

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

**Thursday, October 26, 2023  
10:00 AM**

2180 Milvia Street, 6th Floor - Redwood Room

Committee Members:

Mayor Jesse Arreguin, 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/1600644095>. 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: **160 064 4095**. 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@berkeleyca.gov](mailto:policycommittee@berkeleyca.gov).

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** 10:07 a.m.

**Present:** Kesarwani, Harrison, Arreguín

**Absent:** None

**Public Comment on Non-Agenda Matters** – 2 speakers.

## Minutes for Approval

*Draft minutes for the Committee's consideration and approval.*

### 1. Minutes – October 12, 2023

**Action:** M/S/C (Harrison/Arreguín) to approve the minutes of October 12, 2023.

**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. Fiscal Year 2024 Annual Appropriations Ordinance Amendment *(Item contains supplemental material)*

**From:** City Manager

**Recommendation:**

1. Review and discuss the Fiscal Year 2023 year-end encumbrance rollover and requested carryover items and Fiscal Year 2024 new requested adjustments for inclusion within the First Amendment to the FY 2024 Annual Appropriations Ordinance and provide direction to staff.

2. Authorize staff to present the First Amendment to the FY 2024 Annual Appropriations Ordinance to City Council on November 7, 2023, for consideration and first reading.

**Financial Implications:** See report

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

**Action:** 4 speakers. Presentation made and discussion held. The Committee requested a presentation on the City's fiscal forecast. Item continued to a future meeting.

## Committee Action Items

3. **Audit Recommendation Status - Berkeley Police: Improvements Needed to Manage Overtime and Security Work for Outside Entities** *(Item contains supplemental material)*  
**From: City Manager**  
**Referred: May 23, 2023**  
**Due: November 7, 2023**  
Contact: Jennifer Louis, Police, (510) 981-5900  
**Action:** Item deadline extended to December 1, 2023 by the City Manager. Item continued to a future meeting.
  
4. **Audit Status Reports: Fleet Replacement Fund Short Millions & Rocky Road: Berkeley Streets at Risk and Significantly Underfunded**  
**From: City Manager**  
**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  
**Action:** Item continued to a future meeting.

## 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.*

5. **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: February 29, 2024**  
**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

**6. Investment Report Update - Investment Policies of Other Jurisdictions  
From: City Manager**

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

**Items for Future Agendas**

- Chair Arreguin called a special meeting of the Budget & Finance Committee for Thursday, November 16, 2023 at 9:30 am.

**Adjournment**

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

**Vote:** All Ayes.

Adjourned at 12:07 p.m.

I hereby certify that the foregoing is a true and correct record of the Budget & Finance Committee meeting held on October 26, 2023.

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Rose Thomsen, Deputy City Clerk