

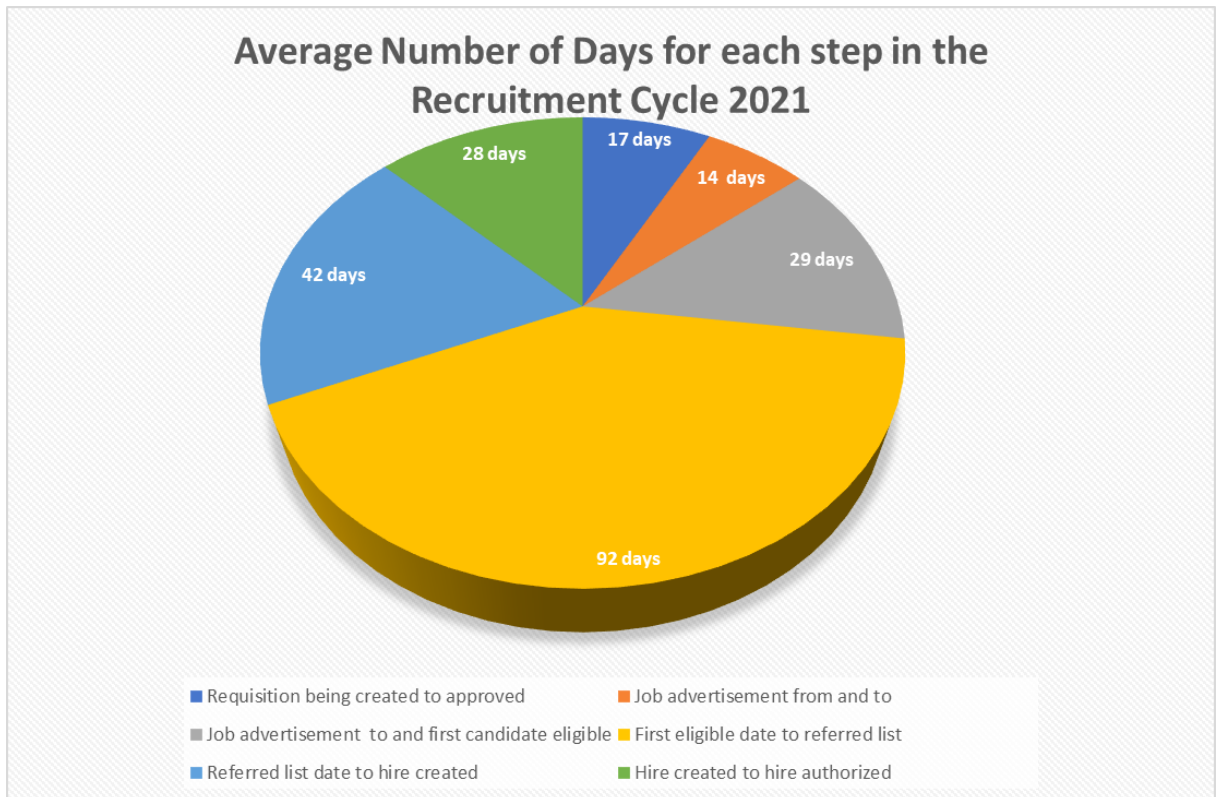
FY 23 AND 24 BUDGET DEPARTMENT PRESENTATIONS QUESTIONS AND RESPONSES

As part of the development of the Fiscal Years 2023 and 2024 budget, the Budget and Finance Policy Committee held meetings on April 27-29, 2022 to receive presentations by the various City departments regarding the upcoming biennial budget. Listed below are some of the questions received from the Committee and the corresponding responses.

Human Resources Department

1. Please provide a pie chart showing the timelines for recruitment by stage (e.g., days developing job specs, job announcements, advertising, interviews, etc.)

Response: This question is being researched and the response is forthcoming.



Finance Department

2. What would be the cost of contracting out for developing the financial statements (mentioned as a barrier to hiring an internal Accounting Manager)?

