



Office of the City Manager

SUPPLEMENTAL

Meeting Date: June 16, 2020

Item Number: #1

Item Description: Fiscal Year 2021 Proposed Budget Update Public Hearing #2

Submitted By: Teresa Berkeley-Simmons, Budget Manager

“Good of the City” Analysis:

The analysis below must demonstrate how accepting this supplement/revision is for the “good of the City” and outweighs the lack of time for citizen review or evaluation by the Council.

The City Manager’s Fiscal Year 2021 Deferral Recommendations were presented to the Budget & Finance Policy Committee on June 9, along with the updated FY 2021 Proposed General Fund Capital Projects & Other Non-Personnel Deferrals. The revisions are highlighted in the document.

The purpose of this supplemental is to provide the information presented and discussed at the Policy Committee meetings to the entire City Council for discussion. The attached documents supplement the departments presentations on today’s agenda.

Consideration of supplemental or revised agenda material is subject to approval by a two-thirds roll call vote of the City Council. (BMC 2.06.070)

A minimum of **42 copies** must be submitted to the City Clerk for distribution at the Council meeting. This completed cover page must accompany every copy.

Copies of the supplemental/revised agenda material may be delivered to the City Clerk Department by 12:00 p.m. the day of the meeting. Copies that are ready after 12:00 p.m. must be delivered directly to the City Clerk at Council Chambers prior to the start of the meeting.

Supplements or Revisions submitted pursuant to BMC § 2.06.070 may only be revisions of the original report included in the Agenda Packet.



Office of the City Manager

Date: June 9, 2020
To: Budget and Finance Policy Committee
From: Dee Williams-Ridley, City Manager
Submitted by: Teresa Berkeley-Simmons, Budget Manger
Subject: Fiscal Year 2021 Budget Update

RECOMMENDATION

Request that the Budget and Finance Policy Committee:

- 1) Discuss the City Manager's Fiscal Year 2021 Deferral Recommendations.
- 2) Review and approve the changes to the General Fund Reserves Policy. If approved staff will request that the City Council amend Resolution 68,332-N.S. to modify the General Fund Reserve policy.

CURRENT SITUATION AND ITS EFFECTS

The City Council adopted the FY 2020 and FY 2021 Biennial Budget (Biennial Budget) and the FY 2020 and FY 2021 Capital Improvement Program Budget (CIP Budget) on June 25, 2019. The Biennial Budget was a 2-year balanced budget. The Proclamation of Local Emergency for the purposes of responding to COVID-19 was issued on March 3, 2020. The economic and financial impacts of the COVID-19 pandemic on Berkeley's finances are significant and result in a projected General Fund deficit currently estimated at \$28.7 million in FY 2021.

The General Fund Capital Projects & Other Non-Personnel Deferrals proposed by the Department Directors were presented to the Policy Committee on May 19, 2020. The General Fund Personnel Deferrals proposed by the Department Directors were presented to the Policy Committee on May 26, 2020. Attached to this memorandum are the FY 2021 General Fund Capital Projects, Other Non-Personnel & Personnel Deferrals proposed by the City Manager.

The impacts of addressing the deficit will be felt throughout the entire organization. To address the immediate projected budget deficit, staff developed a balancing plan guided by the following Budget Strategies Principles:

1. *Continue serving the community.* Public health and safety functions, as well as essential municipal services will be preserved to the maximum extent possible. In so doing, the City will make every effort to avoid service and workforce reductions.
2. *Live within our means.* Strive for long-term sustainability that aligns available resources with needs and the City's values that embrace a commitment to advancing racial, social, and just equity, serving those who are most in need, and environmental sustainability.
3. *Identify expenditures that can be deferred.* Take a deferment first approach by thoroughly assessing expenditures with a special emphasis on large capital projects, equipment purchases, and new projects.
4. *Pursue other revenue and assistance.* Vigorously pursue cost recovery efforts, secure alternative sources of revenue, and be positioned to capitalize on federal and state assistance.
5. *Manage use of, and replenish, reserves.* In drawing on reserves, the City will adopt a long-term orientation to ensure that funds are available for the duration of the economic downturn. The City will look to its existing policies to ensure that any reserves that are utilized are restored when the economy improves.
6. *Be data-driven and transparent.* Budget decisions will be informed by data and be transparent. Staff will work collaboratively with the Budget and Finance Committee with on-going communication and updates provided to the entire City Council.

It is important departments develop thoughtful ideas for deferrals that are realistic and result in minimum negative impact to services and operations.

Non-personnel expenditures

City staff scrutinized all projects (capital and non-capital) that have been allocated funding through the budget process to determine what can be deferred to free up resources to address the deficit. A preliminary list of projects was discussed with the Budget and Finance Policy Committee on May 19, 2020 and the full City Council on May 26, 2020.

Personnel Expenditures and Vacancies

Personnel expenditures comprise more than 70% of total General Fund expenditures in FY 2021. To this end, Departments evaluated current vacant positions to identify the cost savings and service impacts of keeping those positions vacant. Public Safety comprises 65.5% of the FY 2021 General Fund allocations. Both the Police Department and the Fire Department were not able to meet target reductions with non-personnel and vacant positions alone. A preliminary list of impacted positions and services was presented to the Budget and Finance Policy Committee on May 26, 2020 and the full City Council on May 26, 2020.

