



FY 2024 Proposed Budget Update **Adoption**

City Council
27 June 2023

OVERVIEW

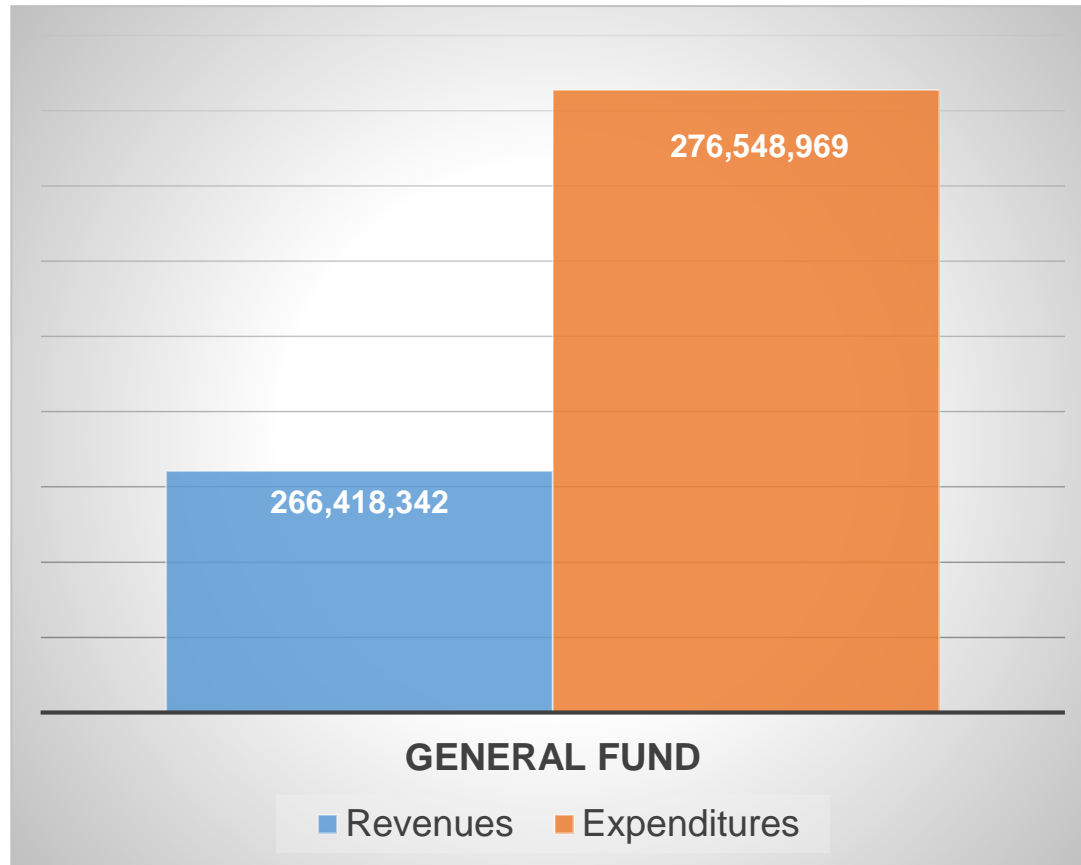
- Summary of FY 24 Expenditures and Revenues
 - All Funds and General Fund
- Fiscal Challenges
- Recap of FY 24 Adopted Budget and Priorities
- Proposed Changes to FY 24 Budget
- Mayor's Proposed Supplemental Budget Recommendations
- Discussion and Deliberation

