 | 2.00 | 3.00 | 3.00 |
| Deputy Director of Health, Housing & Community Services | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Director of Health, Housing & Community Services | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |

FY 2018 & FY 2019 POSITION SUMMARY BY DEPARTMENT

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|---|-------------------|-------------------|-------------------|--------------------|--------------------|
| Employment Program Administrator | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Environmental Health Supervisor | 0.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Epidemiologist | | | | 1.00 | 1.00 |
| Health Nutrition Program Coordinator | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Health Officer (Certified) | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Health Planning, Education & Promotion Supervisor | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Health Services Program Specialist | 7.00 | 7.50 | 6.00 | 7.00 | 7.00 |
| Health Services Supervisor | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Housing Inspector (Certified) | 1.00 | 1.00 | 1.00 | 0.00 | 0.00 |
| Manager of Aging Services | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Manager of Environmental Health | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Manager of Housing and Community Services | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Manager of Mental Health Services | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Manager, Family Health & Nursing Services | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Mealsite Coordinator | 0.50 | 1.00 | 1.00 | 1.00 | 1.00 |
| Mental Health Clinical Supervisor | 5.00 | 3.00 | 2.00 | 3.00 | 3.00 |
| Mental Health Clinician II | 6.30 | 0.00 | 0.00 | 0.00 | 0.00 |
| Mental Health Program Supervisor | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| Mid-Level Practitioner | 1.20 | 1.60 | 1.60 | 1.60 | 1.60 |
| Mini Bus Driver | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Office Specialist II | 16.80 | 17.00 | 18.00 | 19.00 | 19.00 |
| Office Specialist III | 5.00 | 5.00 | 5.00 | 4.00 | 4.00 |
| Office Specialist Supervisor | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Psychiatric Social Worker II | 10.60 | 0.00 | 0.00 | 0.00 | 0.00 |
| Psychiatrist II & III | 2.10 | 1.50 | 2.00 | 1.50 | 1.50 |
| Psychiatrist Supervisor | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Public Health Nurse | 9.35 | 9.65 | 9.65 | 9.65 | 9.65 |
| Registered Environmental Health Specialist | 5.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| Registered Nurse | 2.90 | 2.90 | 2.00 | 3.00 | 3.00 |
| Senior Behavioral Health Clinician | | 4.00 | 5.00 | 5.00 | 5.00 |
| Senior Citizen Center Director | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Senior Community Development Project Coordinator | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Senior Community Health Specialist | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Senior Environmental Health Specialist | 2.00 | 1.00 | 1.75 | 2.00 | 2.00 |
| Senior Health Management Analyst | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Senior Health Services Program Specialist | 2.80 | 2.80 | 3.80 | 3.80 | 3.80 |
| Senior Management Analyst | 3.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Senior Psychiatric Social Worker | 2.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Senior Service Assistant | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 |
| Social Services Specialist | 0.00 | 0.00 | 6.00 | 7.00 | 7.00 |
| Supervising Public Health Nurse | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Vector Control Technician | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Total Career Employees | 162.10 | 174.30 | 175.65 | 183.90 | 183.90 |
| Hourly Employees: | | | | | |
| Clinical Psychologist | 0.60 | 0.00 | 0.00 | 0.00 | 0.00 |
| Community Services Specialist I & II | 0.50 | 0.00 | 0.00 | 0.00 | 0.00 |
| Intern | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Mealsite Coordinator | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Behavioral Health Clinician I & II | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Mid-Level Practitioner | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 |
| Mini Bus Driver | 1.50 | 0.20 | 0.20 | 0.20 | 0.20 |
| Physician | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 |

FY 2018 & FY 2019 POSITION SUMMARY BY DEPARTMENT

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|---|-------------------|-------------------|-------------------|--------------------|--------------------|
| Psychiatric Social Worker I & II | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Psychiatrist II & III | 1.00 | 0.48 | 0.48 | 0.48 | 0.48 |
| Public Health Program Physician | 0.20 | 0.00 | 0.00 | 0.00 | 0.00 |
| Registered Environmental Health Specialist | 0.00 | 0.40 | 0.40 | 0.40 | 0.40 |
| Senior Nutrition Program Supervisor | 0.50 | 0.43 | 0.43 | 0.43 | 0.43 |
| Senior Registered Environmental Health Specialist | 0.00 | 0.46 | 0.46 | 0.46 | 0.46 |
| Senior Service Aide | 4.46 | 3.88 | 3.88 | 3.88 | 3.88 |
| Senior Service Assistant | 0.48 | 0.91 | 0.91 | 0.91 | 0.91 |
| Youth Enrollee Intern | 26.02 | 26.02 | 26.02 | 26.02 | 26.02 |
| Total Hourly Employees | 44.96 | 40.48 | 40.48 | 40.48 | 40.48 |

| | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|
| TOTAL HEALTH, HOUSING & COMMUNITY SERVICES | 207.06 | 214.78 | 216.13 | 224.38 | 224.38 |
|---|---------------|---------------|---------------|---------------|---------------|

HUMAN RESOURCES

| | | | | | |
|--|------|------|------|------|------|
| Administrative Secretary | 1.00 | 1.00 | 1.00 | 0.00 | 0.00 |
| Assistant Management Analyst | | | | 1.00 | 1.00 |
| Associate Human Resources Analyst | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| 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 |
| Employee Relations Manager | 0.00 | 0.00 | 1.00 | 1.00 | 1.00 |
| Human Resources Manager | 1.00 | 1.00 | 1.00 | 0.00 | 0.00 |
| Human Resources Technician | 2.00 | 2.00 | 4.00 | 3.00 | 3.00 |
| Information Systems Support Technician | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Occupational Health & Safety Officer | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Occupational Health & Safety Specialist | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Office Specialist II | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Office Specialist III | 2.00 | 2.00 | 1.00 | 1.00 | 1.00 |
| Senior Human Resources Analyst | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 |
| 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 | 20.00 | 20.00 | 23.00 | 21.00 | 21.00 |
|------------------------------|--------------|--------------|--------------|--------------|--------------|

INFORMATION TECHNOLOGY

| | | | | | |
|--|-------|-------|-------|-------|-------|
| Administrative Assistant | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Applications Programmer/Analyst I | 2.50 | 2.50 | 0.50 | 0.50 | 0.50 |
| Applications Programmer/Analyst II | 11.00 | 11.00 | 12.00 | 12.00 | 12.00 |
| Associate Management Analyst | 0.00 | 0.00 | 1.00 | 1.00 | 1.00 |
| Customer Service Specialist III | 8.00 | 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 | 1.00 | 1.00 | 1.00 | 1.00 |
| Database Administrator | | | | 1.00 | 1.00 |
| Director of Information Technology | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Information Security Manager | | | | 1.00 | 1.00 |
| Information Systems Manager | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Information Systems Specialist | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Information Systems Support Technician | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Senior Information Systems Specialist | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Senior Systems Analyst | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |

| | | | | | |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|
| TOTAL INFORMATION TECHNOLOGY | 40.50 | 40.50 | 40.50 | 42.50 | 42.50 |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|

FY 2018 & FY 2019 POSITION SUMMARY BY DEPARTMENT

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|--|-------------------|-------------------|-------------------|--------------------|--------------------|
| LIBRARY SERVICES | | | | | |
| Career Employees: | | | | | |
| Accounting Office Specialist III | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| 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 | 0.00 | 0.00 | 0.00 | 0.00 |
| 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 | 2.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Information Systems Support Technician | 1.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| Librarian I/II | 21.30 | 21.30 | 21.30 | 21.30 | 21.30 |
| Library Aide | 13.50 | 14.00 | 14.00 | 14.00 | 14.00 |
| Library Assistant | 14.25 | 14.25 | 14.25 | 14.25 | 14.25 |
| 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 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Library Specialist I | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Library Specialist II | 12.95 | 13.55 | 13.55 | 13.55 | 13.55 |
| Mail Services Aide | | 1.75 | 1.75 | 1.80 | 1.80 |
| Office Specialist II | 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 Librarian | 2.00 | 2.00 | 2.00 | 3.00 | 3.00 |
| Supervising Librarian | 7.00 | 7.00 | 7.00 | 8.00 | 8.00 |
| Supervising Library Assistant | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 |
| Tool Lending Specialist | 2.10 | 2.10 | 2.10 | 2.25 | 2.25 |
| Total Career Employees | 105.85 | 107.95 | 106.95 | 109.15 | 109.15 |
| Hourly Employees: | | | | | |
| Library Aides | 2.25 | 1.13 | 1.13 | 0.75 | 0.75 |
| Library Page | 4.20 | 4.20 | 4.20 | 4.20 | 4.20 |
| Youth Enrollees | 0.80 | 0.00 | 0.00 | | |
| Total Hourly Employees | 7.25 | 5.33 | 5.33 | 4.95 | 4.95 |
| TOTAL LIBRARY SERVICES | 113.10 | 113.28 | 112.28 | 114.10 | 114.10 |
| MAYOR & COUNCIL | | | | | |
| Assistant to Mayor | 2.00 | 2.00 | 3.00 | 3.00 | 3.00 |
| Secretary to Mayor | | | | | |
| Administrative Secretary | | | | | |
| Legislative Aides | 10.00 | 10.00 | 9.00 | 9.00 | 9.00 |
| TOTAL MAYOR AND COUNCIL | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 |
| PARKS RECREATION & WATERFRONT | | | | | |
| Career Employees: | | | | | |
| Accounting Office Specialist II | | | | 1.00 | 1.00 |
| Accounting Office Specialist III | 3.00 | 3.00 | 3.00 | 2.00 | 2.00 |
| Accounting Office Specialist Supervisor | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 |

FY 2018 & FY 2019 POSITION SUMMARY BY DEPARTMENT

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|--|-------------------|-------------------|-------------------|--------------------|--------------------|
| 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 | 0.50 |
| Assistant Management Analyst | | | | 1.00 | 1.00 |
| Assistant Recreation Coordinator | 4.00 | 3.75 | 4.00 | 4.00 | 4.00 |
| Associate Civil Engineer | | 1.00 | 2.00 | 2.00 | 2.00 |
| Building Maintenance Mechanic | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 |
| Building Maintenance Supervisor | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Camps Manager | 1.13 | 0.00 | 0.00 | 0.75 | 0.75 |
| Capital Improvements Program Manager | | | | 1.00 | 1.00 |
| Community Services Specialist III | 1.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| Deputy Director of Parks Recreation & Waterfront | 1.00 | 1.00 | 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 | 0.00 | 0.00 |
| Landscape Architect | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Landscape Equipment Operator | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| Landscape Gardener | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 |
| Landscape Gardener Supervisor | 4.00 | 4.00 | 4.00 | 5.00 | 5.00 |
| Marina Assistant | 4.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Office Specialist II | 4.00 | 4.00 | 4.00 | 3.00 | 3.00 |
| Parks Superintendent | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Principal Planner | 1.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| Recreation & Youth Svcs Manager | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Recreation Activity Ldr. | 7.25 | 7.25 | 7.25 | 8.25 | 8.25 |
| Recreation Coordinator | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Recreation Program Supervisor | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Rosarian | 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 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 | 3.00 | 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 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Supervising Civil Engineer | 0.00 | 0.00 | 0.00 | 1.00 | 1.00 |
| Waterfront Manager | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Waterfront Supervisor | 0.00 | 0.00 | 0.00 | 1.00 | 1.00 |
| Total Career Employees | 98.88 | 96.50 | 95.75 | 101.50 | 101.50 |
| Hourly Employees: | | | | | |
| Aquatics Specialist I | 3.00 | 3.00 | 3.00 | 2.22 | 2.22 |
| Aquatics Specialist II | 3.00 | 3.00 | 3.00 | 4.02 | 4.02 |
| Assistant Aquatics Coordinator | 0.00 | 0.00 | 0.00 | 0.78 | 0.78 |
| Camp Maintenance Mechanic | 1.50 | 1.50 | 1.50 | 0.39 | 0.39 |
| Camp Medical Staff Member | 0.35 | 0.35 | 0.35 | 2.42 | 2.42 |
| Camp Staff Leader | 4.75 | 4.75 | 4.75 | 2.70 | 2.70 |
| Camp Staff Member | 13.50 | 13.50 | 13.50 | 2.62 | 2.62 |
| Camp Staff Supervisor | 1.15 | 1.15 | 1.15 | 1.07 | 1.07 |
| Cashier Attendant | 0.50 | 0.50 | 0.50 | 0.16 | 0.16 |

FY 2018 & FY 2019 POSITION SUMMARY BY DEPARTMENT

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|---|-------------------|-------------------|-------------------|--------------------|--------------------|
| Groundskeeper | | | | 0.73 | 0.73 |
| Office Specialist II | 0.00 | 0.00 | 0.00 | 0.19 | 0.19 |
| Playground Lead Trainee | 1.50 | 1.50 | 1.50 | 8.90 | 8.90 |
| Recreation Activity Leader | 19.00 | 19.00 | 19.00 | 22.12 | 22.12 |
| Senior Aquatics Specialist | | | | 0.79 | 0.79 |
| Sports Field Monitor | 1.00 | 1.00 | 1.00 | 0.95 | 0.95 |
| Sports Official | 2.00 | 2.00 | 2.00 | 2.27 | 2.27 |
| Vegetation Reduction Supervisor | 0.35 | 0.35 | 0.35 | 0.29 | 0.29 |
| Total Hourly Employees | 51.60 | 51.60 | 51.60 | 52.62 | 52.62 |
| TOTAL PARKS REC & WATERFRONT | 150.48 | 148.10 | 147.35 | 154.12 | 154.12 |

PLANNING DEPARTMENT

Career Employees:

| | | | | | |
|-------------------------------------|------|------|------|------|------|
| Accounting Office Specialist II | 0.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Accounting Office Specialist III | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 |
| Administrative Secretary | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Assistant Building & Safety Manager | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Assistant Management Analyst | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 |
| Assistant Planner | 2.70 | 3.00 | 3.00 | 3.00 | 3.00 |
| Associate Management Analyst | 2.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Associate Planner | 4.00 | 6.00 | 7.00 | 7.00 | 7.00 |
| Building and Safety Manager | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Building Inspector I (certified) | 0.00 | 0.00 | 0.00 | 1.00 | 1.00 |
| Building Inspector II | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Building Inspector II (certified) | 4.00 | 5.00 | 7.00 | 7.00 | 7.00 |
| Building Plans Engineer | 0.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Building Plans Examiner | 0.00 | 1.00 | 1.00 | 3.00 | 3.00 |
| Community Services Specialist I | 0.50 | 0.60 | 1.60 | 1.60 | 1.60 |
| Community Services Specialist II | 0.00 | 0.00 | 1.00 | 1.00 | 1.00 |
| Community Services Specialist III | 2.85 | 2.70 | 2.85 | 2.73 | 2.73 |
| Director of Planning | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Energy Officer | 0.70 | 0.70 | 0.00 | 0.00 | 0.00 |
| 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 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| Housing Inspector | 1.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| Housing Inspector (Certified) | 2.00 | 2.00 | 3.00 | 3.00 | 3.00 |
| Housing Inspector Supervisor | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Land Use Planning Manager | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Office Specialist II | 5.50 | 5.50 | 6.50 | 6.75 | 6.75 |
| Office Specialist III | 4.00 | 4.00 | 4.00 | 1.00 | 1.00 |
| Office Specialist Supervisor | 0.00 | 0.00 | 0.00 | 1.00 | 1.00 |
| Permit Center Coordinator | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Permit Specialist | 5.00 | 5.00 | 3.00 | 4.00 | 4.00 |
| Planning Technician | 0.00 | 0.00 | 2.00 | 2.00 | 2.00 |
| Principal Planner | 2.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| Senior Building Inspector | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Senior Building Plans Engineer | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Senior Building Plans Examiner | 1.00 | 1.00 | 2.00 | 0.00 | 0.00 |
| Senior Management Analyst | 2.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Senior Permit Specialist | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 |
| Senior Planner | 3.75 | 2.00 | 2.00 | 3.00 | 3.00 |

FY 2018 & FY 2019 POSITION SUMMARY BY DEPARTMENT

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|----------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| Supervising Building Inspector | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Total Career Employees | 65.00 | 71.50 | 78.95 | 82.08 | 82.08 |
| Hourly Employees: | | | | | |
| Intern | 5.00 | 5.00 | 5.00 | 10.00 | 10.00 |
| TOTAL PLANNING DEPARTMENT | 70.00 | 76.50 | 83.95 | 92.08 | 92.08 |

POLICE DEPARTMENT

Career Employees:

| | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| Administrative & Fiscal Services Manager | 0.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 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 |
| Communications Manager | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Community Service Officer | 15.00 | 15.00 | 15.00 | 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 | 6.00 | 6.00 | 6.00 | 5.00 | 5.00 |
| Office Specialist III | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| Office Specialist Supervisor | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 |
| Parking Enforcement Manager | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Parking Enforcement Representative | 25.00 | 21.00 | 21.00 | 21.00 | 21.00 |
| Parking Enforcement Supervisor | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Police Captain | 3.00 | 3.00 | 3.00 | 4.00 | 4.00 |
| Police Chief | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Police Lieutenant | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 |
| Police Officer* | 133.00 | 133.00 | 138.00 | 137.00 | 137.00 |
| Police Sergeant | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 |
| Public Safety Business Manager | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 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 | 273.00 | 269.00 | 274.00 | 274.00 | 274.00 |

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 | 279.20 | 275.20 | 280.20 | 280.20 | 280.20 |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|

*Raise the FTE level of the Police Officers in the department by five FTE and fund the positions as the City is able to fill them.

POLICE REVIEW COMMISSION

| | | | | | |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| 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 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |

PUBLIC WORKS

| | | | | | |
|---------------------------------|------|------|------|------|------|
| Accounting Office Specialist II | 0.00 | 0.00 | 0.00 | 1.00 | 1.00 |
|---------------------------------|------|------|------|------|------|

FY 2018 & FY 2019 POSITION SUMMARY BY DEPARTMENT

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|--|-------------------|-------------------|-------------------|--------------------|--------------------|
| Accounting Office Specialist III | 4.00 | 4.00 | 4.00 | 5.00 | 5.00 |
| 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 | 0.00 | 0.00 | 1.00 | 1.00 | 1.00 |
| Assistant Civil Engineer (Reg) | 4.00 | 4.00 | 3.00 | 3.00 | 3.00 |
| Assistant Management Analyst | 3.00 | 3.00 | 4.00 | 5.00 | 5.00 |
| Assistant Planner | | 1.00 | 1.00 | 1.00 | 1.00 |
| Assistant Public Works Engineer | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Assistant Traffic Engineer | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Associate Civil Engineer | 6.00 | 6.00 | 6.00 | 5.00 | 5.00 |
| Associate Management Analyst | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Associate Planner | 1.60 | 1.60 | 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 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Building Maintenance Supervisor | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 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 | 1.00 | 1.00 |
| 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 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 |
| Engineering Inspector | 5.00 | 5.00 | 5.00 | 6.00 | 6.00 |
| Environmental Compliance Specialist | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 |
| Equipment Superintendent | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 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 |
| Janitor | 6.00 | 7.00 | 7.00 | 7.00 | 7.00 |
| Janitor Supervisor | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Laborer | 20.00 | 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 | 3.00 | 3.00 | 3.00 |
| Office Specialist III | 4.00 | 4.00 | 4.00 | 3.00 | 3.00 |
| Parking Meter Maint & Collection Suprv | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Parking Meter Maintenance Worker | 6.00 | 6.00 | 6.00 | 6.00 | 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 |

FY 2018 & FY 2019 POSITION SUMMARY BY DEPARTMENT

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|--|-------------------|-------------------|-------------------|--------------------|--------------------|
| Public Works Supervisor | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| 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 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Senior Planner | 0.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 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 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Solid Waste Supervisor | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Solid Waste Truck Driver | 33.00 | 33.00 | 33.00 | 33.00 | 33.00 |
| Solid Waste Worker | 34.00 | 34.00 | 34.00 | 34.00 | 34.00 |
| Solid Waste/Recycling Manager | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Supervising Civil Engineer | 3.00 | 3.00 | 3.00 | 4.00 | 4.00 |
| Supervising Traffic Engineer | 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 | 2.00 | 2.00 | 2.00 | 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 |
| Weighmaster | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Welder Mechanic | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| TOTAL PUBLIC WORKS | 289.60 | 292.60 | 293.60 | 295.60 | 295.60 |

RENT STABILIZATION BOARD

| | | | | | |
|--|------|------|------|------|------|
| Accounting Office Specialist III | 0.00 | 0.00 | 0.00 | 1.00 | 1.00 |
| Administrative Staff Assistant | 1.00 | 1.00 | 1.00 | 0.00 | 0.00 |
| Assistant Management Analyst | 1.00 | 1.00 | 1.00 | 0.00 | 0.00 |
| Associate Management Analyst | 1.75 | 1.60 | 1.75 | 2.75 | 2.75 |
| Community Services Specialist I | 1.00 | 0.00 | 1.00 | 1.00 | 1.00 |
| Community Services Specialist II | 3.00 | 4.00 | 3.80 | 3.80 | 3.80 |
| Community Services Specialist III | 1.00 | 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 |
| Hearing Examiner | 1.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Legal Secretary | 0.00 | 0.00 | 1.00 | 1.00 | 1.00 |
| Office Specialist II | 2.00 | 3.00 | 1.80 | 2.80 | 2.80 |
| Office Specialist III | 1.00 | 1.00 | 2.00 | 1.00 | 1.00 |
| Senior Hearing Examiner | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Senior Legal Secretary | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Staff Attorney I | 2.00 | 2.00 | 2.00 | 0.00 | 0.00 |
| Staff Attorney II | 0.00 | 0.00 | 0.00 | 2.00 | 2.00 |
| Staff Attorney III | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |

FY 2018 & FY 2019 POSITION SUMMARY BY DEPARTMENT

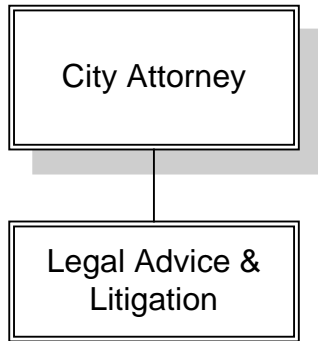
| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|---------------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| TOTAL RENT STABILIZATION BOARD | 19.75 | 20.60 | 22.35 | 22.35 | 22.35 |
| TOTAL AUTHORIZED FTEs | 1457.82 | 1470.19 | 1493.74 | 1531.55 | 1531.55 |

CITY ATTORNEY'S OFFICE

MISSION STATEMENT

The mission of the Berkeley City Attorney's Office is to provide excellent legal services to the City government which is comprised of the Mayor, City Council, and other elected officials as well as to the approximately 12 departments and various boards, commissions, including the Board of Library Trustees.

ORGANIZATION CHART



DEPARTMENT OVERVIEW

The City Attorney's Office consists of the City Attorney, an Assistant City Attorney and six Deputy City Attorneys. Collectively, we provide legal advice and support to all City Departments to assist with successful implementation of their work plans. The City Attorney's Office also responds to claims, engages in litigation and reviews and provides input and advice on projects adopted by the City Council.

The City Attorney's Office prosecutes and defends the City in litigation in a timely and effective manner. When appropriate, the City Attorney's Office proactively files lawsuits on the City's behalf regarding issues important to the Council and the community.

The Office works efficiently and collaboratively with the City Council, various Boards and Commissions, as well as all City departments and staff to help implement the Council policies and objectives and respond to inquiries.

In addition, the Office reviews and approves as to form contracts and ordinances, helps negotiate leases, prepares documents relating to development projects including affordable housing regulatory agreements, loan documents, deeds of trust, and performs other baseline work.

Other services and activities provided by the City Attorney's Office include:

- Representing the City in all legal proceedings,
- Providing advice or written opinions to any officer, department head, board, commission or other unit of the City,
- Making recommendations to the City Council and Mayor for or against the settlement or dismissal of legal proceedings,
- Investigating, evaluating and recommending disposition of claims made against the City,
- Responding to Public Records Act (PRA) requests on behalf of the City Attorney's Office, City Manager's Office, and City Council offices, and coordinating responses to PRA requests that involve multiple departments,
- Staffing the Fair Campaign Practices Commission and the Open Government Commission,
- Providing Risk Management Services,
- Providing advice and implementation guidelines for the Public Financing Ordinance
- Providing training to City staff on best practices, changes in the law, responding to subpoenas, the Brown Act, Child Abuse and Neglect Reporting Act (CANRA).

Significant Changes from Prior Year's Budget

Personnel changes will occur for Fiscal Years 2018 & 2019, with two long-term employees retiring at the end of FY 2017 and the start of FY 2018, respectively, requiring training and hiring expenses.

In addition, it is possible that the office may need more than the normal amount of advice and representation by outside counsel given the City Council directives to explore new legal frontiers in some areas of law, creating new programs and also due to the loss of institutional knowledge with the retirement of the two long time employees.

CITY ATTORNEY'S OFFICE FINANCIAL SUMMARY

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|---------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| EXPENDITURES | | | | | |
| By Type: | | | | | |
| Salaries and Benefits | 2,498,781 | 2,372,926 | 2,613,161 | 2,844,749 | 2,919,651 |
| Services and Materials | 657,393 | 581,043 | 745,542 | 1,392,679 | 1,392,679 |
| Capital Outlay | 4,422 | 8,074 | 5,477 | 7,790 | 7,790 |
| Internal Services | 80,027 | 80,547 | 80,410 | 92,091 | 92,211 |
| Indirect Cost Transfer | 4,515 | 5,892 | 5,464 | 6,462 | 6,620 |
| | 3,245,138 | 3,048,482 | 3,450,054 | 4,343,771 | 4,418,951 |
| By Division: | | | | | |
| Administration | 364,068 | 380,536 | 406,918 | 361,721 | 368,325 |
| Legal Advice & Litigation | 2,881,070 | 2,667,946 | 3,043,136 | 3,982,050 | 4,050,626 |
| | 3,245,138 | 3,048,482 | 3,450,054 | 4,343,771 | 4,418,951 |
| By Fund: | | | | | |
| General Fund | 2,288,013 | 2,044,601 | 2,199,910 | 2,398,356 | 2,453,702 |
| Public Liability | 871,784 | 929,635 | 1,174,080 | 1,866,749 | 1,884,198 |
| Other | 85,341 | 74,246 | 76,064 | 78,666 | 81,051 |
| | 3,245,138 | 3,048,482 | 3,450,054 | 4,343,771 | 4,418,951 |

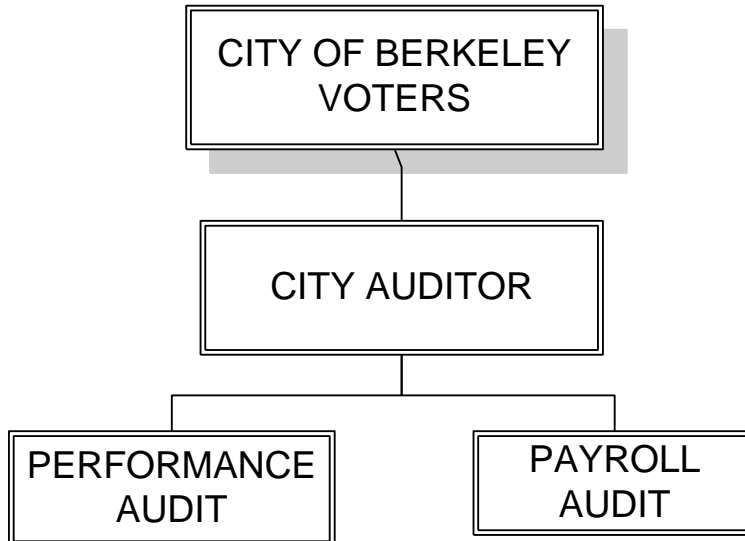
| | | | | | |
|-------------------------|-------|-------|-------|-------|-------|
| General Fund FTE | 9.50 | 9.00 | 9.25 | 9.75 | 9.75 |
| Total FTE | 12.00 | 12.00 | 13.00 | 13.00 | 13.00 |

CITY AUDITOR'S OFFICE

MISSION STATEMENT

Our mission is to be a catalyst for improving City government. Our independent performance audits, conducted in accordance with Government Auditing Standards, promote efficiency, effectiveness, equity, and accountability in City operations. We provide objective, timely, and accurate information about City program performance to the public, as well as to Council, management, and staff. Our non-audit services, including payroll oversight, were included in the City Charter to provide appropriate checks and balances. 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

Our elected City Auditor is accountable to the City of Berkeley voters. Since 1895, the City Auditor's Office has provided operational oversight and transparency on behalf of the community. The City Auditor's Office is organized into two divisions to deliver these services:

Performance Audit Division

The Performance Audit Division independently assesses whether City-funded services and operations are provided efficiently, effectively, and equitably. The Division performs audits in accordance with Government Auditing Standards and makes them publically available at Council meetings and on the City Auditor website: www.CityofBerkeley.info/Auditor. The Performance Audit Division also provides limited non-audit services, such as review of expenses of the Mayor and Council, staffing the Mayor's audit committee, contract registration, and fraud prevention and detection training.

The Performance Audit Division succeeds in its mission of being a catalyst for improving efficiency, effectiveness, and equity of City service delivery by selecting and conducting audits that tackle tough problems, and working with City staff to design and implement solutions that can:

- ❑ Increase efficiencies and improve customer service, as in our 2017 audits of refuse billing and of departmental information technology line of business experts.
- ❑ Promote a financially healthy City government, as in our 2016 audit and presentation, "General Fund Reserve Policy Fails to Convey that Maintaining the Reserve is a Priority", urging Council to improve its budget policies and practices.
- ❑ Increase transparency, accountability and equity in the workplace, such as in our 2016 audit about improving transparency and equity in the Human Resource Department's merit-based hiring and promotions system, and our 2017 audit, "Berkeley's Ethical Climate Rated Strong Overall and Management Working to Make it Better."
- ❑ Deter fraud and monitor performance, as in our 2016 audit of payroll, continued follow up on previous audits in the Finance Department, Planning Department, and Department of Parks, Recreation & Waterfront, and the availability of City Auditor staff for discussion of ethics issues with employees.

Payroll Audit Division

The Payroll Audit Division is responsible for examining and monitoring the decentralized City payroll system. The Division closely monitors City payroll for accuracy, accountability, and compliance with federal and state regulations and City policies, procedures, and labor agreements (MOUs). Independent review of the City payroll system helps prevent fraud, overpayments, and management override of controls.

CITY AUDITOR’S OFFICE

The Payroll Audit Division works with the Human Resources and Finance Departments and payroll staff in all City departments to ensure that employees are paid timely and accurately, that the City is in compliance with payroll-related laws and agreements, and that everyone involved in the payroll system works collaboratively on continuous service improvement. The Division’s location in the independent City Auditor’s office strengthens its ability to prevent management override of controls. Current efforts include:

- ❑ Replacing City software: The Payroll Audit Division managed the needs assessment phase of the Enterprise Resource Planning (ERP) project implementation. With assistance from a consultant, the ERP team analyzed citywide current practices, as the City moves to replace its 25-year-old financial system.
- ❑ Complying with ever-changing requirements, such as employee bargaining unit agreements, federal Patient Protection and Affordable Care Act information reporting, and modernization of data exchange systems with the state child support agency.
- ❑ Improving procedures for preparation for continuity of payroll operations in case of disasters.