General Fund Reserves

The City maintains two reserves – Stability Reserve and Catastrophic Reserve. After scrutinizing the savings generated from non-personnel and personnel deferrals as described above, a recommendation on the use of the Stability Reserve and Catastrophic Reserve has been developed. In developing this recommendation, consideration was given to the need to balance the City's immediate and long-term needs and what is needed to address the COVID-19 pandemic and other potential emergencies (e.g. earthquake, fire, public safety power shut-off). The Policy Committee is asked to review and approve the updated General Fund Reserves Policy proposed on this agenda. If approved, staff will request that the City Council amend Resolution 68,332-N.S. to modify the General Fund Reserve policy in accordance with the Policy Committee's recommended changes. The Policy was updated to incorporate the following draw down criteria.

For any draw-down from General Fund Reserves, Council shall adopt a plan that includes the following:

- The specific purpose for the use of General Fund Reserves,
- The amount of General Fund Reserves that are needed based upon long-term revenue volatility and long-term economic need; and
- To the extent practicable, a timeframe in which General Fund Reserves will be repaid.

Recognizing that the length of the pandemic and that the length of the economic emergency is unknown, expenditures from the Catastrophic and Stability Reserves shall not exceed one-third (1/3) of each reserve level per incident. One-third of the General Fund Reserves is \$11.4 million (Catastrophic - \$4.5 million; Stability - \$6.9 million).

The General Fund Stability Reserve shall only be drawn upon if all of the following criteria are met:

. In order to access the Stability Reserves the following criteria are needed.

1. City revenues are insufficient to meet normal operating expenses.
2. A hiring freeze has been implemented, with exceptions only for designated positions as appropriate to maintain essential and core services to the public that support public health, safety, and welfare. Essential services will be determined at the time of fiscal emergency with a recommendation from the City Manager to be approved by City Council.
3. User fees and services charges are being fully utilized for those services for which they were collected.
4. A declaration of fiscal emergency is made by ordinance before drawing on Citywide hiring freeze

A citywide hiring freeze was implemented on April 27, 2020. The hiring freeze provides the opportunity to assess each existing vacancy to evaluate what positions must be filled at this point in time to address public health and safety and the City's response to the COVID-19 pandemic. The Reserves policy also requires a declaration of Fiscal Emergency to access the Stability Reserve. The declaration of Fiscal Emergency will be presented to the City Council on June 16, 2020.

Budget Balancing Plan

The Budget Office asked each Department to identify savings that represents 10%, 12%, and 15% of their FY 2021 General Fund budget. This information was used as the basis to develop a Budget Balancing Plan that aligns with the Budget Strategy Principles. The Budget Balancing Plan will be incorporated into the FY 2021 Mid-Biennial Update and forms the basis for the budget that City Council will be asked to adopt on June 30, 2020. Presented below are the FY 2021 proposed General Fund balancing measures.

Balancing Measures (dollars in millions)	
Original General Fund Deficit Based on the Adopted Budget	\$ 25.60
Downtown PBID	\$ 0.01
Increased Insurance Costs	\$ 1.17
Center Street Garage Debt Service	\$ 1.91
Revised General Fund Deficit as of 5/19/20	\$ 28.69
<i>Additional General Fund Allocations</i>	
Measure P	\$ 5.12
Measure U1	\$ 3.50
COVID-19 Ongoing Response	\$ 1.00
Families at La Quinta	\$ 0.03
Vegetation Management	\$ 0.25
Waterfront Immediate Capital Needs	\$ 0.55
Sub-total	\$ 10.45
Total FY 21 General Fund Shortfall	\$ 39.14
<i>Proposed Solutions to Resolve the Shortfall</i>	
FY 21 Proposed Deferrals @ 15%	\$ 26.51
Filled Positions in Police Department	\$ (2.66)
Use of General Fund Reserves (1/3)	\$ 11.38
Total General Fund Solutions	\$ 35.23
Unresolved Shortfall	\$ (3.91)

The proposed balancing measures above focus on Public Safety, Public Health, and staffing. The City is a service organization and as such we must maintain staffing levels that ensure we can continue to provide services to the community. Although the proposed balancing measures do not displace current filled positions, it does impact 11 vacant positions in the Fire Department and 15 vacant positions in the Police Department. Both of these departments will be presenting their FY 2021 Proposed Deferrals Impacts at the City Council meeting this evening along with the following departments: Public Works; Parks, Recreations & Waterfront; Heath Housing & Community Services; and Planning.

In addition to the unresolved shortfall above there are the following FY 2021 unfunded needs.

FY 2021 Unfunded Needs			
	Program/Item	Amount	Comments
Council Budget Referrals	Establishing a COVID-19 Business Damage Mitigation Fund	\$ 100,000	Council Meeting: June 2, Item#11A
CMO	Strategic Plan - Data Dashboard	\$ 228,876	June 2019 Council Allocation FY21 Excess Equity
Fire	Develop standards, code, updated and enforcement to identify narrow streets that need to have parking restrictions to keep areas clear (Safe Passages)	\$ 200,000	June 2019 Council Allocation FY21 Excess Equity
	Paramedic Tax	\$ 187,490	Projected operating shortfall (special fund)
Public Works	1947 Center Building Purchase & Maintenance Fund	\$ 540,762	Shortfall resulting from 5th & 6th floor vacancy and IT's move (deferred)
	1951 Shattuck Avenue Traffic Signal	\$ 160,000	FY 21 design (\$160K), FY 22/23 construction (\$640k)
	ADA Transition Plan Capital Implementation	\$ 1,000,000	June 2019 Council Allocation FY21 Excess Equity
	50/50 Sidewalk backlog	\$ 500,000	June 2019 Council Allocation FY21 Excess Equity
	Pedestrian/Bicycle Safety Improvements	\$ 100,000	June 2019 Council Allocation FY21 Excess Equity
Other	115 Pension Trust	\$ 4,000,000	Unfunded Liabilities
	Worker's Compensation Fund	\$ 406,952	Premier Cru repayment (\$406,952 - General Fund)
		\$ 7,424,080	