Response: An Accounting Manager is responsible for many accounting responsibilities in addition to preparing the external financial report, including footnotes and Management, Discussion & Analyses for the organization (i.e., The Annual Comprehensive Financial Report). Four key responsibilities of the Accounting Manager outlined in the Job Specifications include the following:

- a. "Direct the preparation of various financial and accounting reports, including the Annual Comprehensive Financial Report (ACFR), State Controller's Reports, the quarterly grants report, and the City's Indirect Cost Allocation Plan";

**FY 23 AND 24 BUDGET
DEPARTMENT PRESENTATIONS
QUESTIONS AND RESPONSES**

- b. "Maintains current knowledge of and develops and implements procedures to implement Governmental Accounting Standards Board's (GASB) Statements";
- c. "Directs the maintenance of the City's automated Accounting system, including the general ledger and all required subsidiary ledgers"; and,
- d. "Provides day-to-day leadership and works with the staff to ensure a high performance, customer-oriented work environment which supports the Finance Department's mission, goals and objectives";

The cities that contract out the preparation of the Annual Comprehensive Financial Report are typically small or ones with specific onerous or complex transactions with small accounting staff. In addition, after Accounting staff completed the financial statements for last year's ACFR on November 22, 2021, the draft of the ACFR was completed by December 1, 2021. Therefore, contracting out the ACFR, in order to remove that responsibility from the Accounting Manager, does not make sense because staff will still be responsible for everything in the Trial balance. What the contractor will be doing is just putting data in the specific sections of the ACFR. Most of the detailed work of the Accounting Division involves making all of the cash journal entries, reconciling the bank accounts and preparing accrual entries necessary to prepare the financial statements, which cannot be contracted out. Practically all of that work is done by the Senior Accountants, Accountant IIs, Account I and the Accounting Technician, not the Accounting Manager. However, the Accounting Manager's job specifications require him/her to provide direction and ongoing technical assistance to the Accounting staff.

If the Accounting Manager doesn't have the capabilities to be the project lead on the preparation of the Annual Comprehensive Financial Report, that person would not be able to fulfill the requirements of the Accounting Manager job specifications, and would also not be capable of adequately managing the Accounting Division staff on a daily basis throughout the year.

Health, Housing and Community Services

3. Do the special funds managed by HHCS have specific reserve requirements?

Response: HHCS's special funds generally do not have specific reserve requirements. HHCS considers four factors in regard to the reserves:

- (i) In the past ten years HHCS has made significant strides in moving several fund balances from low or even negative to positive.
- (ii) Both the State and Alameda County are auditing funds more intensively and more frequently than in the past. Audits typically look at funding several years in the past. HHCS had significant audit findings in the past. HHCS has since made many administrative and programmatic changes to ensure compliance and greatly reduce audit risk. Reserves could buffer present-day programming from audit findings related to past years for which there is some risk, particularly in Mental Health.
- (iii) The implementation of CalAIM has introduced a great deal of uncertainty into the outlook for health funding, and Berkeley's unique standing as a mental health jurisdiction means there will be many questions to resolve. Reserves can support any resulting transitions.
- (iv) Within a two-year period HHCS is experiencing turnover in several key positions with regard to these funds (Director, Deputy Director, Administrative and Fiscal Manager,

**FY 23 AND 24 BUDGET
DEPARTMENT PRESENTATIONS
QUESTIONS AND RESPONSES**

and Manager of Mental Health). Current staff are working to assess programs, funding, and reserves carefully before making significant changes.

The California Mental Health Services Act (MHSA) funding (City’s fund #315) (for which the City is treated as a county) has the following Prudent Reserve guidance:

Each county is required to Establish a Prudent Reserve that does not exceed 33 percent of the average Community Services and Supports (CSS) revenue received for the Local Mental Health Services Fund (LMHSF) in the preceding five years. Each county must reassess this amount every five years.

4. Please provide additional information on vacancies funded by the General Fund pertaining to and Aging Services and Environmental Health.

Response: See response below.

HHCS Vacancy Data Analysis: Aging and Environmental Health

The data below reflects a point in time (4/15/2022).