FY 23 & 24 BUDGET SUMMARY

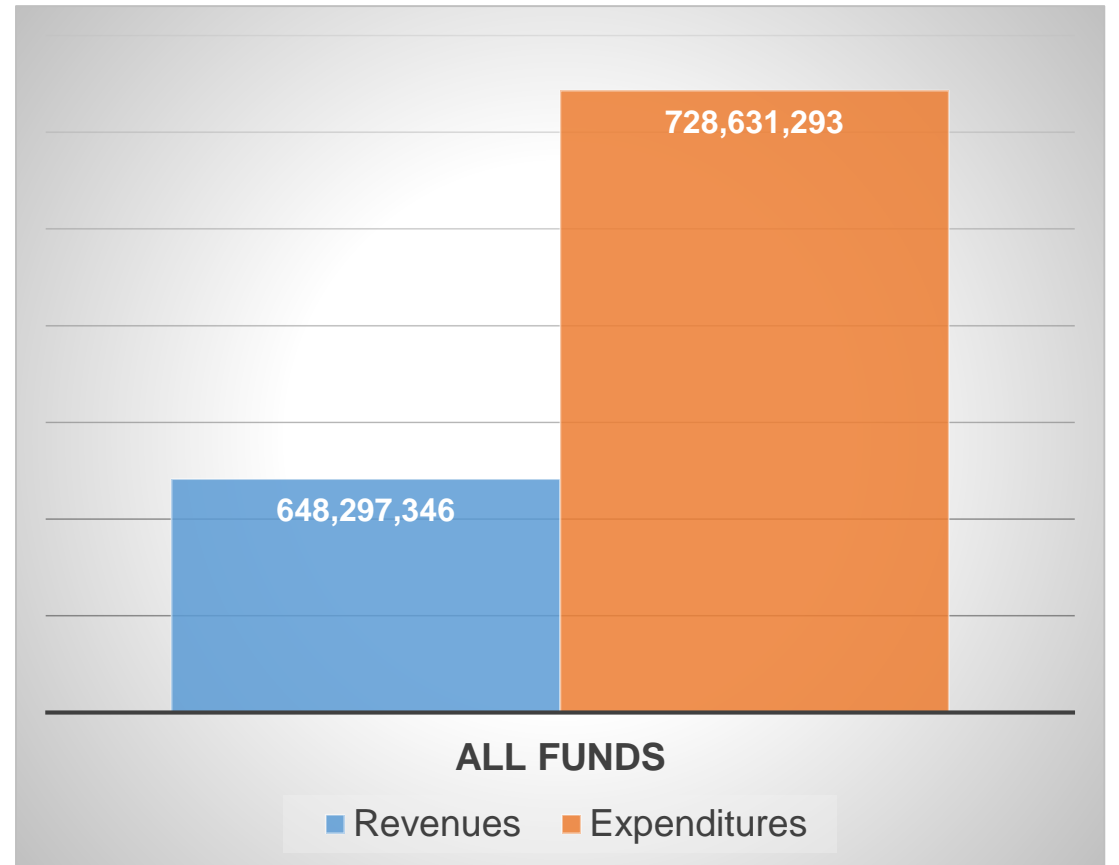
Expenditures	FY 2022 Adopted	FY 2023 Adopted	FY 2024 Adopted	FY 2024 Proposed
All Funds	\$673.6M	\$754.2M	\$723.0M	\$728.6M
General Fund	\$234.8M	\$280.7M	\$273.9M	\$276.5M

