

BERKELEY CITY COUNCIL BUDGET & FINANCE COMMITTEE REGULAR MEETING MINUTES

**Thursday, June 8, 2023
10:00 AM**

2180 Milvia Street, 6th Floor, Berkeley, CA 94704 – Redwood Room

1619 Edith Street, Berkeley, CA 94703 – Teleconference Location

Committee Members:

Mayor Jesse Arreguín, Councilmembers Rashi Kesarwani and Kate Harrison
Alternate: Councilmember Sophie Hahn

This meeting will be conducted in a hybrid model with both in-person attendance and virtual participation. For in-person attendees, face coverings or masks that cover both the nose and the mouth are encouraged. If you are feeling sick, please do not attend the meeting in person.

Remote participation by the public is available through Zoom. To access the meeting remotely using the internet: Join from a PC, Mac, iPad, iPhone, or Android device: Use URL - <https://cityofberkeley-info.zoomgov.com/j/1616990302>. 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 **1-669-254-5252** or **1-833-568-8864 (Toll Free)** and Enter Meeting ID: **161 699 0302**. If you wish to comment during the public comment portion of the agenda, press *9 and wait to be recognized by the Chair.

To submit a written communication for the Committee's consideration and inclusion in the public record, email policycommittee@cityofberkeley.info.

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 a.m.

Present: Harrison, Arreguín

Absent: Kesarwani

Public Comment on Non-Agenda Matters – 2 speakers.

Minutes for Approval

Draft minutes for the Committee's consideration and approval.

1. **Minutes - May 16, 2023 (Special)**

Action: M/S/C (Harrison/Arreguín) to approve the minutes of May 16, 2023.

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

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.

Committee Action Items

**2. Additional Allocation of Measure P Funding to “Step Up Housing” Project
From: Councilmember Bartlett (Author), Councilmember Wengraf (Co-Sponsor), Councilmember Kesarwani (Co-Sponsor)**

Referred: August 3, 2022

Due: June 30, 2023

Recommendation: Adopt a Resolution allocating an additional \$114,660 per year for 10 years, from Measure P transfer tax receipts to support the increased costs for the lease and operation of a new permanent supportive housing project for the unhoused at the Step-Up Housing Project at 1367 University Avenue. In addition, refer to the next meeting of the Budget and Finance Policy Committee to confirm the availability of requested funding.

On August 3, 2022, the City Council adopted Resolution No. 70,491-N.S. as amended and referred to the Budget & Finance Committee to consider future General Fund needs for this project and confirm availability of funds for the operating budget.

Financial Implications: See report

Contact: Ben Bartlett, Councilmember, District 3, (510) 981-7130

Action: 2 speakers. Presentation made and discussion held. M/S/C (Arreguín /Harrison) The Budget and Finance Committee confirms the availability of funds for the operating budget for the 1367 University Avenue project; and to direct that the developer extend the term of the option agreement to provide the City additional time to acquire the property.

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

3. FY 24 Proposed Budget (Item contains supplemental material)

From: City Manager

Recommendation: 1. Receive presentations from the City Auditor, City Attorney, and Office of the Director of Police Accountability on FY 24 Proposed Budget and Funding Requests; and 2. Discuss and provide recommendations to staff on the FY 24 Proposed Budget, including funding requests and Council budget referrals.

Financial Implications: See report

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

Action: 5 speakers. Presentations made by the City Auditor and Office of the Director of Police Accountability and discussion held. The Committee asked questions of staff and provided general direction.

Committee Action Items

4a. Recommendation for RV Lot and Waste Management on Streets for RVs

From: Homeless Services Panel of Experts

Referred: April 11, 2023

Due: September 26, 2023

Recommendation: The Homeless Services Panel of Experts recommends to Council that they refer to staff to expedite all efforts to identify a location for another RV lot(s) to take the place of the now closed SPARK lot at 742 Grayson and that the new lot identified require mandatory safety inspections and fire extinguishers to be provided. The Homeless Services Panel of Experts further recommends that Council refer to staff to develop a waste management plan to be implemented for RVs currently on the streets.