Priority Initiatives for Fiscal Years 2018 - 2019

In addition to providing the services described above, the City Auditor’s office will implement the following priority initiatives:

Performance Audit Division Priority Initiatives

| Priority Initiative | Support Departments/Divisions |
|--|--|
| <i>Performance Audits of City Programs and Services:</i> Provide reliable, objective reports and work actively with City staff to improve service delivery, transparency, and accountability. | City Manager’s Office and other departments to-be-determined |
| <i>Implementation of Performance Audit Recommendations:</i> Identify and remove barriers to successful implementation of performance audit recommendations, and coordinate with the City Manager to report publicly every six months on progress made on each audit. | City Manager’s Office and other departments to-be-determined |
| <i>Ethics and Fraud Prevention:</i> Communicate the importance of City employees’ responsibility to avoid and report fraud, waste, and abuse of City resources in individual interactions, in our audits, and by conducting training. | All departments |

CITY AUDITOR'S OFFICE

Payroll Audit Division Priority Initiatives

| Priority Initiative | Support Departments/Divisions |
|--|--|
| <p><i>Enterprise Resource Planning:</i> Collaborate with the multi-departmental Enterprise Resource Planning project team to replace the City's existing financial system, including carefully identifying system needs in accordance with complex and rapidly changing federal and state laws, employee MOUs, and City regulations affecting payroll.</p> | <p>Human Resources Department and Department of Information Technology</p> |
| <p><i>Implementation of Payroll System Recommendations:</i> Implement recommendations from an audit firm (MGO) under contract to the City Auditor. These internal control recommendations aim to improve security of user access to the City's payroll system by putting in place controls to guard against inaccurate or improper transactions.</p> | <p>Human Resources Department and Department of Information Technology</p> |

Significant Changes from Prior Year's Budget

The City Auditor's Office set aside \$304,000 from the prior year's unspent budget to help fund the replacement of the FUNDS payroll/personnel module as part of the City's Enterprise Resource Planning project. Most of the set aside comes from salary savings; the Auditor's Office has been largely understaffed, particularly in Performance Audit, due to attrition over the past two fiscal years. The City's FUNDS payroll/personnel module is antiquated and flawed. The system does not allow management to adequately determine access levels to sensitive data, leaving it vulnerable to fraud, and the system's limitations lend itself to a burdensome and highly manual process. The City Auditor Office's contribution will help the City implement a payroll/personnel system that will address those flaws, improve oversight of personnel and payroll data, and make citywide payroll and benefits processes more efficient.

CITY AUDITOR'S OFFICE FINANCIAL SUMMARY

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|----------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| EXPENDITURES | | | | | |
| <i>By Type:</i> | | | | | |
| Salaries and Benefits | 1,861,498 | 1,855,875 | 1,984,890 | 2,252,881 | 2,299,652 |
| Services and Supplies | 41,049 | 128,239 | 46,957 | 69,439 | 69,283 |
| Capital Outlay | 1,129 | 12,588 | 919 | 7,153 | 7,153 |
| Internal Services | 58,660 | 79,711 | 79,711 | 94,790 | 94,910 |
| Indirect Cost Transfer | | | | | |
| | 1,962,336 | 2,076,413 | 2,112,477 | 2,424,263 | 2,470,998 |
| <i>By Division:</i> | | | | | |
| Administration | 349,579 | 368,294 | 366,722 | 395,558 | 408,371 |
| General Audit | 662,860 | 689,622 | 757,307 | 991,485 | 1,006,382 |
| Payroll Audit | 949,897 | 1,018,497 | 988,448 | 1,037,220 | 1,056,245 |
| | 1,962,336 | 2,076,413 | 2,112,477 | 2,424,263 | 2,470,998 |
| <i>By Fund:</i> | | | | | |
| General Fund | 1,831,294 | 1,939,511 | 1,962,038 | 2,261,463 | 2,304,413 |
| Workers' Compensation | 131,042 | 136,902 | 150,439 | 162,800 | 166,585 |
| Other Funds | | | | | |
| | 1,962,336 | 2,076,413 | 2,112,477 | 2,424,263 | 2,470,998 |
| | | | | | |
| General Fund FTE | 12.10 | 12.50 | 12.60 | 11.50 | 11.50 |
| Total FTE | 13.00 | 13.50 | 13.50 | 13.50 | 13.50 |



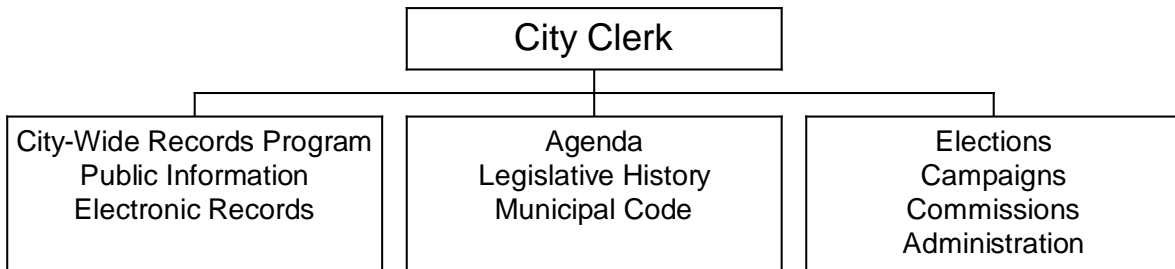
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CITY CLERK DEPARTMENT

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



CITY CLERK DEPARTMENT

DEPARTMENT OVERVIEW

The City Clerk Department delivers the following main services:

City Council and Commission Support

City Clerk staff prepares the agendas and agenda packets for the City Council, the Successor Agency to the Redevelopment Agency, and the Joint Powers Financing Authority, and 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; 3) a Guide for the Public on How to Access Information and Records; and 4) U.S. Passport services. 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 11,000 boxes of 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, Berkeley's Election Reform Act, and the Berkeley public financing ordinance.

CITY CLERK DEPARTMENT

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.

* * *

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

Priority Initiatives for Fiscal Years 2018 - 2019

| Priority Initiative | Support Departments/Divisions |
|--|---|
| <i>New Web Portal for City Online Records:</i> Implement a new Records Online web portal to improve access to and increase searching capabilities of City records. | Department of Information Technology |
| <i>City Contract Development and Processing:</i> To increase City efficiency, design an improved, standardized process for the development, approval, logging, and archiving of City Contracts. | City Manager's Office, City Auditor, Department of Information Technology, City Attorney's Office, Finance Department |
| <i>City Records Retention:</i> Conduct a comprehensive update of the Records Retention Schedule for more efficient handling and disposition of City records. | All Departments |
| <i>New Public Campaign Financing:</i> Consistent with the ballot measure passed by Berkeley voters in 2016, implement and administer the new Public Financing program for candidates running for Mayor and City Council. | City Attorney's Office, Department of Information Technology, Finance Department |
| <i>Database of City Commissioners:</i> Launch a new database that enables the City to more efficiently track and update the composition of City commissions and any vacancies. | Information Technology |
| <i>Training for City Commissioners and Commission Secretaries:</i> Update current training for commissioners and staff. | All Departments |
| <i>City Council Redistricting:</i> Prepare for the 2020 redistricting process and the first iteration of the Citizens' Redistricting Commission. | City Attorney's Office, Department of Information Technology |

CITY CLERK DEPARTMENT

Significant Changes from Prior Year's Budget

- ❑ In November 2016 Berkeley voters approved an amendment to the City Charter to provide for an optional public financing program for candidates for Mayor and City Council. Under the new program, the City is required to allocate \$4 per Berkeley resident per year from the General Fund to the "Fair Elections Fund" created by the measure. This results in a new allocation of approximately \$500,000 annually from the General Fund. The measure did not provide for a new funding source, thus this allocation will be diverted from existing General Fund services. The measure also capped the amount of administration costs from the "Fair Elections Fund" at \$250,000 over a four-year election cycle. Significant additional costs for staff as well as upgrades to the electronic filing software related to the Public Financing for Elections Charter amendment will be required. It is expected that the allocation for administrative costs that is provided in the Charter amendment will be inadequate and additional General Fund monies will be required.
- ❑ Election costs increase every year and it is expected that the 2018 election will continue this trend.
- ❑ Software purchase costs for the new commissioner database will require an additional yearly allocation. The current database has no direct costs, but it is an in-house Access database that is unreliable and outdated.
- ❑ The City Clerk Department will need to start a carryover process in order to save funds for the purchase of a redistricting software program that will be essential to the 2020 redistricting process.
- ❑ Costs for OnBase, the City's agenda management and electronic document management system, are expected to increase. Additional user licenses will be needed as the number of users expands for the contracts workflow and other system uses. Further, the Department plans to purchase the electronic records retention module for OnBase and contract with the vendor to design additional paperless workflows.

CITY CLERK FINANCIAL SUMMARY

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| EXPENDITURES | | | | | |
| By Type: | | | | | |
| Salaries and Benefits | 1,209,480 | 1,190,997 | 1,283,168 | 1,384,371 | 1,422,141 |
| Services and Materials | 880,941 | 249,602 | 1,145,105 | 566,703 | 566,703 |
| Capital Outlay | 10,151 | 3,243 | 1,157 | 25,390 | 25,390 |
| Internal Services | 76,508 | 70,117 | 69,920 | 82,902 | 83,022 |
| Indirect Cost Transfer | | | | | |
| | 2,177,080 | 1,513,959 | 2,499,350 | 2,059,366 | 2,097,256 |
| By Division: | | | | | |
| City Clerk | 1,361,496 | 1,311,118 | 1,314,833 | 1,615,694 | 1,650,485 |
| Elections | 815,584 | 202,841 | 1,184,517 | 443,672 | 446,771 |
| | 2,177,080 | 1,513,959 | 2,499,350 | 2,059,366 | 2,097,256 |
| By Fund: | | | | | |
| General Fund | 2,177,080 | 1,513,959 | 2,499,350 | 2,059,366 | 2,097,256 |
| | 2,177,080 | 1,513,959 | 2,499,350 | 2,059,366 | 2,097,256 |

| | | | | | |
|-------------------------|------|------|------|------|------|
| General Fund FTE | 9.78 | 9.78 | 9.78 | 9.47 | 9.47 |
| Total FTE | 9.78 | 9.78 | 9.78 | 9.47 | 9.47 |

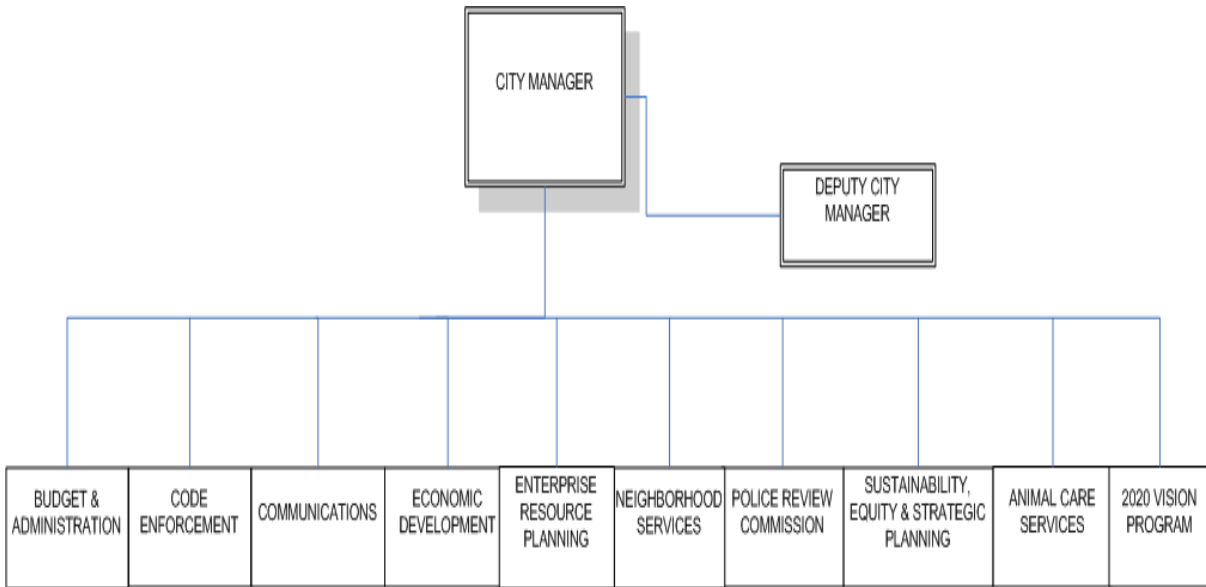
CITY MANAGER'S OFFICE

MISSION STATEMENT

The City Manager's Office works to build and maintain, through sound management principles and community participation, an effective City government organization; to ensure the effective delivery of services; to provide the management direction and support for the planning, implementation, and evaluation of all City programs; and to ensure coordination and consistency in implementing policies and programs approved by the City Council.

The City Manager's Office is in the midst of a number of projects to ensure that Berkeley has a solid foundation upon which to adapt, grow and be effective for years to come. That means addressing issues that have long been deferred. Those projects include organizational tools such as the Strategic Plan, a plan to address physical infrastructure such as buildings and streets, replacing the decades-old technology at the core of our operations, working to improve employee morale and overhauling our principle communications tool, the web.

ORGANIZATION CHART



CITY MANAGER'S OFFICE

DEPARTMENT OVERVIEW

As the Chief Executive Officer of the City of Berkeley, the City Manager is responsible for ensuring the overall effectiveness of the city organization, for acting as a conduit between the legislative and executive branches and presenting Council with a balanced budget. The City Manager also directly oversees several divisions and major programs that deliver the following services:

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.

Office of Budget and Fiscal Management

The Office of Budget and Fiscal Management 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. This 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.

Code Enforcement

The Code Enforcement 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.

Communications

The communications unit works with all departments to more effectively engage with and serve the community through effective messages on a variety of platforms: the web, email, social media and emerging technologies. This includes training, regular guidance, publication and working with the media.

Enterprise Resource Planning

The ERP team is leading a Citywide effort to replace the City's decades-old system of integrated applications that manage city operations and many internal functions related to finance, budgeting, technology, services and human resources. Addressing this long-neglected but critical portion of city infrastructure will increase

CITY MANAGER’S OFFICE

efficiency, reduce unnecessary manual functions and set a foundation for a City government that is more nimble, forward-thinking and better able to serve each other and our community.

Neighborhood Services Division

The Neighborhood Services Division brings together staff from different City departments and partners in the community to address citizen complaints and other problems that affect the quality of life in Berkeley, such as blight, unsafe living conditions and graffiti.

Priority Initiatives for Fiscal Years 2018 - 2019

| Priority Initiative | Support Departments/Divisions |
|--|---|
| <i>Enterprise Resource Planning:</i> To improve access to services and information for community members and create more efficient financial and information management processes for City staff, replace the City’s core data management system (the first phase of this critical effort will focus on financials, human resources and payroll) | All departments, but with particularly high involvement from Information Technology, Finance, Human Resources, and Payroll-Audit |
| <i>Berkeley Resilience Strategy:</i> Lead implementation of the Berkeley Resilience Strategy, a document designed to articulate some of Berkeley’s most pressing challenges and to identify multi-benefit solutions | All departments |
| <i>Infrastructure Improvements:</i> Coordinate implementation of voter-approved (Measure T1) bond dollars to do multi-benefit upgrades to aging infrastructure, such as streets, sidewalks, storm drains, parks, and community centers. | Department of Public Works, Finance Department, Department of Health, Housing & Community Services, Department of Information Technology, City Attorney’s Office, Planning Department |
| <i>Racial Equity Action Plan:</i> With assistance from the Government Alliance on Race and Equity and researchers from UC Berkeley, develop a Racial Equity Action Plan designed to integrate equity considerations throughout City operations and services and to influence change within the community | All departments |

CITY MANAGER'S OFFICE

| | |
|--|------------------------|
| <p><i>New City of Berkeley Website:</i> Create a new design, look and information architecture for the City website so that it serves and prioritizes the needs of the community, including a focus on increasing the number and types of transactions and services available online</p> | <p>All departments</p> |
| <p><i>Web Content Training:</i> Create and develop a governance structure and a training program so that all staff in all departments have the appropriate tools and skills to build effective web content.</p> | <p>All departments</p> |
| <p><i>Communications:</i> Train and guide all departments in using effective communication to better serve Berkeleyans across a variety of different tools, including social media and our online forum, Berkeley Considers</p> | <p>All departments</p> |
| <p><i>2020 Vision Program to Advance Equity in Education:</i> Launch new strategic initiatives designed to advance equity and end the racial predictability of academic achievement that exists in Berkeley Public Schools</p> | <p>All departments</p> |
| <p><i>Employee Appreciation:</i> Launch a City employee recognition program and event to honor and celebrate the hard work, dedication, and excellence exhibited by staff throughout the organization</p> | <p>All departments</p> |

Significant Changes from Prior Year's Budget

The following staffing positions have been added to the FY 2018 & FY 2019 Adopted Budget:

- ❑ 1.0 FTE Digital Communication Coordinator to oversee the updating of the City's website
- ❑ 1.0 FTE Office Specialist II to assist with the Administration Division functions
- ❑ 1.0 FTE Animal Control Officer and .50 FTE Animal Service Assistant to provide additional support for Animal Care Services

CITY MANAGER'S OFFICE FINANCIAL SUMMARY

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|--------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| EXPENDITURES | | | | | |
| <i>By Type:</i> | | | | | |
| Salaries and Benefits | 4,236,537 | 4,481,615 | 5,168,503 | 5,708,232 | 5,938,430 |
| Services and Materials | 529,020 | 711,388 | 682,406 | 651,162 | 651,162 |
| Capital Outlay | 5,255 | 7,877 | 17,099 | | |
| Internal Services | 186,408 | 219,212 | 233,795 | 261,642 | 261,762 |
| Indirect Cost Transfer | 13,821 | 14,983 | 11,684 | 16,430 | 16,508 |
| | <u>4,971,041</u> | <u>5,435,075</u> | <u>6,113,487</u> | <u>6,637,466</u> | <u>6,867,862</u> |
| <i>By Division:</i> | | | | | |
| Administration | 1,648,565 | 2,025,228 | 2,098,412 | 2,104,352 | 2,252,038 |
| Neighborhood Services | 981,249 | 931,600 | 883,717 | 1,182,196 | 1,198,694 |
| Animal Care Services | 1,673,952 | 1,753,829 | 1,901,639 | 2,116,265 | 2,157,618 |
| Budget & Fiscal Mgmt. | 667,275 | 724,418 | 780,626 | 813,021 | 835,769 |
| 2020 Vision | | | 449,093 | 421,632 | 423,743 |
| | <u>4,971,041</u> | <u>5,435,075</u> | <u>6,113,487</u> | <u>6,637,466</u> | <u>6,867,862</u> |
| <i>By Fund:</i> | | | | | |
| General Fund | 4,575,484 | 4,864,723 | 5,470,970 | 5,883,194 | 6,106,514 |
| Animal Shelter Fund | 57,648 | 70,124 | 41,185 | 52,480 | 52,480 |
| Zero Waste Fund | 15,690 | 24,201 | 24,220 | 48,600 | 48,600 |
| Permit Service Center | 132,919 | 143,158 | 101,584 | 172,903 | 175,792 |
| Other Funds | 189,300 | 332,869 | 475,528 | 480,289 | 484,476 |
| | <u>4,971,041</u> | <u>5,435,075</u> | <u>6,113,487</u> | <u>6,637,466</u> | <u>6,867,862</u> |
| <i>General Fund FTE</i> | 26.50 | 26.30 | 27.55 | 31.05 | 31.05 |
| <i>Total FTE</i> | 27.50 | 27.50 | 28.75 | 32.25 | 32.25 |



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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

The Office of Economic Development is composed of two divisions to deliver the following services:

Business Services Division

The Business Services Division supports Berkeley's commercial sectors, expands economic opportunities, and helps maintain a healthy business climate by providing the following main services:

- Provides technical assistance to retain, attract and grow businesses in Berkeley
- Assists business district organizations and merchant groups.
- Supports new entrepreneurship and innovation in emerging economic sectors
- Promotes sustainable and equitable business practices
- Markets the City of Berkeley as a place to do business
- Helps guide developers creating new commercial and mixed-use space
- Supports policy development through economic development research and technical analysis
- Provides staff support to several City Commissions and Business Improvement Districts

Civic Arts Division

The Civic Arts Division promotes and furthers arts and cultural activities by providing the following baseline services:

- Administers the Civic Arts Grants Program and the “% for Public Art” programs
- Manages City galleries and public art assets, and helps implement new public art projects
- Markets the arts through public receptions, forums, workshops, publications and on-line tools
- Provides technical assistance to artists and arts organizations
- Promotes cultural tourism through partnerships with Visit Berkeley, the Berkeley Cultural Trust and the broader business community
- Provides staff support to the Civic Arts Commission

OFFICE OF ECONOMIC DEVELOPMENT

Priority Initiatives for Fiscal Years 2018 - 2019

| Priority Initiative | Support Departments/Divisions |
|---|--|
| <i>Update the City's Arts and Culture Plan:</i> Work with community stakeholders to update the Plan, which will guide public policy and public and private investments related to arts and culture. | City Manager's Office, Planning Department |
| <i>Implementation of the 1% for Art Policy:</i> Develop the systems, tools and processes to implement the newly adopted policy requiring the incorporation of public art in private development projects. | Planning Department, Department of Information Technology, Finance Department |
| <i>Branding & Marketing Project:</i> Develop a plan to brand and market the City of Berkeley as a place to do business. | City Manager's Office |

Significant Changes from Prior Year's Budget

The only notable change in OED's budget from the prior year is the addition of a new Assistant Management Analyst position within the Civic Arts Division. This position was created in response to the creation of the new 1% for Public Art in Private Development program, and the expansion of the existing Civic Arts Grants Program. The increased cost will be partially offset by new revenues generated from an administrative fee associated with the 1% for Public Art in Private Development program.

OFFICE OF ECONOMIC DEVELOPMENT FINANCIAL SUMMARY

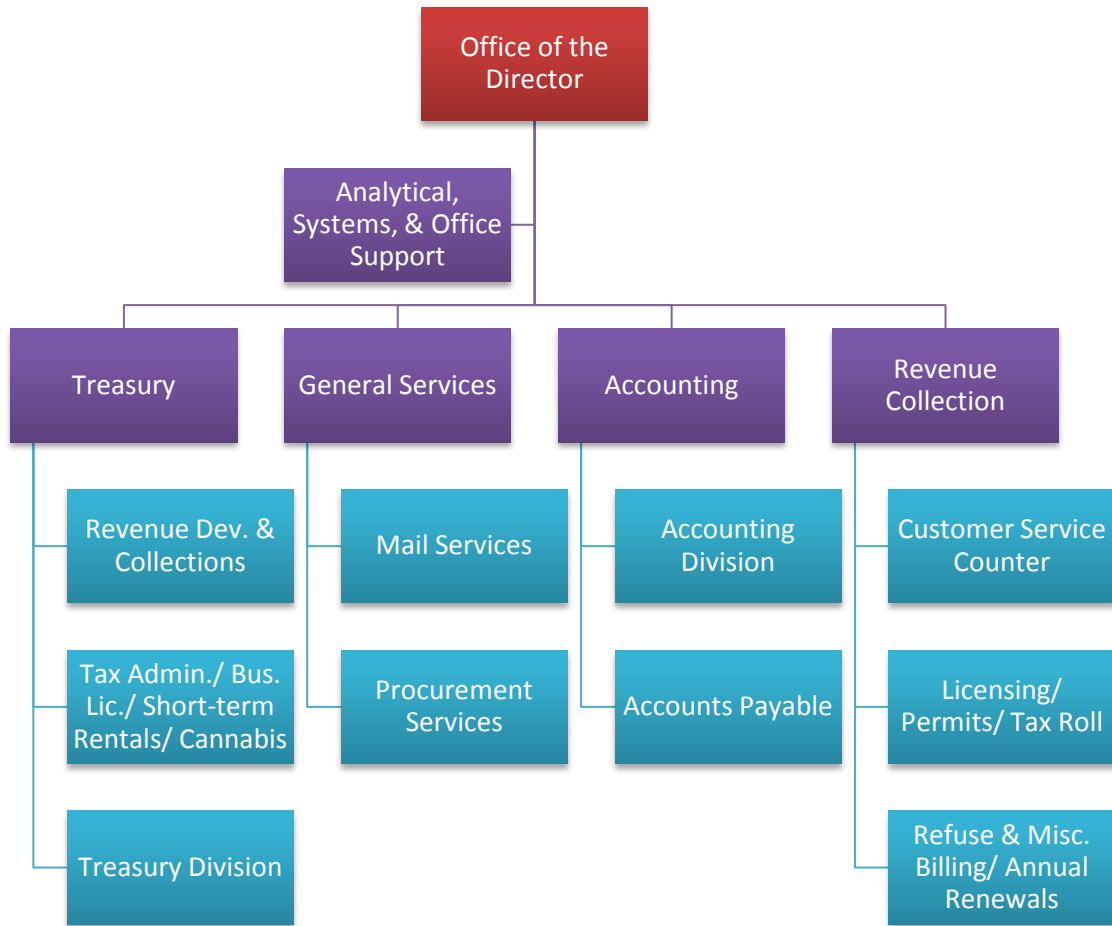
| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|--------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| EXPENDITURES | | | | | |
| By Type: | | | | | |
| Salaries and Benefits | 846,017 | 907,382 | 841,535 | 1,134,455 | 1,144,422 |
| Services and Materials | 3,743,620 | 3,933,192 | 3,494,597 | 4,484,890 | 4,349,202 |
| Capital Outlay | 4,220 | 830 | 4,380 | | |
| Internal Services | 6,724 | 6,719 | 6,719 | 5,719 | 5,719 |
| Indirect Cost Transfer | 1,162 | 1,310 | 943 | 1,741 | 1,746 |
| | <u>4,601,743</u> | <u>4,849,433</u> | <u>4,348,174</u> | <u>5,626,805</u> | <u>5,501,089</u> |
| By Division: | | | | | |
| Administration | 100,696 | 97,143 | 101,747 | 84,643 | 86,958 |
| Economic Development | 3,635,195 | 3,874,611 | 3,076,224 | 4,015,258 | 4,038,320 |
| Arts Coordination | 551,574 | 625,270 | 773,707 | 1,094,657 | 941,767 |
| South Berkeley Revitalization | 129,215 | 61,310 | 270,857 | 214,723 | 215,944 |
| Sustainable Development | 185,063 | 191,099 | 125,639 | 217,524 | 218,100 |
| | <u>4,601,743</u> | <u>4,849,433</u> | <u>4,348,174</u> | <u>5,626,805</u> | <u>5,501,089</u> |
| By Fund: | | | | | |
| General Fund | 2,027,452 | 2,346,260 | 2,318,386 | 2,691,403 | 2,560,121 |
| Loan Funds | 85,395 | 14,900 | 214,343 | 156,095 | 156,095 |
| Business Improvement Districts | 2,453,926 | 2,375,971 | 1,733,574 | 2,642,147 | 2,652,109 |
| Public Art Fund | 19,806 | 87,652 | 58,842 | 69,364 | 64,752 |
| Zero Waste Fund | 15,164 | 24,650 | 7,206 | 21,660 | 21,699 |
| Other Funds | | | 15,823 | 46,136 | 46,313 |
| | <u>4,601,743</u> | <u>4,849,433</u> | <u>4,348,174</u> | <u>5,626,805</u> | <u>5,501,089</u> |
| General Fund FTE | | | | | |
| | 5.80 | 5.80 | 7.80 | 6.77 | 6.77 |
| Total FTE | | | | | |
| | 5.85 | 5.85 | 7.85 | 7.00 | 7.00 |

FINANCE DEPARTMENT

MISSION STATEMENT

To conduct 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 supports all City departments and provides services for the entire Berkeley community. It is organized into four divisions in addition to the Office of the Director and Finance Administration.

Office of the Director

The Finance Director serves as the City's Chief Financial Officer, Investment Manager, and City Treasurer. The Director's Office provides revenue and economic forecasting to City policymakers and stakeholders; manages the City and retiree medical plan investment portfolios, debt issues, revenue audits and Use Tax Project; and provides business administration and technical assistance to City departments.

Treasury

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

General Services

General Services Division manages citywide procurement activities, including issuing and awarding all non-construction bids and Request for Proposals (RFPs) and opening all construction bids 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 General Services.

Accounting

Accounting Division 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.

Accounts Payable is a unit within Accounting. It controls disbursements made from City funds, excluding those for investments, payroll and payroll liability, and to the workers' compensation administrator. This unit ensures that all disbursements are timely, accurate, and are made in compliance with all internal controls and established City policies and procedures.

FINANCE DEPARTMENT

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.

The Customer Service Counter is a unit within Revenue Collection. It provides counter service to the community of Berkeley. The unit administers the processing of walk-in or drop-in payments for various Citywide billings, issuance and payment processing of business license tax for delinquent and new accounts, issues and receives payments for residential preferential parking permits, and provides customer assistance and processing of parking citation payments. It is also responsible for processing applications for copies of birth and death certificates and assists customers in the community service program for Project 22. 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 customers’ records in the City’s parking system, maintains records of community service agreements, and processes tow and boot releases and account maintenance for parking related payment inquiries.