Division	NeoGov Status	Unit	Classification	% GF	Vacancy due to
Aging	1. Candidate selected - offer pending	Transportation	Mini Bus Driver	100%	Deceased
Aging	2. Open	Manager	Office Specialist II	100%	Deferred
Aging	4. Approved - in recruitment	Senior Nutrition	Senior Service Assistant	58%	Resignation
Aging	5. In approval process	Senior Social Services	Behavioral Health Clinician I	0%	Promotion
Aging	5. In approval process	NBSC	Senior Service Assistant	100%	Promotion
Aging	7. Deferred	Transportation	Mini Bus Driver	100%	Deferred until NBSC reopens
Environmental Health	7. Deferred	Health & Safety	Vector Technician	27%	Deferred due to Vector revenue
Environmental Health	7. Deferred	Health & Safety	Environmental Health Supervisor	42%	Deferred – will start recruitment in FY23
Environmental Health	7. Deferred	Health & Safety	Reg. Env. Health Specialist	57%	Deferred due to Vector revenue
Division	FTEs	Vacancies		Vacancy Rate	
Aging	29.245	6		21%	
Environmental health	13	3		23%	

In addition to the vacant positions listed below, Aging Services has multiple vacancies for hourly Senior Service Aides who fill a variety of roles in the senior centers and with the Meals on Wheels program. It is difficult to find and retain staff in these hourly roles. Because hourly staff are budgeted differently they are not included in other vacancy data.

**FY 23 AND 24 BUDGET
DEPARTMENT PRESENTATIONS
QUESTIONS AND RESPONSES**

Public Works Department

5. Please provide the methodology for cost allocation (e.g., amount based on number of automobiles, facility square footage, etc.).

Response: The Internal Service Fund methodology for each ISF is briefly described below.

a. Equipment Maintenance:

- i. The Equipment Maintenance (EM) Fund determines its annual budget-including personnel costs, services, supplies, internal service changes, citywide indirect allocations and capitalized equipment changes.
- ii. The EM Fund's costs are distributed to 3 cost areas: 1) General Equipment Maintenance, 2) Generator Support, 3) Fuel Charges.
- iii. General Maintenance costs are allocated to departments based on prior 2-year average of maintenance charges (labor & parts) per dept/division. Generator Support costs are allocated based on # of Generators per dept/division. Fuel Charge Costs are allocated based on prior 2-year average of fuel charges per dept/division.
- iv. General Equipment Maintenance & Generators are grouped together as the Annual Equipment Maintenance Charge, Fuel is labeled annual Fuel Charge.
- v. The costs to the departments will be billed as two separate charges, by taking the annual charge and dividing by 12 to get a monthly charge. This charge will be a fixed amount based on the average of past two years up data. To be updated annually based on the new 2-year average of actuals.

b. Equipment Replacement

- i. The Equipment Replacement (ER) Fund determines its annual budget-including personnel costs, internal service changes, citywide indirect allocations and sets its proposed capital-related equipment purchases for the year.
- ii. The ER Fund's costs are split into 2 areas: 1) Equipment Replacement Charge 2) Equipment Replacement Administrative Charge (new)
- iii. Equipment Replacement Charge is calculated based upon setting a replacement price for each department's vehicles, which takes into account annual inflation through the life of the equipment, upfitting charges as a one-time factor (if applicable), and green energy / upgrade one-time factor for converting the equipment to be more eco-friendly. The Equipment Replacement Administrative Charge cost recovers cost for staff support allocated to the fund for managing equipment inventory, providing purchasing/billing support. It is allocated to departments/divisions based upon total pieces of active equipment assigned to each department/division.
- iv. The Administrative Charge for personnel costs is set at an annual amount to each department by vehicles, divided by 12 and collected monthly. The Equipment Replacement Charge varies by vehicle based on vehicle lifespan. The total projected replacement cost for each asset is divided into an annual amount, then divided by 12 to get a monthly amount, and assessed to each department monthly.