FY 24 PROPOSED BUDGET SUMMARY

General Fund Revenue and Expenditures



All Funds Revenues and Expenditures

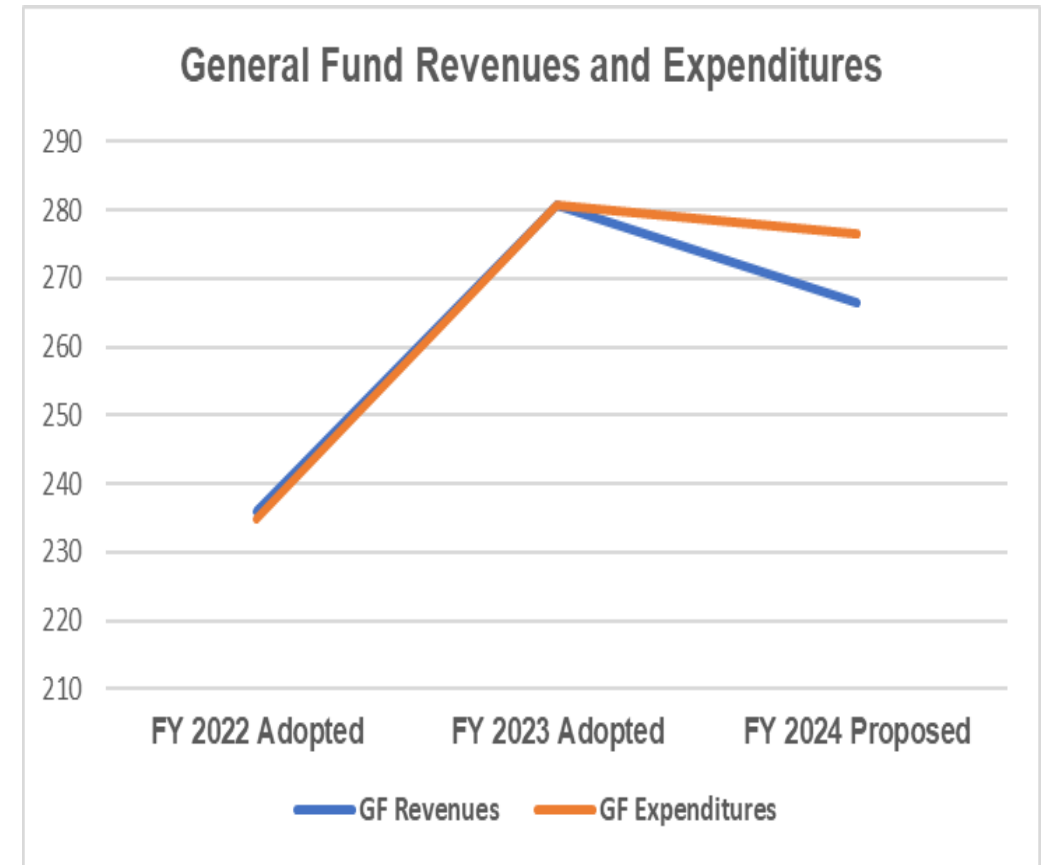


GENERAL FUND REVENUE PROJECTION

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

FY 2024 GENERAL FUND SUMMARY

	Revenue	Expenditure	Surplus/ (Deficit)
Measure P	\$10,189,500	\$21,100,176	\$(10,910,676)*
Measure U1	5,900,000	5,900,000	0
Soda Tax	1,147,387	1,147,387	0
Remaining General Fund	249,181,455	248,401,406	780,049
Total	266,418,342	276,548,969	(10,130,627)



- **Delta between revenues and expenditures growing**
 - **Expenditures exceeding revenues in key funding source – Measure P**
 - **General Fund expenditures need to be closely monitored and managed**

FISCAL CHALLENGES

- Personnel/Labor Costs
- Operational Costs (i.e. Insurance and Utilities Costs)
- Use of Fund Balance
- Marina Fund Operational Shortfall
- Parking Funds Operational Shortfall
- Paramedic Tax Operational Shortfall

FY 24 PROPOSED BUDGET SUMMARY

- **Maintain funding for capital projects included in FY 24 Adopted Budget**
 - ✓ General Fund Streets (\$11M), Waterfront Piling Project (\$650k)
- **Anti-displacement programs and COVID-19 emergency rental assistance**
 - ✓ Continue funding for these programs in FY 24 (\$2.9M in total)
- **Reimagining Public Safety Implementation**
 - ✓ Hiring of positions, dispatch & PD staffing analyses, funding to community organizations underway and funding for Ceasefire maintained
 - Temporary re-allocation for some elements due to timing
- **Pre-funding of Reserves**
 - Re-allocate pre-funding repayment to reserves to GL/property insurance

FY 24 PROPOSED BUDGET SUMMARY

DEPARTMENTAL CHANGES

- **City Attorney**
 - Funding toward DCA IV Reallocation (7 positions at mid-step of salary range)
 - Continuing to identify additional funding for top step
- **City Auditor's Office:**
 - Audit Manager for Whistleblower Program
- **Fire**
 - Recruitment and retention efforts- Employer of Choice initiative
 - First-in Academy; Counseling Services and tuition for post trauma retreat
 - Other marketing efforts for recruitment
 - Staffing to manage span of control and implement complex projects
 - Deputy Fire Chief, Principal Program Manager

FY 24 PROPOSED BUDGET SUMMARY

DEPARTMENTAL CHANGES

- **Health, Housing & Community Services**
 - Staffing supported by Measure U1 affordable housing implementation
 - Senior Community Development Project Coordinator, Program Manager
- **Human Resources:**
 - Staffing (HR Technician- Transactions Unit)-Employer of Choice initiative
- **Information Technology**
 - Increase to Berkeley Community Media contract (budget referral)
- **Office of the Director of Police Accountability**
 - Staffing (Police Accountability Investigator)

FY 24 PROPOSED BUDGET SUMMARY

DEPARTMENTAL CHANGES

- **Parks, Recreation and Waterfront**

- Staffing for tree planting (Forestry Climber Supervisor)
- Multi-pronged strategy to address Marina Fund FY 24 Operational Shortfall
 - One-time use of Parks Tax and CIP Fund, Work Comp Deferral
 - Long-term fiscal strategy is needed

- **Police**

- Partial funding for training academy and recruitment and retention efforts-Employer of Choice initiative
- Early Intervention and Risk Management System (budget referral)

FY 24 PROPOSED BUDGET SUMMARY

- **Mayor's Proposed Supplemental Budget Recommendations**