Priority Initiatives for Fiscal Years 2018 – 2019

| Priority Initiative | Support Departments/Divisions |
|---|--|
| <i>Issuance of Measure T1 General Obligation Bond: Issue the voter-approved Measure T1 general obligation bond to fund improvements to existing City infrastructure</i> | City Manager’s Office and the Departments of Public Works and Parks, Recreation & Waterfront |
| <i>Administration of Measure U1: Collection of Increased Business License Tax for Owners of Buildings with 5 or more Units: Administer collection of the increased Business License Tax approved by Berkeley voters in November 2016 (Measure U1)</i> | Department of Health, Housing & Community Services, Rent Board, Department of Public Works |
| <i>Transient Occupancy Tax for Short-Term Rentals: Consistent with the Short-Term Rental Ordinance, collect the Transient Occupancy Tax for short-term rentals in Berkeley.</i> | City Manager’s Office, Planning Department |

FINANCE DEPARTMENT

Significant Changes from Prior Year's Budget

There are three significant programs that the Finance department will be adding to its functions in Fiscal Years 2018 & 2019:

- The administration of issuing of bonds for Measure T1 – the \$100 million bond for improving existing City infrastructure and facilities. The department will need a Financial Analyst to assist with all tasks needed to issue the bond. (Approximately \$140,000 for FY 2018 & 2019)
- The administration and tax collection of Measure U1 - the increased business license tax on larger landlords that was approved by Berkeley voters in November 2016. The department will be hiring a Revenue Development Specialist II to help administer the tax increase. The administrative cost of implementing the tax is not to exceed \$350,000 annually according to the Measure.
- The administration and collection of all accrued Transient Occupancy Tax for Short Term Rentals in Berkeley. The City Council passed a Short term Rental (STR) Ordinance on January 24, 2017. Finance will be hiring a Revenue Development Specialist II who will administer this Transient Occupancy Tax, the City's medical marijuana program, and the Sweetened Beverage Tax revenue administration. (\$145,000 annually for the Revenue Development Specialist I)

FINANCE DEPARTMENT FINANCIAL SUMMARY

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|-------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| EXPENDITURES | | | | | |
| By Type: | | | | | |
| Salaries and Benefits | 5,611,397 | 5,398,485 | 5,378,404 | 6,269,681 | 6,381,563 |
| Services and Materials | 618,270 | 975,375 | 589,577 | 896,253 | 796,253 |
| Capital Outlay | 29,419 | 49,716 | 3,365 | 33 | 33 |
| Internal Services | 378,112 | 354,928 | 358,411 | 421,185 | 423,081 |
| Indirect Cost Transfer | 101,089 | 92,967 | 121,013 | 139,941 | 142,301 |
| | 6,738,287 | 6,871,471 | 6,450,770 | 7,727,093 | 7,743,231 |
| By Division: | | | | | |
| Office of the Director | 2,063,529 | 808,899 | 794,686 | 1,019,466 | 1,032,724 |
| Accounting | 1,173,206 | 1,810,033 | 1,436,683 | 1,580,381 | 1,601,408 |
| General Services | 984,767 | 1,064,668 | 931,408 | 1,268,874 | 1,178,947 |
| Customer Service | 1,137,060 | 1,575,239 | 1,330,726 | 1,618,248 | 1,654,192 |
| Parking | 25,796 | 14,204 | 29,440 | 40,000 | 40,000 |
| Revenue Collection | 1,353,929 | 1,598,428 | 1,927,827 | 2,200,124 | 2,235,960 |
| | 6,738,287 | 6,871,471 | 6,450,770 | 7,727,093 | 7,743,231 |
| By Fund: | | | | | |
| General Fund | 5,128,394 | 4,982,927 | 4,769,454 | 5,756,160 | 5,741,525 |
| Paramedic Assmt Dist | 14,259 | 15,256 | 17,347 | 18,217 | 18,477 |
| Library | 14,259 | 15,256 | 17,347 | 18,217 | 18,477 |
| Parks Tax | 14,259 | 15,256 | 17,347 | 18,217 | 18,477 |
| Street Light Assmt. | 16,175 | 17,492 | 19,840 | 20,855 | 21,127 |
| Zero Waste Fund | 1,013,197 | 900,482 | 1,057,920 | 1,223,555 | 1,248,008 |
| Clean Storm Water | 16,177 | 17,491 | 19,838 | 20,855 | 21,127 |
| Private Sewer Lateral | 23,614 | 21,597 | 26,836 | 25,987 | 26,929 |
| Parking Meter | 25,796 | 14,204 | 29,440 | 40,000 | 40,000 |
| Equipment Replacement | 134,106 | 139,940 | 144,956 | 156,377 | 157,021 |
| Central Services | 255,585 | 276,867 | 278,385 | 374,002 | 376,632 |
| Other Funds | 82,466 | 454,703 | 52,060 | 54,651 | 55,431 |
| | 6,738,287 | 6,871,471 | 6,450,770 | 7,727,093 | 7,743,231 |
| General Fund FTE | | | | | |
| | 34.50 | 34.50 | 36.17 | 31.75 | 31.75 |
| Total FTE | | | | | |
| | 45.00 | 45.00 | 45.50 | 45.00 | 45.00 |

FINANCE DEPARTMENT FINANCIAL SUMMARY

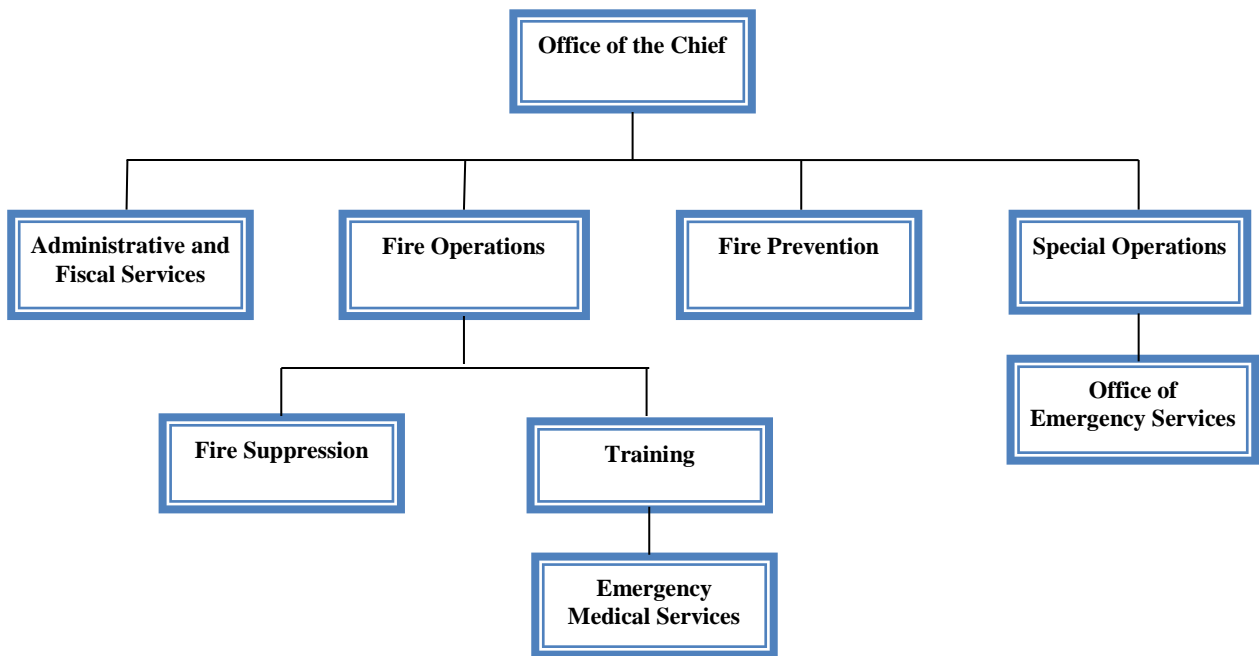
| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|----------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| DIVISION/ACTIVITY SUMMARY | | | | | |
| Office of the Director | | | | | |
| Administration | 783,661 | 558,410 | 576,532 | 689,612 | 700,911 |
| Systems Support | 501,073 | 250,489 | 218,154 | 329,854 | 331,813 |
| Treasury | 404,792 | | | | |
| Accounts Payable | 374,003 | | | | |
| Division Total | 2,063,529 | 808,899 | 794,686 | 1,019,466 | 1,032,724 |
| FTE Total | 13.00 | 3.00 | 3.00 | 7.00 | 7.00 |
| Accounting | | | | | |
| Administration | 1,173,206 | 1,439,431 | 1,052,456 | 1,194,179 | 1,204,396 |
| Accounts Payable | | 370,602 | 384,227 | 386,202 | 397,012 |
| Division Total | 1,173,206 | 1,810,033 | 1,436,683 | 1,580,381 | 1,601,408 |
| FTE Total | 7.00 | 10.00 | 10.50 | 10.00 | 10.00 |
| General Services | | | | | |
| Procurement | 726,210 | 787,801 | 653,023 | 894,872 | 802,315 |
| Mail Services | 258,557 | 276,867 | 278,385 | 374,002 | 376,632 |
| Division Total | 984,767 | 1,064,668 | 931,408 | 1,268,874 | 1,178,947 |
| FTE Total | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| Treasury | | | | | |
| Administration | | 491,598 | 411,612 | 353,426 | 358,936 |
| Counter/Call Center | 1,137,060 | 718,020 | 661,162 | 813,126 | 830,692 |
| Operations | | 365,621 | 257,952 | 451,696 | 464,564 |
| Division Total | 1,137,060 | 1,575,239 | 1,330,726 | 1,618,248 | 1,654,192 |
| FTE Total | 6.00 | 13.00 | 13.00 | 9.00 | 9.00 |
| Parking | | | | | |
| Administration | 25,796 | 14,204 | 29,440 | 40,000 | 40,000 |
| Division Total | 25,796 | 14,204 | 29,440 | 40,000 | 40,000 |
| FTE Total | - | - | - | - | - |
| Revenue Collection | | | | | |
| Billing | 1,320,861 | 1,291,105 | 1,561,600 | 1,672,320 | 1,702,276 |
| Collections | 22,889 | 197,429 | 265,416 | 399,492 | 404,475 |
| Customer Service | | 4,607 | 2,301 | 150 | 150 |
| Licensing | 10,179 | 105,287 | 98,510 | 128,162 | 129,059 |
| Division Total | 1,353,929 | 1,598,428 | 1,927,827 | 2,200,124 | 2,235,960 |
| FTE Total | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 |
| Department Total | | | | | |
| FTE Total | 45.00 | 45.00 | 45.50 | 45.00 | 45.00 |

DEPARTMENT OF FIRE AND EMERGENCY SERVICES

MISSION STATEMENT

The Berkeley Fire Department protects life, property, and the environment through emergency response, prevention, and community preparedness.

ORGANIZATION CHART



DEPARTMENT OF FIRE AND EMERGENCY SERVICES

DEPARTMENT OVERVIEW

The men and women of the Berkeley Fire Department are committed to providing comprehensive fire protection, emergency medical, disaster preparedness, rescue and other related services in an efficient, effective and caring manner to the diverse Berkeley community.

The Fire Department is organized into five divisions to deliver the following services:

Administration

The Administration Division directs the department in field operations, budget and fiscal policy, administrative systems and procedures, employee training and development, and labor and management issues.

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.

Fire Suppression

The Fire Suppression Division provides emergency services in fire suppression, emergency medical and rescue response, emergency service response, hazardous materials response, fire alarm response, and all other emergency calls.

Training, Safety, and EMS Division

The Training and Safety Division provides the required training necessary to comply with local, county, state, and federal mandates. The Emergency Medical Services Division provides management and support for First Responder Advanced Life Support (FRALS) delivery and paramedic transport units.

Special Operations Division

The Special Operations Division includes management of the Office of Emergency Services and implements disaster preparedness and response programs, outreach and education, and regional collaboration planning. The Special Operations Division also manages support for the department's Information Technology needs, emergency communications, and mutual aid coordination with allied agencies and non-governmental organizations.

DEPARTMENT OF FIRE AND EMERGENCY SERVICES

Priority Initiatives for Fiscal Years 2018 – 2019

| Priority Initiative | Support Departments/Divisions |
|--|---|
| <i>Additional Ambulance:</i> Increase emergency transport services by adding a fourth full-time ambulance to the Fire Department. | Human Resources Department |
| <i>Community Resilience Centers:</i> Increase the number of Community Resilience Centers (there are currently six), which are community-based organizations that partner with the City of Berkeley to increase access to preparedness trainings and supplies for community members who have not been reached by existing programs. | City Manager's Office, Health, Housing & Community Services Department |
| <i>New Fire Records Management System:</i> Implement a new fire records management system that will be compliant with the National Fire Information System and improve data collection and response information. | Information Technology |
| <i>Upgrade Fire Station 2:</i> Renovate Fire Station 2 to address maintenance needs, improve occupant comfort, and increase water and energy efficiency. | Department of Public Works |
| <i>Racial Equity Training:</i> Provide all Fire Department employees with training on how to integrate advancement of racial equity into the operations and services of the department. | Human Resources Department |
| <i>Fire Personnel Recruitment:</i> Conduct a 2017 and 2018 recruitment process to identify and hire excellent and diverse group of entry level firefighters | Human Resources Department |
| <i>360 Degree Assessment Tool:</i> Implement a 360 Assessment Tool that enables continuous improvement by providing Fire personnel with periodic input and feedback from their peers. | Human Resources Department |
| Replace Self Contained Breathing Apparatus (SCBA). The SCBAs are at the end of their user life (15 years) and must be purchased to meet Cal-OSHA and NFPA standards | Finance Department |
| <i>Replace Fire Department Reserve Truck:</i> Replace 20-year old ladder truck that has exceeded its user life. | Department of Public Works |

DEPARTMENT OF FIRE AND EMERGENCY SERVICES

| | |
|---|--|
| <i>Fire Department Communications:</i> Increase and improve communication to the community by updating the Fire Department webpage and creating a social media policy and procedures. | City Manager's Office, Information Technology |
|---|--|

Significant Changes from Prior Year's Budget

- ❑ Addition of 6 Firefighter/Paramedic positions to staff a fourth ambulance
- ❑ Reclassification of 3 Firefighter/Paramedic positions to Paramedic Supervisor
- ❑ Addition of 1 Fire Inspector to the Fire Prevention Division
- ❑ Addition of 1 Fire and Life Safety Plans Examiner to the Fire Prevention Division

FIRE DEPARTMENT FINANCIAL SUMMARY

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| EXPENDITURES | | | | | |
| By Type: | | | | | |
| Salaries and Benefits | 30,332,804 | 32,896,640 | 34,349,968 | 35,069,712 | 36,226,535 |
| Services and Materials | 1,735,276 | 1,744,005 | 1,970,926 | 1,906,242 | 1,871,242 |
| Capital Outlay | 131,029 | 157,628 | 734,826 | 33,500 | 33,500 |
| Internal Services | 1,627,235 | 2,052,725 | 2,068,987 | 2,081,854 | 2,082,015 |
| | <u>33,826,344</u> | <u>36,850,998</u> | <u>39,124,707</u> | <u>39,091,308</u> | <u>40,213,292</u> |
| By Division: | | | | | |
| Office of the Fire Chief | 1,529,138 | 1,305,527 | 1,315,215 | 1,576,708 | 1,618,025 |
| Fire Administrative Services | 363,161 | 445,158 | 488,406 | 570,610 | 589,411 |
| Fire Operations | 31,934,045 | 35,100,313 | 37,321,086 | 36,943,990 | 38,005,856 |
| | <u>33,826,344</u> | <u>36,850,998</u> | <u>39,124,707</u> | <u>39,091,308</u> | <u>40,213,292</u> |
| By Fund: | | | | | |
| General Fund | 27,116,862 | 29,037,855 | 29,897,724 | 30,984,535 | 31,985,365 |
| Paramedic Tax Fund | 3,048,891 | 3,117,927 | 3,197,602 | 3,502,295 | 3,610,030 |
| CFD #1 Dis Fire Protect Bond | 77,064 | 68,280 | 61,943 | 111,770 | 114,957 |
| Measure GG | 3,240,520 | 4,196,072 | 4,756,460 | 3,989,682 | 4,022,242 |
| Other Funds | 343,007 | 430,864 | 1,210,978 | 503,026 | 480,698 |
| | <u>33,826,344</u> | <u>36,850,998</u> | <u>39,124,707</u> | <u>39,091,308</u> | <u>40,213,292</u> |

| | | | | | |
|-------------------------|--------|--------|--------|--------|--------|
| General Fund FTE | 120.76 | 120.76 | 121.44 | 125.25 | 125.25 |
| Total FTE | 140.00 | 140.00 | 141.00 | 148.00 | 148.00 |

FIRE DEPARTMENT FINANCIAL SUMMARY

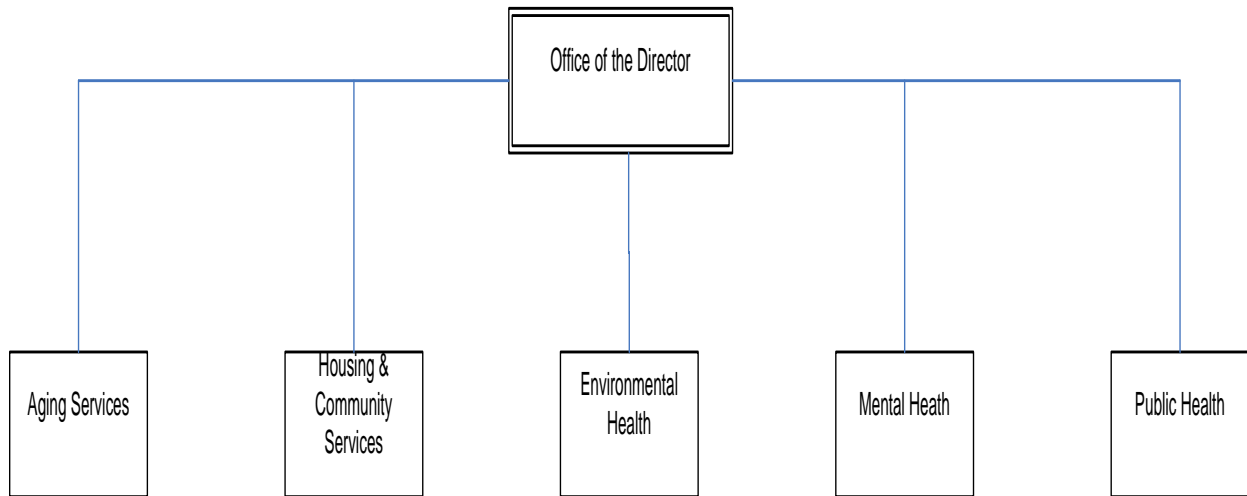
| DIVISION/ACTIVITY SUMMARY | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|-------------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| Office of the Fire Chief | | | | | |
| Administration | 586,932 | 487,801 | 623,802 | 647,365 | 672,160 |
| Disaster Preparedness | 942,206 | 817,726 | 691,413 | 929,343 | 945,865 |
| Division Total | 1,529,138 | 1,305,527 | 1,315,215 | 1,576,708 | 1,618,025 |
| FTE Total | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| Fire Administrative Services | | | | | |
| Financial Admin. Services | 363,161 | 445,158 | 488,406 | 570,610 | 589,411 |
| Division Total | 363,161 | 445,158 | 488,406 | 570,610 | 589,411 |
| FTE Total | 3.00 | 3.00 | 4.00 | 4.00 | 4.00 |
| Fire Operations | | | | | |
| Administration | 849,612 | 844,482 | 835,330 | 941,097 | 970,840 |
| Suppression/Rescue/Hazard | 19,247,185 | 21,106,108 | 22,579,813 | 21,869,756 | 22,468,112 |
| Fire Prevention | 700,368 | 867,260 | 726,792 | 1,004,528 | 1,036,194 |
| Fire Training | 733,366 | 737,583 | 729,219 | 808,885 | 839,927 |
| Emergency Medical Service | 10,403,514 | 11,544,880 | 12,449,932 | 12,319,724 | 12,690,783 |
| Division Total | 31,934,045 | 35,100,313 | 37,321,086 | 36,943,990 | 38,005,856 |
| FTE Total | 131.00 | 131.00 | 131.00 | 138.00 | 138.00 |
| Department Total | 33,826,344 | 36,850,998 | 39,124,707 | 39,091,308 | 40,213,292 |
| FTE Total | 140.00 | 140.00 | 141.00 | 148.00 | 148.00 |

DEPARTMENT OF HEALTH, HOUSING & COMMUNITY SERVICES

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



DEPARTMENT OF HEALTH, HOUSING & COMMUNITY SERVICES

DEPARTMENT OVERVIEW

The Departments of Housing & Community Services and Health Services merged in fiscal year 2012 to create the Department of Health, Housing & Community Services (HHCS). HHCS is organized into four divisions and the Office of the Director to deliver the following services:

Office of the Director

The Office of the Director provides overall leadership, strategic direction, policy development, management and fiscal oversight of HHCS, including budgeting, accounting, payroll, purchasing, and billing external funding agencies. The Director's Office works with stakeholders to prioritize projects that most directly impact the health and wellbeing of Berkeley community members.

Housing and Community Services Division

The Housing and Community Services Division (HCS) works to reduce homelessness through community partnership and strategy recommendations to City Council. HCS also produces, preserves and supports affordable housing in order to help meet the housing needs of Berkeley residents, especially those who are low-income, homeless, seniors, disabled, or have special needs. HCS also implements the YouthWorks program which promotes youth employment.

Aging Services Division

The Aging Services Division is dedicated to promoting a dignified, healthful quality of life for older adults by offering connections to services & resources to learn, grow, and discover new ways to be actively engaged in living. Through two vibrant senior centers and a multi-resource center, our programs touch the lives of older adults each year by serving as a resource for social connection, recreation, nutrition, transportation, health & wellness education and other supportive services for adults 55 and older.

Environmental Health Division

The Environmental Health Division promotes and protects the health and wellbeing of all persons in the City of Berkeley by enforcing state and local health laws and investigating foodborne illness. Environmental Health permits and inspects regulated facilities such as retail food facilities, tobacco retailers, public swimming pools, body art facilities, and medical cannabis dispensaries. Additionally, Environmental Health coordinates all special events in the City of Berkeley in collaboration with other Departments and external partners to ensure safe and enjoyable events for the community.

DEPARTMENT OF HEALTH, HOUSING & COMMUNITY SERVICES

Public Health Division

The Public Health Division provides family health and nursing services, clinical services and epidemiology and health promotion and preparedness. This work happens through school based health centers at Berkeley High School and Berkeley Technology Academy, the Ann Chandler Health Center, the West Berkeley Service Center and the Health Officer. The Public Health Division strives to achieve health equity in Berkeley through partnerships and community-engaged work, identifies and responds to emerging and emergent community health threats, and creates environments that optimize health and well-being for all.

Mental Health Division

The Mental Health Division is the “Front Door” to the public mental health system, with on demand assessment and linkage to care. It provides comprehensive treatment for low-income families, adults & children with major mental health concerns. Additionally, the Mobile Crisis Team responds to mental health emergencies and crisis situations. The Division also funds a variety of community providers and projects resulting in services that reach a wide range of City residents (such as school age children, seniors, LGBTQI, transition age youth, and underserved ethnic groups).

DEPARTMENT OF HEALTH, HOUSING & COMMUNITY SERVICES

Priority Initiatives for Fiscal Years 2018 – 2019

In addition to providing the services described above, the Department Health Housing & Community Services will implement the following priority initiatives:

| Priority Initiative | Support Departments/Divisions |
|---|--|
| <i>Results-Based Accountability Framework:</i> Implement a results-based accountability performance management framework to better account for and improve the work that HHCS undertakes, and to maximize impact | |
| <i>Homeless Services and Plan:</i> Provide leadership and partnership on developing a Berkeley Homelessness Plan and continue to refine and improve the City’s Homeless Coordinated Entry System, in partnership with many community agencies | City Manager’s Office, Department of Parks, Recreation and Waterfront, Public Works Department, Police Department, Fire Department, Finance Department |
| <i>Homeless Outreach and Treatment Team (HOTT) Program:</i> Launch the new HOTT program designed to provide outreach and treatment for homeless individuals in the community with serious mental health disorders, helping them to access the services they need and get housed | |
| <i>Aging-Friendly Berkeley Plan:</i> As part of the World Health Organization’s “Age-Friendly Cities and Communities” Project, partner with community agencies and leaders to develop an Aging-Friendly Berkeley Plan that demonstrates Berkeley’s commitment to create a livable community for older adults | |
| <i>Sugar-Sweetened Beverage Tax:</i> In coordination with the City Council-appointed Sugar-Sweetened Beverage Products Panel of Experts Commission, continue to reduce consumption and negative health impacts of sugary drinks by advancing the “Health Berkeley” program (“Healthy Berkeley is the new name for the programs and services | City Manager’s Office, Finance Department |

DEPARTMENT OF HEALTH, HOUSING & COMMUNITY SERVICES

| | |
|--|--|
| related to Berkeley’s first-in-the-nation sugar-sweetened beverage tax.) | |
| <i>Medical Cannabis Inspection Plan:</i> Develop and implement a plan that guides City efforts to educate residents, protect public health and enhance environmental safety related to medical cannabis dispensaries | Planning Department, City Attorney’s Office, Police Department, Finance Department, City Manager’s Office, Fire Department |
| <i>Berkeley Minimum Wage Ordinance Implementation:</i> Implement the Berkeley Minimum Wage Ordinance, which includes the Paid Sick Leave Ordinance, and which requires a minimum wage of \$13.75 per hour in October 2017 and \$15.00 per hour in October 2018 | |
| <i>Affordable Housing:</i> Increase the supply of affordable housing in Berkeley, including by maximizing the amount of funding that is invested in Berkeley from the \$580 Alameda County Affordable Housing Bond that voters passed in November 2016 | |

Significant Changes from Prior Year’s Budget

Three significant budget changes for the FY 2018 & 2019 budgets are listed below:

- ❑ The termination of an FDA Environmental Health grant for \$70,000 in FY 2018. FY 2017 is the final year of this 5 year grant. However, we were awarded a second 5 year FDA grant for the same amount that started 3 years after the first one so we have an additional two years of that grant left. We also underspent the second FDA grant which can be carried forward and will compensate for much of the reduced revenue from the first FDA grant. We are spending fund balance from the Alameda County Vector grant to make up the difference.
- ❑ We are planning on implementing a new 3-year Homeless Outreach and Treatment Team project in our Mental Health division to spend down some of the fund balance that has been accrued. This was represented in the FY 2017 budget but will be fully operational throughout the FY 2018 period.
- ❑ There is a significant amount of one-time money budgeted for the Adult Mental Health clinic renovation. Again, this was represented in the FY 2017 budget but was unspent and will be spent in the FY 2018 period.

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

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| EXPENDITURES | | | | | |
| By Type: | | | | | |
| Salaries and Benefits | 22,186,837 | 23,650,911 | 25,723,982 | 31,103,152 | 31,496,461 |
| Services and Materials | 9,761,516 | 11,627,171 | 15,506,811 | 14,604,698 | 14,438,349 |
| Capital Outlay | 113,632 | 263,132 | 315,865 | 240,131 | 1,258,131 |
| Internal Services | 1,253,676 | 1,309,235 | 1,364,266 | 1,351,559 | 1,352,999 |
| Indirect Cost Transfer | 31,742 | 43,658 | 39,403 | 55,715 | 56,095 |
| | 33,347,403 | 36,894,107 | 42,950,327 | 47,355,255 | 48,602,035 |
| By Division: | | | | | |
| Office of the Director | 1,346,302 | 2,508,713 | 2,992,711 | 3,009,913 | 3,057,191 |
| Aging Services | 3,341,177 | 3,090,924 | 3,667,737 | 4,008,214 | 4,041,655 |
| Environmental Health | 2,127,830 | 1,913,990 | 1,879,565 | 2,367,222 | 2,390,872 |
| Housing & Community Services | 10,170,826 | 12,047,676 | 13,708,235 | 13,259,057 | 13,320,247 |
| Mental Health | 8,482,276 | 9,185,163 | 12,164,664 | 14,702,197 | 15,741,196 |
| Public Health | 7,878,992 | 8,147,641 | 8,537,415 | 10,008,652 | 10,050,874 |
| | 33,347,403 | 36,894,107 | 42,950,327 | 47,355,255 | 48,602,035 |
| By Fund: | | | | | |
| General Fund | 11,927,266 | 11,584,622 | 13,963,151 | 15,049,190 | 14,946,689 |
| Capital Improvement Fund | 60,179 | 116,989 | 97,636 | 77,738 | 77,977 |
| Federal Funds | 6,575,381 | 7,433,423 | 9,113,396 | 8,717,287 | 8,750,101 |
| State Funds | 11,226,401 | 12,563,261 | 14,011,381 | 18,583,818 | 19,819,326 |
| County Grants | 1,562,242 | 1,907,953 | 2,003,437 | 2,137,429 | 2,179,072 |
| Local and Foundation Grants | 46,957 | 159,489 | 376,511 | 323,142 | 330,948 |
| Successor Agency | 36,610 | 6,596 | | | |
| Rental Housing Safety | 1,504 | 13,828 | | | |
| Measure E Disabled Tax | 1,038,386 | 1,075,936 | 1,211,881 | 1,191,408 | 1,215,340 |
| Measure B Paratransit | 260,579 | 309,644 | 208,703 | 284,368 | 284,368 |
| Measure BB Paratransit | | 20,035 | 290,665 | 258,526 | 258,393 |
| Measure GG Fire Prep Tax | 134,943 | 137,486 | 189,223 | 181,329 | 182,453 |
| Sewer Fund | 290,843 | 352,820 | 317,248 | 451,839 | 456,444 |
| Permit Service Center | 6,775 | 5,406 | 21 | | |
| Other Funds | 179,337 | 1,206,619 | 1,167,074 | 99,181 | 100,924 |
| | 33,347,403 | 36,894,107 | 42,950,327 | 47,355,255 | 48,602,035 |

| | | | | | |
|-------------------------|--------|--------|--------|--------|--------|
| General Fund FTE | 62.95 | 65.04 | 68.70 | 72.54 | 71.50 |
| Total FTE | 207.06 | 214.78 | 216.13 | 224.38 | 224.38 |

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

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|---|-------------------|-------------------|-------------------|--------------------|--------------------|
| DIVISION/ACTIVITY SUMMARY | | | | | |
| Office of the Director | | | | | |
| Administration | 1,346,302 | 2,508,713 | 2,992,711 | 3,009,913 | 3,057,191 |
| Division Total | 1,346,302 | 2,508,713 | 2,992,711 | 3,009,913 | 3,057,191 |
| FTE Total | 17.00 | 17.00 | 18.00 | 18.00 | 18.00 |
| Aging Services | | | | | |
| Aging Services Administration | 263,722 | 209,159 | 320,462 | 318,964 | 320,903 |
| North Berkeley Senior Center | 704,528 | 604,369 | 621,171 | 737,479 | 749,498 |
| South Berkeley Senior Center | 562,065 | 464,873 | 611,468 | 489,565 | 495,710 |
| Social Services | 1,306,289 | 1,360,291 | 1,646,867 | 1,931,637 | 1,939,373 |
| Senior Nutritional Program | 504,573 | 452,232 | 467,769 | 530,569 | 536,171 |
| Division Total | 3,341,177 | 3,090,924 | 3,667,737 | 4,008,214 | 4,041,655 |
| FTE Total | 25.99 | 23.97 | 24.47 | 24.47 | 24.47 |
| Environmental Health | | | | | |
| Office of the Manager | 548,631 | 350,113 | 304,353 | 326,113 | 331,121 |
| Environmental Health | 929,792 | 870,059 | 971,588 | 1,219,557 | 1,220,068 |
| Abandoned Auto Abatement | 120,644 | 124,170 | 64,324 | 159,102 | 165,095 |
| Vector Control | 280,843 | 269,714 | 307,324 | 318,693 | 327,674 |
| Sewer Emergencies | 181,494 | 241,056 | 231,976 | 343,757 | 346,914 |
| Waste Tire Enforcement | 66,426 | 58,878 | | | |
| Division Total | 2,127,830 | 1,913,990 | 1,879,565 | 2,367,222 | 2,390,872 |
| FTE Total | 12.00 | 12.86 | 13.61 | 13.86 | 13.86 |
| Housing & Community Services | | | | | |
| Administration | 959,778 | 1,050,595 | 1,026,067 | 1,208,424 | 1,214,418 |
| Community Services | 6,350,145 | 6,790,931 | 7,097,845 | 9,021,862 | 9,057,997 |
| Employment Services | 1,220,147 | 1,066,555 | 1,037,422 | 1,180,735 | 1,193,196 |
| Housing Development & Rehabilitation | 1,640,756 | 3,139,595 | 4,546,901 | 1,848,036 | 1,854,636 |
| Division Total | 10,170,826 | 12,047,676 | 13,708,235 | 13,259,057 | 13,320,247 |
| FTE Total | 42.02 | 45.02 | 43.02 | 45.02 | 45.02 |
| Mental Health | | | | | |
| Office of the Manager | 1,135,223 | 1,155,733 | 2,547,041 | 1,707,171 | 1,725,150 |
| Mental Health Services Act | 3,138,460 | 2,927,304 | 3,804,364 | 5,965,398 | 6,911,544 |
| Family Youth & Chld Treatment | 1,314,925 | 1,173,247 | 1,529,372 | 1,755,635 | 1,775,104 |
| FYC - FSP | | 244,006 | 237,608 | 431,377 | 438,442 |
| Crisis Services | 981,400 | 1,242,270 | 1,430,094 | 1,852,958 | 1,866,015 |
| Tier 1 IST | 1,912,268 | 2,442,603 | 2,616,185 | 2,989,658 | 3,024,941 |
| Division Total | 8,482,276 | 9,185,163 | 12,164,664 | 14,702,197 | 15,741,196 |
| FTE Total | 53.70 | 62.28 | 63.78 | 67.78 | 67.78 |