Next Steps

FY 2021 Budget Update Development Timeline		
June 9, 2020	Budget & Finance Policy Committee	<ul style="list-style-type: none"> • City Manager FY 2021 Deferral Recommendations • Reserves Policy • Strategic Plan Impacts
June 9, 2020	City Council Meeting	<ul style="list-style-type: none"> • Public Hearing #2 • Department Presentations
June 16, 2020	City Council Meeting	<ul style="list-style-type: none"> • City Manager FY 2021 Deferral Recommendations • Strategic Plan Impacts • Fiscal Emergency Ordinance • Reserve Policy
June 18, 2020	Budget & Finance Policy Committee	<ul style="list-style-type: none"> • Discuss on budget recommendation continues
June 23, 2020	Special City Council Meeting	<ul style="list-style-type: none"> • Discussion on budget recommendations continues
June 25, 2020	Budget & Finance Policy Committee	<ul style="list-style-type: none"> • Discussion on budget recommendations continues
June 30, 2020	City Council Meeting	<ul style="list-style-type: none"> • Adoption of FY 2021 Budget Update • Adoption of the Appropriation Ordinance

Conclusion

The shortfall resulting from the impacts of the pandemic is unprecedented. The City has numerous revenue streams that depend on economic activities and the “Shelter in Place” order practically stopped most economic activity. The revenue streams that trail consumer and retail activity feel the brunt of this cessation and the economic outcome is largely dependent on the development of the virus itself.

In developing the FY 2021 Mid-Biennial Budget update, City staff acknowledges that there is a significant amount of uncertainty including limited data to accurately determine the fiscal impacts of the pandemic on City revenues. There is a lot that City staff doesn't know at this point in time. More data and time are necessary to determine the long-term effects of the COVID-19 pandemic on the City's budget, which will be critical to inform the FY 2022; FY 2023 Biennial Budget process that will commence November 2020. For this reason, City staff is committed to providing timely updates to City Council and reevaluating the City's budget and projections on a reoccurring basis. In addition, staff is recommending a second round of budget deliberation in November. The discussion would align with the adoption of the First Amendment to the FY 2021 Appropriation Ordinance.

FISCAL IMPACT

See information described above.

ENVIRONMENTAL SUSTAINABILITY

Actions included in the budget will be developed and implemented in a manner that is consistent with the City's environmental sustainability goals and requirements.

CONTACT PERSON

Teresa Berkeley-Simmons, Budget Manager, City Manager's Office, 981-7000

Attachments:

Attachment 1: FY 2021 General Fund Deferrals Personnel, Capital & Non-Personnel

Attachment 2: Resolution – General Fund Reserves Policy

Exhibit A: General Fund Reserves Policy



**FY 2021 General Fund Proposed Target Deferrals
All Departments
Personnel, Capital & Non- Personnel Services**

Department	Program/Item	PROPOSED			FY 2020 Allocations	Comments
		10%	12%	15%		
<u>City Attorney</u>	<i>Recommended Deferral</i>	\$ 282,106	\$ 338,527	\$ 423,159		
	Legal Office Manger (vacant)	\$ 144,998	\$ 144,998	\$ 144,998		defer hiring to FY 22
	Deputy City Attorney III (vacant)	\$ 117,130	\$ 117,130	\$ 117,130		Defer hiring 1 DCA to Dec. 2020 (10%)
	Deputy City Attorney III (vacant)		\$ 46,852	\$ 46,852		Defer hiring 1 DCA to Feb. 2021 (12%)
	Deputy City Attorney III (vacant)			\$ 117,130		Defer hiring 1 DCA to FY 2022 (15%)
	40% reduction in Supplies, books, and subscription	\$ 26,200	\$ 26,200	\$ 26,200		
	Sub-Total	\$ 288,328	\$ 335,180	\$ 452,310		
<u>City Clerk</u>	<i>Recommended Deferral</i>	\$ 266,766	\$ 320,119	\$ 400,148		
	Deferral of purchase for e-filing software for Lobbyist Filings	\$ 20,000	\$ 20,000	\$ 20,000	Yes	
	Deferral from software account	\$ 10,000	\$ 10,000	\$ 10,000		
	Sub-Total	\$ 30,000	\$ 30,000	\$ 30,000		
<i>Notes: Additional savings could be generated from Elections Costs Deferral and Fair Elections Fund Deferral depending on the number of measures placed on the ballot and potential new costs from Registrar of Voters (ROV) related to COVID-19.</i>						
<u>CMO - Admin</u>	<i>Recommended Deferral</i>	\$ 687,632	\$ 825,158	\$ 1,031,448		
	Associate Management Analyst (vacant)	\$ 154,803	\$ 154,803	\$ 154,803		Reassign Commission Secretary, reduced / reassigned sidewalk enforcement
	Digital Communications Position - CSS (vacant)	\$ 163,000	\$ 163,000	\$ 163,000		
	Census 2020 (FY20)	\$ 125,000	\$ 125,000	\$ 125,000	Yes	unspent funds in FY20 due to COVID-19
	Printing and Binding	\$ 7,000	\$ 7,000	\$ 7,000		
	Advertising	\$ 5,000	\$ 5,000	\$ 5,000		
	Postage	\$ 5,000	\$ 5,000	\$ 5,000		
	Office Supplies	\$ 5,000	\$ 5,000	\$ 5,000		
	Miscellaneous	\$ 5,000	\$ 5,000	\$ 5,000		
	Solano Avenue Revitalization Plan	\$ 300,000	\$ 300,000	\$ 300,000	Yes	FY 20 Excess equity - Carried over to FY 21, Part of Baseline 1-time allocation



