



Office of the City Manager

PUBLIC HEARING
May 24, 2022

To: Honorable Mayor and Members of the City Council
 From: Dee Williams-Ridley, City Manager
 Submitted by: Sharon Friedrichsen, Budget Manager
 Subject: Fiscal Years 2023 and 2024 Proposed Budget and
 Proposed Budget Public Hearing #1

RECOMMENDATION

Accept the Fiscal Years 2023 and 2024 Proposed Biennial Budget for review and consideration by the City Council and final adoption on June 28, 2022 and conduct Public Hearing #1 on the Fiscal Years 2023 and 2024 Proposed Budget.

FISCAL IMPACTS OF RECOMMENDATION

The Proposed Budget reflects planned citywide expenditures for Fiscal Years 2023 and 2024, including General Fund expenditures, and options to fund expenditures through anticipated new revenues, the continued use of the City's remaining allocation of the American Rescue Plan Act funding as well as projected Fiscal Year 2022 General Fund excess equity as needed. The fiscal impact is subject to change based on forthcoming Council direction and will be codified with the adoption of the budget on June 28, 2022.

CURRENT SITUATION AND ITS EFFECTS

This report accompanies the Fiscal Years ("FY") 2023 and 2024 Proposed Budget, which will be presented to Council for review and consideration on May 24, 2022. The Proposed Biennial Budget will include information on proposed revenues and expenditures by funding source; proposed expenditures by City department; proposed staffing levels; an update on the City's strategic plan priorities and goals; performance measures and the proposed capital improvement program.

Following the presentation on the Proposed Budget, staff requests that the City Council conduct the first public hearing on the budget. Subsequently, the Budget and Finance Policy Committee and City Council will continue discussions regarding the proposed budget prior to adoption on June 28, 2022, as reflected in the attached FY 2023- 2024 Biennial Budget Development Schedule. The FY 2023 and 2024 Proposed Budget is a Strategic Plan Priority Project, advancing our goal to provide an efficient and financially-healthy City government.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

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.

RATIONALE FOR RECOMMENDATION

This recommendation presents the Fiscal Years 2023 and 2024 Proposed Budget to City Council and begins the first of several public hearings pertaining to the budget, leading to adoption on June 28, 2022.

ALTERNATIVE ACTIONS CONSIDERED

No alternative actions have been considered.

CONTACT PERSON

Sharon Friedrichsen, Budget Manager, City Manager's Office, 981-7000

Attachments:

1. Public Hearing Notice
2. Biennial Budget Development Schedule

**NOTICE OF PUBLIC HEARING
BERKELEY CITY COUNCIL**

FY 2023 AND FY 2024 PROPOSED BUDGET PUBLIC HEARING #1

The public may participate in this hearing by remote video or in-person.

The City Manager’s Office is proposing a public hearing for the Fiscal Years 2023 and 2024 Proposed Budget, which is being presented to the City Council.

The hearing will be held on **Tuesday, May 24, 2022 at 6:00 p.m.** at the Berkeley Unified School District Board Room located at 1231 Addison Street, Berkeley CA 94702.

A copy of the agenda material for this hearing will be available on the City’s website at www.CityofBerkeley.info as of May 12, 2022. **Once posted, the agenda for this meeting will include a link for public participation using Zoom video technology, as well as any health and safety requirements for in-person attendance.**

For further information, please contact **Sharon Friedrichsen** at (510) 981-7000.

Written comments should be mailed to the City Clerk, 2180 Milvia Street, Berkeley, CA 94704, or e-mailed to council@cityofberkeley.info in order to ensure delivery to all Councilmembers and inclusion in the agenda packet.

Communications to the Berkeley City Council are public record and will become part of the City’s electronic records, which are accessible through the City’s website. **Please note: e-mail addresses, names, addresses, and other contact information are not required, but if included in any communication to the City Council, will become part of the public record.** If you do not want your e-mail address or any other contact information to be made public, you may deliver communications via U.S. Postal Service. If you do not want your contact information included in the public record, please do not include that information in your communication. Please contact the City Clerk at (510) 981-6900 or clerk@cityofberkeley.info for further information.

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I hereby certify that the Notice for this Public Hearing of the Berkeley City Council was posted at the display case located near the walkway in front of the Maudelle Shirek Building, 2134 Martin Luther King Jr. Way, as well as on the City’s website, on May 12, 2022.