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

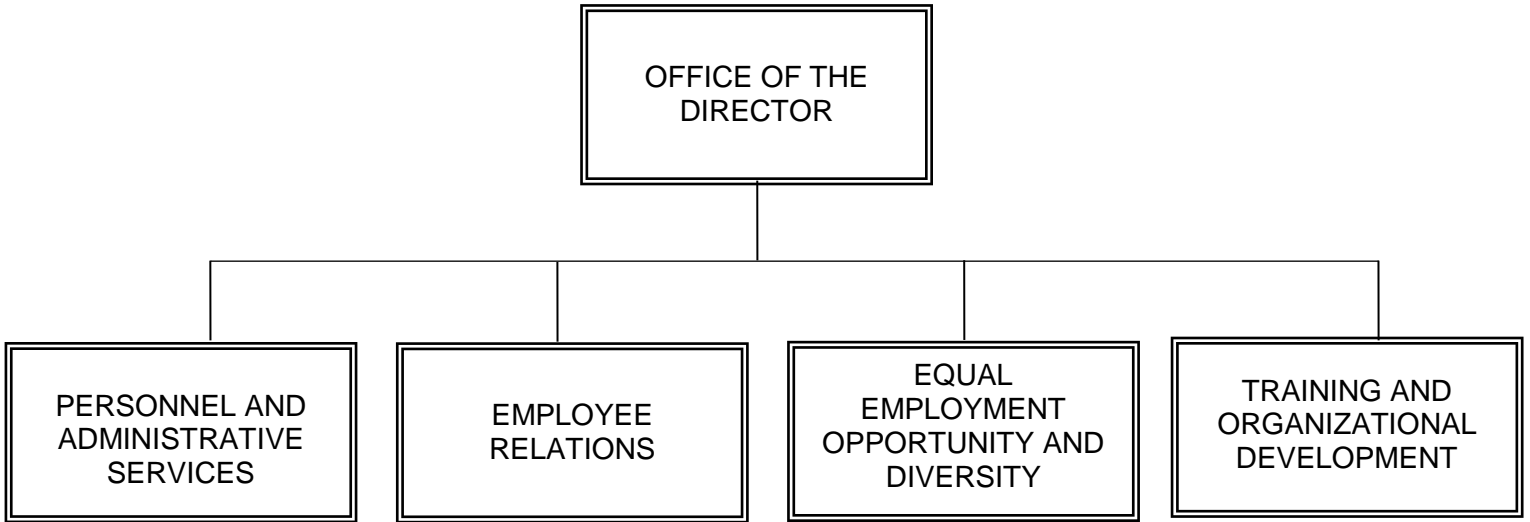
| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|--|-------------------|-------------------|-------------------|--------------------|--------------------|
| DIVISION/ACTIVITY SUMMARY cont. | | | | | |
| Public Health | | | | | |
| Office of the Health Officer | 1,697,589 | 1,800,620 | 2,275,169 | 2,851,295 | 2,819,997 |
| Chronic Disease Education & Health Promotion | 875,155 | 757,245 | 866,956 | 1,134,735 | 1,161,257 |
| Nursing/Field Services | 2,150,902 | 2,207,530 | 2,244,207 | 2,247,068 | 2,319,543 |
| Maternal Child Health/School Clinic Services | 1,309,289 | 2,251,680 | 2,100,892 | 2,393,700 | 2,380,893 |
| Adult Health Clinic/AIDS Activities | 1,846,057 | 1,130,566 | 1,050,191 | 1,381,854 | 1,369,184 |
| Division Total | 7,878,992 | 8,147,641 | 8,537,415 | 10,008,652 | 10,050,874 |
| FTE Total | 56.35 | 53.65 | 53.25 | 55.25 | 55.25 |
| Department Total | 33,347,403 | 36,894,107 | 42,950,327 | 47,355,255 | 48,602,035 |
| FTE Total | 207.06 | 214.78 | 216.13 | 224.38 | 224.38 |

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

The role of the Human Resources Department is to provide services to other City Departments and to current and former employees. The department is responsible for administering the recruitment and examination of applicants for employment, occupational health and safety, employee benefits, workers' compensation, employee training, employee relations and equal employment opportunity programs. The Human Resources Department has 5 Divisions consisting of:

Office of the Director

The Office of the Director provides overall leadership and administrative direction for all 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.

Personnel and Administrative Services

The Personnel and Administrative Services Division conducts all merit-based recruitment and examination activities in accordance with the City's Personnel Rules and Regulations, Federal and State laws, and other Ordinances and Resolutions adopted by City Council. Recruitment and examination activities include: developing examination plans, creating job announcements, conducting advertisement campaigns, reviewing applications, coordinating rater panels, administering exams, conducting statistical analyses of tests, and conducting new hire orientations and processing related paperwork. This division also administers the classification and compensation plans; conducts organizational and compensation studies, job analysis and desk audits; processes all changes of employment status; establishes and maintains all personnel records and tracks employee benefits.

Employee Relations

The Employee Relations Division conducts all labor relations activities with the City's seven labor organizations and represents the City Manager on employee relations matters; advises department staff on labor contract interpretations, Federal and State employment laws, and human resources policies and procedures; and manages and reviews grievances and disciplinary issues. The division also administers and assists departments with the City's benefits, Workers' Compensation, and Occupational Health and Safety programs. The City's benefits plan include: medical, dental, vision, and life insurance; Supplemental Retirement Income Plans; Deferred Compensation plans; CalPERS and PARS retirement plans; the Employee Assistance Program; long term disability, and other voluntary plans.

Training and Organizational Development

The Training and Organizational Development Division administers and oversees the Citywide Training Program, which is designed to provide ongoing training and development to employees in skills that are fundamental to successfully achieving the City's mission. The Citywide Training Program builds employee capacity in the "Three C's" – Customer Service,

HUMAN RESOURCES DEPARTMENT

One City Team, and Continuous Learning. In addition, the unit also oversees the Leadership Development, Management Skills, and Tuition Reimbursement programs, and provides organizational development services.

Equal Employment Opportunity and Diversity

The Equal Employment Opportunity (EEO) and Diversity Division administers, implements, and coordinates the City's EEO matters; ensures compliance with EEO provisions; enforces diversity efforts pertaining to recruitment and retention; administers the City's Harassment Prevention Policy and discrimination complaint process; conducts internal investigations of complaints filed, and assesses reasonable accommodation requests in compliance with the provisions of the Americans with Disabilities Act (ADA) and the CA Fair Employment and Housing Act (FEHA).

HUMAN RESOURCES DEPARTMENT

Priority Initiatives for Fiscal Years 2018 - 2019

| Priority Initiative | Support Departments/Divisions |
|---|--|
| <i>Leadership Development Program:</i> To continue to foster leadership skills and opportunities at all levels of the City government, conduct an evaluation of the existing Leadership Development Program and identify next steps in the program's evolution | City Manager's Office |
| <i>Diversity Training for City Employees:</i> To continue to advance and appreciate diversity and inclusion within the City government, conduct an evaluation of the City's existing diversity training and launch a new training module for managers and supervisors. | City Manager's Office |
| <i>Succession Planning:</i> In advance of a large amount of expected retirements in FY 2018, develop and provide guidance to all City departments to improve succession planning and minimize disruption to the City government and the community it serves | All departments |
| <i>Revision of Personnel Rules and Regulations and the Employer-Employee Relations Resolution:</i> Update and revise both sets of Rules and Regulations to comply with current federal and state laws; reflect best practices; and ensure the established rules are comprehensive and consistent. | City Manager's Office, City Attorney's Office |
| <i>Contract Negotiations:</i> Coordinate and negotiate with the City's seven employee labor unions to develop fair and equitable labor union contracts. | All departments |

HUMAN RESOURCES DEPARTMENT

Significant Changes from Prior Year's Budget

The Human Resources Department budget comes from four funds: General Fund, Worker's Comp Fund, Training Fund, and the Permit Service Center Fund. The only significant change for FY 2018 and FY 2019 is to our General Fund.

Beginning in FY 2018, an annual advertising budget increase of \$60,000 was approved due to an increasing number of retirements which resulted in increased recruitments. For FY 2018, \$86,000 was added to fund the large number of citywide mandated class offerings and/or provide new mandated trainings, and to fund the citywide Tuition Reimbursement Program. Additional funding will be needed for FY 2019 to continue providing the same or additional class offerings.

For FY 2018 and FY 2019, there will be a need for additional funding to cover the costs of outside negotiators due to labor negotiations with all seven unions during this two year budget cycle. Costs are expected to exceed the \$80,000 funded in FY 2017. There may also be a need for additional funding for the outside consultant contract for revising existing rules and regulations if the total cost exceeds the anticipated \$49,999 which was funded in FY 2017.

HUMAN RESOURCES FINANCIAL SUMMARY

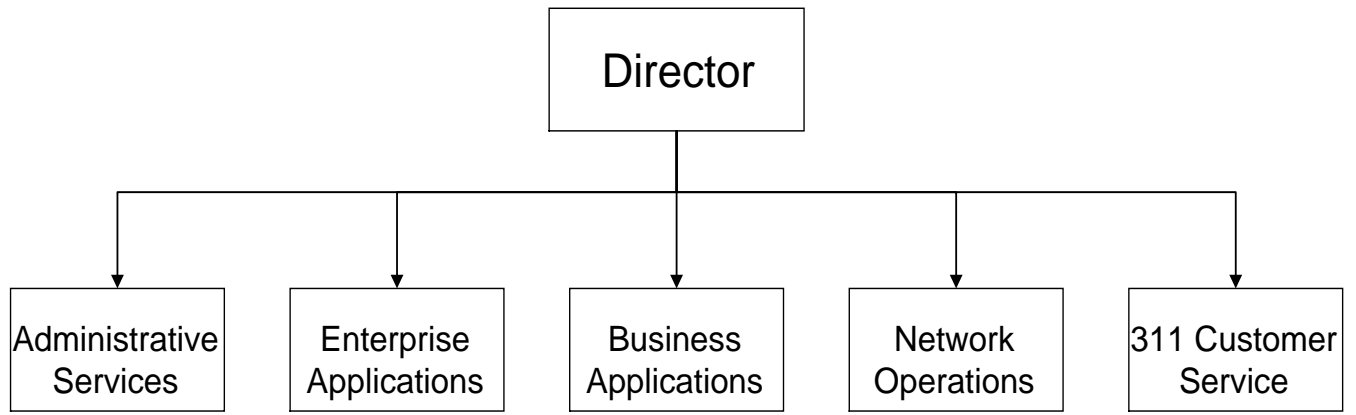
| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|--|-------------------|-------------------|-------------------|--------------------|--------------------|
| EXPENDITURES | | | | | |
| By Type: | | | | | |
| Salaries and Benefits | 2,567,883 | 2,947,204 | 3,170,919 | 3,288,972 | 3,377,919 |
| Services and Materials | 182,786 | 428,840 | 621,630 | 294,210 | 294,210 |
| Capital Outlay | 3,718 | 7,079 | 13,753 | 6,050 | 6,050 |
| Internal Services | 105,368 | 98,264 | 99,563 | 199,090 | 199,889 |
| Indirect Cost Transfer | | 14,762 | 16,392 | 22,294 | 22,839 |
| | <u>2,859,755</u> | <u>3,496,149</u> | <u>3,922,257</u> | <u>3,810,616</u> | <u>3,900,907</u> |
| By Division: | | | | | |
| Administration | 620,253 | 529,567 | 548,046 | 514,861 | 526,309 |
| Training & Organizational Development | 258,701 | 484,707 | 702,435 | 509,885 | 517,712 |
| Personnel & Administrative Services | 753,215 | 842,009 | 1,015,333 | 1,045,642 | 1,068,015 |
| Employee Relations | 1,054,236 | 1,457,537 | 1,470,276 | 1,548,498 | 1,592,117 |
| Equal Employment Opportunity & Diversity | 173,350 | 182,329 | 186,167 | 191,730 | 196,754 |
| | <u>2,859,755</u> | <u>3,496,149</u> | <u>3,922,257</u> | <u>3,810,616</u> | <u>3,900,907</u> |
| By Fund: | | | | | |
| General Fund | 1,871,155 | 1,924,022 | 2,079,446 | 1,977,674 | 2,024,979 |
| Employee Training Fund | 289,190 | 523,890 | 745,994 | 554,321 | 563,274 |
| Workers' Compensation | 699,410 | 919,000 | 953,986 | 1,076,821 | 1,107,265 |
| Permit Service Center | | 129,237 | 142,831 | 201,800 | 205,389 |
| | <u>2,859,755</u> | <u>3,496,149</u> | <u>3,922,257</u> | <u>3,810,616</u> | <u>3,900,907</u> |
| General Fund FTE | | | | | |
| | 11.95 | 11.85 | 13.95 | 10.70 | 10.70 |
| Total FTE | | | | | |
| | 20.00 | 20.00 | 23.00 | 21.00 | 21.00 |

DEPARTMENT OF INFORMATION TECHNOLOGY

MISSION STATEMENT

The Department of Information Technology (DoIT) provides cost-effective and environmentally sound technology solutions for all City departments, and facilitates civic participation to connect Berkeley community members with City government via the 311 Customer Service Call Center and www.CityofBerkeley.info.

ORGANIZATION CHART



DEPARTMENT OF INFORMATION TECHNOLOGY

DEPARTMENT OVERVIEW

The Department of Information Technology consists of six divisions that deliver the following main services:

Office of the Director and Administrative Services

The Director and the Administrative Services Division oversee strategic planning, IT Governance, policy and procedures, budget, technology procurement and contracts, vendor management, communications with City Council, performance metrics, leadership and team building, e-Government initiatives, service level agreements, cyber security protocols, Public Records Act requests, audit reports, work plan prioritization, and project portfolio management.

Customer Service Division & 311 Call Center

The Customer Service Division acts as the first point-of-contact for City services and information, providing easy access and resolution for community member queries. Staff in the 311 Call Center receive queries from the community and work with other City departments to further assess and implement solutions. The Customer Service Division also collects payments for all City departments, manages the City's Online Service Center, responds to "SeeClickFix" mobile application submittals, and helps to coordinate Citywide Customer Service protocols.

Network Operations Division and Helpdesk

The Network Operations Division and Helpdesk oversees the City's network infrastructure and provides 24x7 support for mission-critical systems, including public safety mobile data computers and the 911 dispatch center. The Help Desk provides front-line technical support for over 216 software systems and 4,000 desktop computers, laptops, phones, and printers, including hardware upgrade and replacement, automated software deployments, and training. The Network Engineering team provides server, storage, and network hosting and administration. This team is responsible for the performance and security of more than 373 servers, routers, switches, and firewalls that connect 42 separate City locations.

Enterprise Applications Division

The Enterprise Applications Division provides administration, support, business analysis, and project management to maintain and upgrade software related to enterprise (i.e., citywide) applications across a variety of technology platforms. In addition, this Division is responsible for the City's centralized database administration, data security protocols, master data management, enterprise document and content management, and business intelligence system management.

Business Applications Division

DEPARTMENT OF INFORMATION TECHNOLOGY

The Business Applications Division provides project management and programming services and reviews each department's technology portfolio to help maximize interdepartmental workflow efficiencies. Staff assigned to this unit provide business, technical, and functional requirements and business analysis to help prioritize, design, improve, and implement workflow systems for client departments. Programmers develop, maintain, and implement software applications across a variety of technology platforms and provide expert business analysis to upgrade software and automate workflows for each City Department.

Enterprise Resource Planning (ERP) Project Team

The ERP Team (FUNDS\$ Replacement) provides project management, change management and subject matter expertise to implement a new , fully integrated, public sector Enterprise Resource Planning ("ERP") system that meets the City's functional needs related to financial data management, purchasing, human resources, payroll, benefits administration, and budget preparation. In later phases the ERP Project Team will also identify optimal solutions to improve refuse billing, the City's work order system, fleet and facilities management, performance evaluations for City staff, administration of business licenses, and property tax assessments.

DEPARTMENT OF INFORMATION TECHNOLOGY

Priority Initiatives for Fiscal Years 2018 - 2019

| Priority Initiative | Support Departments/ Divisions |
|---|---|
| <i>Enterprise Resource Planning (ERP):</i> To improve access to services and information for community members and create more efficient financial, human resources, and information management processes for staff, replace the City's core 28-year old financial and data management system | All departments |
| <i>New City of Berkeley Website:</i> Redesign the City website to improve the information and services available to community members online, to create web server redundancy in case of emergencies and replacing City's intranet as Phase II to improve internal information collaboration | All departments |
| <i>GIS Master Plan Implementation:</i> Develop a 5-year GIS Master Plan to guide City efforts to launch a community-facing GIS website and improve GIS data layers and infrastructure | City Manager's Office, Department of Health, Housing & Community Services, Department of Public Works, Department of Parks, Recreation & Waterfront, Office of Economic Development, Police Department, Fire Department, Planning Department |
| <i>Improved Physical Security at City Facilities:</i> Upgrade the badge/identification-reader security system and add additional card readers in City facilities | City Manager's Office, Department of Public Works |
| <i>Cyber Resilience Plan:</i> Develop a Cyber Resilience Plan in alignment with the City's Resilience Strategy, including software upgrade needs, policies and cyber security training for staff | City Manager's Office |
| <i>Compliance with Data Security Standards:</i> Continue to implement Payment Card Industry (PCI), Department of Justice (DOJ), and Health Insurance Portability and Accountability Act (HIPAA) compliance requirements to maintain data security | Finance Department, Police Department, Fire Department, Department of Health Housing and Community Services |

DEPARTMENT OF INFORMATION TECHNOLOGY

| | |
|--|---|
| <p><i>City Phone System Upgrades:</i> Implement additional VOIP features, including new conference lines, enabling voicemail-to-email, and allowing desk phones to ring on cell phones</p> | <p style="text-align: center;">All departments</p> |
| <p><i>Increased City Internet Bandwidth:</i> Increase the City's internet bandwidth to provide redundancy and to support new systems, such as Body Worn Cameras for Berkeley Police Officers</p> | <p style="text-align: center;">All departments</p> |
| <p><i>Improved Connectivity in City Conference Rooms:</i> Improve IT systems in the City's conference rooms, including the conference call and videoconference capabilities</p> | <p style="text-align: center;">Department of Public Works</p> |
| <p><i>Citywide Windows 10 Upgrade:</i> Pilot and then fully launch the Windows 10 operating system for City computers, including all necessary staff training and application compatibility testing</p> | <p style="text-align: center;">All departments</p> |
| <p><i>Software for Managing Leased Properties:</i> Implement a software solution to track and manage properties that the City leases to other entities</p> | <p style="text-align: center;">Department of Public Works, City Attorney's Office</p> |
| <p><i>Replacement of the Berkeley Emergency Notification System:</i> Upgrade the citywide emergency notification system by converting to the new county-wide system, called AC Alert</p> | <p style="text-align: center;">Fire Department</p> |
| <p><i>New IT Equipment for Electronic Patient Care:</i> Replace existing electronic Patient Care Reporting (ePCR) tablets with new laptops and tablets</p> | <p style="text-align: center;">Fire Department</p> |
| <p><i>NextGen Electronic Practice Management (EPM)- Electronic Health Records (EHR) System Projects:</i> Implement major NextGen EPM-EHR system upgrades needed to meet changing healthcare requirements and strategic enhancements targeted to improve health clinic workflow</p> | <p style="text-align: center;">Department of Health, Housing & Community Services</p> |
| <p><i>Mobile Crisis Team Incident Log Replacement:</i> Replace legacy Mobile Crisis Team Incident Log with a modern solution that is compliant</p> | <p style="text-align: center;">Department of Health, Housing & Community Services</p> |

DEPARTMENT OF INFORMATION TECHNOLOGY

| | |
|--|--|
| with the Health Insurance Portability and Accountability Act (HIPAA) and supports secure data collection in the field | |
| <i>Mobile Devices for Clinicians and Inspectors in the Department of Health, Housing & Community Services:</i> Deploy mobile devices to enable improved connectivity and efficiency for clinicians and inspectors | Department of Health, Housing & Community Services |
| WebMethods Platform Upgrade: Upgrade the data warehouse platform (Webmethods) to improve integration capabilities between financial system SunGard HTE, customer relationship system Kana Lagan and City of Berkeley website | All departments |
| <i>Server Room Upgrade:</i> Add redundant controllers and sensors in City server rooms (Civic Center and Public Safety Building) to maintain and control critical cooling levels | Department of Public Works |
| <i>Online Mapping Solution for Planning Permits:</i> Implement an online mapping solution for City-issued permits to enable community members to search and review permit details | Planning Department |
| <i>Ticketing System Replacement in Permit Service Center:</i> Replace the customer queuing software at the Permit Service Center | Planning Department |
| <i>Criminal Justice Information Services (CJIS) Requirements:</i> Continue to implement U.S. Department of Justice requirements related to manage access control to the information systems with criminal justice data | Police Department |
| <i>Upgraded 911 Systems:</i> Upgrade the Computer Aided Dispatch (CAD) 911 system to provide streamlined access to law enforcement and emergency service records, enhanced crime analysis tools, and online crime reporting services and add Fire Records management and Fire Inspection modules | Fire Department, Police Department |
| <i>Management System for Residential and Commercial Burglar Alarms:</i> Implement a new | Police Department |

DEPARTMENT OF INFORMATION TECHNOLOGY

| | |
|---|--|
| system to reduce the need for Police response to false burglar alarms, thus improving customer service for other community needs. | |
| <i>New Irrigation Management System:</i> Improve water efficiency by replacing 266 individual clocks/controllers for the City's irrigation system in parks and medians with one remote management system | Department of Parks, Recreation & Waterfront |
| <i>Center St. Garage Software Systems:</i> As part of the Center St. Garage reconstruction, implement new software systems to enable efficient facility operations | Department of Public Works |
| <i>Body Worn Cameras:</i> Acquire and install the equipment, hardware, software and online storage necessary to implement Body Worn Cameras for Berkeley Police Officers | Police Department, Finance Department |
| <i>Microfiche Digitizing for Berkley Police Department:</i> Digitize remaining Police Department microfiche data to improve data management and accessibility | City Clerk, Police Department |
| <i>Capital Project Management Software:</i> Implement a Capital Improvement Project (CIP) tracking tool to better document and manage project implementation | Department of Public Works, Department of Parks, Recreation & Waterfront |
| <i>Disaster Recovery/Business Continuity Plan:</i> Develop a Department of Information Technology infrastructure Disaster Recovery and Business Continuity Plan | All departments |
| <i>Infrastructure Fiber Master Plan:</i> Release the RFP to develop a Fiber Master Plan that provides a roadmap for implementing the fiber infrastructure to increasing internet access and addressing the digital divide | All departments |
| <i>Wi-Fi Master Plan:</i> Develop and implement a plan to deploy wireless internet service to all City of Berkeley-owned/operated sites | All departments |
| <i>Open Data Portal Expansion:</i> Expand the current Open Data Portal from 75 datasets to | All departments |

DEPARTMENT OF INFORMATION TECHNOLOGY

| | |
|--|--------------------------------|
| 200 datasets and develop improved systems and workflow for connecting datasets to the Open Data Portal | |
| <i>Customer Relationship Management (CRM) Database:</i> Implement a 311 CRM solution and a mobile app to better track and manage community member queries | All departments |
| <i>Public Records Act (PRA) Request Management:</i> Implement a solution to track and manage PRA requests and provide visibility and transparency for PRA compliance | All departments |
| <i>Emergency Operations Center (EOC) Management Software:</i> Implement a software solution to assist with enhanced preparedness, disaster recovery and track emergency management efforts during EOC activations | Fire Department |
| <i>System for Providing Assistance to Small Businesses and Marketing Commercial Vacancies:</i> Improve the City's systems for keeping an inventory of small businesses and commercial spaces and tracking and marketing vacancies | Office of Economic Development |
| <i>Telecom Expense Management Software:</i> Implement a telecom expense management software to centralize ordering and management of all telecom and communication services | All departments |
| <i>Online Business Registration Permitting:</i> Implement software program to help entrepreneurs get their businesses up and running more quickly and easily by providing an online interface to the permitting process at City Hall | IT, Planning |
| <i>Data Warehouse Management and Data Migration:</i> Create additional capabilities for data within the City's Data Warehouse to provide reporting through the City's Open Data Portal and other applications, and migrate Police and Fire Department data into the Data | All departments |

DEPARTMENT OF INFORMATION TECHNOLOGY

| | |
|---|--------------------------------|
| Warehouse to enable improved data search and reporting | |
| <i>Customer Relationship Management of Economic Development</i> : Implement a customer and communications management platform to assist the Office of Economic Development in their business attraction and retention efforts | Office of Economic Development |

DEPARTMENT OF INFORMATION TECHNOLOGY

Significant Changes from Prior Year's Budget

In Fiscal year 2017, the Department of Information Technology launched a new Digital Strategic Plan (DSP) and five-year roadmap in alignment with the City of Berkeley Strategic Plan and Resilience Strategy. The DSP prioritizes initiatives that achieve the best performance outcomes and greatest benefit so that funding and other resources currently dedicated to operations and maintenance efforts can be recapitalized and invested in modernization efforts. The DSP will help the City to make informed decisions about where to best allocate and deliver projects and services to the Berkeley community.

The FUND\$/ERP fund is newly established to replace FUND\$ over the next 3 years and to develop a long-term replacement fund.

In response to the replacement of FUND\$, a new Database Administrator (1.0 FTE) position was created within the Department of Information Technology. To address the significant rise in cyber-attacks and to be in compliance with PCI, HIPAA, and DOJ, a new Information Security Manager position is being proposed in FY 2018.

In FY 2017, the ERP Team (FUND\$ Replacement Team) joined IT. This team is comprised of 7.0 FTEs, whose classifications are as follows: Assistant to the City Manager (1.0 FTE), Senior Management Analyst (1.0 FTE), Senior Buyer (1.0 FTE), Accounting Manager (1.0 FTE), Senior Human Resources Analyst (1.0 FTE), Systems Accountant (1.0 FTE), and Auditor II (1.0 FTE). All salaries, except the Assistant to the City Manager and the Senior Management Analyst, are included in DoIT's portion of the ERP Replacement Fund. The ERP Team has a dotted-line relationship to the Director of Information Technology.

In FY 2017, the City upgraded their Microsoft Office software licenses to enable video conferencing and Office 365 capabilities. Implementation will occur in early 2017, and will improve access to data and files from any location, thus increasing employee efficiency. These upgraded licenses will provide more reliable security and enhance disaster recovery capacity.

The Telephone Replacement fund is newly established for FY 2016, created to support a ten-year savings plan for telephone system upgrades as the new system ages.