**FY 2021 General Fund Proposed Target Deferrals
All Departments
Personnel, Capital & Non- Personnel Services**

Department	Program/Item	PROPOSED			FY 2020 Allocations	Comments
		10%	12%	15%		
<u>CMO - Admin Continuation</u>	Citywide Risk Assessment	\$ 100,000	\$ 100,000	\$ 100,000	Yes	FY 20 Excess equity, no contract, no funds spent
	Code Enforcement Workload Analysis, Licensing and Support Equipment	\$ 81,185	\$ 81,185	\$ 81,185		FY 19 Carryover to FY 20 Budget
	Sub-Total	\$ 950,988	\$ 950,988	\$ 950,988		
<u>CMO-Animal Services</u>	Senior Animal Control Officer (vacant)	\$ 132,917	\$ 132,917	\$ 132,917		
	Pride industries		\$ 9,177	\$ 9,177		
	Airfare		\$ 3,000	\$ 3,000		
	Lodging		\$ 2,000	\$ 2,000		
	Field Supplies		\$ 7,000	\$ 7,000		
	Other Supplies		\$ 6,000	\$ 6,000		
	Sub-Total	\$ 132,917	\$ 160,094	\$ 160,094		
<u>CMO - OED</u>	<i>Recommended Deferral</i>	<i>\$ 288,649</i>	<i>\$ 346,379</i>	<i>\$ 432,974</i>		
	<i>Adjusted Deferral per OED*</i>	<i>\$ 157,831</i>	<i>\$ 189,397</i>	<i>\$ 236,746</i>		
	Festival Grants Program	\$ 158,315	\$ 158,315	\$ 158,315		The City will likely be discouraging large gatherings through FY21 (although some of these events may still occur by pivoting to online or other media).
	Berkeley Film Foundation		\$ 25,000	\$ 25,000		
	15% Berkeley Arts Center Reduction		\$ 12,998	\$ 12,998		
	Small Business Support		\$ 75,000	\$ 75,000		Funding for support for businesses at risk of displacement or closure, provided by nonprofit partners.
	Bayer Development Agreement		\$ 25,000	\$ 25,000	Yes	FY 20 Excess Equity, No Contract, Not Spent
	Sub-Total	\$ 158,315	\$ 296,313	\$ 296,313		



**FY 2021 General Fund Proposed Target Deferrals
All Departments
Personnel, Capital & Non- Personnel Services**

Department	Program/Item	PROPOSED			FY 2020 Allocations	Comments
		10%	12%	15%		

**CMO - OED
Continuation**

*Notes: *Adjusted for the Downtown PBID Assessment and Visit Berkeley (pass through allocations)*

Downtown PBID Assessment: Under the provisions of Prop 218 the City is obligated to pay this special assessment \$ 158,187

Visit Berkeley TOT Share: This amount will automatically scale down, as the actual payment is calculated as one twelfth of TOT revenues. \$ 650,000

Finance

<i>Recommended Deferral</i>	<i>\$ 640,155</i>	<i>\$ 768,186</i>	<i>\$ 960,233</i>
Customer Service Specialist II (vacant)	\$ 119,349	\$ 119,349	\$ 119,349
Rev Dev Specialist I (vacant)	\$ 120,291	\$ 131,226	\$ 131,226
Rev Dev Specialist II (vacant)	\$ 147,430	\$ 160,833	\$ 160,833

Proposal 1: \$642K savings or roughly 10% of the projected shortfall from FY2021. A moderate plan; creating a leaner Finance Department that is able to deliver baseline services. This proposal would defer the vacancies for the Customer Service Specialist II and two Field Representative positions for the full year and defer the Revenue Development Specialists I and II for 11 months.

Proposal 2: \$767K savings or roughly 12% of the projected shortfall from FY2021. A more aggressive plan; prolonging some deferrals and leaving more positions vacant. This will reduce the department's