**FY 23 AND 24 BUDGET
DEPARTMENT PRESENTATIONS
QUESTIONS AND RESPONSES**

- c. Building Maintenance
 - i. The Building Maintenance (BM) Fund determines its annual budget- including personnel costs, services, supplies, internal service changes, and citywide indirect allocations.
 - ii. The BM Fund's costs are distributed to 3 cost areas: 1) General Maintenance, 2) In House Custodial, 3) Outsourced Custodial.
 - iii. General Maintenance costs are allocated to departments based on prior 2 year average of work order costs per dept/division. In House Custodial cost is allocated by square foot per facility maintained per dept/division occupying facility. Outsourced Custodial is based on square foot per facility serviced by outsourced janitorial per dept/division occupying the facility.
 - iv. The costs for each service category are summarized to an annual cost to the departments and divided by 12 to get a monthly cost. The General Maintenance category costs will be updated annually based on the new 2 year average of actuals.
 - d. Building Purchases & Management (1947 Center St)
 - i. The Building Purchases & Management (BPM) Fund determines its annual budget- including personnel costs, services, supplies, debt service payments, internal service changes, citywide indirect allocations and annual capitalized replacement/improvement charges.
 - ii. The BPM Fund's costs are distributed to 3 cost areas based on square footage for each area and distinguishing weighting factors: 1) Government Offices (baseline 1.0), 2) CoB Common Space (0.5) 3) Private/Premium Offices on the 5th & 6th Floor (1.1).
 - iii. Government Offices (Basement to 4th Floor) costs are allocated to departments based on square foot per occupying floor/tenant. CoB Common Space (conference rooms, break rooms) is allocated equally among all City Departments. 5th and 6th Floors costs are allocated by square foot per occupying tenant on those floors.
 - iv. The costs for each service category are summarized to an annual cost to the departments (or external tenants) and divided by 12 to get a monthly cost. The General Maintenance category costs will be updated annually based on the funds support costs, and any tenancy square footage changes.
6. Please provide the dollar amount for indirect cost allocations by departments in FY 22 and projected for FY 23.

Response: Please see below. FY 23 Proposed has not been included within the proposed budget at this time due to timing and the need to conduct additional research on the methodology, proposed increase and the impact to the various funds.

**FY 23 AND 24 BUDGET
DEPARTMENT PRESENTATIONS
QUESTIONS AND RESPONSES**

670180 - INT SVC - VEHICLE FUEL/MAINTENANCE	FY22 Budget	FY23 Proposed
13 - RENT STABILIZATION BOARD	\$ 1,500	\$ -
21 - CITY MANAGER'S OFFICE	\$ 31,143	\$ 22,221
22 - BERKELEY PUBLIC LIBRARY	\$ 15,000	\$ 14,648
33 - FINANCE	\$ 1,500	\$ 2,108
35 - INFORMATION TECHNOLOGY	\$ -	\$ 5,215
51 - HEALTH, HSG & COMMUNITY SVC	\$ 86,916	\$ 133,394
52 - PARKS, RECREATION & WATERFRONT	\$ 522,505	\$ 452,085
53 - PLANNING & DEVELOPMENT	\$ 12,491	\$ 58,510
54 - PUBLIC WORKS	\$ 5,133,935	\$ 5,849,614
71 - POLICE	\$ 838,114	\$ 1,245,810
72 - FIRE & EMERGENCY SERVICES	\$ 488,298	\$ 853,468
Total	\$ 7,131,402	\$ 8,637,071

670160 - INT SVC - CITY VEHICLE REPLACEMENT	FY22 Budget	FY23 Proposed
21 - CITY MANAGER'S OFFICE	\$ 25,292	\$ 49,612
22 - BERKELEY PUBLIC LIBRARY	\$ -	\$ 5,009
33 - FINANCE	\$ 1,942	\$ 2,776
35 - INFORMATION TECHNOLOGY	\$ -	\$ 4,277
51 - HEALTH, HSG & COMMUNITY SVC	\$ 109,631	\$ 222,047
52 - PARKS, RECREATION & WATERFRONT	\$ 210,016	\$ 638,822
53 - PLANNING & DEVELOPMENT	\$ 44,073	\$ 108,457
54 - PUBLIC WORKS	\$ 4,399,033	\$ 4,702,209
71 - POLICE	\$ 588,346	\$ 1,149,372
72 - FIRE & EMERGENCY SERVICES	\$ 311,811	\$ 739,151
Total	\$ 5,690,144	\$ 7,621,732