INFORMATION TECHNOLOGY FINANCIAL SUMMARY

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|-------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| EXPENDITURES | | | | | |
| By Type: | | | | | |
| Salaries and Benefits | 5,248,942 | 4,821,406 | 6,064,945 | 7,123,509 | 7,214,682 |
| Services and Materials | 1,680,213 | 1,917,235 | 2,734,103 | 2,690,316 | 2,951,316 |
| Capital Outlay | 798,895 | 2,105,793 | 1,789,091 | 5,956,042 | 6,550,816 |
| Internal Services | 126,248 | 136,367 | 162,714 | 253,750 | 254,638 |
| Indirect Cost Transfer | 197,400 | 225,530 | 211,475 | 268,271 | 272,029 |
| | 8,051,698 | 9,206,331 | 10,962,328 | 16,291,888 | 17,243,481 |
| By Division: | | | | | |
| Administration | 843,922 | 1,659,626 | 1,537,262 | 1,886,535 | 1,843,544 |
| Network Administration | | | 1,048,537 | 6,937,787 | 7,936,466 |
| Application Development | 2,576,151 | 2,637,644 | 2,373,067 | 1,744,061 | 1,524,831 |
| Network Operations | 1,502,993 | 1,567,567 | 1,202,498 | 1,389,924 | 1,401,446 |
| Cable TV | 328,478 | 230,910 | 335,075 | 330,710 | 330,710 |
| Public Safety Systems | 758,451 | 738,394 | 1,510,648 | 555,563 | 560,107 |
| Customer Service 311 | 1,322,265 | 1,423,915 | 1,382,614 | 1,642,544 | 1,842,413 |
| Capital Improvements | 634,197 | 878,558 | 1,496,983 | 1,804,764 | 1,803,964 |
| Telecommunications | 85,241 | 69,717 | 75,644 | | |
| | 8,051,698 | 9,206,331 | 10,962,328 | 16,291,888 | 17,243,481 |
| By Fund: | | | | | |
| General Fund | 4,863,199 | 5,344,143 | 5,682,791 | 5,770,103 | 6,232,527 |
| Gas Tax | 26,842 | 26,777 | 30,400 | 29,974 | 30,748 |
| Rental Housing Safety Program | 47,554 | 68,608 | 50,132 | 52,682 | 52,610 |
| Employee Training | 67,419 | 58,191 | 106,489 | 189,421 | 190,309 |
| FUND\$ Replacement | | 49,740 | 1,286,598 | 5,317,793 | 5,923,194 |
| Capital Improvement Fund | 264,482 | 612,605 | 795,047 | 1,758,464 | 1,598,464 |
| Zero Waste Fund | 688,360 | 617,795 | 743,155 | 783,476 | 805,433 |
| Sanitary Sewer Fund | 513,225 | 560,265 | 494,553 | 543,297 | 551,263 |
| Clean Storm Water | 190,557 | 191,314 | 184,230 | 222,253 | 227,869 |
| Permit Service Center | 454,445 | 780,892 | 566,460 | 632,862 | 636,589 |
| Equipment Maintenance | 38,036 | 38,760 | 39,802 | 42,201 | 42,425 |
| Building Maintenance | 38,037 | 38,763 | 39,803 | 42,201 | 42,425 |
| Computer Replacement Fund | 434,956 | 331,170 | 446,758 | 506,300 | 505,500 |
| Other Funds | 424,586 | 487,308 | 496,110 | 400,861 | 404,125 |
| | 8,051,698 | 9,206,331 | 10,962,328 | 16,291,888 | 17,243,481 |
| General Fund FTE | | | | | |
| | 24.90 | 25.00 | 22.88 | 23.88 | 23.88 |
| Total FTE | | | | | |
| | 40.50 | 40.50 | 40.50 | 42.50 | 42.50 |



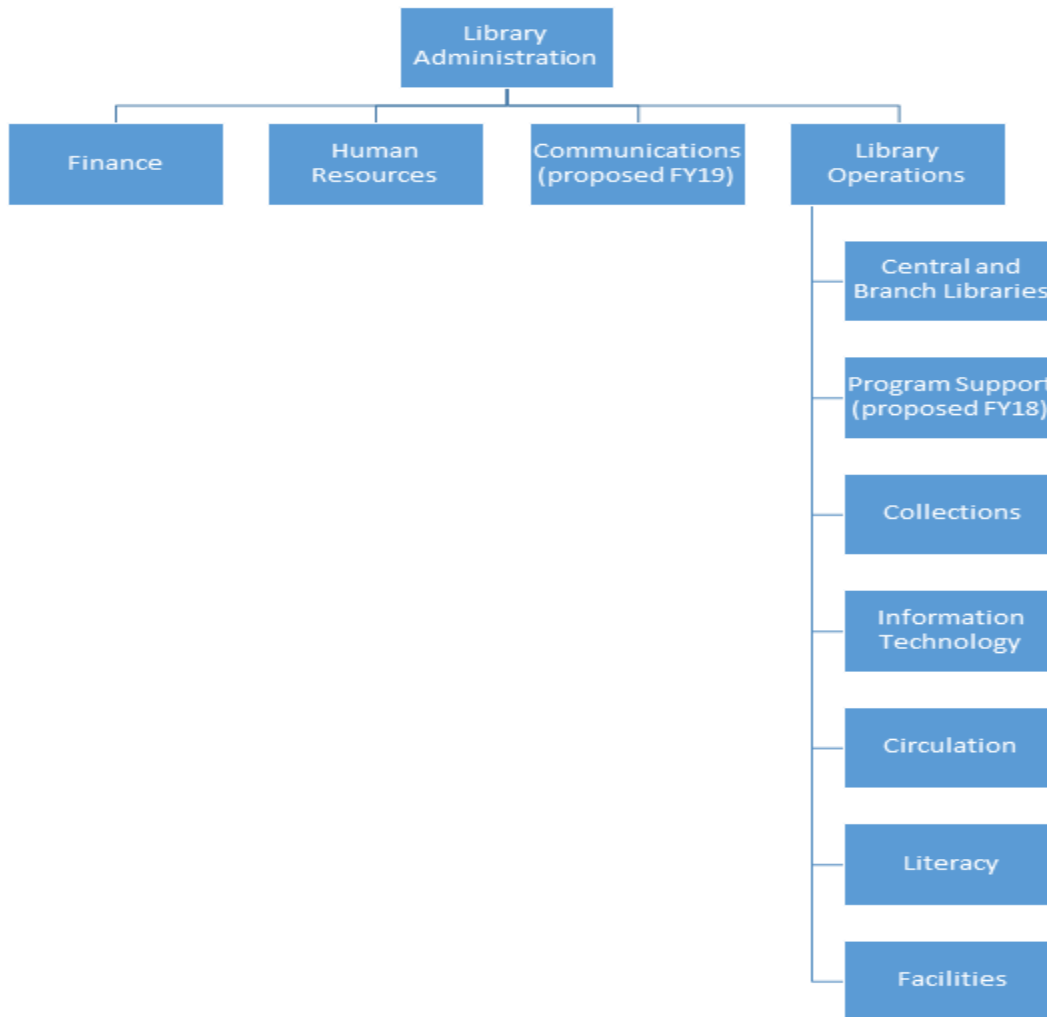
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BERKELEY PUBLIC LIBRARY

MISSION STATEMENT

Berkeley Public Library 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, multi-cultural community. The Library supports independent learning, personal growth, and the individual's need for information. Helpful and expert staff welcome the opportunity to provide quality library services and programs. Berkeley Public Library—an institution shaped by Berkeley's traditions, characteristics, and environment—belongs to the entire community.

ORGANIZATION CHART



BERKELEY PUBLIC LIBRARY

DEPARTMENT OVERVIEW

The Berkeley Public Library is organized into two main divisions and multiple subdivisions to provide the following services:

Library Administration

Finance and Human Resources

The Finance and Human Resources subdivisions oversee personnel records, accounting functions, financial measurements and reports, and oversight of business contracts and services, in addition to management of the Library Tax Fund, the Library Gift Fund, and all other Library revenue and expenditure sources.

Communications (proposed FY19)

This subdivision will develop external and internal communications, respond to media inquiries, manage the Library's digital and social media presence, and raise awareness of Library services throughout the community.

Library Operations

Central and Branch Libraries

These subdivisions provide direct services to community members in the form of programming for all ages; technology support; access to tools; readers' advisory; outreach to community events; and information and referral services.

Program Support (proposed FY18)

Working closely with Central and Branch subdivisions, the Program Support subdivision will coordinate system-wide initiatives such as Summer Reading, grant development, staff training, and volunteer services.

Collections Services

The Collection Services subdivision develops collections of physical and electronic resources that meet the reading and cultural interests of Berkeley's diverse community. Collections Services is responsible for the acquisition, selection, cataloging, processing and ongoing evaluation of library materials and resources.

Information Technology

The Library Information Technology subdivision manages the Library's networks, servers, computers, and enterprise applications. The division also provides computer hardware and software support and training.

Circulation Services

The Circulation Services subdivision oversees the check-out, check-in, and shelving of Library materials. The Division creates and maintains the Library's database of patron accounts; handles patron fees; coordinates patron holds and

BERKELEY PUBLIC LIBRARY

interlibrary reserves; performs physical delivery of materials to and from the branches; and offers Books-by-Mail services.

Literacy Services

The Literacy Services subdivision, known as *BerkeleyREADS*, provides tutoring and literacy support services for clients aged 16 years and older. The division coordinates family literacy outreach that includes story times, the distribution of free books, and parent literacy workshops at partner sites that serve disadvantaged families.

Facilities Management

The Facilities Management subdivision maintains the mechanical systems and environs of the five Berkeley Public Library facilities. Practices emphasize environmentally sound and cost-effective solutions.

Priority Initiatives for Fiscal Years 2018 – 2019

| Priority Initiative | Lead Department/Division | Support Departments/Divisions |
|--|---------------------------------|--|
| <i>Central Library Upgrades:</i> Upgrade and refresh public spaces at the Central Library | Library Administration | Library Facilities Maintenance, City Planning Department |
| <i>Outcome-based Service Design:</i> Develop a strategic framework for program design and evaluation, with emphasis on STEM learning | Library Administration | Central/Branch Libraries |
| <i>Library Employee Engagement:</i> Provide additional and improved employee engagement opportunities at all staffing levels | Library Administration | All Library Divisions |
| <i>Strategic Technology Plan:</i> Develop a strategic Technology Plan that meets the evolving needs of the community | Library Collections Services | Library Information Technology |

BERKELEY PUBLIC LIBRARY

Significant Changes from Prior Year's Budget

Establishment of a planning and evaluation subdivision to support outcomes-based service design.

Establishment of a communications division to support public awareness of Library programs and services.

Planning and completion of significant infrastructure work at the Central Library, including design and implementation of a dedicated teen space.

BERKELEY PUBLIC LIBRARY FINANCIAL SUMMARY

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|---------------------------------|---------------------------|---------------------------|---------------------------|----------------------------|----------------------------|
| EXPENDITURES | | | | | |
| By Type: | | | | | |
| Salaries and Benefits | 12,901,929 | 13,026,020 | 13,664,895 | 14,784,521 | 14,948,338 |
| Services and Materials | 3,226,481 | 3,186,528 | 3,294,745 | 4,361,481 | 3,787,592 |
| Capital Outlay | 312,441 | 98,516 | 487,819 | 1,834,400 | 842,400 |
| Internal Services | 12,560 | 10,082 | 11,418 | 10,064 | 10,064 |
| Indirect Cost Transfer | | | | | |
| | 16,453,411 | 16,321,146 | 17,458,877 | 20,990,466 | 19,588,394 |
| By Division: | | | | | |
| Library Administration | 4,128,380 | 3,798,579 | 4,580,982 | 6,616,743 | 5,105,144 |
| Central Library | 5,555,077 | 5,557,324 | 5,669,042 | 6,001,171 | 6,040,394 |
| Branch Libraries | 4,283,217 | 4,509,585 | 4,628,324 | 5,682,645 | 5,741,422 |
| Technical Services | 2,486,737 | 2,455,658 | 2,580,529 | 2,689,907 | 2,701,434 |
| | 16,453,411 | 16,321,146 | 17,458,877 | 20,990,466 | 19,588,394 |
| By Fund: | | | | | |
| Library Fund | 15,992,861 | 16,029,296 | 17,214,112 | 20,159,016 | 19,305,833 |
| Direct Loan/Inter Library Loan | 42,992 | 38,119 | 40,161 | 18,000 | 18,000 |
| Library Services & Technology | 58,324 | 79,305 | 72,712 | 63,450 | 63,450 |
| Library Gift Fund | 189,133 | 109,871 | 89,247 | 150,000 | 150,000 |
| Library Foundation | 78,907 | 62,055 | 37,867 | 600,000 | 51,111 |
| Measure FF - Branch Renovations | 91,194 | 2,500 | 4,778 | - | - |
| | 16,453,411 | 16,321,146 | 17,458,877 | 20,990,466 | 19,588,394 |

| | | | | | |
|-------------------------|--------|--------|--------|--------|--------|
| General Fund FTE | | | | | |
| Total FTE | 113.10 | 113.28 | 112.28 | 114.10 | 114.10 |

BERKELEY PUBLIC LIBRARY FINANCIAL SUMMARY

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|--|-------------------|-------------------|-------------------|--------------------|--------------------|
| DIVISION/ACTIVITY SUMMARY | | | | | |
| <i>Library Administration</i> | | | | | |
| Administration | 1,791,344 | 1,474,074 | 1,785,246 | 1,951,316 | 1,738,435 |
| Library Information Systems | 1,271,700 | 1,177,107 | 1,410,442 | 1,559,569 | 1,575,394 |
| Facilities | 1,064,683 | 1,147,398 | 1,222,511 | 1,180,858 | 1,191,315 |
| Capital Projects | 653 | | 162,783 | 1,925,000 | 600,000 |
| Division Total | 4,128,380 | 3,798,579 | 4,580,982 | 6,616,743 | 5,105,144 |
| FTE Total | 18.00 | 19.00 | 18.00 | 17.00 | 17.00 |
| <i>Central Library</i> | | | | | |
| Circulation Services | 2,550,840 | 2,537,848 | 2,555,050 | 2,961,042 | 2,976,539 |
| Children's and Teen Services | 1,014,622 | 926,814 | 952,979 | 868,207 | 873,593 |
| Art and Music | 434,707 | 427,384 | 491,979 | 465,006 | 468,828 |
| Reference | 1,206,124 | 1,261,210 | 1,279,977 | 1,299,097 | 1,309,909 |
| Literacy Programs | 342,879 | 394,614 | 378,002 | 407,819 | 411,525 |
| Young Adult Programs | 5,905 | 9,454 | 11,055 | | |
| Division Total | 5,555,077 | 5,557,324 | 5,669,042 | 6,001,171 | 6,040,394 |
| FTE Total | 47.53 | 46.88 | 46.88 | 45.55 | 45.55 |
| <i>Branch Libraries</i> | | | | | |
| Administration | 141,142 | 9,452 | 18,823 | 712,321 | 718,063 |
| North Branch | 1,153,774 | 1,170,273 | 1,145,559 | 1,274,447 | 1,282,800 |
| South Branch | 918,002 | 1,028,812 | 1,050,703 | 1,135,869 | 1,145,271 |
| West Branch | 860,083 | 996,419 | 1,038,371 | 1,183,384 | 1,198,040 |
| Claremont Branch | 916,294 | 974,187 | 1,004,641 | 1,034,101 | 1,043,749 |
| Tool Lending | 293,922 | 330,442 | 370,227 | 342,523 | 353,499 |
| Division Total | 4,283,217 | 4,509,585 | 4,628,324 | 5,682,645 | 5,741,422 |
| FTE Total | 38.08 | 37.90 | 37.90 | 42.05 | 42.05 |
| <i>Library Technical Services</i> | | | | | |
| Technical Svcs & Collection Mgmt. | 806,929 | 719,332 | 782,354 | 814,812 | 820,297 |
| Technical Services | 1,679,808 | 1,736,326 | 1,798,175 | 1,875,095 | 1,881,137 |
| Division Total | 2,486,737 | 2,455,658 | 2,580,529 | 2,689,907 | 2,701,434 |
| FTE Total | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 |
| Department Total | 16,453,411 | 16,321,146 | 17,458,877 | 20,990,466 | 19,588,394 |
| FTE Total | 113.10 | 113.28 | 112.28 | 114.10 | 114.10 |

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 Jesse Arreguin, (510) 981-7100

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

District 2 - Councilmember Cheryl Davila, (510) 981-7120

District 3 - Councilmember Ben Bartlett, (510) 981-7130

District 4 – Councilmember Kate Harrison, (510) 981-7140

District 5 - Councilmember Sophie Hahn, (510) 981-7150

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

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

District 8 - Councilmember Lori Droste, (510) 981-7180

The Councilmembers' Office salaries are annually adjusted by the CPI.

MAYOR AND CITY COUNCIL FINANCIAL SUMMARY

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|----------------------------|---------------------------|---------------------------|---------------------------|----------------------------|----------------------------|
| EXPENDITURES | | | | | |
| <i>By Type:</i> | | | | | |
| Salaries and Benefits | 1,660,661 | 1,760,619 | 1,624,043 | 1,833,734 | 1,880,031 |
| Services and Materials | 36,942 | 43,407 | 50,938 | 113,526 | 113,526 |
| Capital Outlay | 1,953 | 7,674 | 4,936 | | |
| Internal Services | 89,100 | 81,181 | 81,181 | 81,181 | 81,181 |
| Indirect Cost Transfer | | | | | |
| | 1,788,656 | 1,892,881 | 1,761,098 | 2,028,441 | 2,074,738 |
| <i>By Division:</i> | | | | | |
| Mayor's Office | 515,095 | 558,137 | 511,184 | 554,389 | 566,917 |
| Council Offices | 1,273,561 | 1,334,744 | 1,249,914 | 1,474,052 | 1,507,821 |
| Exiting Officials | | | | | |
| | 1,788,656 | 1,892,881 | 1,761,098 | 2,028,441 | 2,074,738 |
| <i>By Fund:</i> | | | | | |
| General Fund | 1,788,656 | 1,892,881 | 1,761,098 | 2,028,441 | 2,074,738 |
| | 1,788,656 | 1,892,881 | 1,761,098 | 2,028,441 | 2,074,738 |

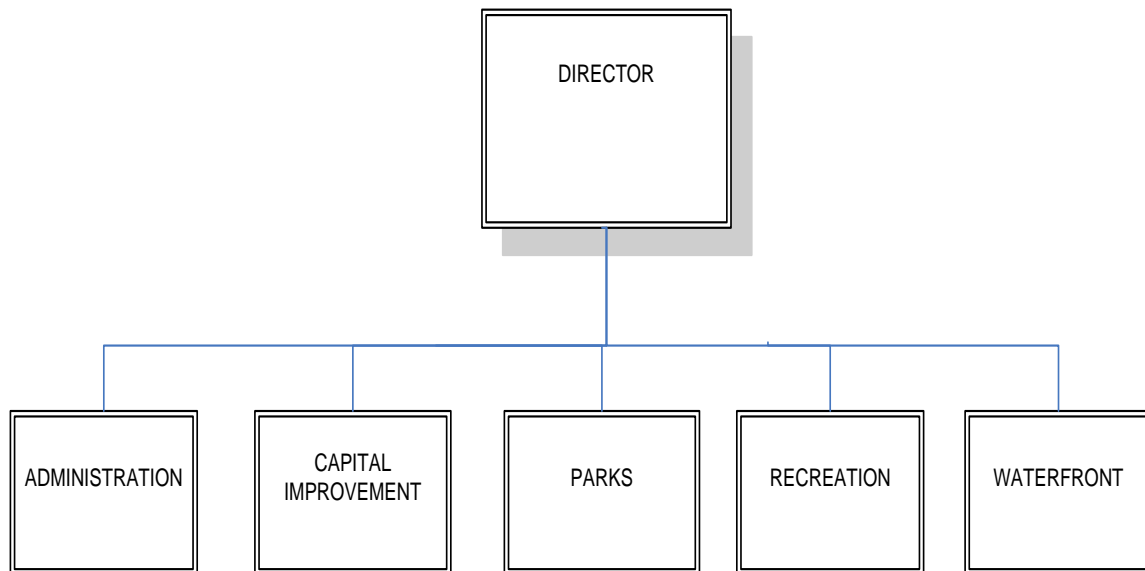
| | | | | | |
|--------------------------------|-------|-------|-------|-------|-------|
| <i>General Fund FTE</i> | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 |
| <i>Total FTE</i> | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 |

PARKS, RECREATION & WATERFRONT

MISSION STATEMENT

The Parks, Recreation & Waterfront Department is committed to administering excellent recreation programs at our community centers, camps, waterfront and parks; maintaining our trees and urban forest, landscaping and infrastructure; and developing capital projects with community input to improve and enhance residents' park and facility experience.

ORGANIZATION CHART



PARKS, RECREATION & WATERFRONT

Department Overview

The Department of Parks, Recreation & Waterfront is organized into five divisions to deliver the following services:

Parks Division

The Parks Division maintains Berkeley's 52 parks, 63 play areas, 49 sports courts, 15 sports fields, 5 community centers, 36 picnic areas, 33,000 street and park trees, 124 street medians, 263 irrigation systems, and 29 restrooms and out buildings. The Parks Division also organizes community volunteer days and participates in special events.

Recreation & Youth Services Division

The Recreation & Youth Services Division provides a variety of programs and classes for all ages, including tots and pre-K to teens, youth and adult sports, summer camps, therapeutic recreation, and adult fitness. The division also operates the City's swimming pools, tennis courts and basketball courts, skate park, community centers, and resident camps. The division hosts multiple large special events for the community throughout the year.

Waterfront Division

The Waterfront Division operates the Berkeley Marina and its related facilities, including the docks, parking lots, trails and other infrastructure, and 1,000 boat and berth rentals. The division also manages agreements with Waterfront businesses; maintains Waterfront parks and facilities, including Cesar Chavez Park, Shorebird Park and Nature Center, and the Adventure Playground; and manages special events.

Capital Projects Division

The Capital Projects Division plans and manages capital improvement projects at City parks, park buildings, community centers, pools, camps, and the Waterfront. This includes park and facility planning and community engagement, grant acquisition, permitting, environmental review, design and construction management.

Administration

The Office of the Director provides overall management of the Department; communications with Council, Commissions and the public; financial management, including budgeting, payroll, purchasing, contracts and accounting; and grant and lease administration.

PARKS, RECREATION & WATERFRONT

Priority Initiatives for Fiscal Years 2018 - 2019

In addition to providing the services described above, the Department of Parks, Recreation & Waterfront will implement the following priority initiatives:

| Priority Initiative in Fiscal Years 2018 - 2019 | Support Departments/Divisions |
|--|--|
| <i>Infrastructure Improvements:</i> Implement voter-approved (Measure T1) bond dollars to do multi-benefit upgrades to aging infrastructure, such as streets, sidewalks, storm drains, parks, and community centers. | City Manager's Office, Department of Public Works, Finance Department, Department of Health, Housing & Community Services, Department of Information Technology, City Attorney's Office, Planning Department |
| <i>Opportunities for Volunteering in Parks:</i> Create additional opportunities for volunteers to help improve our parks and to be recognized for their contribution. | Department of Information Technology |
| <i>Small-Scale Ferry Service at the Berkeley Marina:</i> Coordinate with key partners to analyze the potential for a small-scale ferry service between the Berkeley Marina and San Francisco. | City Manager's Office |
| <i>Conceptual Plan for the Berkeley Waterfront:</i> Develop a plan that identifies opportunities to improve the amenities and visitor experience at the Berkeley Waterfront. | City Manager's Office, Planning Department, Department of Public Works |
| <i>Berkeley Rose Garden Improvements:</i> Complete re-construction of the Trellis and improve the pathways and lighting at the historic Berkeley Rose Garden. | City Manager's Office |
| <i>Tuolumne Camp Rebuild:</i> Complete the planning and design to rebuild the Berkeley Tuolumne Camp, which was destroyed by the Rim Fire in 2013. | City Manager's Office |
| <i>Cazadero Camp Landslide Repair:</i> Repair significant damage to the City's Cazadero Camp caused by a landslide that occurred in 2016. | Department of Public Works |
| <i>Evaluation of Possible Ban on Certain Tree Species that Present a Fire Hazard:</i> Evaluate the benefits and downsides of prohibiting the new planting of tree species that contribute to | |

PARKS, RECREATION & WATERFRONT

| | |
|---|--------------------------------------|
| the fire hazard in the Berkeley and East Bay Hills. | |
| <i>Improved Reservation System for Berkeley Parks:</i> Improve the park reservation policies and system to make it easier for community members to reserve park space for picnics and other uses. | Department of Information Technology |
| <i>Winter at the Waterfront Holiday Event:</i> Launch a new annual event that draws community members of all ages to the Berkeley Waterfront to celebrate the winter holidays. | |
| <i>Training and Certification for Sports Coaches and Officials:</i> Implement a new program to provide the latest training and certifications for all staff who serve as sports officials and coaches for the City's many sports programs, including softball, baseball, and tennis leagues, skateboarding, and more. | |

Significant Changes from Prior Year's Budget

- Passage of Measure T1: In November 2016, Berkeley residents approved a \$100 million bond measure to repair, renovate, replace or reconstruct the City's aging infrastructure and facilities, including sidewalks, storm drains, parks, streets, senior and recreation centers and other exiting City facilities and buildings. This funding will provide an important boost to addressing the City's unfunded need, estimated to be over \$112 million in Parks, Recreation & Waterfront facilities and infrastructure alone.
- Personnel Changes: Two new positions will be added to the Parks Division: a Landscape Gardener Supervisor and Assistant Management Analyst. One position (0.75 FTE) will be added to the Recreation Division: Echo Lake Camp Manager. In the Waterfront Division, the City is reallocating budget from the Harbormaster position to a new Waterfront Supervisor position.
- Camps Fund: The Department continues to implement multiple measures to keep the Camps Fund solvent, following the 2013 Rim Fire that destroyed Berkeley Tuolumne Camp. Planned changes include fee increases at Echo Lake Camp and Berkeley Day Camp, reducing camp expenditures, and implementing program changes to improve attendance. In addition, the Department is continuing discussions with Council and the community about significant Camps capital needs, including the rebuild of Berkeley Tuolumne Camp, landslide repairs at Cazadero Camp, and accessibility and wastewater improvements at Echo Lake Camp.

PARKS RECREATION AND WATERFRONT FINANCIAL SUMMARY

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|---|-------------------|-------------------|-------------------|--------------------|--------------------|
| EXPENDITURES | | | | | |
| By Type: | | | | | |
| Salaries and Benefits | 14,292,128 | 15,140,860 | 15,958,624 | 17,267,168 | 17,612,553 |
| Services and Materials | 5,397,795 | 6,580,557 | 6,734,507 | 5,443,238 | 5,460,776 |
| Capital Outlay | 1,180,291 | 1,433,310 | 4,184,998 | 4,032,689 | 2,361,562 |
| Internal Services | 1,003,547 | 844,846 | 967,763 | 1,008,162 | 1,000,670 |
| Indirect Cost Transfer | 345,386 | 439,735 | 429,392 | 520,224 | 528,564 |
| | <u>22,219,147</u> | <u>24,439,308</u> | <u>28,275,284</u> | <u>28,271,481</u> | <u>26,964,125</u> |
| By Division: | | | | | |
| Parks | 11,294,276 | 12,709,189 | 16,045,972 | 14,901,792 | 14,047,563 |
| Marina | 4,306,368 | 4,612,993 | 5,094,240 | 5,490,681 | 5,144,297 |
| Camps & Recreation | 6,618,503 | 7,117,126 | 7,135,072 | 7,879,008 | 7,772,265 |
| | <u>22,219,147</u> | <u>24,439,308</u> | <u>28,275,284</u> | <u>28,271,481</u> | <u>26,964,125</u> |
| By Fund: | | | | | |
| General Fund | 5,452,415 | 5,818,770 | 5,755,400 | 5,689,002 | 5,741,567 |
| Capital Improvement Fund | 496,053 | 461,057 | 970,252 | 1,242,000 | 1,050,000 |
| Federal Grants | 72,205 | 48,425 | 1,023,706 | 101,900 | 101,900 |
| State/County Grants | 41,667 | 9,571 | 865,604 | | |
| Playground Camp Fund | 1,525,752 | 1,557,809 | 1,252,228 | 1,254,767 | 1,283,302 |
| Other | 295,879 | 284,388 | 457,122 | 1,417,518 | 337,877 |
| Parks Tax | 9,182,208 | 10,116,650 | 11,220,606 | 11,996,192 | 12,211,192 |
| Measure WW Park Bond Grant | 218,488 | 794,118 | 979,113 | | |
| Measure T1- Infrastructure & Facilities | | | | 216,234 | 216,677 |
| Zero Waste | 166,338 | 164,558 | 162,776 | 170,994 | 171,945 |
| Marina | 4,768,142 | 5,183,962 | 5,588,477 | 6,182,874 | 5,849,665 |
| | <u>22,219,147</u> | <u>24,439,308</u> | <u>28,275,284</u> | <u>28,271,481</u> | <u>26,964,125</u> |

| | | | | | |
|-------------------------|--------|--------|--------|--------|--------|
| General Fund FTE | 23.00 | 23.17 | 22.25 | 23.31 | 23.31 |
| Total FTE | 150.48 | 148.10 | 147.35 | 154.12 | 154.12 |

PARKS RECREATION AND WATERFRONT FINANCIAL SUMMARY

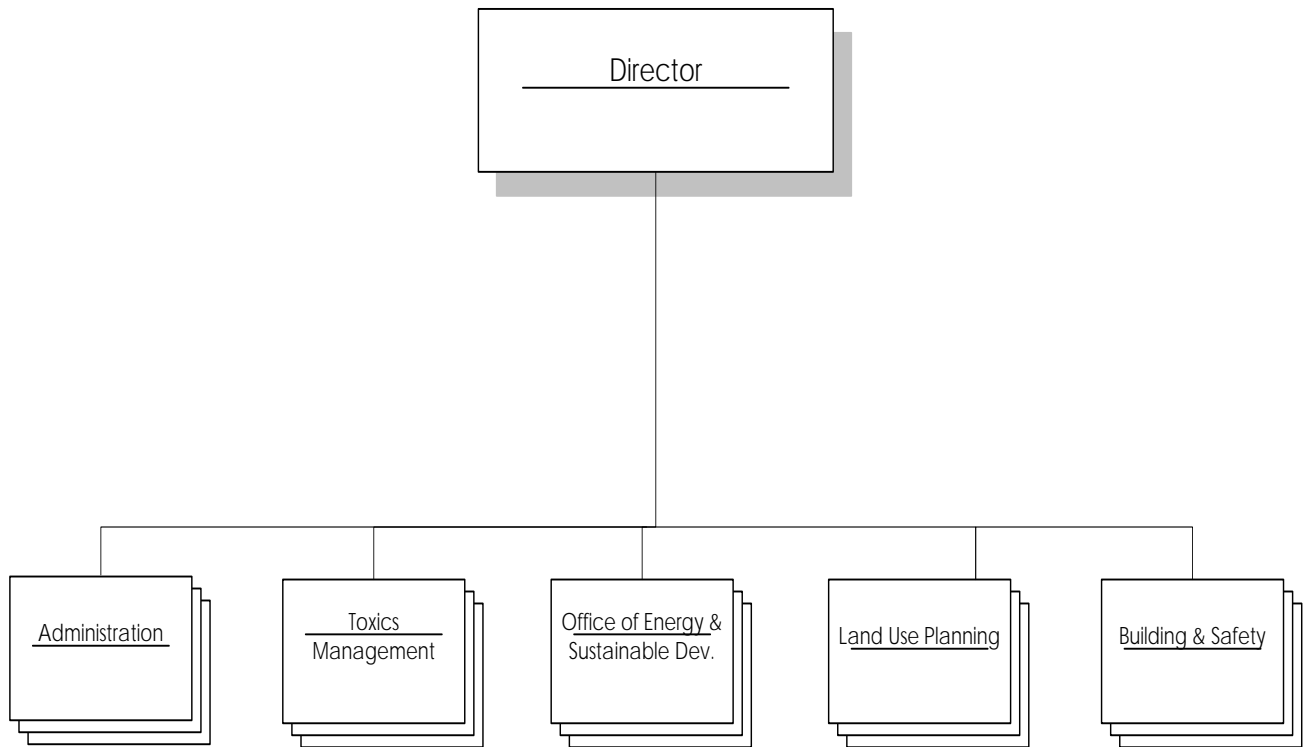
| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|--------------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| DIVISION/ACTIVITY SUMMARY | | | | | |
| <i>Parks</i> | | | | | |
| Administration | 1,538,452 | 1,346,275 | 1,373,886 | 1,723,012 | 1,760,913 |
| Forestry Services | 1,838,469 | 1,842,721 | 2,055,239 | 2,225,087 | 2,268,838 |
| Landscaping Services | 4,254,849 | 4,571,212 | 4,793,635 | 5,163,217 | 5,263,085 |
| Corp Yard Administration | 434,945 | 447,630 | 354,749 | 564,345 | 570,033 |
| Parks Building and Systems Mtc. | 1,331,629 | 1,296,563 | 1,434,966 | 1,577,060 | 1,610,444 |
| Fire Fuel Management | 259,290 | 379,358 | 389,100 | 403,483 | 406,891 |
| Gilman Sports Field | 125,036 | 136,289 | 146,067 | 132,807 | 132,807 |
| Harrison Sports Field | 52,080 | 56,154 | 56,288 | 57,000 | 57,000 |
| 2020 Vision | | 308,130 | 48,982 | | |
| Parks Capital: Plan & Mgmt. | 619,731 | 781,453 | 810,369 | 575,781 | 577,552 |
| Parks Capital: Construction | 839,795 | 1,543,404 | 4,582,691 | 2,480,000 | 1,400,000 |
| Division Total | 11,294,276 | 12,709,189 | 16,045,972 | 14,901,792 | 14,047,563 |
| FTE Total | 55.35 | 55.35 | 54.35 | 58.02 | 58.02 |
| <i>Marina</i> | | | | | |
| Administration | 604,463 | 548,130 | 740,193 | 763,070 | 766,861 |
| Marina Maintenance | 555,306 | 623,321 | 618,264 | 716,298 | 731,747 |
| Marina Operations | 1,932,133 | 2,078,413 | 2,167,992 | 1,978,357 | 1,994,872 |
| Marina Recreation Program | 381,683 | 501,390 | 553,094 | 515,588 | 524,603 |
| Marina Landscaping | 685,768 | 704,710 | 762,713 | 794,897 | 813,561 |
| Capital Improvements | 147,015 | 157,029 | 251,984 | 722,471 | 312,653 |
| Division Total | 4,306,368 | 4,612,993 | 5,094,240 | 5,490,681 | 5,144,297 |
| FTE Total | 17.00 | 16.00 | 16.00 | 16.00 | 16.00 |
| <i>Camps & Recreation</i> | | | | | |
| Recreation | 4,926,504 | 4,990,305 | 5,166,959 | 5,434,870 | 5,487,924 |
| Young Adult Program | 399,420 | 442,201 | 519,162 | 474,885 | 478,741 |
| Camps | 1,292,579 | 1,684,620 | 1,448,951 | 1,969,253 | 1,805,600 |
| Division Total | 6,618,503 | 7,117,126 | 7,135,072 | 7,879,008 | 7,772,265 |
| FTE Total | 78.13 | 76.75 | 77.00 | 80.10 | 80.10 |
| Department Total | 22,219,147 | 24,439,308 | 28,275,284 | 28,271,481 | 26,964,125 |
| FTE Total | 150.48 | 148.10 | 147.35 | 154.12 | 154.12 |

PLANNING AND DEVELOPMENT DEPARTMENT

MISSION STATEMENT

The Planning and Development Department's mission is to enhance safety, livability and resilience in the built environment and to work together with the community to promote and protect Berkeley's distinctive neighborhoods, vibrant commercial areas, unique character and natural resources for current and future generations.