**FY 2021 General Fund Proposed Target Deferrals
All Departments
Personnel, Capital & Non- Personnel Services**

Department	Program/Item	PROPOSED			FY 2020 Allocations	Comments
		10%	12%	15%		
Finance Continuation	Field Representative (vacant)	\$ 127,745	\$ 127,745	\$ 127,745		ability to generate additional sources of revenue and may lead to longer wait times at the Customer Service Counter. The Contract Administrator vacancy would be deferred for three months; one Customer Service Specialist II for six months; and the remaining positions, Customer Service Specialist II, Revenue Development Specialists I & II, as well as the two Field Representatives for the full year. Proposal 3: \$964K savings, or roughly 15.1% of the projected shortfall from FY2021. The most aggressive plan; leaving the majority of positions unfilled and only hiring critical positions for a few months in FY2021. The Accounting Manager and one Customer Service Specialist II would remain vacant for six months, and the Contract Administrator would remain vacant for nine months. The remaining positions, Customer Service Specialist II, Revenue Development Specialists I and II, and two Field Representatives would be deferred for the full year.
	Field Representative (vacant)	\$ 127,745	\$ 127,745	\$ 127,745		
	Contract Administrator (vacant)		\$ 40,876	\$ 122,628		
	Customer Service Specialist II (vacant)		\$ 59,675	\$ 59,675		
	Accounting Manager (vacant)			\$ 114,978		
	Training and Conference – Registration			\$ 3,250	Additional Deferrals	
	Travel – Lodging			\$ 3,750		
	Printing and Binding			\$ 9,000		
	Supplies – Office			\$ 14,675		
	Non-Capital – Comp, Software, & Office Equipment			\$ 15,325		
	Non-Capital – Furniture and Fixtures			\$ 15,000		
	Sub-Total	\$ 642,561	\$ 767,449	\$ 1,025,180		



**FY 2021 General Fund Proposed Target Deferrals
All Departments
Personnel, Capital & Non- Personnel Services**

Department	Program/Item	PROPOSED			FY 2020 Allocations	Comments
		10%	12%	15%		
Fire	<i>Recommended Deferral</i>	\$ 3,295,464	\$ 3,954,556	\$ 4,943,196		
	OT Deferral and Reduction	\$ 521,328	\$ 521,328	\$ 521,328		One time reduction of \$521,328 from the Suppression division General Fund overtime budget, which will lead the elimination of most if not all discretionary overtime. (Meas GG to cover minimum staffing overtime of \$523k).
	OT Deferral and Reduction	\$ 273,352	\$ 273,352	\$ 273,352		OT deferral
	Firefighter/Paramedic open requisitions (9)	\$ 1,624,434	\$ 1,624,434	\$ 1,624,434		One year of salary savings for 9 budgeted benefited positions. Estimated OT costs to backfill these positions for a year is \$1.30 million and would have a significant impact on existing personnel working mandatory overtime.
	Retirement of Firefighter/Paramedic (4)	\$ 447,830	\$ 447,830	\$ 447,830		Anticipated retirements of four firefighters in December 2020 (six month savings). Estimated OT costs to backfill these positions for six months is \$371,716 and would have a significant impact on existing personnel working mandatory overtime.
	Fire Prevention Inspector (Sworn)	\$ 245,459	\$ 245,459	\$ 245,459		Delay replacement of Fire Prevention Inspector Sworn for a year.
	Emergency Services Coordinator	\$ 145,344	\$ 145,344	\$ 145,344		Redirect 12 months of Emergency Services Coordinator position funding to Measure GG.
	Vegetation Mgmt. personnel budget		\$ 97,800	\$ 97,800		Due to pandemic, staff weren't able to work on this project which left a remaining balance of \$97,800 (total was \$107,800).
	Travel	\$ 5,000	\$ 5,000	\$ 5,000		Defer 6 months of travel budget since usage is all year.



**FY 2021 General Fund Proposed Target Deferrals
All Departments
Personnel, Capital & Non- Personnel Services**

Department	Program/Item	PROPOSED			FY 2020 Allocations	Comments
		10%	12%	15%		
<u>Fire Continuation</u>	Eliminate Exam Testing	\$ 14,000	\$ 14,000	\$ 14,000		Eliminate outside consultant and conduct in-house promotional exam process.
	Vegetation Mgmt. non-personnel budget		\$ 334,000	\$ 334,000	Yes	Due to pandemic, veg mgmt. plans weren't able to be executed and \$334k was routed to EOC budget.
	Paramedic Supervisor open position (1)	\$ 246,545	\$ 246,545	\$ 246,545		
	Sub-Total	\$ 3,523,292	\$ 3,955,092	\$ 3,955,092		

Note: 12% reduction not achieved. An additional \$240,000 in saving needed to reach 12%. This and any additional savings to get to 15% would have a significant impacts on existing personnel.

HHCS

<i>Recommended Deferral</i>	\$ 1,468,827	\$ 1,762,593	\$ 2,203,241
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PHEP New Funding FY21

HSPPS (40%):	\$ 48,290	\$ 48,290	\$ 48,290
HSPPS (33%):	\$ 38,697	\$ 38,697	\$ 38,697
SHSPS (40%):	\$ 70,944	\$ 70,944	\$ 70,944

Reduce Youthworks for summer 2020

Youth Wages Savings	\$ 303,225	\$ 303,225	\$ 303,225
Defer filling CSSIII (3 month vacancy - PC#XX):	\$ 47,500	\$ 47,500	\$ 47,500
Defer filling CSSI (6 month vacancy - PC#9):	\$ 68,000	\$ 68,000	\$ 68,000

PH Vacancies

Defer filling 1.0 FTE HSS - PC#3	\$ 111,000	\$ 111,000	\$ 111,000
Defer filling 1.0 FTE SHSPS - PC#11	\$ 206,000	\$ 206,000	\$ 206,000
Defer filling 1.0 FTE PHN - PC#13	\$ 174,000	\$ 174,000	\$ 174,000

AG Vacancy

Defer filling Aging vacancy (OSII - PC#212)	\$ 105,000	\$ 105,000	\$ 105,000
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Use 85% of new PHEP COVID funds in FY21 for PHEP staffing. Total of \$56,812 but three months in FY20, took 90% for FY21

