

**BERKELEY CITY COUNCIL BUDGET & FINANCE COMMITTEE
REGULAR MEETING MINUTES**

**Thursday, May 12, 2022
10:00 AM**

Committee Members:

Mayor Jesse Arreguin, Councilmembers Kate Harrison and Lori Droste
Alternate: Councilmember Rashi Kesarwani

**PUBLIC ADVISORY: THIS MEETING WILL BE CONDUCTED EXCLUSIVELY THROUGH
VIDEOCONFERENCE AND TELECONFERENCE**

Pursuant to Government Code Section 54953(e) and the state declared emergency, this meeting of the City Council Budget & Finance Committee will be conducted exclusively through teleconference and Zoom videoconference. The COVID-19 state of emergency continues to directly impact the ability of the members to meet safely in person and presents imminent risks to the health of attendees. Therefore, no physical meeting location will be available.

To access the meeting remotely using the internet: Join from a PC, Mac, iPad, iPhone, or Android device: Use URL <https://us02web.zoom.us/j/81934119590>. If you do not wish for your name to appear on the screen, then use the drop down menu and click on "rename" to rename yourself to be anonymous. To request to speak, use the "raise hand" icon on the screen.

To join by phone: Dial **1-669-900-9128 or 1-877-853-5257 (Toll Free)** and Enter Meeting ID: **819 3411 9590**. If you wish to comment during the public comment portion of the agenda, press *9 and wait to be recognized by the Chair.

Written communications submitted by mail or e-mail to the Budget & Finance Committee by 5:00 p.m. the Friday before the Committee meeting will be distributed to the members of the Committee in advance of the meeting and retained as part of the official record.

AGENDA

Roll Call: 11:02 a.m. Kesarwani absent.

Prior to Roll Call at 10:00 a.m. it was determined that the committee lacked a quorum. A recess was called by the Chair until 11:00 a.m.

Public Comment on Non-Agenda Matters – 3 speakers.

Councilmember Kesarwani present at 11:05 a.m.

Minutes for Approval

Draft minutes for the Committee's consideration and approval.

1. **Minutes - April 14, 2022, April 19, 2022, April 27, 2022, April 28, 2022, and April 29, 2022**

Action: M/S/C (Droste/Harrison) to approve the minutes of April 14, 2022, April 19, 2022, April 27, 2022, April 28, 2022, and April 29, 2022.

Vote: All Ayes.

Committee Action Items

The public may comment on each item listed on the agenda for action as the item is taken up. The Chair will determine the number of persons interested in speaking on each item. Up to ten (10) speakers may speak for two minutes. If there are more than ten persons interested in speaking, the Chair may limit the public comment for all speakers to one minute per speaker.

Following review and discussion of the items listed below, the Committee may continue an item to a future committee meeting, or refer the item to the City Council.

2. **Berkeley's Financial Condition (FY 2012 – FY 2021): Pension Liabilities and Infrastructure Need Attention**

From: Auditor

Recommendation: We recommend City Council request that the City Manager report back by November 2022, and every six months thereafter, regarding the status of our audit recommendations until reported fully implemented by the City Manager and Finance Department. They have agreed to our findings and recommendations. Please see our report for their complete response.

Financial Implications: See report.

Contact: Jenny Wong, Auditor, (510) 981-6750

Action: 3 speakers. Presentation made and discussion held.

Committee Action Items

3. Recommendation on Climate, Building Electrification, and Sustainable Transportation Budget Priorities for Fiscal Year 2023 and 2024

From: Energy Commission

Referred: April 11, 2022

Due: September 26, 2022

Recommendation: The Energy Commission recommends that the Berkeley City Council prioritize and include in the City's budget for the Fiscal Years Ending (FYE) 2023 and 2024 several staff positions, pilot projects, investments in electric vehicles and charging infrastructure, and other measures to ensure that the City's budget is aligned with and provides adequate and needed funding to implement the City's adopted Climate Action Plan, Electric Mobility Roadmap, Building Emissions Saving Ordinance, 2019 ban on gas in new construction, and the Existing Buildings Electrification Strategy.

Financial Implications: See report

Contact: Billi Romain, Commission Secretary, (510) 981-7400

Item continued to next meeting on May 19, 2022.

4. Presentation on FY 23 Proposed Fees

From: City Manager

Contact: Sharon Friedrichsen, Budget Manager, (510) 981-7000

Item continued to next meeting on May 19, 2022.

5. Discussion on Proposed Biennial Budget & CIP Recommendations

From: City Manager

Contact: Sharon Friedrichsen, Budget Manager, (510) 981-7000

Item continued to next meeting on May 19, 2022.

6. Review of Council's Fiscal Policies

From: City Manager

Contact: Sharon Friedrichsen, Budget Manager, (510) 981-7000

Item continued to next meeting on May 19, 2022.

Unscheduled Items

These items are not scheduled for discussion or action at this meeting. The Committee may schedule these items to the Action Calendar of a future Committee meeting.

7. Discussion and Development of Criteria and Timing for AAO Process

From: Mayor Arreguin

Contact: Jesse Arreguin, Mayor, (510) 981-7100

Unscheduled Items

8. **Accept the Risk Analysis for Long-Term Debt (Bonding Capacity) Report provided by Government Finance Officers Association**

From: City Manager

Referred: April 26, 2022

Due: October 11, 2022

Recommendation: Accept the report titled 'Risk-Based Analysis and Stress Test of Long-Term Debt Affordability' as provided by the Government Finance Officers Association (GFOA). This report is based on their research and development of a risk-modeling tool to address issuing long-term debt related to City of Berkeley Vision 2050.

On April 26, 2022, the City Council referred this item to the City Manager and Budget & Finance Committee to return to Council with recommendations or analysis on as many of the following items as possible by October 2022, if feasible. 1)

Consideration of reserves policies for operational funds other than the General Fund; 2) Potential reduction of the maximum indebtedness rate from 15% of assessed property value down to 4-8% range; 3) A new policy to not incur indebtedness when interest rates go above 5% or a different specific threshold; 4) Tools for increased transparency for taxpayers; 5) Updated report and discussion of pension and healthcare costs; 6) Refer the full Report to the Budget & Finance Committee for consideration.

Financial Implications: None

Contact: Henry Oyekanmi, Finance, (510) 981-7300

Items for Future Agendas

- **Discussion of items to be added to future agendas**

Adjournment

Action: M/S/C (Harrison/Kesarwani) to adjourn the meeting.

Vote: All Ayes.

Adjourned at 12:55 p.m.

I hereby certify that this is a true and correct record of the Budget & Finance Committee meeting held on May 12, 2022.

April Richardson, Assistant City Clerk

Communications

Communications submitted to City Council Policy Committees are on file in the City Clerk Department at 2180 Milvia Street, 1st Floor, Berkeley, CA, and are available upon request by contacting the City Clerk Department at (510) 981-6908 or policycommittee@cityofberkeley.info.