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Mark Numainville, City Clerk

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**FY 2023-2024 Biennial Budget Development Schedule**

| <b>Date</b>                                                                                | <b>Lead Entity</b>                    | <b>Action Item/Deliverable/Topic</b>                                                                                  |
|--------------------------------------------------------------------------------------------|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| January 27                                                                                 | Budget & Finance Committee            | Review of Budget Development Schedule                                                                                 |
| February 10                                                                                | Budget & Finance Committee            | Review of Council Budget and Fiscal Policies                                                                          |
| <i>February 24</i>                                                                         | <i>Budget &amp; Finance Committee</i> | <i>Homelessness Funding Priorities Discussion</i>                                                                     |
| February 24                                                                                | Budget & Finance Committee            | FY 22 Mid-Year and American Rescue Plan Act Update                                                                    |
| February 24                                                                                | Budget & Finance Committee            | General Fund Expenditures: Discussion on FY 23 & 24 Budget Assumptions on Personnel Costs, Including “Salary Savings” |
| March 10                                                                                   | Budget & Finance Committee            | Measure P Overview and Fund Forecast                                                                                  |
| March 10                                                                                   | Budget & Finance Committee            | Legislative Update: Governor's FY 22-23 Proposed Budget, Federal Infrastructure Bill, Introduced Legislation          |
| March 10                                                                                   | Budget & Finance Committee            | Five-Year Capital Improvement Program and Proposed Projects                                                           |
| March 22                                                                                   | Council                               | FY 22 Mid-Year and American Rescue Plan Act Update                                                                    |
| April 12                                                                                   | Council                               | Five-Year Capital Improvement Program and Proposed Projects                                                           |
| April 14                                                                                   | Budget & Finance Committee            | FY 22 AAO #2 Update                                                                                                   |
| April 14                                                                                   | Budget & Finance Committee            | General Fund Revenue and Expenditures: Five-Year Forecast<br>Special Revenue/Enterprise/Other Funds Forecast          |
| April 14                                                                                   | Budget & Finance Committee            | Overview of the FY 23 & 24 “Preliminary” Budget                                                                       |
| April 14                                                                                   | Budget & Finance Committee            | Capital Improvement Program Recommendations                                                                           |
| April 14                                                                                   | Budget & Finance Committee            | Discussion on Budget Engagement Strategies                                                                            |
| April 22                                                                                   | Council                               | Initial Budget Referrals to City Manager                                                                              |
| April 26                                                                                   | Council                               | Public Hearing on CDBG & ESG Annual Action Plan                                                                       |
| April 27                                                                                   | Budget & Finance Committee            | Department Presentations; Measure P Allocation and Proposed Initial Recommendations                                   |
| <b>Schedule Continued on Next Page</b><br><b>Dates are tentative and subject to change</b> |                                       |                                                                                                                       |

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**FY 2023-2024 Biennial Budget Development Schedule**

| Date                               | Lead Entity                | Action Item/Deliverable/Topic                                                                                                                                                       |
|------------------------------------|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| April 28                           | Budget & Finance Committee | Department Presentations                                                                                                                                                            |
|                                    |                            | <i>Discuss and develop alternative revenue streams for the Marina Fund including a dedicated reserve</i>                                                                            |
| April 29                           | Budget & Finance Committee | Department Presentations                                                                                                                                                            |
| May 10                             | Council                    | Public Hearing to Receive FY 22 AAO#2 Report (1st reading)                                                                                                                          |
| May 12                             | Budget & Finance Committee | Receive presentation on FY 23 proposed fees                                                                                                                                         |
|                                    |                            | Discussion on Proposed Biennial Budget & CIP Recommendations                                                                                                                        |
|                                    |                            | Review of Council Fiscal Policies                                                                                                                                                   |
| To Be Determined<br>Week of May 16 | Budget & Finance Committee | Discussion on Proposed Biennial Budget & CIP Recommendations<br>Review of Council Fiscal Policies                                                                                   |
| May 24                             | Council                    | Receive AAO#2 Report (2nd reading), Public Hearing on FY 23 Fees, Receive Proposed FY 23 & 24 Budget and Capital Improvement Program and Public Hearing on Proposed Biennial Budget |
| May 26                             | Budget & Finance Committee | Legislative Update- Governor's FY 22-23 May Revision Budget, Federal and State Legislation Update                                                                                   |
| May 31                             | Council                    | Last Council Meeting for Budget Referrals, Receive Council Comments on Proposed Biennial Budget and Capital Improvement Program                                                     |
| May 31                             | Public                     | Budget Inquiry Forms Due to Budget Office (responses included as part of June 14 Council public hearing on the biennial budget)                                                     |
| June 9                             | Budget & Finance Committee | Discussion on Proposed Biennial Budget & CIP Recommendations                                                                                                                        |
|                                    |                            | Review of Council Fiscal Policies; Discussion on AAO Criteria and Timing                                                                                                            |
| June 14                            | Council                    | Public hearing on Proposed Biennial Budget & CIP Recommendations                                                                                                                    |
| June 23                            | Budget & Finance Committee | Discussion on Proposed Biennial Budget Recommendations                                                                                                                              |
| June 28                            | Council                    | FY 23 & 24 Budget Adoption, including Capital Improvement Program; Approval of FY 23 AAO and Approval of Tax Rate                                                                   |