Started with \$543,725, subtracted \$140,000 for 50 youth @15.50 for 30 hr for 6 weeks. Subtracted \$110,000 for Extended Program. Limit summer program to 50 highest need applicants. Continue reduced Extended Program. Defer replacements: CSSII by 3 months and CSSI by 6 months. 6 months savings for HSS, full year savings for PHN and SHSPS.

reduce clerical support



**FY 2021 General Fund Proposed Target Deferrals
All Departments
Personnel, Capital & Non- Personnel Services**

Department	Program/Item	PROPOSED			FY 2020 Allocations	Comments
		10%	12%	15%		
HHCS Continuation	EH Vacancy					
	Defer filling 1.0 REHS	\$ 154,000	\$ 154,000	\$ 154,000		Longer term reduction in REHS; may need to reduce number and/or frequency of inspections.
	Defer filling Vector Control Tech vacancy (.27FTE gf)	\$ 31,500	\$ 31,500	\$ 31,500		
	HCS Admin Funds					
	Reallocate GF psrcnnel costs to HEAP Admin funds	\$ 50,000	\$ 50,000	\$ 50,000		Funds unavailable for other purposes
	AG Redistribution					
	Use 056 Fund balance for .50FTE (CSS1 PC#28)		\$ 74,100	\$ 74,100		Reduce TCM fund balance
	OD Vacancy					
	Defer filling OD vacancy (AOSIII - PC#7)		\$ 109,000	\$ 109,000		Would continue high load on current Payroll Staff
	HCS Fed funds Admin redistribution:					
	Fund Deputy Director position/other through Fed. Admin funds:		\$ 75,000	\$ 75,000		Additional Documentation requirements
	Defer filling CSSII (PC#126)			\$ 162,353		Reduce ability/flexibility to address issues because position will be restricted to eligible Boomerang activities
	Reallocate HCS Senior Management Analyst vacant (req# 2020-00086)			\$ 181,933		For first two years fund position with CDBG/ESG
	HCS Admin Funds					
	Reallocate GF personnel costs to county Boomerang funds			\$ 90,000		Funds unavailable for other purposes
	MH Vacancy					
	Health Officer (HO) - Infectious Disease grant	\$ 80,000	\$ 80,000	\$ 80,000		Use to fund Covid efforts in FY21
	Sugar Sweetened Beverage (SSB) program		\$ 30,000	\$ 30,000		Save funds from FY21
	Environmental Health Division					Additional Deferrals
	Environmental Health Supervisor (PC#1)			\$ 21,439		12% GF funded
	Public Health Division					
	Health Services Program Specialist(PC#38)			\$ 50,635		33% GF funded



**FY 2021 General Fund Proposed Target Deferrals
All Departments
Personnel, Capital & Non- Personnel Services**

Department	Program/Item	PROPOSED			FY 2020 Allocations	Comments	
		10%	12%	15%			
HHCS Continuation							
	Office Specialist II (PC#68)		\$	87,593		82% GF funded	
	Office Specialist II (PC#335)		\$	80,116		75% GF funded	
	Aging Services Division						
	Mini Bus Driver (PC#10)		\$	107,148		100% GF funded	
	Senior Service Assistant 0.5FTE (PC#11)		\$	33,052		58% GF funded	
	Sub-Total	\$	1,488,157	\$	1,776,257	\$	2,590,526

Human Resources	<i>Recommended Deferral</i>	\$	<i>237,075</i>	\$	<i>284,490</i>	\$	<i>355,612</i>
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Vacant Associate HR Analyst and 40% HR Manager positions	\$	237,075	\$	249,188	\$	249,188
Vacant HR Technician position (7 months)			\$	35,302	\$	49,188

Both of those positions would be open for three months in FY21 due to recruitment time and could claim those savings to adjust. However, if we need to adjust for the data in a larger capacity we are prepared to hold 1 position open for the whole year, and account for 3 months for a 2nd position to meet the 15% target. These are updates that were not included in the proposal but can be only if necessary

Employee Relations Professional Service Contract			\$	25,000		
From Personnel and Admin Services Advertising account			\$	15,247		



**FY 2021 General Fund Proposed Target Deferrals
All Departments
Personnel, Capital & Non- Personnel Services**

Department	Program/Item	PROPOSED			FY 2020 Allocations	Comments
		10%	12%	15%		
Human Resources Continuation	Navex Contract				\$ 16,989	Equal Employment Opportunity Training contract - savings (software and licenses) for FY21. Sexual harrasment training will be covered by Department of Fair Employment and Housing for free.
	<i>Sub-Total</i>	\$ 237,075	\$ 284,490	\$ 355,612		

[Information Technology](#)

<i>Recommended Deferral</i>	\$ 940,293	\$ 1,128,351	\$ 1,410,439
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Fund 891 Division 2701

MISC PROF SVCS	\$ 27,445	\$ 63,503	\$ 102,731
PROFESSIONAL DUES AND FEE	\$ 18,000	\$ 24,800	\$ 50,000
COMMERCIAL TRAVEL	\$ 7,200	\$ 7,200	\$ 7,200
BOOKS AND PUBLICATIONS	\$ 3,000	\$ 10,000	\$ 12,000

