

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

**Monday, December 11, 2023  
9:00 AM**

2180 Milvia Street, 5th Floor - Pepperwood 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. 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/1600085900>. 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: **160 008 5900**. If you wish to comment during the public comment portion of the agenda, press \*9 and wait to be recognized by the Chair. Please be mindful that the meeting will be recorded.

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.

Pursuant to the City Council Rules of Procedure and State Law, the presiding officer may remove, or cause the removal of, an individual for disrupting the meeting. Prior to removing an individual, the presiding officer shall warn the individual that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal. The presiding officer may then remove the individual if they do not promptly cease their disruptive behavior. “Disrupting” means engaging in behavior during a meeting of a legislative body that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting and includes, but is not limited to, a failure to comply with reasonable and lawful regulations adopted by a legislative body, or engaging in behavior that constitutes use of force or a true threat of force.

**Roll Call:** 9:07 a.m.

**Present:** Kesarwani, Harrison, Arreguin

**Absent:** None

## Minutes for Approval

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

### 1. Minutes - November 16, 2023

**Action:** M/S/C (Harrison/Kesarwani) to approve the minutes on 11/16/23.

**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:** 9 speakers. M/S/C (Harrison/Kesarwani) to approve the recommendations from the City Manager as amended by the Mayor's submission and further amended as noted below.

- Include \$6,000 for the request from Councilmember Harrison for mentoring and violence prevention for Berkeley youth.
- Increase the Hero Pay allocation from the City Manager from \$2 million to \$3 million using funds from the investment allocation to the reserves for the additional \$1 million.
- Include \$50,000 for the prevailing wage study related to the Southside Zoning Amendments.

- Recommend allocation of \$450,000 from the previously allocated TNC tax revenues to complete recommendations 1, 2, and 3 for traffic calming from the December 5, 2023 Council item from Councilmember Harrison.

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

**3. Audit Recommendation Status - Berkeley Police: Improvements Needed to Manage Overtime and Security Work for Outside Entities**

**From: City Manager**

**Referred: May 23, 2023**

**Due: December 12, 2023**

Contact: Jennifer Louis, Police, (510) 981-5900

**Action:** 0 speakers. Item extended in committee to April 30, 2024.

## 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.*

**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

**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

## Unscheduled Items

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

**7. Budget Referral: Allocate the Existing \$900,000 Transportation Network Company (TNC) Tax to Calm Traffic in Vicinity of Derby St., Increase Citywide Traffic Calming Budget, and Establish Ongoing General Fund Allocation Policy for the TNC** *(Item contains revised material)*

**From:** Councilmember Harrison (Author), Councilmember Taplin (Co-Sponsor)

**Referred:** December 5, 2023

**Due:** June 3, 2024

**Recommendation:** Refer to City Manager and the Budget and Finance Committee to consider establishing an ongoing General Fund policy of allocating 50% of annual TNC Tax revenues to a citywide traffic calming budget and the remaining 50% to tier 1 bike/pedestrian/transit priority projects as specified under 3. a-c.

**Financial Implications:** None

Contact: Kate Harrison, Councilmember, District 4, (510) 981-7140

## Items for Future Agendas

- None

## Adjournment

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

**Vote:** All Ayes.

Adjourned at 11:17 a.m.

I hereby certify that the foregoing is a true and correct record of the Budget & Finance Committee special meeting held on December 11, 2023.

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Mark Numainville, 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@berkeleyca.gov](mailto:policycommittee@berkeleyca.gov).