**FY 23 AND 24 BUDGET
DEPARTMENT PRESENTATIONS
QUESTIONS AND RESPONSES**

670100 - INT SVC - FACILITIES MAINTENANCE	FY22 Budget	FY23 Proposed
11 - MAYOR AND COUNCIL	\$ 61,777	\$ 96,865
12 - CITY AUDITOR	\$ 62,061	\$ 97,310
21 - CITY MANAGER'S OFFICE	\$ 168,104	\$ 293,565
31 - CITY ATTORNEY	\$ 62,640	\$ 98,217
32 - CITY CLERK	\$ 52,830	\$ 82,836
33 - FINANCE	\$ 53,771	\$ 84,311
34 - HUMAN RESOURCES	\$ 52,830	\$ 82,836
35 - INFORMATION TECHNOLOGY	\$ 364,648	\$ 115,611
51 - HEALTH, HSG & COMMUNITY SVC	\$ 776,098	\$ 707,020
52 - PARKS, RECREATION & WATERFRONT	\$ 76,075	\$ 35,218
54 - PUBLIC WORKS	\$ 1,002,941	\$ 1,794,366
71 - POLICE	\$ 445,272	\$ 307,928
72 - FIRE & EMERGENCY SERVICES	\$ 966,740	\$ 341,602
UNIVERSITY AVE CENTER	\$ -	\$ 168,199
VETERANS BLDG	\$ -	\$ 29,039
OLD CITY HALL	\$ -	\$ 58,908
Total	\$ 4,145,787	\$ 4,393,831

670110 - INT SVC - 1947 CENTER	FY22 Budget	FY23 Proposed
11 - MAYOR AND COUNCIL	\$ -	\$ 11,715
12 - CITY AUDITOR	\$ 20,047	\$ 11,715
14 - POLICE ACCOUNTABILITY	\$ 53,456	\$ 196,252
21 - CITY MANAGER'S OFFICE	\$ 20,047	\$ 59,183
22 - BERKELEY PUBLIC LIBRARY	\$ -	\$ 11,715
31 - CITY ATTORNEY	\$ 20,047	\$ 11,715
32 - CITY CLERK	\$ 20,047	\$ 11,715
33 - FINANCE	\$ 316,638	\$ 277,469
34 - HUMAN RESOURCES	\$ 133,403	\$ 41,880
35 - INFORMATION TECHNOLOGY	\$ 340,944	\$ 601,311
51 - HEALTH, HSG & COMMUNITY SVC	\$ 246,144	\$ 234,345
52 - PARKS, RECREATION & WATERFRONT	\$ 20,047	\$ 145,527
53 - PLANNING & DEVELOPMENT	\$ 992,777	\$ 1,109,250
54 - PUBLIC WORKS	\$ 484,487	\$ 815,967
71 - POLICE	\$ 20,047	\$ 11,715
72 - FIRE & EMERGENCY SERVICES	\$ 20,047	\$ 11,715
Non-City Tenant	\$ -	\$ 130,573
Vacant	\$ -	\$ 61,951
Total	\$2,708,178	\$3,755,713

**FY 23 AND 24 BUDGET
DEPARTMENT PRESENTATIONS
QUESTIONS AND RESPONSES**

7. Please confirm that all vehicle outfitting costs are now being recouped from departments.

Response: The Public Works Department, Equipment Management Division, has reviewed all vehicles scheduled for replacement and noted if the vehicles typically required “upfitting” to complete readiness to be deployed to the field. To confirm, estimated costs for upfitting has been incorporated in the Fleet Management software and is reflected in vehicle replacement amortization amounts. These upfitting costs are estimates and may vary as parts/materials/labor costs change over time, as department requirements and requests change, and if the make/model of the vehicle planned for replacement changes. Any shortages in collection will be assessed at the time of vehicle receipt and the commencement of upfitting services.