Cancelled Gartner Subscription

Fund 891 Division 2702

MISC PROF SVCS	\$ 60,000	\$ 90,000	\$ 180,000
PROFESSIONAL DUES AND FEE	\$ 15,000	\$ 20,000	\$ 30,000
FURNITURE AND FIXTURES	\$ 5,000	\$ 5,000	\$ 5,000
COMPUTERS & PRINTERS	\$ 2,500	\$ 5,000	\$ 7,500
SMALL EQUIPMENT	\$ 2,500	\$ 2,500	\$ 2,500

Cancelled: GIS Master Address Database Project

Fund 891 Division 2703

MISC PROF SVCS	\$ 105,000	\$ 120,000	\$ 125,000
COMPUTER SOFTWARE/LIC MTC	\$ 100,000	\$ 100,000	\$ 100,000
PROFESSIONAL DUES AND FEE	\$ 15,000	\$ 15,000	\$ 15,000
FURNITURE AND FIXTURES	\$ 5,000	\$ 5,000	\$ 5,000
COMPUTERS & PRINTERS	\$ 2,500	\$ 5,000	\$ 10,000
SMALL EQUIPMENT	\$ 7,000	\$ 7,000	\$ 7,000

Cancelled: Deployment of additional ServiceNow modules
Cancelled: Scripting project

Fund 891 Division 2704

MISC PROF SVCS	\$ 10,000	\$ 12,000	\$ 27,260
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Cancelled: Help Desk training and education services



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Information Technology Continuation	MISC PROF SVCS	\$ 54,000	\$ 112,000	\$ 162,000		Cancelled: Two cyber security priority 2 projects
	SMALL EQUIPMENT	\$ 5,000	\$ 7,000	\$ 21,250		Cancelled: cables and components for citywide distribution
	Fund 891 Division 2709					
	COMPUTER SOFTWARE/LIC MTC	\$ 40,000	\$ 50,000	\$ 60,000		Cancelled: CRM Project (Lagan replacement)
	TELEPHONES	\$ 7,000	\$ 15,000	\$ 25,000		
	PRINTING AND BINDING	\$ 1,500	\$ 2,500	\$ 3,650		
	COMMERCIAL TRAVEL	\$ 3,000	\$ 4,000	\$ 5,000		
	BOOKS AND PUBLICATIONS	\$ 350	\$ 350	\$ 350		
	OFFICE SUPPLIES	\$ 1,500	\$ 2,000	\$ 2,500		
	FURNITURE AND FIXTURES	\$ 1,500	\$ 2,000	\$ 2,500		
	SMALL EQUIPMENT	\$ 1,000	\$ 1,200	\$ 1,700		
	Fund 891 Division 2750					
	COMPUTERS & PRINTERS	\$ 67,298	\$ 67,298	\$ 67,298		Cancelled: FY21 Wifi and Uninterrupted Power Supplies Replacement Programs
	1947 MOVE	\$ 572,000	\$ 572,000	\$ 572,000	Yes	
	Fund 608 Division 2750					
VOIP	\$ 198,000	\$ 198,000	\$ 198,000		Cancelled FY21 Annual GF transfer to VoIP	
	Sub-Total	\$ 1,337,293	\$ 1,525,351	\$ 1,807,439		
Planning	Recommended Deferral	\$ 213,391	\$ 256,069	\$ 320,086		
	OS II - Toxics/OESD (42%)			\$ 47,414		Cost shift to PSC
	CSSI - OESD (35%)			\$ 46,373		amount and % change per Planning 6/2/20
	OSII - Toxics/OESD (25%)			\$ 28,223		
	Haz Mat II (3 positions related to GF projects) - Toxics (28%)			\$ 43,102		Cost shift to CUPA fund
	Haz Mat Manager - Toxics (23%)			\$ 53,967		
	CEQA student housing	\$ 45,000	\$ 45,000	\$ 45,000	Yes	
	Density Standards	\$ 8,000	\$ 8,000	\$ 8,000	Yes	



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<u>Planning Continuation</u>	Southside EIR	\$ 58,000	\$ 58,000	\$ 58,000	Yes	
	Missing Middle RFP Study	\$ 100,000	\$ 100,000	\$ 100,000	Yes	
	BART Station Env Planning		\$ 50,000	\$ 50,000	Yes	
	Landmarks Pres Grants			\$ 20,000	Yes	
	BART Station Env Planning (ph 3 deferral)			\$ 40,000	Yes	
	Interns - Toxics			\$ 16,420		Additional Deferrals personnel
	Interns - OESD			\$ 20,051		
	Senior Planner			\$ 95,804		
Travel and Training			\$ 4,800		non-personnel	
	Sub-Total	\$ 211,000	\$ 261,000	\$ 677,154		

<u>Police</u>	<u>Recommended Deferral</u>	<u>\$ 6,985,110</u>	<u>\$ 8,382,132</u>	<u>\$ 10,477,665</u>
General Fund (Fund 011)	\$ 5,514,176	\$ 5,514,176	\$ 5,514,176	
Prop 172 (Fund 126)	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	
Citizens Option Public Safety (Fund 159)	\$ 600,000	\$ 600,000	\$ 600,000	
General Fund (Fund 011)		\$ 1,458,138	\$ 1,458,138	

In order to meet the 10% reductions, it would require a total of 25 police department positions to be vacant and an 8.7% reduction in staff from 285 positions to 260. Of the 25 police department positions, 16 would be Police Officer positions which will generate savings of \$3,888,368

