

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

**Thursday, June 23, 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/81460801605>. 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: **814 6080 1605**. 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.

MINUTES

Roll Call: 10:05 am. Councilmembers Kesarwani, Harrison, and Mayor Arreguin present.

Public Comment on Non-Agenda Matters: 5 speakers.

Minutes for Approval

Draft minutes for the Committee's consideration and approval.

1. Minutes - June 9, 2022

Action: M/S/C (Arreguin/Harrison) to approve the June 9, 2022 minutes.

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. City Manager's Funding Recommendations for the FY 2023 and FY 2024 Biennial Budget Discussion and Possible Action

From: City Manager

Recommendation: Discuss and provide comments and recommendations on the City Manager's FY 2023 and FY 2024 Proposed Biennial Budget and consider taking action to provide recommendations on the FY 2023 and FY 2024 Proposed Budget to the City Council.

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

Action: 11 speakers. Discussion held. M/S/C (Arreguin/Harrison) to recommend the Mayor's Supplemental Funding Recommendations be sent to the Council, as modified to reduce the 5150 Transports Non-Homeless Related line item to provide an amount sufficient for the Police Overtime Reserve and to include the DEI Administrative Assistant in FY 2023 and FY 2024.

Vote: Ayes – Harrison, Arreguin; Noes – None; Absent – None; Abstain – Kesarwani.

Committee Action Items

3. City Manager's Recommendations to the Council Fiscal Policies

From: City Manager

Recommendation: Discuss the recommended changes to the existing Council fiscal policies pertaining to the Fiscal Years 2023 and 2024 Biennial Budget; discuss other concepts related to policies to address unfunded liabilities, provide direction to staff and refer the revised fiscal policies to Council for adoption as part of the Fiscal Year 2023 and 2024 Budget.

Financial Implications: See report

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

Action: 0 speakers. Discussion held. M/S/C (Arreguin/Kesarwani) to recommend to Council the proposed modifications to the Fiscal Policies up to Policy #12, amending #11 to reflect up to \$5.5 million per year to the City's Section 115 pension trust or as advised by the actuary and staff; and amending #12 to reflect 1/3 of General Fund Reserves up to 30% or up to the percent set under Council policy.

Vote: All Ayes.

4. 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 a future meeting of the Budget & Finance Committee.

Committee Action Items

- 5. Budget Referral and Updated Guidelines and Procedures for City Council Office Staff Expenditures**
From: Councilmember Bartlett (Author), Councilmember Robinson (Co-Sponsor), Councilmember Harrison (Co-Sponsor), Councilmember Taplin (Co-Sponsor)
Referred: May 24, 2022
Due: November 8, 2022
Recommendation: Refer to the Budget and Finance Committee to consider updates to the guidelines and procedures for City Council office budget expenditure accounts with regards to City Council staff salaries and fringe benefits expenditures and an accompanying Budget Referral of approximately \$1,226,619.52 for the FY 22-23 June Budget process.
Financial Implications: See report
Contact: Ben Bartlett, Councilmember, District 3, (510) 981-7130

Item continued to a future meeting of the Budget & Finance Committee.
- 6. Investment Report Update - Investment Policies of Other Jurisdictions**
From: City Manager
Contact: Henry Oyekanmi, Finance, (510) 981-7300

Item continued to a future meeting of the Budget & Finance Committee.

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. **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

- None

Adjournment

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

Vote: All Ayes.

Adjourned at 1:00 pm.

I hereby certify that this is a true and correct record of the Budget & Finance Committee meeting held on June 23, 2022.

Sarah K. Bunting, Assistant City Clerk