ORGANIZATION CHART



PLANNING AND DEVELOPMENT DEPARTMENT

DEPARTMENT OVERVIEW

The Planning and Development Department is comprised of four divisions which all work together to plan, implement and monitor the physical environment of Berkeley. The Department serves as a central point of contact and ambassadors for the entire organization to the greater Berkeley community.

The four divisions within the Planning and Development Department deliver the following services:

Building and Safety Division

The Building and Safety Division reviews proposed construction documents for conformance to the building and other applicable codes; approves building, plumbing, mechanical and electrical permits; inspects construction projects to ensure conformance with the approved plans and code provisions; investigates work done without permits; and provides code information and interpretation to the public and other city agencies.

Office of Energy and Sustainable Development (OESD)

The Office of Energy and Sustainable Development 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. This Division coordinates the implementation of the Berkeley Climate Action Plan.

Land Use Division

The Land Use 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. The Current Projects Group reviews projects for compliance with plans, policies and regulations to assure conformance with established public policy.

Toxics Management Division

The Toxics Management Division is a State-Certified Unified Program Agency (CUPA), responsible for implementing, inspecting and enforcing California Environmental Protection Agency and hazardous materials codes associated with the Governor's Office Emergency Services and State Fire Marshall within the City of Berkeley.

PLANNING AND DEVELOPMENT DEPARTMENT

Priority Initiatives for Fiscal Years 2018 - 2019

| Priority Initiative | Support Departments/Divisions |
|---|---|
| <i>Zoning Ordinance Revision:</i> Revise the City of Berkeley Zoning Ordinance in order to clarify zoning rules and procedures for community members and improve the implementation process for City staff. | Department of Public Works, Office of Economic Development, City Attorney's Office |
| <i>Adeline Corridor Plan:</i> In collaboration with partners in the community, develop a long-range plan and Environmental Impact Report for the Adeline/South Shattuck Corridor that addresses key community priorities related to and use/community character, affordable housing and anti-displacement, economic development, transportation and parking, and infrastructure | City Manager's Office, Department of Public Works, Department of Health, Housing & Community Services, Office of Economic Development |
| <i>Seismic Safety Programs:</i> Continue implementation of the City's Soft Story and Unreinforced Masonry Ordinances and administer a \$3 million Hazard Mitigation Grant from FEMA, which will provide design and construction grants to owners of the most seismically vulnerable buildings in Berkeley | City Manager's Office |
| <i>Customer Service Improvement Plan:</i> To improve and provide the best possible customer service to community members seeking assistance or services from the Planning Department, advance actions identified by an external consultant's review of the Permit Service Center, Plan Review, and Current Planning functions | |
| <i>Evaluation of the Building Energy Savings Ordinance (BESO):</i> Conduct an evaluation of BESO - which requires building owners to complete energy efficiency opportunity assessments – and identify next steps for advancing energy efficiency in existing buildings | Department of Information Technology |
| <i>Clean Energy Microgrid:</i> Design a clean energy microgrid in Downtown Berkeley that provides increased back-up power for critical facilities | City Manager's Office, Department of Public Works |
| <i>Cleaner Electricity from East Bay Community Energy Program:</i> Engage Berkeley residents and businesses in participating in the EBCE | City Manager's Office |

PLANNING AND DEVELOPMENT DEPARTMENT

| | |
|---|--|
| Community Choice Energy program, which will provide a cleaner source of electricity starting in 2018 | |
| <i>Measurement of Community Greenhouse Gas Emissions:</i> Develop the latest analysis of the main sources of local greenhouse gas emissions, historic trends, and future projections | Department of Public Works, Department of Parks, Recreation & Waterfront |
| <i>Fuel Switching to Encourage Cleaner Energy:</i> Collaborate with partners in the community to educate residents and businesses about the potential to switch from natural gas to electricity for space and water heating, which has the potential to significantly reduce local greenhouse gas emissions | |

Significant Changes from Prior Year's Budget

- Decrease of \$42,338 represents building utilities (i.e. gas & electric, janitorial, water, refuse) appropriated in the prior year budget that the department will no longer be responsible since utilities are already included in the rent.
- Increase of \$188,560 is largely comprised of 50% of the Assistant to the City Manager's salary and benefits, who manages the Office of Energy and Sustainable Development, being shifted from the City Manager's Office in FY 2017 to the OESD budget for FY 2018 and FY 2019. The remainder of the increase was due to the reclassification of a Community Services Specialist II to a Community Services Specialist III.
- Increase of \$623,082 is due to the following:
 - New Positions added mid-year: Assistant Planner, Associate Planner
 - Increased overtime budget from \$12,763 to \$20,000
 - Increased appropriation for miscellaneous professional services from \$175,000 to \$300,000. Monies received from project applicants opting to pay for outside contractor services to expedite processing needs to be encumbered into the contractor's Purchase Order.
- Increase of \$1,863,823 is due to the following:
 - New Positions added mid-year:
 - Building Inspector I
 - Building Inspector II
 - Permit Specialist

PLANNING AND DEVELOPMENT DEPARTMENT

- Grant-funded positions: Community Services Specialist II (project-based), two (2) Interns
- Increased professional services budget for outside plan check services from \$225,000 to \$400,000. This is based on total payments for FY15 and FY16 total annual payments made to the three plan check service providers.
- Increased other non-personnel costs – Building and Safety has grown in number of staffing, from 35 to 41 over the last year. Because of this, budget for other expenditure line items were also increased i.e. office supplies, registration, printing, cellular etc. Also, increased staffing resulted in increase of indirect costs contribution to the General Fund.

PLANNING DEPARTMENT FINANCIAL SUMMARY

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|--------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| EXPENDITURES | | | | | |
| By Type: | | | | | |
| Salaries and Benefits | 10,277,329 | 11,350,877 | 12,171,878 | 14,703,497 | 14,853,980 |
| Services and Materials | 3,071,261 | 3,119,351 | 2,856,573 | 1,288,178 | 1,310,255 |
| Capital Outlay | 44,542 | 120,343 | 83,959 | 54,500 | 59,500 |
| Internal Services | 166,562 | 1,177,094 | 420,102 | 780,816 | 787,773 |
| Indirect Cost Transfer | 933,148 | 113,840 | 1,167,598 | 1,374,451 | 1,380,308 |
| | 14,492,842 | 15,881,505 | 16,700,110 | 18,201,442 | 18,391,816 |
| By Division: | | | | | |
| Office of the Director | 1,663,828 | 1,779,119 | 1,592,927 | 1,783,395 | 1,806,135 |
| Permit Service Center | 1,036,022 | 1,113,335 | 1,344,494 | 1,499,956 | 1,525,357 |
| Redevelopment | 333,549 | - | - | - | - |
| Toxics Management | 1,158,528 | 1,150,900 | 1,184,435 | 1,351,459 | 1,361,565 |
| Energy & Sustainability | 849,879 | 974,064 | 1,319,474 | 1,310,064 | 1,320,684 |
| Land Use | 3,875,814 | 4,702,331 | 4,532,662 | 4,951,939 | 4,994,822 |
| Building & Safety | 5,575,222 | 6,161,756 | 6,726,118 | 7,304,629 | 7,383,253 |
| | 14,492,842 | 15,881,505 | 16,700,110 | 18,201,442 | 18,391,816 |
| By Fund: | | | | | |
| General Fund | 1,604,589 | 1,639,989 | 1,561,673 | 1,923,055 | 1,939,915 |
| Capital Improvement Fund | 16,176 | 16,369 | 13,162 | 20,280 | 20,452 |
| State/County Grants | 87,161 | 316,853 | 527,776 | 146,742 | 147,579 |
| Successor Agency | 468,079 | 95,403 | 50,329 | | |
| Rental Housing Safety | 994,757 | 963,132 | 905,511 | 1,107,139 | 1,120,452 |
| Parks Tax | | | | 40,682 | 41,046 |
| Zero Waste | 22,549 | 24,152 | 22,526 | 26,639 | 26,925 |
| Sewer | 31,710 | 23,529 | 26,724 | 46,714 | 47,093 |
| Clean Storm Water | 127,483 | 119,975 | 118,040 | 141,928 | 142,737 |
| Permit Service Center | 10,252,358 | 11,685,788 | 12,430,176 | 13,683,836 | 13,832,703 |
| Unified Program (CUPA) | 855,420 | 855,315 | 902,467 | 871,313 | 878,822 |
| Other Funds | 32,560 | 141,000 | 141,726 | 193,114 | 194,092 |
| | 14,492,842 | 15,881,505 | 16,700,110 | 18,201,442 | 18,391,816 |

| | | | | | |
|-------------------------|-------|-------|-------|-------|-------|
| General Fund FTE | 9.81 | 9.52 | 10.47 | 10.48 | 10.48 |
| Total FTE | 70.00 | 76.50 | 83.95 | 92.08 | 92.08 |

PLANNING DEPARTMENT FINANCIAL SUMMARY

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|------------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| DIVISION/ACTIVITY SUMMARY | | | | | |
| Office of the Director | | | | | |
| Administration | 1,663,828 | 1,779,119 | 1,592,927 | 1,783,395 | 1,806,135 |
| Division Total | 1,663,828 | 1,779,119 | 1,592,927 | 1,783,395 | 1,806,135 |
| FTE Total | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| Permit Service Center | | | | | |
| Permit Service Center | 1,036,022 | 1,113,335 | 1,344,494 | 1,499,956 | 1,525,357 |
| Division Total | 1,036,022 | 1,113,335 | 1,344,494 | 1,499,956 | 1,525,357 |
| FTE Total | 8.00 | 9.00 | 9.00 | 10.00 | 10.00 |
| Redevelopment | | | | | |
| Redevelopment Agency | 333,549 | - | - | | |
| Division Total | 333,549 | - | - | - | - |
| FTE Total | | | | - | - |
| Toxics Management | | | | | |
| Toxics Management | 236,805 | 227,624 | 232,214 | 384,855 | 387,572 |
| Toxics & Pollution Prev/CUPA | 752,490 | 767,675 | 815,610 | 792,197 | 798,573 |
| Toxics Management/Stormwater | 127,483 | 119,975 | 118,040 | 141,928 | 142,737 |
| PSC Support | 41,750 | 35,626 | 18,571 | 32,479 | 32,683 |
| Division Total | 1,158,528 | 1,150,900 | 1,184,435 | 1,351,459 | 1,361,565 |
| FTE Total | 7.50 | 7.50 | 7.50 | 7.75 | 7.75 |
| Energy & Sustainability | | | | | |
| Energy & Sustainability | 849,879 | 974,064 | 1,319,474 | 1,310,064 | 1,320,684 |
| Division Total | 849,879 | 974,064 | 1,319,474 | 1,310,064 | 1,320,684 |
| FTE Total | 4.75 | 5.15 | 6.60 | 7.45 | 7.45 |
| Land Use | | | | | |
| Administration | 232,679 | 235,145 | 241,187 | 273,949 | 274,273 |
| Land Use Planning | 3,643,135 | 4,467,186 | 4,291,475 | 4,677,990 | 4,720,549 |
| Division Total | 3,875,814 | 4,702,331 | 4,532,662 | 4,951,939 | 4,994,822 |
| FTE Total | 20.75 | 23.00 | 26.00 | 29.00 | 29.00 |
| Building & Safety | | | | | |
| Administration | 259,101 | 268,676 | 280,295 | 294,632 | 293,744 |
| Building & Safety | 3,860,654 | 4,476,879 | 5,037,448 | 5,220,981 | 5,281,495 |
| Engineering Permits | 311,410 | 321,838 | 349,323 | 371,454 | 375,368 |
| Fire Plan Checks | 232,820 | 215,005 | 235,045 | 423,572 | 426,637 |
| Housing Code Enforcement | 911,237 | 879,358 | 824,007 | 993,990 | 1,006,009 |
| Division Total | 5,575,222 | 6,161,756 | 6,726,118 | 7,304,629 | 7,383,253 |
| FTE Total | 23.00 | 25.85 | 28.85 | 31.88 | 31.88 |
| Department Total | 14,492,842 | 15,881,505 | 16,700,110 | 18,201,442 | 18,391,816 |
| FTE Total | 70.00 | 76.50 | 83.95 | 92.08 | 92.08 |



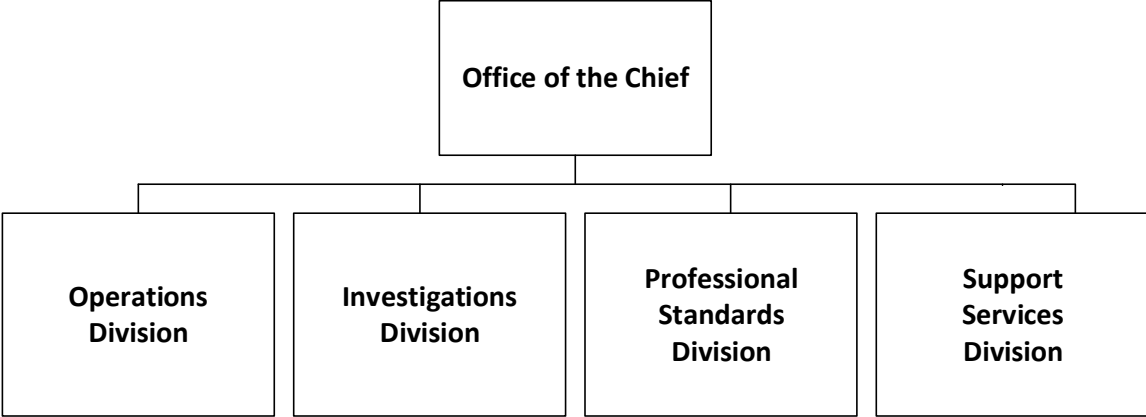
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POLICE DEPARTMENT

MISSION STATEMENT

United in service, our mission is to safeguard our diverse community through proactive law enforcement and problem solving, treating all people with dignity and respect.

ORGANIZATION CHART



POLICE DEPARTMENT

DEPARTMENT OVERVIEW

The vision of the Berkeley Police Department is to be a team of leaders at every level. We will foster strong relationships with our community, inspiring trust through our service, building on our historic tradition of progressive policing, and dedicated to the safety of all.

Service is our calling. As members of this community, the Berkeley Police Department team is committed to proactive law enforcement and problem solving, holding these as our core values:

- **Integrity:** We are ethical, fair, and trustworthy in all we do.
- **Safety:** We strive to keep our community and each other safe.
- **Respect:** We fulfill our duties with dignity, compassion, and empathy.
- **Diversity:** We value the strength of a diverse workplace and community. We endeavor to reflect the community we serve, promoting inclusion and fairness.
- **Professionalism:** We commit to organizational excellence through progressive training, positive attitude, and superior performance.

The Police Department is organized into four divisions, in addition to the Office of the Chief, to deliver the following services:

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 Fiscal Services Unit.

Operations Division

The Operations Division supports the BPD mission by responding to calls for service, conducting initial criminal investigations, making arrests, issuing citations, providing crime prevention services and proactive problem solving efforts, all focused on safeguarding our community. The Operations Division includes Patrol Teams, Bicycle Officers, the Community Services Bureau (the Area Coordinators, Public Information Officer, Police Reserve Program, Special Events Coordinator, and Crisis Intervention Training Coordinator), the Special Response Team, and the Explosive Ordinance Disposal Team.

Investigations Division

The Investigations Division supports the BPD mission through the work of several bureaus and units.

The Detective Bureau conducts follow-up felony investigations, including homicides, felony assaults, robberies, sexual assaults, domestic violence assaults, sexual assaults on children and minors, residential and commercial burglaries, identity theft, fraud, forgery, and elder abuse, among other offenses.

POLICE DEPARTMENT

The Special Enforcement Unit focuses on serial narcotics and weapons offenders and supports fellow detectives' efforts through focused investigation efforts. The Traffic and Parking Enforcement Bureau consists of two units: the Traffic Unit's Motorcycle Officers focus on community safety through traffic law enforcement; investigation of serious injury traffic collisions, including fatalities; driving under the influence (DUI) enforcement; and coordinating grant-funded focused enforcement efforts. The Parking Unit's Parking Enforcement Officers enforce applicable State and Local codes, which regulate parking in the City of Berkeley, and further provide traffic control and support as needed for other Department divisions, e.g., through working on planned special events, or in assisting with major incident scene management.

The Crime Analysis Unit provides BPD personnel with relevant data and analysis to inform enforcement and problem solving efforts.

The Crime Scene Unit is responsible for properly identifying, seizing and documenting forensic crime scene evidence.

Professional Standards Division

The Professional Standards Division supports the BPD mission through the administration of the Department's hiring and training efforts, policy review and maintenance, and systems review, auditing, and project coordination. The Division includes the Personnel and Training Bureau, Policy Sergeant, and Audit Sergeant, as well as professional administrative staff.

Support Services Division

The Support Services Division supports the BPD mission through a variety of essential operational and administrative activities. The Support Services Division is comprised of the Public Safety Communications Center (which receives and dispatches calls for Police, Fire, and Medical services), the Berkeley City Jail, Records and Front Counter Units, the Police Property Room, Public Safety Technology System Unit, Warrant Unit, and Court Liaison Officer. The Division provides fundamental structural support across all BPD Divisions.

Priority Initiatives for Fiscal Years 2018 - 2019

In addition to providing the services described above, the Police Department will implement the following priority initiatives:

| Priority Initiative | Support Departments/Divisions |
|--|--------------------------------------|
| <i>Hire, Train, and Retain Excellent Police Personnel:</i> In order to continue to provide excellent service to the community, expediently fill any position vacancies due to retirement, injury retirement, or employees who do not | Human Resources Department |

POLICE DEPARTMENT

| | |
|--|--|
| satisfactorily complete required training programs | |
| <i>Body-Worn Cameras:</i> Improve incident documentation by deploying body-worn cameras for Berkeley Police Officers and implementing a clear policy to govern their use | Department of Information Technology |
| <i>Community Engagement Strategy:</i> Enhance the Police Department’s existing efforts to engage and inform community members about public safety by developing a Police Department Community Engagement Strategy | City Manager’s Office |
| <i>Community Safety During Demonstrations:</i> Increase Police Department capacity, resources, tools and training, including training a bike-officer response unit, to effectively protect and facilitate free speech and maintain community safety when demonstrations and protests occur | Fire Department |
| <i>Public Safety Building Improvements:</i> Update signage and remodel the welcome-area of the Public Safety Building to improve service to community members and enhance the safety of Police Department personnel | Department of Public Works |
| <i>Management System for Residential and Commercial Burglar Alarms:</i> Implement a system to reduce the need for Police response to false burglar alarms, thus increasing available officer time to address other community needs | Department of Finance & Department of Information Technology |
| <i>Comprehensive Review of Police Department Equipment and Technology Needs:</i> Conduct a needs assessment and prioritization of tools and technology that would better enable the Police Department to safeguard the community | Department of Information Technology |
| <i>Comprehensive Police Department Policy Review:</i> Revise and update Police Department policies to ensure full compliance with current law, case law, and incorporate best practices | City Attorney’s Office |

Significant Changes from Prior Year’s Budget

The Police Department has reorganized from three divisions into four divisions to reduce span-of-control concerns and enhance departmental decision-making efficiencies. A Police Officer position was converted to a Police Captain position. The resulting annual increase of \$79,517 to support the Police Captain was funded using an offset from the Citizens’ Option for Public Safety Trust for Front-

POLICE DEPARTMENT

line Law Enforcement Fund. As a result, this reorganization did not increase staffing nor impact the General Fund.

POLICE DEPARTMENT FINANCIAL SUMMARY

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|------------------------|---------------------------|---------------------------|---------------------------|----------------------------|----------------------------|
| EXPENDITURES | | | | | |
| By Type: | | | | | |
| Salaries and Benefits | 55,910,628 | 58,069,378 | 61,151,543 | 61,397,646 | 63,315,852 |
| Services and Materials | 2,345,071 | 2,687,704 | 2,695,604 | 2,896,073 | 2,896,073 |
| Capital Outlay | 102,423 | 94,066 | 279,004 | 194,817 | 194,817 |
| Internal Services | 2,473,932 | 2,264,282 | 2,302,379 | 2,258,468 | 2,258,588 |
| Indirect Cost Transfer | | | | | |
| | 60,832,054 | 63,115,430 | 66,428,530 | 66,747,004 | 68,665,330 |
| By Division: | | | | | |
| Office of the Chief | 1,422,275 | 1,455,348 | 1,322,386 | 789,110 | 820,091 |
| Professional Standards | 5,678,114 | 5,896,754 | 6,156,324 | 5,760,257 | 5,898,711 |
| Support Services | 4,248,815 | 3,968,232 | 4,699,091 | 4,164,230 | 4,213,334 |
| Operations | 34,781,350 | 37,050,106 | 39,867,224 | 40,994,823 | 42,301,991 |
| Investigations | 14,701,500 | 14,744,990 | 14,383,505 | 15,038,584 | 15,431,203 |
| | 60,832,054 | 63,115,430 | 66,428,530 | 66,747,004 | 68,665,330 |
| By Fund: | | | | | |
| General Fund | 57,057,838 | 59,074,465 | 62,156,096 | 61,378,677 | 63,187,683 |
| Asset Forfeiture | 148,600 | 100,392 | 46,285 | 201,000 | 201,000 |
| Federal Grants | 119,409 | 194,751 | 256,425 | 173,500 | 173,500 |
| State/County Grants | 944,929 | 1,165,016 | 1,221,459 | 1,961,935 | 2,006,984 |
| Parking Funds | 2,561,278 | 2,580,806 | 2,748,265 | 3,031,892 | 3,096,163 |
| Other Funds | | | | | |
| | 60,832,054 | 63,115,430 | 66,428,530 | 66,747,004 | 68,665,330 |

| | | | | | |
|-------------------------|--------|--------|--------|--------|--------|
| General Fund FTE | 249.00 | 244.00 | 252.00 | 249.00 | 249.00 |
| Total FTE | 279.20 | 275.20 | 280.20 | 280.20 | 280.20 |

POLICE DEPARTMENT FINANCIAL SUMMARY

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2017 Adopted |
|----------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| DIVISION/ACTIVITY SUMMARY | | | | | |
| Office of the Chief | | | | | |
| Police Administration | 572,715 | 606,044 | 627,014 | 83,006 | 92,325 |
| Public Information | 230,307 | 177,478 | 89,258 | 1,416 | 1,416 |
| Internal Affairs | 619,253 | 671,826 | 606,114 | 704,688 | 726,350 |
| Division Total | 1,422,275 | 1,455,348 | 1,322,386 | 789,110 | 820,091 |
| FTE Total | 6.00 | 6.00 | 6.00 | 5.00 | 5.00 |
| Professional Standards | | | | | |
| Policy & Accreditation | 1,254,190 | 1,290,994 | 1,079,496 | 1,366,904 | 1,410,137 |
| Personnel and Training | 2,160,174 | 2,220,808 | 2,539,085 | 2,024,371 | 2,056,480 |
| Jail Unit | 2,263,750 | 2,384,952 | 2,537,743 | 2,368,982 | 2,432,094 |
| Division Total | 5,678,114 | 5,896,754 | 6,156,324 | 5,760,257 | 5,898,711 |
| FTE Total | 25.00 | 26.00 | 26.00 | 25.00 | 25.00 |
| Police Support Services | | | | | |
| Administration | 2,684,538 | 2,565,969 | 3,190,267 | 2,670,797 | 2,674,694 |
| City Jail Operations | 186 | | | | |
| Central Communications | 71,866 | | | | |
| Police Services | 1,492,225 | 1,402,263 | 1,508,824 | 1,493,433 | 1,538,640 |
| Division Total | 4,248,815 | 3,968,232 | 4,699,091 | 4,164,230 | 4,213,334 |
| FTE Total | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 |
| Operations | | | | | |
| Patrol | 29,282,228 | 31,476,089 | 34,158,652 | 35,305,684 | 36,481,500 |
| Police Reserves | 372,071 | 359,084 | 396,374 | 213,129 | 213,398 |
| Central Communications | 5,127,051 | 5,214,933 | 5,312,198 | 5,476,010 | 5,607,093 |
| Division Total | 34,781,350 | 37,050,106 | 39,867,224 | 40,994,823 | 42,301,991 |
| | 159.00 | 158.00 | 163.00 | 171.00 | 171.00 |
| Investigations | | | | | |
| Detectives Bureau | 5,171,874 | 5,416,574 | 5,775,866 | 5,519,096 | 5,699,040 |
| Traffic Bureau | 2,212,989 | 2,420,864 | 2,612,542 | 2,521,223 | 2,589,999 |
| Parking Enforcement | 3,473,190 | 3,429,787 | 3,674,732 | 4,301,733 | 4,384,356 |
| Special Enforcement Unit | 2,803,829 | 2,302,001 | 1,311,768 | 1,722,418 | 1,767,364 |
| Crime Analysis | 395,284 | 415,354 | 179,804 | 193,399 | 195,809 |
| Community Service/Field Support | 65,653 | 69,638 | 86,013 | 50,554 | 50,554 |
| Crime Scene Unit | 578,681 | 690,772 | 742,780 | 730,161 | 744,081 |
| Division Total | 14,701,500 | 14,744,990 | 14,383,505 | 15,038,584 | 15,431,203 |
| FTE Total | 77.20 | 73.20 | 73.20 | 67.20 | 67.20 |
| Department Total | 60,832,054 | 63,115,430 | 66,428,530 | 66,747,004 | 68,665,330 |
| FTE Total | 279.20 | 275.20 | 280.20 | 280.20 | 280.20 |



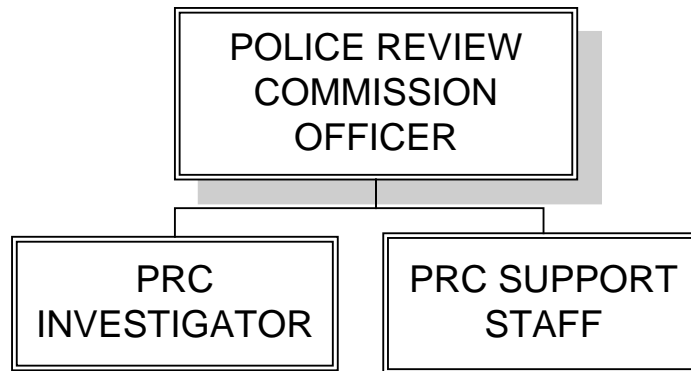
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POLICE REVIEW COMMISSION

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

DEPARTMENT OVERVIEW

The Police Review Commission (PRC) has a three-person staff tasked with supporting the work of the appointed Commission in improving police training and policies, increasing professionalism among police officers, and conducting fair and objective investigations of misconduct complaints filed by civilians. The goal is to maintain high-quality public safety in Berkeley and community relationships based on trust and confidence.

The PRC Officer communicates regularly with Berkeley Police Department command staff as well as Berkeley Police Association executives to facilitate the PRC's work and maintain open lines of communication.

Priority Initiatives for Fiscal Years 2018 - 2019

| Priority Initiative | Support Departments/Divisions |
|---|--------------------------------------|
| <i>Body Worn Cameras:</i> Work with the Berkeley Police Department to develop clear policies that govern the use of body worn cameras | Berkeley Police Department |
| <i>Fair and Impartial Policing:</i> Address findings of apparent disproportionality of persons of color subject to pedestrian and vehicle stops | Berkeley Police Department |
| <i>Departmental General Orders:</i> As Berkeley Police Department converts its General Orders to the Lexipol system, review to ensure consistency of policies and identify those needing in-depth examination | Berkeley Police Department |
| <i>MOUs and Mutual Aid Pacts:</i> Continue performing annual review of Berkeley Police Department's agreements with other law enforcement agencies, and make recommendations to City Council | Berkeley Police Department |
| <i>Homeless Encampments:</i> Assess role of Berkeley Police Department in dismantling homeless encampments and taking of property, to ensure department role is appropriate and in accordance with law | Berkeley Police Department |
| <i>Police Department Budget:</i> Examine budget to assess whether departmental goals and priorities are reflected; and what resources are devoted to categories such as mental health calls, training, and overtime | Berkeley Police Department |

POLICE REVIEW COMMISSION

| | |
|--|--|
| <i>Community Outreach Regarding PRC Services:</i> Develop and implement an outreach strategy to inform community members about PRC services, including the ability to file complaints with an agency that is independent of the Berkeley Police Department | |
| <i>Investigations:</i> Staff to complete reports of investigation within 80 days of complaint filing, a goal established in its regulations for handling complaints against police officers | |

Significant Changes from Prior Year's Budget

- No significant changes

POLICE REVIEW COMMISSION FINANCIAL SUMMARY

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|------------------------|---------------------------|---------------------------|---------------------------|----------------------------|----------------------------|
| EXPENDITURES | | | | | |
| <i>By Type:</i> | | | | | |
| Salaries and Benefits | 490,476 | 527,484 | 535,624 | 550,252 | 565,298 |
| Services and Materials | 23,954 | 16,533 | 26,086 | 26,779 | 26,779 |
| Capital Outlay | 1,419 | 415 | 330 | 500 | 500 |
| Internal Services | 39,920 | 39,916 | 40,015 | 144,649 | 145,483 |
| Indirect Cost Transfer | | | | | |
| | 555,769 | 584,348 | 602,055 | 722,180 | 738,060 |
| <i>By Fund:</i> | | | | | |
| General Fund | 555,769 | 584,348 | 602,055 | 722,180 | 738,060 |
| | 555,769 | 584,348 | 602,055 | 722,180 | 738,060 |

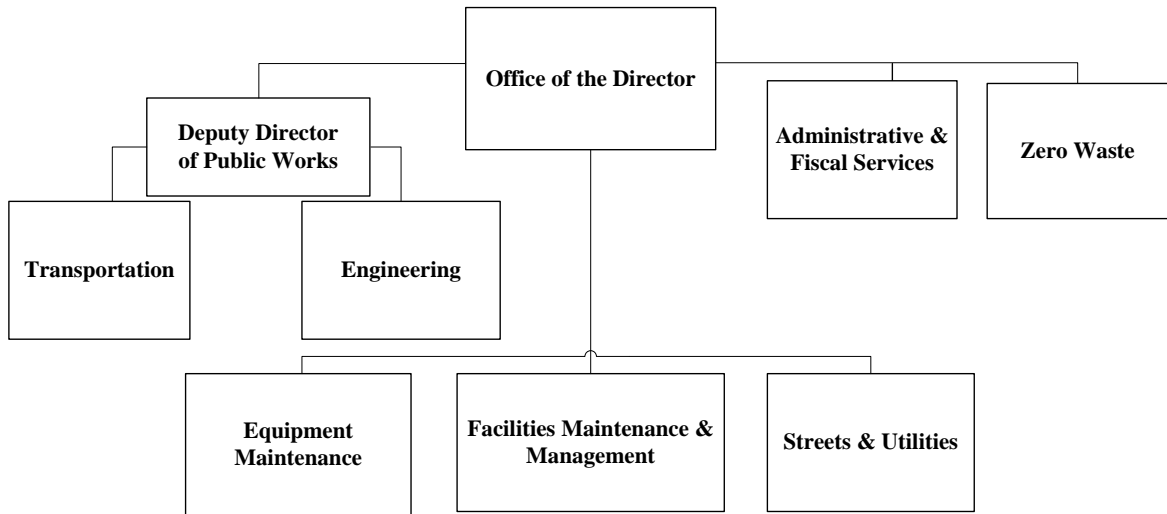
| | | | | | |
|--------------------------------|------|------|------|------|------|
| <i>General Fund FTE</i> | 3.00 | 3.50 | 3.00 | 3.00 | 3.00 |
| <i>Total FTE</i> | 3.00 | 3.50 | 3.00 | 3.00 | 3.00 |

PUBLIC WORKS DEPARTMENT

MISSION STATEMENT

The Public Works Department is committed to providing quality services to the Berkeley community with pride, courtesy, and excellence.