Police Department

8. Please explain in more detail the role of the officer requested for Ceasefire.

Response: Community violence prevention and intervention programs can be effective in reducing violent crime and create meaningful opportunities for community members to give back. This directly supports reinvestment in vulnerable communities in the City. These community-based organizations work to interrupt cycles of violence and the BPD interactions with community members, as well as crime data, can be critical to the success of this work. Programs such as Ceasefire or Voices Against Violence must be supported by law enforcement as a positive and valuable option for diversion from traditional enforcement avenues. In order to build the relationship between the Department, the community-based organization, and the community there must be dedicated staff time to this work. The officer position connected to this work ensures that there is an officer assigned to lead and work through the proposal and program development, to build and maintain positive relationships with the program and other members of the Department, and work with officers and investigators to gather data and identify those who we can be referred to the program to interrupt cycles of violence.

9. Please explain in more detail the proposed role in traffic collision analysis by the Police Department and how that is coordinated with the Traffic Division?

Response: The Berkeley Police Department has a sworn officer assigned as the Department’s Traffic Analyst. The officer is assigned to the Traffic Bureau and completes a number of tasks, including but not limited to, the following activities:

- a. Review and approve all traffic collision reports completed by sworn personnel for accuracy and to make any decisions about actions to be taken after the fact. An example would be a citation or DMV re-exam if needed. In order to have this level of expertise, the analyst needs to have completed POST Sworn Intermediate and Advanced collision training. Once the collision reports are checked by the Traffic Analyst they go directly to the Statewide Integrated Traffic Records System (SWITRS). If there is a problem at the statewide level, the correction is handled by the Traffic Analyst.
- b. Compile monthly, quarterly, and yearly collision data reports for use in grants (CHP and OTS) as well as data-based enforcement.
- c. Prepare a monthly report to the Senior Transportation Planner/ Vision Zero Program Manager in the Transportation Division of Public Works This report provides

**FY 23 AND 24 BUDGET
DEPARTMENT PRESENTATIONS
QUESTIONS AND RESPONSES**

- information about Fatal and suspected serious injury collisions and includes Date, BPD Case number, location, parties involved, who was determined to be at fault and the primary collision factor. As the traffic collision analyst in Transportation begins their work BPD would be able to continue to provide comprehensive data around all collisions to improve and support Transportation Division responses in line with Vision Zero Goals.
- d. Support the work of Transportation's review conducted in regards to specific serious and fatal collisions.
 - e. Respond to questions and Public Record Act requests related to collisions
 - f. Testify as a subject matter expert as needed
 - g. Collaborate with and support other City departments on projects including Traffic Engineering and Vision Zero.
 - h. Facilitator for the adult Crossing Guard Program. This includes hiring, training, payroll and equipment.
 - i. Traffic Analyst is required to maintain proficiency riding the Police Motorcycle, and is a team member when it comes to assisting in enforcement and education projects.
10. Please provide more background on how the need for eight additional dispatchers was derived.

Response: As part of the 2019 City Auditor report on 9-1-1 Dispatch, the Auditor reported "Due to consistent understaffing, the Center relies heavily on overtime to meet service demands through minimum staffing requirements. If the Police Department fills all the vacant positions in the Center, they would be able to reduce the amount of overtime. The nearly \$1 million spent in overtime in 2017 is offset by the current budgeted vacant positions in the Center. However, even if Police fill all the vacant dispatcher positions, the Center would continue to be understaffed according to NENA staffing guidelines." The report also discussed the negative impact of staffing shortages on morale, health and wellness, as well as the ability to receive training. Further, recognizing the high likelihood that as the reimagining public safety work continues, dispatchers will be expected to have a higher level of training, and be prepared to spend longer amounts of time on calls to provide services or appropriately direct resources, additional personnel will be imperative. While a future developed Communications Center will likely require greater staffing needs, eight dispatch positions represents a high, but achievable goal, for hiring and training for the next budget period, and would create the ability to resolve many of the issues identified in the Auditor's report.