Financial Implications: See report

Contact: Josh Jacobs, Commission Secretary, (510) 981-5400

Action: 1 speaker. Discussion held. M/S/C (Harrison/Arreguín) Moving the item with a qualified positive recommendation, thanking the Homeless Services Panel of Experts for their recommendation on the lot, which staff is still working on; and moving ahead with a budget request for November of \$94,000 for the pump-out or dump station.

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

4b. Companion Report to Recommendation for RV Lot and Waste Management on Streets for RVs

From: City Manager

Referred: April 11, 2023

Due: September 26, 2023

Recommendation: Refer the Homeless Services Panel of Experts' recommendation to identify and expedite a new safe RV parking location/program and develop a waste management plan for RVs on the streets to the Budget and Finance Policy Committee for consideration alongside all other homeless services priorities in the budget process.

Financial Implications: See report

Contact: Peter Radu, City Manager's Office, (510) 981-7000

Action: See action taken on Item 4a.

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.

Unscheduled Items

- 5a. Referral of two health educator positions to the COB FY 2024 budget process**
From: Peace and Justice Commission
Referred: April 11, 2023
Due: September 26, 2023
Recommendation: Refer to the budget process a request for estimated \$150,000 annually, beginning in FY 2024 or as early as the AAO #2 process in spring 2023, for staffing, materials, and supplies to be able to more broadly and flexibly conduct health education, prevention, and outreach to reduce health disparities, as proposed by the Peace and Justice Commission.
Financial Implications: See report
Contact: Okeya Vance-Dozier, Commission Secretary, (510) 981-7100
- 5b. Companion Report: Referral of two health educator positions to the COB FY 2024 budget process**
From: City Manager
Referred: April 11, 2023
Due: September 26, 2023
Recommendation: Refer to the Peace and Justice Commission's request for \$150,000 annually for staffing, materials, and supplies for health education and outreach to the Budget and Finance Policy Committee for further deliberation.
Financial Implications: None
Contact: Peter Radu, City Manager's Office, (510) 981-7000
- 6. Investment Report Update - Investment Policies of Other Jurisdictions**
From: City Manager
Contact: Henry Oyekanmi, Finance, (510) 981-7300
- 7. COVID-19 Emergency Rental Assistance; Presentation from the Eviction Defense Center**
From: City Manager
Contact: Lisa Warhuus, Health, Housing, and Community Services, (510) 981-5400

Unscheduled Items

- 8. Accept the Risk Analysis for Long-Term Debt (Bonding Capacity) Report provided by Government Finance Officers Association** (*Item contains supplemental material*)
From: City Manager
Referred: April 26, 2022
Due: June 30, 2023
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
- 9. Recommendation on Climate, Building Electrification, and Sustainable Transportation Budget Priorities for Fiscal Year 2023 and 2024**
From: Energy Commission
Referred: May 23, 2023
Due: November 7, 2023
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
- 10. Audit Recommendation Status - Berkeley Police: Improvements Needed to Manage Overtime and Security Work for Outside Entities**
From: City Manager
Referred: May 23, 2023
Due: November 7, 2023
Contact: Jennifer Louis, Police, (510) 981-5900

Unscheduled Items

11. **Audit Status Reports: Fleet Replacement Fund Short Millions & Rocky Road: Berkeley Streets at Risk and Significantly Underfunded**
From: City Manager
Referred: May 23, 2023
Due: November 7, 2023
Recommendation: *On May 23, 2023, the City Council referred to the Budget and Finance Policy Committee to prioritize funding to the vehicle replacement fund to make up the shortfall over time in order to stabilize the fund.*
Financial Implications: See report
Contact: Liam Garland, Public Works, (510) 981-6300

Items for Future Agendas

- None

Adjournment

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

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

Adjourned at 12:21 p.m.

I hereby certify that the foregoing is a true and correct record of the Budget & Finance Committee meeting held on June 8, 2023.

Sarah K. Bunting, Assistant City Clerk