ORGANIZATION CHART



PUBLIC WORKS DEPARTMENT

DEPARTMENT OVERVIEW

The Department of Public Works is organized into eight divisions to deliver the following services:

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; and employee labor relations, training and development. The Deputy Director assists the Director in these efforts and is responsible for management of the Engineering and Transportation Divisions and the capital infrastructure program.

Administrative & Fiscal Services Division

The Administrative & Fiscal Services Division is responsible for the Department's budget and fiscal oversight, regulatory compliance and reporting, and analytical support for routine and special projects in all Public Works operating divisions. Division functions include: budget development; implementation and oversight for the annual operating and capital budgets; fund management; fiscal and administrative policy development and process improvements; contract administration and grants compliance; and purchasing, payroll & accounting services for approximately 294 staff.

Engineering Division

The Engineering Division is comprised of the following programs and responsibilities: Street Pavement Management; Sanitary Sewer Capital and Regulatory Compliance Programs; Storm Water Capital Program and Creeks/Watershed Management; Sidewalk Capital Program; Buildings/Facilities Capital Program; Disability Compliance and programs coordination; Construction Management & Inspection; Land Development/Plan Check; Land Surveying; and Drafting. Engineering also assists with the formation of utility undergrounding districts; provides review and oversight of private development improvements on City right-of-way; and is also responsible for coordination of utility service markings and issuing permits and inspecting all work by outside utility agencies.

Zero Waste Division

The Zero Waste Division provides the weekly collection of refuse and organics/compostable materials for over 23,000 residential customers and for the collection of refuse, recyclables and organics/compostable materials for 3,000 commercial customers. The Zero Waste Division also manages the contracts of third party nonprofits for the collection and sorting of residential recyclables. The Division also manages the City's Transfer Station, which handles waste diversion or disposal of materials delivered by 400 public customers every day.

At the Transfer Station, the Zero Waste Division annually handles approximately 60,000 tons of refuse; 40,000 tons of construction & demolition (C&D) and recyclable materials;

PUBLIC WORKS DEPARTMENT

and 33,000 tons of plant debris and food waste. These materials are then transported to other processing facilities outside of Berkeley for disposal or diversion.

Transportation Division

The Transportation Division provides traffic engineering, transportation planning, bicycle and pedestrian planning, project development, and parking management services that support safe and effective movement of people and goods in and through Berkeley. The division also provides transportation review of private development projects and interagency coordination on regional transportation projects. Key division and department values include safety, equitable mobility, and environmental and financial sustainability.

Facilities Management Division

The Facilities Management Division includes electrical maintenance and the Radio Shop; building maintenance and janitorial services; building and facilities capital improvement projects; and property management support. This Division maintains 900,000 square feet of public service facilities; installs and maintains traffic signals and pedestrian control devices at 134 intersections; maintains 8,000 recently-converted LED streetlights; and installs and maintains Police and Fire Department vehicle radios, sirens, lighting, and radio system infrastructure, including interface with the regional public safety radio system. The Division also maintains sound systems for the Council Chambers and special events and radio alarms at sewage lift stations.

Streets & Utilities Division

The Streets and Utilities Division maintains and repairs the City's 653 miles of streets, curbs, sidewalks and pathways, 388 miles of sanitary sewers, and 78 miles of storm water piping, including 5,800 storm structures and 200 storm infrastructure bio-swales. In partnership with business improvement districts, the division manages the Clean City Program by providing street and sidewalk sweeping and cleaning services, including unattended property removal/storage and illegal dumping removal. The Streets and Utilities Division also coordinates with Transportation, Engineering and Parking Services staff to maintain traffic signs, pavement markings, and the City's 3,750 parking meters.

Equipment Maintenance Division

The Equipment Maintenance Division operates facilities at both the Corporation Yard and Transfer Station. Staff in this division manage the maintenance as well as purchase and replacement of the City's 706 fleet vehicles, heavy duty trucks and large equipment, including public safety, fire, and alternative fuel vehicles and equipment.

Priority Initiatives for Fiscal Years 2018 – 2019

In addition to providing the services described above, the Department of Public Works will implement the following priority initiatives:

PUBLIC WORKS DEPARTMENT

| Priority Initiative | Support Departments/Divisions |
|---|--|
| <i>Infrastructure Improvements:</i> Implement voter-approved (Measure T1 and Measure M) bond dollars to do multi-benefit upgrades to aging infrastructure, such as streets, sidewalks, storm drains and green infrastructure where appropriate, parks, and community centers | City Manager's Office, Department of Public Works, Parks, Recreation & Waterfront, Finance Department, Department of Health, Housing & Community Services, Department of Information Technology, City Attorney's Office, Planning Department |
| <i>Long-Term Zero Waste Operations Strategy:</i> Develop a strategic plan for Zero Waste Division operations that guides City efforts to achieve its Zero Waste goal | City Manager's Office, Planning Department |
| <i>Conceptual Plan for the Berkeley Transfer Station:</i> Develop a plan that identifies opportunities to re-design and modernize the Berkeley Transfer Station and Material Recovery Facility to accelerate progress toward the City's Zero Waste goal | Planning Department |
| <i>Commercial Solid Waste Collection Transition:</i> Evaluate the costs, benefits, and impacts on customer service and the City's Zero Waste goal of the City's Zero Waste Division taking responsibility for commercial business solid waste collection from existing waste collection franchisees | City Manager's Office, Office of Economic Development, Department of Information Technology |
| <i>Sanitary Sewer Rehabilitation: Consistent with Clean Water Act requirements and to protect local waterways,</i> rehabilitate at least 4.2 miles of sewer main pipe and associated lateral pipes and manholes per year | Finance Department, Planning Department |
| <i>Multi-Benefit Green Infrastructure Projects:</i> Using voter – approved bond dollars (Measure M and Measure T1) and other leveraged funds, plan, design, and construct green infrastructure projects that help reduce storm water flooding and protect ecosystems by removing pollutants | City Manager's Office, Department of Parks, Recreation & Waterfront |
| <i>Green Infrastructure Plan:</i> Build on the City's Watershed Management Plan and Resilience Strategy by developing a Green Infrastructure Plan that sets goals and serves as a guide for | City Manager's Office, Planning Department, Department of Parks, Recreation & Waterfront |

PUBLIC WORKS DEPARTMENT

| | |
|--|--|
| using green infrastructure to help reduce the adverse impacts of storm water runoff | |
| <i>Stormwater System Condition Assessment:</i> Improve and prioritize stormwater system management by Initiating a citywide condition assessment of the storm drainage infrastructure | Department of Information Technology |
| <i>Americans with Disabilities Act Transition Plan:</i> Update the City's ADA Transition Plan to guide efforts to improve services for community members with disabilities | Department of Health, Housing & Community Services, Department of Parks, Recreation & Waterfront |
| <i>Pay-by-Phone Parking:</i> Continue to improve ease of travel in Berkeley by implementing pay-by-phone parking technology and next phases of the City's goBerkeley parking program, which adjusts meter rates to improve parking availability | Finance Department, Department of Information Technology, Police Department |
| <i>Bike Share:</i> Oversee rollout of the Bay Area Bike Share Program in Berkeley | Office of Economic Development |
| <i>Major Improvements to Downtown Berkeley Infrastructure and Amenities:</i> Renovate the Downtown Berkeley BART Plaza, reconfigure Shattuck Avenue, implement the Hearst Complete Streets Project, and Modernize the Center Street Plaza to beautify the Downtown and improve flow and safety for all modes of transportation | Office of Economic Development, Planning Department |
| <i>Pedestrian Plan Update:</i> Update the 2010 Pedestrian Master Plan to guide City efforts to make walking in Berkeley safe, attractive, easy, and convenient for people of all ages and abilities | Department of Health, Housing & Community Services, Planning Department |
| <i>Center Street Garage:</i> Complete construction of the new Center Street Garage in Downtown Berkeley to increase the supply of public parking as well as provide space for additional bicycle parking and electric vehicle charging | City Manager's Office, Finance Department, Planning Department |
| <i>City Vehicle Fleet Assessment:</i> Evaluate the City's existing fleet of vehicles and update vehicle purchasing guidelines to meet future functional needs and to ensure consistency with the City's environmental goals | All departments |
| <i>Intersection Signal Improvements:</i> Improve flow for all modes of transportation by installing new | Planning Department |

PUBLIC WORKS DEPARTMENT

| | |
|---|--|
| traffic signals and upgrading and modernizing existing signal infrastructure | |
|---|--|

Significant Changes from Prior Year's Budget

- ❑ Increase Sewer Fund capital operations expenditures in FY 2018 and 2019 to meet consent decree sewer rehabilitation requirements.
- ❑ Create two department Operations Manager positions, one in Zero Waste, and one over maintenance operations at the Corp Yard, to streamline oversight and management of operations in respective activities
- ❑ Create annual set-aside from Zero Waste budget to contribute to eventual Transfer Station reconstruction, beginning at \$500,000 in FY 2018. To be leveraged with future bond funds.
- ❑ Application of Measure M funds to supplement the current annual pavement program, to make progress in improving the City's pavement condition; make green infrastructure improvements to the stormwater system.
- ❑ Continue implementation of annual Street Light Repair/Replacement Program, including pole repair and replacement.
- ❑ Increase of \$788,000 for goBerkeley restricted expenditures
- ❑ Use of Fund 835 and 840 to support increases to the cost of the Center Street Garage Reconstruction Project and complete construction.
- ❑ Balanced Building Purchases and Management Fund operations via rate structure adjustment, includes establishment of rate methodology and a capital maintenance reserve
- ❑ One-time uses of Measure B, BB, Gas Tax and Street Light Assessment District funds for completion of key downtown Shattuck Street Reconfiguration project
- ❑ Integrate newly-approved Infrastructure Bond funds into budget (TBD)

**DEPARTMENT OF PUBLIC WORKS
FINANCIAL SUMMARY**

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|-------------------------------|---------------------------|---------------------------|---------------------------|----------------------------|----------------------------|
| EXPENDITURES | | | | | |
| By Type: | | | | | |
| Salaries and Benefits | 38,037,041 | 38,538,678 | 41,566,676 | 45,822,620 | 46,534,818 |
| Services and Materials | 29,792,989 | 30,469,803 | 30,043,744 | 30,265,334 | 29,416,167 |
| Capital Outlay | 16,254,813 | 26,954,580 | 37,009,041 | 62,416,840 | 26,309,842 |
| Internal Services | 8,610,009 | 8,742,061 | 8,794,919 | 8,701,168 | 8,783,574 |
| Indirect Cost Transfer | 2,789,285 | 3,086,582 | 3,538,577 | 3,992,103 | 4,055,340 |
| | 95,484,137 | 107,791,704 | 120,952,957 | 151,198,065 | 115,099,741 |
| By Division: | | | | | |
| Office of the Director | 907,180 | 604,817 | 777,967 | 1,071,563 | 1,091,063 |
| Administration | 2,246,869 | 2,363,145 | 2,287,746 | 2,763,751 | 2,809,446 |
| General Engineering | 22,369,902 | 32,188,799 | 29,177,286 | 10,046,685 | 10,196,522 |
| Capital Improvement Programs | 65,250 | 65,250 | 65,250 | 28,647,216 | 17,299,534 |
| Facilities Management | 10,933,988 | 8,122,163 | 8,847,237 | 10,690,764 | 10,589,193 |
| Streets and Sanitation | 13,077,359 | 13,252,289 | 14,172,170 | 15,588,929 | 15,922,954 |
| Zero Waste | 28,431,840 | 28,734,102 | 32,801,831 | 34,574,120 | 35,111,230 |
| Equipment Maintenance | 7,955,909 | 9,640,257 | 10,762,390 | 10,692,143 | 12,459,807 |
| Transportation | 9,495,840 | 12,820,882 | 22,061,080 | 37,122,894 | 9,619,992 |
| | 95,484,137 | 107,791,704 | 120,952,957 | 151,198,065 | 115,099,741 |
| By Fund: | | | | | |
| General Fund | 2,403,636 | 2,917,731 | 3,325,083 | 3,276,300 | 3,317,370 |
| Capital Improvement Fund | 4,580,950 | 4,384,768 | 6,184,042 | 5,930,087 | 4,638,780 |
| Federal Grants | 40 | 33 | 552,878 | 1,875,000 | |
| State/County Grants | 4,508,165 | 2,066,049 | 2,477,157 | 1,511,276 | 755,694 |
| Gas Taxes | 6,465,927 | 5,933,064 | 8,931,067 | 10,435,916 | 9,361,682 |
| Street Light Assessment | 1,416,651 | 1,179,749 | 1,353,022 | 2,388,616 | 2,194,860 |
| Parks Tax | 105,296 | 88,298 | 62,321 | 39,996 | 39,996 |
| Zero Waste | 31,914,350 | 33,060,112 | 37,617,422 | 39,169,216 | 39,771,430 |
| Marina | 168,762 | 145,671 | 234,575 | 157,667 | 159,181 |
| Sanitary Sewer | 15,120,878 | 16,110,870 | 14,692,731 | 25,710,487 | 23,105,178 |
| Equipment Replacement | 2,584,149 | 4,547,964 | 4,893,511 | 4,519,288 | 6,214,123 |
| Equipment Maintenance | 6,622,730 | 6,158,828 | 6,886,047 | 7,448,496 | 7,537,026 |
| Building Maintenance | 3,291,389 | 3,459,611 | 3,497,854 | 3,945,215 | 4,017,178 |
| Bldg Purchase & Management | 1,767,661 | 1,088,534 | 2,289,186 | 1,291,687 | 1,301,814 |
| Bonds-Measure G/I/Q/R/GG/M/T1 | 3,891,178 | 9,584,662 | 2,485,403 | 8,142,687 | 1,658,609 |
| Clean Storm Water | 2,133,481 | 2,330,534 | 2,305,741 | 1,849,275 | 1,869,763 |
| Off Street Parking | 3,105,221 | 4,858,644 | 14,245,153 | 26,947,298 | 3,382,835 |
| Parking Meter Fund | 3,671,603 | 4,959,420 | 4,194,592 | 5,195,369 | 4,460,563 |
| Permit Service Center | | 3,061,958 | 3,724,472 | 869,581 | 876,324 |
| Other | 1,732,070 | 1,855,204 | 1,000,700 | 494,608 | 437,335 |
| | 95,484,137 | 107,791,704 | 120,952,957 | 151,198,065 | 115,099,741 |
| General Fund FTE | 13.02 | 12.52 | 12.55 | 15.62 | 15.62 |
| Total FTE | 289.60 | 292.60 | 293.60 | 295.60 | 295.60 |

**DEPARTMENT OF PUBLIC WORKS
FINANCIAL SUMMARY**

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|-------------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| DIVISION/ACTIVITY SUMMARY | | | | | |
| Office of the Director | | | | | |
| Administration | 770,108 | 514,018 | 710,681 | 920,844 | 939,358 |
| Disability Services | 137,072 | 90,799 | 67,286 | 150,719 | 151,705 |
| Division Total | 907,180 | 604,817 | 777,967 | 1,071,563 | 1,091,063 |
| FTE Total | 6.00 | 6.00 | 6.00 | 5.00 | 5.00 |
| Administration | | | | | |
| Administration | 905 | 1,228 | 1,350 | | |
| Admin & Fiscal Services | 1,387,110 | 1,516,024 | 1,528,928 | 2,055,826 | 2,083,518 |
| Corp Yar Admin. | 477,073 | 542,669 | 399,920 | 203,687 | 204,575 |
| Customer Service | 381,781 | 303,224 | 357,548 | 385,802 | 399,791 |
| Purchasing & Warehouse | | | | 118,436 | 121,562 |
| Division Total | 2,246,869 | 2,363,145 | 2,287,746 | 2,763,751 | 2,809,446 |
| FTE Total | 15.00 | 15.00 | 15.00 | 16.00 | 16.00 |
| General Engineering | | | | | |
| Administration | 1,011,715 | 930,254 | 921,064 | 862,700 | 868,994 |
| General Engineering Services | 196,020 | 208,609 | 201,563 | 431,337 | 435,205 |
| Inspection and Permits | 732,944 | 1,176,998 | 1,183,028 | 1,951,342 | 1,967,101 |
| Capital Imps: Desgin & Mgmt. | 20,429,223 | 29,872,938 | 26,871,631 | 6,801,306 | 6,925,222 |
| Division Total | 22,369,902 | 32,188,799 | 29,177,286 | 10,046,685 | 10,196,522 |
| FTE Total | 33.00 | 33.00 | 34.00 | 34.00 | 34.00 |
| Capital Improvement Programs | | | | | |
| Capital Imp: Construction Cost | 65,250 | 65,250 | 65,250 | 28,647,216 | 17,299,534 |
| Division Total | 65,250 | 65,250 | 65,250 | 28,647,216 | 17,299,534 |
| FTE Total | | | | | |
| Facilities Management | | | | | |
| Administration | 93,772 | 93,760 | 93,763 | 71,233 | 71,233 |
| Routine Building Maintenance | 1,869,456 | 1,679,720 | 1,846,376 | 2,025,634 | 2,051,559 |
| Environmental Compliance | 265,743 | 204,930 | 391,774 | 381,827 | 381,490 |
| Communication System Maint. | 1,175,852 | 1,192,749 | 1,212,040 | 1,278,283 | 1,290,109 |
| Street Light.Maintenance | 4,392,046 | 1,501,867 | 1,517,162 | 2,387,197 | 2,196,065 |
| Traffic Signal Maintenance | 506,160 | 712,858 | 739,930 | 1,194,012 | 1,204,989 |
| Corp.Yard Shared OH Costs | 291,722 | 323,469 | 331,851 | 314,636 | 314,636 |
| General Electric | 258,546 | 284,468 | 314,878 | 131,114 | 132,261 |
| Janitorial Services | 1,177,109 | 1,225,661 | 1,307,209 | 1,518,886 | 1,553,618 |
| Property Management | 860,928 | 865,037 | 915,889 | 1,082,822 | 1,088,113 |
| ADA Building Improvements | 7,500 | 7,500 | 160,037 | 300,120 | 300,120 |
| Internal Non-Routine Mtc. | 28,466 | 19,371 | 2,599 | 5,000 | 5,000 |
| External Non-Routine Mtc. | 6,037 | 9,389 | 10,060 | | |
| University Avenue Center | | | 3,669 | | |
| Capital Projects | 651 | 1,384 | | | |
| Division Total | 10,933,988 | 8,122,163 | 8,847,237 | 10,690,764 | 10,589,193 |
| FTE Total | 35.00 | 36.00 | 36.00 | 36.00 | 36.00 |

**DEPARTMENT OF PUBLIC WORKS
FINANCIAL SUIMMARY**

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|--|---------------------------|---------------------------|---------------------------|----------------------------|----------------------------|
| DIVISION/ACTIVITY SUMMARY cont. | | | | | |
| Streets and Sanitation | | | | | |
| Administration | 383,025 | 397,694 | 409,253 | 432,672 | 434,784 |
| Clean Cities | 3,223,123 | 3,116,143 | 3,589,770 | 4,000,092 | 4,076,579 |
| Sanitary Sewer Maintenance | 4,108,554 | 4,250,541 | 4,533,106 | 6,199,920 | 6,351,757 |
| Storm Drain Maintenance | 1,099,253 | 1,251,485 | 1,286,328 | 1,014,566 | 1,029,927 |
| Traffic Maintenance | 918,692 | 923,882 | 971,040 | 976,115 | 1,000,987 |
| Street Maintenance | 1,365,331 | 1,335,728 | 1,415,295 | 1,230,626 | 1,250,314 |
| Parking Meter Maintenance | 861,214 | 831,450 | 835,583 | 905,289 | 928,052 |
| Sidewalk Maintenance | 355,522 | 370,134 | 356,456 | | |
| Parking Meter Collection | 762,645 | 775,232 | 775,339 | 829,649 | 850,554 |
| Division Total | 13,077,359 | 13,252,289 | 14,172,170 | 15,588,929 | 15,922,954 |
| FTE Total | 80.00 | 80.00 | 80.00 | 80.00 | 80.00 |
| Zero Waste | | | | | |
| Administration | 689,123 | 768,238 | 1,194,859 | 1,222,230 | 1,227,758 |
| Residential Refuse Collect Service | 3,602,066 | 3,709,373 | 3,794,775 | 4,121,551 | 4,204,109 |
| Commercial Refuse Collection Service | 3,407,546 | 4,272,406 | 3,893,286 | 4,007,881 | 4,083,438 |
| Roll-Off Container Service | 422,696 | 503,301 | 504,119 | 477,380 | 486,515 |
| Container/Cart Maintenance | 493,969 | 617,533 | 636,183 | 595,883 | 607,549 |
| Litter Collection Service | 492,466 | 576,721 | 639,317 | 830,812 | 850,019 |
| Transfer & Disposal Service | 9,089,374 | 8,479,124 | 10,191,346 | 10,954,025 | 11,213,076 |
| Customer Service | | | | 236 | 236 |
| Special Collections | 29,142 | 15,178 | 4,631 | 12,944 | 12,944 |
| Residential Recycling | 889,325 | 617,293 | 966,997 | 682,629 | 477,711 |
| Commercial Recycling | 890,858 | 362,184 | 467,835 | 788,254 | 788,912 |
| Residential Organics | 6,635,945 | 6,639,796 | 7,694,016 | 7,598,635 | 7,788,577 |
| Commercial Organics | 1,789,330 | 2,172,955 | 2,814,467 | 3,281,660 | 3,370,386 |
| Division Total | 28,431,840 | 28,734,102 | 32,801,831 | 34,574,120 | 35,111,230 |
| FTE Total | 90.00 | 90.00 | 90.00 | 90.00 | 90.00 |
| Equipment Maintenance | | | | | |
| Administration | 239,172 | 251,893 | 262,066 | 262,116 | 265,482 |
| Equipment Mtc - Corp Yard | 5,653,668 | 5,361,525 | 6,072,814 | 6,377,463 | 6,453,398 |
| Equipment Replacement | 2,063,069 | 4,026,839 | 4,427,510 | 4,029,564 | 5,717,927 |
| Equipment Mtc. at Transfer Station | | | | 23,000 | 23,000 |
| Division Total | 7,955,909 | 9,640,257 | 10,762,390 | 10,692,143 | 12,459,807 |
| FTE Total | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 |
| Transportation | | | | | |
| Administration | 531,535 | 543,942 | 672,792 | 692,237 | 698,947 |
| Transportation Planning | 2,111,801 | 2,581,998 | 2,355,361 | 1,010,239 | 727,521 |
| Traffic Engineering | 767,999 | 825,590 | 781,021 | 884,311 | 894,295 |
| Parking Services | 1,800,121 | 3,186,972 | 2,377,908 | 3,793,089 | 2,781,133 |
| Center Street Garage | 1,488,212 | 3,631,637 | 11,569,064 | 24,480,799 | 1,152,054 |
| Telegraph/Channing Garage | 1,155,661 | 1,239,015 | 1,542,672 | 1,230,201 | 1,210,201 |
| Telegraph/Channing Mall | 77,024 | 45,550 | 20,346 | 20,694 | 20,694 |
| Surface Parking Lots | 1,521 | | 139,013 | 154,219 | 158,209 |
| Brower Center/Oxford Garage | 196,347 | 232,200 | 430,454 | 261,155 | 266,569 |
| Capital Projects | 1,249,973 | 531,185 | 2,167,041 | 4,590,800 | 1,705,219 |
| Traffic Maintenance | 14 | 271 | 14 | | |
| Repair/Maintenance | 16,294 | | | | |
| Berkeley Way Lot | 99,338 | 2,302 | 4,075 | 5,150 | 5,150 |
| Elmwood Parking Lot | | 220 | 1,319 | | |
| Division Total | 9,495,840 | 12,820,882 | 22,061,080 | 37,122,894 | 9,619,992 |
| FTE Total | 12.60 | 14.60 | 14.60 | 15.60 | 15.60 |
| Department Total | 95,484,137 | 107,791,704 | 120,952,957 | 151,198,065 | 115,099,741 |
| FTE Total | 289.60 | 292.60 | 293.60 | 294.60 | 294.60 |



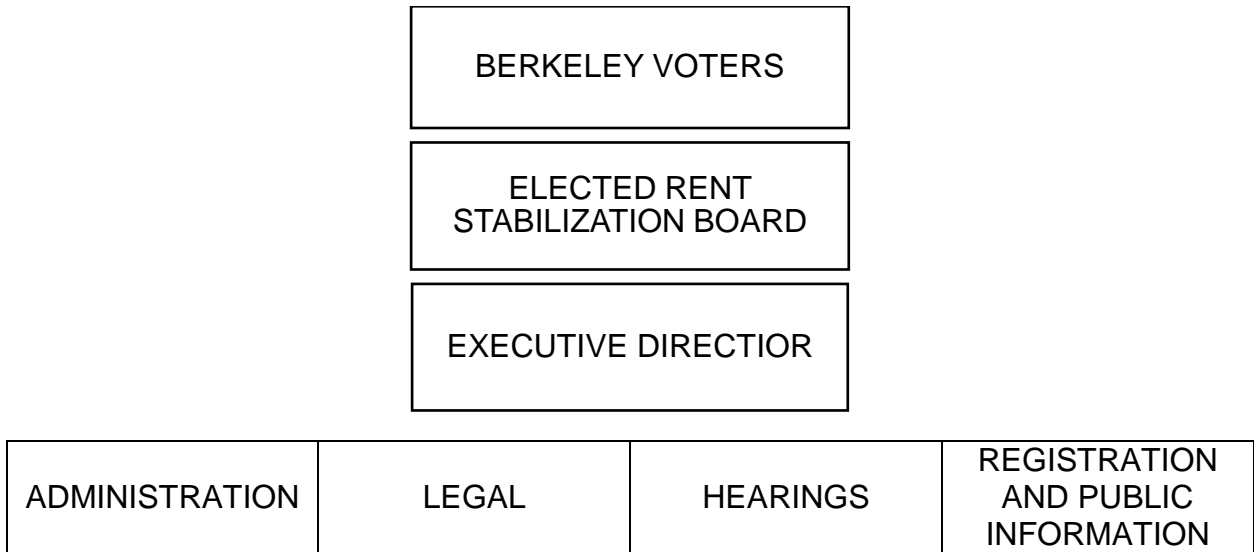
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RENT STABILIZATION BOARD & PROGRAM

MISSION STATEMENT

The mission of the Rent Stabilization Board is to regulate residential rent increases in the City of Berkeley and to protect against unwarranted rent increases and evictions and to provide a fair return to property owners. The Board oversees a program that works to ensure compliance with legal obligations relating 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.

ORGANIZATIONAL CHART



RENT STABILIZATION BOARD & PROGRAM

Department Overview

RENT STABILIZATION PROGRAM

Composed of nine elected commissioners, the Rent Stabilization Board enacts regulations, hears petition appeals and administers a program to implement the Rent Stabilization and Eviction for Good Cause Ordinance that regulates most residential rents in Berkeley, provides tenants with increased protection against unwarranted evictions and is intended to maintain affordable housing and preserve community diversity. (Berkeley Municipal Code Chapter 13.76.)

The Rent Stabilization Program provides information and counseling to over 10,000 landlords and tenants annually, calculates and certifies individual rent ceilings, maintains a database of registered rental units, collects registration fees, and conducts administrative hearings and issues decisions on landlord and tenant rent adjustment petitions. Owners of rental property covered by the Ordinance are required to register their units with the Program by filing registration statements and paying annual registration fees, which cover the program's cost.

EXECUTIVE DIRECTOR AND ADMINISTRATION

Administration provides Board and Committee support coordination and assurance of compliance with Brown Act for all Rent Board and Committee meetings, coordination to ensure public access and transparency, coordination of agendas, minutes and documents for all Rent Board and Committee meetings, office administration, payroll, purchasing, finance and accounting, preparation, execution, monitoring and reporting of Budget and Contracts, work with City Council and other departments to develop and implement a coordinated housing policy consistent with Ordinance, and conduct surveys and studies to help guide administrative improvements and the formulation of sound public policy.

LEGAL

Legal represents the Board in litigation; advises the Director and Board, drafts regulations, resolutions, and contracts, provides legal advice to the Director on matters related to the Ordinance and its administration

HEARINGS

Despite an economic environment that is rife for increased conflict, Rent Stabilization Program staff encourages landlords and tenants to resolve issues by agreement rather than litigation. Hearings staff concentrates on conflict resolution and conducts voluntary formal mediations. Parties are entitled to a formal hearing conducted by a hearing examiner under standard due process procedures. Hearings can involve a variety of claims, including rent reductions due to habitability/code violations, rent increases for

RENT STABILIZATION BOARD & PROGRAM

additional occupants or capital improvements, and determinations of a property's exempt status. Upon conclusion of the hearing a formal written decision is issued, which can be appealed to the Board and/or the courts.