11. What portion of the UC Settlement funds is being used to pay for wellness programs?

Response: UC Settlement funds in the amounts listed below will fund the following projected costs for wellness programs that support Berkeley Fire Department and Berkeley Police Department employees. The health and wellness program have two main components: (1) ongoing employee physicals and (2) a human performance program. The human performance program, OX2, has full-time on-site staff coordinating health and wellness programming for both departments. This includes education throughout the year with nationally recognized experts on topics that range from industrial related cancer prevention, nutrition, sleep hygiene for shift workers, controlling heart rate variability following high stress events and much more. The on-site staff are also trained and experienced in strength, conditioning, injury prevention and rehabilitation and recovery. The goal is to keep employees mentally and physically healthy, prevent injuries and help

**FY 23 AND 24 BUDGET
DEPARTMENT PRESENTATIONS
QUESTIONS AND RESPONSES**

employees who do become injured return to work. Even with a comprehensive human performance program the reality of these careers means that chronic illness like heart disease and cancer will continue to occur. The annual physicals provided by Pinnacle are one tool to help identify these diseases early so individuals can begin appropriate treatment.

Program	Fiscal Year Cost		
	2022	2023	2024
O2X	\$555,000	\$567,625	\$785,566
Pinnacle	\$283,985	\$283,985	\$291,085
Total	\$838,985	\$851,610	\$1,076,651

The 2021 UC Settlement provided for a total of \$4.1 million dollars in funds the first year, increasing by 3% each subsequent year. For Fiscal Years 2022 and 2023 the wellness programs referenced above represent approximately 20% of settlement funds, increasing to approximately 24% in Fiscal Year 2024.

Fire Department

12. What is the fund balance in funds FF and GG? What are projected expenditures and receipts in those funds for FY 23?

Response: As Measure FF became effective as a new funding source in Fiscal Year 2022, there was no beginning fund balance. Fiscal Year 2023 expenditures are projected at \$8.4 million. At the beginning of Fiscal Year 2022, the fund balance for Measure GG was \$2.7 million. Projected expenditures for Fiscal Year 2023 are \$5.4 million.

13. What are the projected total expenditures on overtime for FY 22? How much has been spent as of April 30?

Response: As of April 30, 2022, \$4.4 million has been spent on overtime. The projected overtime cost for Fiscal Year 2022 is \$5.3 million and subject to change due to any additional spikes in COVID and any increase in vacancies.

14. What share of that is related to COVID leave?

Response: The City's financial system is not able to track the overtime dollar amount associated with COVID backfill. However, the Fire Department's is able to track staff hours through its scheduling software. Between July 1, 2021 thru April 30, 2022, the total number of overtime hours was 29,912 which includes COVID sick hours of 5,491.5.

15. What are total projected departmental expenditures for FY 22? How much has been spent as of April 30?

Response: The total projected departmental expenditures for Fiscal Year 2022 are \$62.5 million. Approximately \$44.8 million has been spent as of April 30, 2022.

16. Will the FEMA reimbursement for mobile health units be deposited in the Department's budget?

Response: FEMA reimbursement would be routed back to the originating account/department.

**FY 23 AND 24 BUDGET
DEPARTMENT PRESENTATIONS
QUESTIONS AND RESPONSES**

The following questions are still being researched and responses will be forthcoming.

Office of the City Manager

1. Please confirm that no City Attorney costs are recouped from departments as indirect costs. Is that true for Workers' Compensation defense.
2. Please detail areas where the City has been able to reduce costs due to introduction of technology?

Human Resources Department

3. What processes are in place/planned to follow up with applicants who decline positions offered by the City?
4. Please provide the total cost of external firms who negotiate with labor groups (by firm) and the approximate number of FTE devoted to negotiations.

Planning and Development Department

5. Please provide a breakdown of costs assumed by the City for the BART projects and those assumed by BART.

Information Technology Department

6. Please provide the methodology for cost allocation (e.g., proportion allocated based on number of devices, that allocated based on FTES, allocated based on applications).
7. Please provide the dollar amount for indirect cost allocations by departments in FY 22 and projected for FY 23.
8. How are help desk services allocated to departments indirect costs?
9. What is the financial balance in the cost allocation plan? How much relates to set asides for future equipment purchases?

Police Department

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11. What share of that is related to COVID leave?
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