In order to meet the 12% reductions, it would require a total of 31 police department positions to be vacant and a 10.8% reduction in staff from 285 positions to 254. Of the 31 police department positions, 22 would be Police Officer positions, which will generate savings of \$5,346,506



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Department	Program/Item	PROPOSED			FY 2020 Allocations	Comments
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Police Continuation	General Fund (Fund 011)				\$ 1,701,161	In order to meet the 15% reductions, it would require a total of 38 police department positions to be vacant and a 13.3% reduction in staff from 285 positions to 247. Of the 38 police department positions, 29 would be Police Officer positions, which will generate savings of \$7,047,668
	Non-mandatory training and travel along with eliminating non-essential purchases	\$ 500,000	\$ 500,000	\$ 500,000		
	Defer purchase of vehicles	\$ 412,483	\$ 412,483	\$ 412,483		
	Gun buyback program	\$ 60,000	\$ 60,000	\$ 60,000	Yes	
	Sub-Total	\$ 8,086,659	\$ 9,544,797	\$ 11,245,958		

Note: 10% reduction not achieved. This and any additional savings to get to 15% would have a signifant impacts on existing personnel.

[PRC](#)

Recommended Deferral	\$ 62,610	\$ 75,132	\$ 93,915
Services and Materials	\$ 13,509	\$ 13,509	\$ 13,509
Services and Materials		\$ 1,425	\$ 1,425

Substantial savings in the Registration, Travel, and Meals & Lodging categories, due to cancellation of the NACOLE conference. The conference is being reformulated as a series of webinars, for a fee, so a small amount remains in the Registration category.
Postage and Rental of Office Equipment & Furniture (copier) expenses are reduced by a greater reliance on electronic agenda packets, and perhaps a reduction in the number of meetings. This would also reduce the amount of office supplies needed.



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<u>PRC Continuation</u>	Services and Materials			\$ 4,275		Charges for using the South Berkeley Senior Center (Rental of Land) for Commission meetings could be reduced by having fewer meetings or holding them via videoconferencing
	Sub-Total	\$ 13,509	\$ 14,934	\$ 19,209		
	<i>Note: 10% reduction not achieved. This and any additional savings to get to 15% would have a signifant impacts on existing personnel. Any deferrals tied to personnel would have an impact on supporting Commission meetings and their policy work, while effects on complaint investigations would vary depending on the complaint caseload, but would be significant if the number of filings return to normal.</i>					
<u>PRW</u>	Recommended Deferral	\$ 609,205	\$ 731,046	\$ 913,807		
	Assistant Recreation Coordinator (vacancy)			\$ 111,992		Reduced programming provided by Recreation. This position provides programming for our Teens and Playground Programs.
	Echo Lake ADA (CIP PRW Camps Capital)	\$ 445,388	\$ 445,388	\$ 445,388	Yes	This funding is Phase 1 of a \$2.1M Construction project. The design for the full project is in process. Echo Lake Camp will not be open this summer so a 1 year deferral will not effect our liability.
	John Hinkel Play Area (CIP PRW Parks Capital)	\$ 193,029	\$ 300,000	\$ 300,000		A portion of the project will be cost-shifted from CIP to Parks Tax. This reduction will effect the construction of both this project and the Ohlone Mural and playground project.
	Skate Parks Improvements (CIP PRW Parks Capital)		\$ 20,713	\$ 100,000		This \$100,000 of GF will be cost-shifted from CIP to Parks Tax because it is an immediate safety concern. This project effects the construction of both John Hinkle Lower and the Ohlone Mural and playground project.
	Sub-Total	\$ 638,417	\$ 766,101	\$ 957,380		



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<u>Public Works</u>	<u>Recommended Deferral</u>	\$ 351,813	\$ 422,175	\$ 527,719		
	Equipment Replacement			\$ 1,366,699		Annual Transfer from the General Fund to Fund 671
	Sub-Total			\$ 1,366,699		
<u>Mayor/Council Budget Referral/ Recommendation</u>	City-wide Undergrounding (PWENUD1602)	General Fund	FY 2020	\$ 100,000	Yes	<u>\$16,479 has been spent/encumbered</u> Project that has not started and can be delayed Amount Budgeted in Public Works
	Freestanding Public Restroom - TBID	Capital Improvement Fund	FY 2020	\$ 100,000	Yes	Project that has not started and can be delayed Amount Budgeted in Public Works
	Ped Xing Signal @ intersec of Shattuck & Prince	Capital Improvement Fund	FY 2020	\$ 100,000	Yes	Project that has not started and can be delayed Amount Budgeted in Public Works
	Ped/Bike Safety along Oxford St	Capital Improvement Fund	FY 2020	\$ 75,000	Yes	Project that has not started and can be delayed Amount Budgeted in Public Works
	Reserved for Pedestrian/Bicycle Safety Improvements	Capital Improvement Fund	FY 2020	\$ 100,000	Yes	Project that has not started and can be delayed ; \$100K-FY20 Amount Budgeted in Public Works - \$100K
	Traffic Calming at MLK and Stuart Street (up to)	Excess Property Transfer Tax	FY 2020	\$ 100,000	Yes	Project that has not started and can be delayed
	Mayor's Office Budget			\$ 45,000		
	Sub-Total			\$ 620,000.00		
	Total Capital and Non-Personnel Deferral	\$ 19,725,210	\$ 22,654,745	\$ 26,509,954		

Notes: The list excludes all projects that have started and will be completed and/or were completed per PW GF/CIP/Excess Prop. Tax projects.