REGISTRATION AND PUBLIC INFORMATION

Registration assists property owners and tenants, bills and collects registration fees, processes and tracks changes in rental status, collects penalties and processes requests to waive penalties, issues the Annual General Adjustment, provides rent ceiling notices, sends security deposit interest refund notices; and communicates changes to new tenants and owners.

Public Information provides active outreach and education to all owners and tenants regarding their rights and obligations; in-office, offsite, phone and e-mail counseling; assistance with filing petitions; and facilitates mediations.

RENT STABILIZATION BOARD & PROGRAM

Priority Initiatives for Fiscal Years 2018 - 2019

In addition to providing the services described above, the Rent Stabilization Board will implement the following priority initiatives:

| Priority Initiative in Fiscal Years 2018 – 2019 | Support Departments/Divisions |
|---|--|
| Increase City revenue collection under Measure U1 | Auditor Finance |
| Continued development and refinement of the Rent Tracking System and implementation of online access for key registration activities including expanded ability for owners to pay registration fees and penalties online and a tool to facilitate improvements to the case management efforts utilized by the housing counselors. | City Manager IT |
| Exploration of solutions to hoarding with the goal of defining an appropriate role for the Board in acting as a catalyst in mitigating the problem. | Health Housing and Community Services, Housing Inspections Fire Department 4 X 4 Committee |

Significant Changes from Prior Year's Budget

The Rent Stabilization Board has until the end of June 2017 to adopt a staffing model and budget with a maximum expenditure authorization for FY 2018. The Rent Board's Budget and Personnel Committee meets regularly between January and June of each year to discuss the Program's financial status and to consider possible revisions to the budget for the following fiscal year. This process typically results in a joint budget recommendation from both the Committee and the Executive Director, which is considered by the full Rent Board in June of each year.

RENT STABILIZATION BOARD FINANCIAL SUMMARY

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|----------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| EXPENDITURES | | | | | |
| <i>By Type:</i> | | | | | |
| Salaries and Benefits | 3,187,548 | 3,695,212 | 3,977,373 | 4,171,930 | 4,244,172 |
| Services and Materials | 723,585 | 843,397 | 867,470 | 902,640 | 902,640 |
| Capital Outlay | 10,360 | 23,679 | 4,127 | 7,500 | 7,500 |
| Internal Services | 14,994 | 14,866 | 8,573 | 443,670 | 371,428 |
| Indirect Cost Transfer | | | | | |
| | 3,936,487 | 4,577,154 | 4,857,543 | 5,525,740 | 5,525,740 |
| <i>By Division:</i> | | | | | |
| Rent Stabilization Board | 3,936,487 | 4,577,154 | 4,857,543 | 5,525,740 | 5,525,740 |
| | 3,936,487 | 4,577,154 | 4,857,543 | 5,525,740 | 5,525,740 |
| <i>By Fund:</i> | | | | | |
| Rent Stabilization Board | 3,936,487 | 4,577,154 | 4,857,543 | 5,525,740 | 5,525,740 |
| | 3,936,487 | 4,577,154 | 4,857,543 | 5,525,740 | 5,525,740 |

| | | | | | |
|--------------------------------|-------|-------|-------|-------|-------|
| <i>General Fund FTE</i> | | | | | |
| <i>Total FTE</i> | 19.75 | 20.60 | 22.35 | 22.35 | 22.35 |



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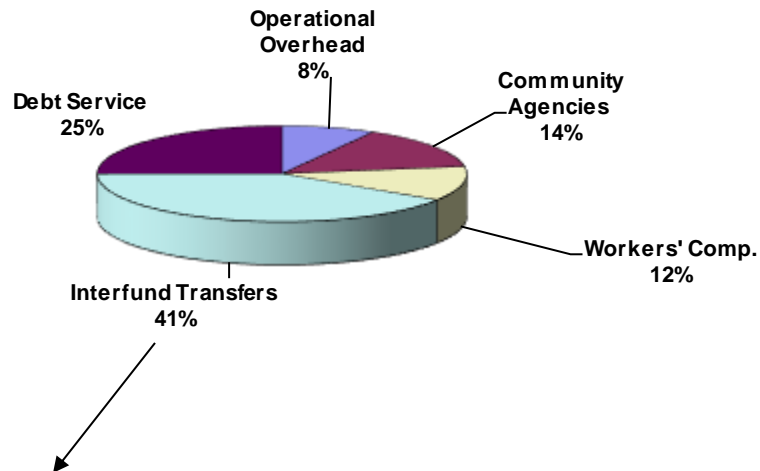
NON-DEPARTMENTAL (All City funds)

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 2018 & FY 2019 Non-Departmental Proposed Budget (\$91,714,477)



| Interfund Transfers Include transfers to: | FY 2018 | FY 2019 |
|--|-------------------|-------------------|
| Capital Project Fund from General Fund | \$ 5,348,269 | 5,348,269 |
| Debt Service Funds | 262,500 | - |
| Public Liability Fund from General Fund | 695,000 | 393,623 |
| Public Health Fund | 4,583,147 | 4,596,298 |
| Other Fund Transfers | 8,037,714 | 8,076,071 |
| Total | 18,926,630 | 18,414,261 |

NON-DEPARTMENTAL FINANCIAL SUMMARY

| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Adopted | FY 2019 Adopted |
|--|-------------------|-------------------|--------------------|--------------------|--------------------|
| EXPENDITURES | | | | | |
| By Type: | | | | | |
| Salaries and Benefits | | | | | |
| Services and Materials | 58,807,171 | 88,701,754 | 102,451,886 | 47,343,920 | 45,508,051 |
| Capital Outlay | | | | | |
| Internal Services | | | | | |
| Indirect Cost Transfer | | | | | |
| Total | <u>58,807,171</u> | <u>88,701,754</u> | <u>102,451,886</u> | <u>47,343,920</u> | <u>45,508,051</u> |
| By Division: | | | | | |
| Operational Overhead | 2,220,167 | 1,524,767 | 9,193,722 | 4,600,424 | 4,022,426 |
| Community Agencies | 4,393,571 | 5,255,169 | 6,580,980 | 6,634,869 | 6,595,869 |
| Workers' Compensation | 4,586,962 | 4,168,344 | 4,338,952 | 5,332,340 | 5,332,340 |
| Debt Service | 20,144,319 | 49,340,157 | 20,606,865 | 11,849,657 | 11,143,155 |
| Interfund Transfers | 27,462,152 | 28,413,317 | 61,731,367 | 18,926,630 | 18,414,261 |
| Total | <u>58,807,171</u> | <u>88,701,754</u> | <u>102,451,886</u> | <u>47,343,920</u> | <u>45,508,051</u> |
| By Fund: | | | | | |
| General Fund | 24,287,152 | 26,354,926 | 59,671,715 | 23,042,703 | 21,861,828 |
| Capital Improvement | 1,061,269 | 2,310,250 | 2,139,870 | 1,052,963 | 1,052,913 |
| Section 108 HUD Loan | 4,059,887 | 199,359 | 486,563 | 530,475 | 530,475 |
| CDBG | 138,061 | 135,558 | 132,911 | 144,534 | 144,534 |
| UC Settlement | 1,109,497 | 1,146,101 | 1,182,472 | 1,107,387 | 1,140,609 |
| Workers Compensation | 4,586,962 | 4,168,344 | 11,022,350 | 5,332,340 | 5,332,340 |
| Sewer Fund | 90,501 | 90,501 | 90,501 | 90,501 | 90,501 |
| Off Street Parking | 3,153,648 | | 3,768,485 | | |
| Parking Meter | 1,246,219 | 1,926,809 | 3,031,943 | 1,737,103 | 1,742,288 |
| Health State Aid Realignment | 2,604,024 | 2,604,024 | 2,617,044 | 2,630,129 | 2,643,280 |
| Mental Health St. Realignment | 843,878 | | | | |
| Debt Service | 379,508 | 338,468 | 298,618 | 265,132 | 2,632 |
| 09 Measure FF Library Debt Service | 1,609,318 | 1,615,018 | 1,614,918 | 1,618,502 | 1,618,665 |
| CFD#1 Dis Fire Protect Bond | 858,403 | 857,320 | 859,911 | 855,895 | 857,370 |
| 2012 Ref Lease Rev Bonds | 500,714 | 501,021 | 501,083 | 503,542 | 501,535 |
| Successor Agency | 2,847,969 | 57,360 | (247,955) | 57,040 | 57,600 |
| 2015 GORBS - 2002 G.O. Refunding Bonds | 1,456,038 | 6,772,925 | 510,593 | 537,816 | 483,543 |
| Thousand Oaks Underground | 101,100 | 97,909 | 101,337 | 99,211 | 97,371 |
| 2015 GORBS (2007 Series A) | 329,622 | 3,548,319 | 192,028 | 202,470 | 182,029 |
| 2015 GORBS | 2,736,147 | 30,739,296 | 2,773,409 | 2,912,824 | 2,617,595 |
| 2015 GORBS (2008 Measure I) | 440,500 | 668,971 | 7,074,947 | 682,907 | 613,762 |
| Sustainable Energy Finance | 48,648 | 45,381 | 57,427 | 28,825 | 28,778 |
| 2010 COP (Animal Shelter) | 413,189 | 403,983 | 409,558 | 404,848 | 404,798 |
| Measure M GO Street & Water Imp | 875,439 | 898,825 | 1,481,947 | 898,000 | 898,125 |
| Building Purchases & Mgmt | 1,637,298 | 1,638,291 | 1,632,580 | 1,637,185 | 1,633,892 |
| Other | 1,392,180 | 1,582,795 | 1,047,631 | 971,588 | 971,588 |
| Total | <u>58,807,171</u> | <u>88,701,754</u> | <u>102,451,886</u> | <u>47,343,920</u> | <u>45,508,051</u> |

FY 2018 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 Proposed Budget contains appropriation recommendations only for FY 2018. Funding for FY 2019 will be contingent upon Federal funding levels, but the budget plans to continue FY 2018 General Fund funding levels in FY 2019.

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. The Health, Housing & Community Services Department 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 (CYRC) Commissions. The consolidated allocation process includes specific recommendations for CDBG and ESG funds to community agencies. During this funding process, 50 agencies applied for over \$10.5 million in funding for 100 programs including 13 new programs.

Commissioners and City staff reviewed and rated proposals from January through March. The City Manager recommendations are in agreement with the Children Youth and Recreation, Housing Advisory and Human Welfare and Community Action Commissions. The City Manager's recommendations are the same as the Homeless Commission's for all but nine of the 42 recommendations.

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.

Funding Summary

For FY 2018, the City will spend \$11,222,531 in General Funds, Federal Funds, and other funds for community agencies. This amount represents an increase of \$38,494 from the \$11,184,307 amount allocated to community agencies in FY 2017.

The FY 2018 Adopted Budget Community Agency Allocation chart shows the FY 2017 allocation amounts and the FY 2018 Adopted allocations approved when the Council adopted the budget on June 27, 2017.

The following charts represent a listing of the entire community agency allocations adopted for FY 2018. These charts show the following:

- ❑ FY 2018 Community Allocations by Service Type
- ❑ FY 2018 Adopted Budget Community Agency Allocations for all funding sources

FY 2019 funding will be contingent upon federal funding levels and program performance. This adopted budget assumes a continuation of FY 2018 General Fund funding level for FY 2019.

FY 2018 Community Agency Allocations by Service Type

| | General Funds | Federal Funds | Other Funds | All Sources |
|-----------------------------------|----------------------|----------------------|--------------------|---------------------|
| Arts | \$647,733 | \$0 | \$0 | \$647,733 |
| Childcare | 620,031 | - | 75,000 | \$695,031 |
| Community Facilities Improvements | - | 24,575 | - | \$24,575 |
| Community Media | 230,710 | - | - | \$230,710 |
| Disability Programs | 100,797 | 140,000 | 1,191,408 | \$1,432,205 |
| Economic Development | 664,136 | - | - | \$664,136 |
| Employment Training | 289,811 | - | - | \$289,811 |
| Health | 1,425,928 | 160,000 | - | \$1,585,928 |
| Homeless | 2,880,753 | 616,280 | 361,045 | \$3,858,078 |
| Housing Dev & Rehab | 14,819 | 380,613 | 56,230 | \$451,662 |
| Legal/ Advocacy | 92,705 | 34,932 | - | \$127,637 |
| Other | 144,038 | - | - | \$149,038 |
| Recreation | 18,573 | - | - | \$18,573 |
| Seniors | 8,845 | - | - | \$8,845 |
| Youth | 1,038,569 | - | - | \$1,038,569 |
| TOTAL | \$8,177,448 | \$1,356,400 | \$1,683,683 | \$11,222,531 |

| Funding by Category | FY 2017 All Sources | FY 2018 All Sources | % Change |
|-----------------------------------|--------------------------------|--------------------------------|---------------------|
| Arts | \$475,733 | \$647,733 | 36% |
| Childcare | \$593,475 | \$695,031 | 17% |
| Community Facilities Improvements | \$334,575 | \$24,575 | -93% |
| Community Media | \$230,710 | \$230,710 | 0% |
| Disability Programs | \$1,406,921 | \$1,432,205 | 2% |
| Economic Development | \$596,037 | \$664,136 | 11% |
| Employment Training | \$251,308 | \$289,811 | 15% |
| Health | \$1,582,137 | \$1,585,928 | 0% |
| Homeless | \$3,936,768 | \$3,858,078 | -2% |
| Housing Dev & Rehab | \$451,662 | \$451,662 | 0% |
| Legal/ Advocacy | \$125,741 | \$127,637 | 2% |
| Other | \$138,340 | \$149,038 | 8% |
| Recreation | \$18,573 | \$18,573 | 0% |
| Seniors | \$22,309 | \$8,845 | -60% |
| Youth | \$1,019,748 | \$1,038,569 | 2% |
| | \$11,184,037 | \$11,222,531 | 0% |

FY 2018 Community Agency Allocations

| Agency/Individual Name | FY 2017 Allocations | FY 2018 Adopted | CDBG | CSBG | ESG | General Fund | Other Funds |
|--|------------------------|--------------------|----------------|------|---------|-----------------|------------------|
| Arts | | | | | | | |
| Berkeley Art Center | 86,652 | 118,652 | | | | 118,652 | |
| Civic Arts Grants | 389,081 | 529,081 | | | | 529,081 | |
| Arts Total | 475,733 | 647,733 | | | | 647,733 | |
| Childcare | | | | | | | |
| Bay Area Hispano Institute for Advancement - Child Development Program | 82,143 | 82,143 | | | | 82,143 | |
| Bananas Inc. | | | | | | | |
| Child Care Subsidies | 250,135 | 283,110 | | | | 208,110 | 75,000 |
| Play & Learn Playgroups | | 10,527 | | | | 10,527 | |
| QRIS Services | 95,000 | 95,000 | | | | 95,000 | |
| Ephesians Children's Center - Childcare Program | 45,507 | 45,507 | | | | 45,507 | |
| Healthy Black Families, Inc. | | | | | | | |
| Sisters Together Empowering Peers (STEP) | 50,000 | 87,616 | | | | 87,616 | |
| Nia House Learning Center | 39,999 | 39,999 | | | | 39,999 | |
| St. John's Child Care | 30,691 | 30,691 | | | | 30,691 | |
| Women's Daytime Drop-In Center | | | | | | | |
| Parent and Child Services | | 20,438 | | | | 20,438 | |
| Childcare Total | 593,475 | 695,031 | | | | 620,031 | 75,000 |
| Community Facilities Improvements | | | | | | | |
| Berkeley Food & Housing Project | | | | | | | |
| North County Women's Building | 26,461 | 0 | | | | | |
| City of Berkeley Parks: BAHIA Siding | 247,344 | 0 | | | | | |
| Options Recover Services | | | | | | | |
| Veteran's Building Lead Based Paint Removal and Repairing | 36,195 | 0 | | | | | |
| Rebuilding Together | | | | | | | |
| Community Facilities | 24,575 | 24,575 | 24,575 | | | | |
| Community Facilities Improvements Total | 334,575 | 24,575 | 24,575 | | | | |
| 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 | 40,426 | 42,322 | | | | 42,322 | |
| Berkeley Place | 15,287 | 17,183 | | | | 17,183 | |
| Bonita House | | | | | | | |
| Creative Wellness Center | 12,983 | 14,878 | | | | 14,878 | |
| Center for Independent Living: | | | | | | | |
| Residential Access Project for Disabled | 140,219 | 140,000 | 140,000 | | | | |
| Employment | 36,607 | 0 | | | | | |
| Easy Does It | 1,136,881 | 1,191,408 | | | | | 1,191,408 |
| Through the Looking Glass | 24,518 | 26,414 | | | | 26,414 | |
| Disability Programs Total | 1,406,921 | 1,432,205 | 140,000 | | | 100,797 | 1,191,408 |
| Economic Development | | | | | | | |
| Berkeley Convention and Visitors Bureau | 596,037 | 664,136 | | | | 664,136 | |
| Economic Development Total | 596,037 | 664,136 | | | | 664,136 | |
| Employment Training | | | | | | | |
| Bread Project | 41,165 | 56,165 | | | | 56,165 | |
| Inter-City Services | 95,036 | 101,643 | | | | 101,643 | |
| Multicultural Institute Lifeskills Program | 64,255 | 66,151 | | | | 66,151 | |
| Rising Sun – Green Energy Training Services | 50,852 | 65,852 | | | | 65,852 | |
| Employment Training Total | 251,308 | 289,811 | 0 | | | 289,811 | |
| Health | | | | | | | |
| Lifelong Medical Care: | | | | | | | |
| Access for Uninsured (BPC, WBFP, Uninsured) | 124,240 | 124,240 | | | 124,240 | | |
| Acupuncture Detox Clinic | 58,190 | 60,085 | | | 35,760 | 24,325 | |
| Hypertension/Chronic Health Program | 72,349 | 72,349 | | | | 72,349 | |
| Primary Geriatric Care | 38,858 | 38,858 | | | | 38,858 | |
| Berkeley Free Clinic | | | | | | | |
| Free Women and Transgender Health Care Service | 13,500 | 15,396 | | | | 15,396 | |
| Sugar - Sweetened Beverage Berkeley Unified School District | 637,500 | 637,500 | | | | 637,500 | |
| Sugar - Sweetened Beverage Panel (POE)* | 637,500 | 637,500 | | | | 637,500 | |

FY 2018 Community Agency Allocations

| Agency/Individual Name | FY 2017 Allocations | FY 2018 Adopted | CDBG | CSBG | ESG | General Fund | Other Funds |
|--|---------------------|------------------|----------------|----------------|----------------|------------------|----------------|
| Health Total | 1,582,137 | 1,585,928 | | 160,000 | | 1,425,928 | |
| Homeless Services | | | | | | | |
| Alameda County Homeless Action Center | | | | | | | |
| Benefits Advocacy | 126,349 | 126,349 | | | | 106,349 | 20,000 |
| Alameda County Network of Mental Health Clients | | | | | | | |
| Daytime Drop-In | 35,721 | 35,721 | | | | 35,721 | |
| Case Management Tied to Permanent Housing | 22,080 | 22,080 | | | | 22,080 | |
| Representative Payee Services | 32,016 | 32,016 | | | | 32,016 | |
| Winter Storm Shelter | 4,840 | | | | | | |
| Berkeley Food & Housing Project | | | | | | | |
| Berkeley Mental Health Flex Spending Program | 257,250 | 298,000 | | | | | 298,000 |
| Case Management Tied to Permanent Housing | 74,340 | 74,340 | | | | 74,340 | |
| Daytime Warming Center | 5,000 | | | | | | |
| The Hub | 1,279,144 | 1,279,144 | 253,385 | | 197,359 | 828,400 | |
| Men's Shelter | 165,536 | 165,536 | 165,536 | | | | |
| Quarter Meal | 35,786 | 35,786 | | | | 35,786 | |
| Russell Street Supportive Housing Program | 43,045 | 43,045 | | | | | 43,045 |
| Women's Shelter | 116,469 | 116,469 | | | | 116,469 | |
| Bonita House | | | | | | | |
| Case Management Tied to Permanent Housing | 18,151 | 18,151 | | | | 18,151 | |
| Building Opportunities for Self Sufficiency: | | | | | | | |
| Case Management Tied to Permanent Housing | 96,502 | 96,502 | | | | 96,502 | |
| Daytime Warming Center | 4,200 | | | | | | |
| Homeless Basic Needs - Showers/Laundry | 24,702 | 58,142 | | | | 58,142 | |
| Representative Payee Services | 52,440 | 52,440 | | | | 52,440 | |
| Sankofa Transitional Housing | 26,253 | 25,992 | | | | 25,992 | |
| Ursula Sherman Village Singles Shelter | 101,614 | 101,614 | | | | 101,614 | |
| Usula Sherman Village Family Transitional Shelter | 27,706 | 25,391 | | | | 25,391 | |
| City of Berkeley EveryOne Home | 15,000 | 15,000 | | | | 15,000 | |
| Covenant House California (YEAH!) | | | | | | | |
| Case Management Tied to Permanent Housing | 35,000 | 35,000 | | | | 35,000 | |
| Drop-In/Showers | | 0 | | | | 0 | |
| Youth Shelter | 309,115 | 309,115 | | | | 309,115 | |
| Dorothy Day | | | | | | | |
| Berkeley Emergency Storm Shelter | 110,101 | 30,101 | | | | 30,101 | |
| Breakfast Program | 41,223 | 41,223 | | | | 41,223 | |
| First They Came for the Homeless | 10,000 | | | | | | |
| Fred Finch Youth Center: | | | | | | | |
| Turning Point | 86,655 | 86,655 | | | | 86,655 | |
| Lifelong Medical Care: | | | | | | | |
| Case Management Tied to Permanent Housing | 153,652 | 153,652 | | | | 153,652 | |
| Supportive Housing Program UA Homes | 52,250 | 52,250 | | | | 52,250 | |
| New Bridge Foundation | 50,000 | 0 | | | | | |
| Options Recovery Services - Detox Services & Day Treatment | | | | | | | |
| Case Management /Housing Advocacy | 39,311 | 39,311 | | | | 39,311 | |
| Daytime Treatment | 46,200 | 46,200 | | | | 46,200 | |
| Dual Diagnosis Clinic | 62,328 | 62,328 | | | | 62,328 | |
| Transitional Housing | 44,000 | 88,002 | | | | 88,002 | |
| Rubicon | | | | | | | |
| Workforce Services /Shelter Plus Care | 35,266 | 0 | | | | | |
| Telegraph Business Improvement District | | | | | | | |
| Berkeley Host Program | 49,139 | 49,139 | | | | 49,139 | |
| The Suitcase Clinic | 9,828 | 9,828 | | | | 9,828 | |
| Toolworks, Inc. Supportive Housing | 47,665 | 47,665 | | | | 47,665 | |
| Women's Daytime Drop-In Center: | | | | | | | |
| Bridget Transitional House Case Management | 30,777 | 30,777 | | | | 30,777 | |
| Case Management Tied to Permanent Housing | 79,488 | 75,911 | | | | 75,911 | |
| Daytime Drop-In Services | 20,000 | 40,266 | | | | 40,266 | |
| Domestic Violence Services | 26,832 | 26,832 | | | | 26,832 | |
| Homeless Basic Needs - Meals Program | 28,794 | 12,105 | | | | 12,105 | |
| Vehicles for Change | 5,000 | | | | | | |
| Homeless Services Total | 3,936,768 | 3,858,078 | 418,921 | 0 | 197,359 | 2,880,753 | 361,045 |
| Housing Development & Rehabilitation | | | | | | | |
| Satellite Affordable Housing Associates | | | | | | | |

FY 2018 Community Agency Allocations

Attachment 1, Exhibit E

| Agency/Individual Name | FY 2017 Allocations | FY 2018 Adopted | CDBG | CSBG | ESG | General Fund | Other Funds |
|--|---------------------|-----------------|----------------|------|-----|----------------|---------------|
| CHDO General Operating Support | 28,115 | 28,115 | | | | | 28,115 |
| Bay Area Community Land Trust | 4,991 | 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 | | | | | | | |
| CHDO General Operating Support | 28,115 | 28,115 | | | | | 28,115 |
| Social Services at Special Needs Housing | 9,828 | 9,828 | | | | 9,828 | |
| Housing Development & Rehabilitation Total | 451,662 | 451,662 | 380,613 | | | 14,819 | 56,230 |
| Legal/Advocacy | | | | | | | |
| East Bay Community Law Center | | | | | | | |
| Consumer Justice Clinic/Housing Advocacy | 30,768 | 32,664 | | | | 32,664 | |
| Fair Housing Counseling | 34,932 | 34,932 | 34,932 | | | | |
| Family Violence Law Center - Domestic Violence & Homelessness Prevention Project | 60,041 | 60,041 | | | | 60,041 | |
| Legal/Advocacy Total | 125,741 | 127,637 | 34,932 | | | 92,705 | |
| Other | | | | | | | |
| Animal Rescue | 23,812 | 23,812 | | | | 23,812 | |
| Berkeley Community Gardening Collaborative | 10,000 | 11,895 | | | | 11,895 | |
| Berkeley Project | 27,000 | 32,000 | | | | 27,000 | 5,000 |
| Eden Information & Referral | 35,000 | 35,000 | | | | 35,000 | |
| McGee Avenue Baptist Church | 15,139 | 17,035 | | | | 17,035 | |
| SEEDS Community Resolution Center | 20,000 | 21,896 | | | | 21,896 | |
| South Berkeley Community Church - Nutrition | 7,389 | 7,400 | | | | 7,400 | |
| Other Total | 138,340 | 149,038 | | | | 144,038 | 5,000 |
| 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 | 13,464 | 0 | | | | 0 | |
| J-Sei | 8,845 | 8,845 | | | | 8,845 | |
| Seniors Total | 22,309 | 8,845 | | | | 8,845 | |
| Youth | | | | | | | |
| 2020 Vision Evaluation, Training and Technical Assistance | 38,183 | 0 | | | | | |
| A Better Way | | | | | | | |
| Mental Health Services for Uninsured Children | 0 | 0 | | | | | |
| Bay Area Community Resources | | | | | | | |
| School Based Behavioral Health Services | 62,000 | 94,964 | | | | 94,964 | |
| Bay Area Hispano Institute for Advancement - Out of School Time Programs | 21,447 | 21,447 | | | | 21,447 | |
| Berkeley High School Bridge Program | 54,000 | 79,000 | | | | 79,000 | |
| Berkeley Youth Alternatives: | | | | | | | |
| Afterschool Program | 30,000 | 0 | | | | 0 | |
| Counseling | 49,674 | 0 | | | | 0 | |
| Security Camera System | 0 | 0 | | | | | |
| Biotech Partners – Biotech Academy at Berkeley High | 76,750 | 91,750 | | | | 91,750 | |
| Building Opportunities for Self Sufficiency | | | | | | | |
| BOSS Homeless Children's Learning Center | | 33,500 | | | | 33,500 | |
| Community Alliance for Learning - Writers Coach | 10,000 | 0 | | | | 0 | |
| Connection | | | | | | | |
| Ephesians School-Age Program | 39,840 | 39,840 | | | | 39,840 | |
| K to College | 25,000 | 0 | | | | | |
| Lifelong Medical Care | | | | | | | |
| Rosa Parks Collaborative | 44,804 | 44,804 | | | | 44,804 | |
| Multicultural Institute Youth Mentoring | 33,603 | 33,603 | | | | 33,603 | |
| Pacific Center for Human Growth - Safer Schools Project | 23,245 | 23,245 | | | | 23,245 | |
| RISE Program | 216,039 | 216,039 | | | | 216,039 | |
| SEEDS Community Resolution Center - Restorative Justice in Schools | 25,000 | 25,000 | | | | 25,000 | |
| South Berkeley Community Church - Youth Program | 6,636 | 6,600 | | | | 6,600 | |
| Stiles Hall | 80,000 | 90,000 | | | | 90,000 | |
| Supplybank.Org (Formerly K to College) | | 25,000 | | | | 25,000 | |

FY 2018 Community Agency Allocations

Attachment 1, Exhibit E

| Agency/Individual Name | FY 2017 Allocations | FY 2018 Adopted | CDBG | CSBG | ESG | General Fund | Other Funds |
|---|---------------------|-------------------|----------------|----------------|----------------|------------------|------------------|
| UC Berkeley | | | | | | | |
| BUILD Literacy/Cal Corp | 69,750 | 95,360 | | | | 95,360 | |
| Bridging Berkeley | 30,000 | 34,640 | | | | 34,640 | |
| Youth Spirit Artworks | | | | | | | |
| Vocational Arts Training | 33,777 | 33,777 | | | | 33,777 | |
| BUSD Homeless Student Program | 50,000 | 50,000 | | | | 50,000 | |
| Tiny Homes Pilot Project | 10,000 | | | | | | |
| Youth Total | 1,019,748 | 1,038,569 | 0 | | | 1,038,569 | |
| TOTAL COMMUNITY AGENCY ALLOCATIONS | 11,184,037 | 11,222,531 | 999,041 | 160,000 | 197,359 | 8,177,448 | 1,688,683 |

o Community Development Block Grant (CDBG)/Emergency Solutions Grant (ESG)

*Subject to the Sugar – Sweetened Beverage Panel of Experts (POE) allocation.

**Street Events and Festivals
Adopted FY 2018 And FY 2019 Funding**

| EVENT NAME | Adopted FY 2015 | Adopted FY 2016 | Adopted FY 2017 | Adopted FY 2018 | Adopted FY 2019 |
|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Recurring Cash Grants | | | | | |
| Berkeley Arts Festival | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Berkeley Book Festival | | | 50,000 | 50,000 | 50,000 |
| Black History Month | 4,250 | 4,250 | 4,250 | 4,250 | 4,250 |
| Cesar Chavez Commemoration | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 |
| Cinco de Mayo | 4,000 | 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 |
| 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 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Sundays on Telegraph | 15,000 | 5,000 | 15,000 | 15,000 | 15,000 |
| Sunday Streets | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| TAA World Music Festival | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 |
| Telegraph Avenue Holiday Fair | 2,025 | 2,025 | 2,025 | 2,026 | 2,027 |
| SF Mime Troupe | 1,450 | 1,450 | 1,450 | 1,450 | 1,450 |
| Subtotal: | 108,315 | 98,315 | 158,315 | 158,316 | 158,317 |
| Recurring Expenses | | | | | |
| Personnel Overtime | 23,314 | 23,314 | 23,314 | 23,314 | 23,314 |
| Portable Toilets | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 |
| Insurance | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 |
| Subtotal: | 48,814 | 48,814 | 48,814 | 48,814 | 48,814 |
| Total Costs | 157,129 | 147,129 | 207,129 | 207,131 | 207,133 |



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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.

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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

GLOSSARY OF BUDGET TERMS

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.

Illiquid Reserve - Includes the portion of the reserve that represents amounts due to the general fund. For example, grant program expenditures fronted by the general fund represent grants receivable. When departments requests reimbursement for their program expenditures, the grant revenues will be used to reimburse the general fund.

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.

Liquid Reserve - Refers to the portion of the general fund reserve that is available for use.

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.

GLOSSARY OF BUDGET TERMS

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.

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

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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.

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

GLOSSARY OF BUDGET TERMS

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 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 terms means as of June 30th (end of the fiscal year).



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