



Capital Improvement Program: Public Works



Summary of Presentation

- ▶ Unfunded Projects
- ▶ Highest Need Projects
- ▶ Vision 2050
- ▶ Challenges
- ▶ Completed Construction Projects
- ▶ Projects in Construction
- ▶ T1 Phase II Projects
- ▶ Plans
- ▶ Grants
- ▶ FY 23 and 24 CIP
- ▶ CIP Fund 501 Allocation

Top Goals and Projects Update at https://www.cityofberkeley.info/Public_Works/Home/PW_About_Us.aspx

FY 2022 Berkeley Public Works: Top Goals and Projects	
Committed to providing quality services to the Berkeley community with pride, courtesy, and excellence.	
Goals	Projects
1. ● Reduce vacancy rate from 16% to 8% for at least one month. LG/SO	1. ● Propose infrastructure-focused revenue measure for placement on Nov 2022 ballot, and evaluate current/future capital delivery. (LG/AB)
2. ● Achieve 98%+ days without worker-related injury. JB/GA/DP	2. ● Improve traffic safety by initiating VZ Coordinating Committee (EA); study Ardenne reconfiguration, traffic calming at MLK/Stuart (and quick builds), ped/bike safety along Oxford, and University and Ashby Interchanges (FJ/HM); recommend next phase of Healthy Streets (FJ/RM); complete design of Cragmont mitigations (FJ); Southside Complete Streets (KJ/GT); 7th/Anthony traffic signal (FJ/KJ); and Dana Transit Lane pilot (BT/DY); bid Woolsey/Eton traffic circle (JE/KJ); ongoing construction of Gilman Interchange (FJ/HM); and complete construction of Sacramento , Central, Cal/Dwight projects (KJ/RN), RRFBs at Claremont/Eton and Claremont/Russell (FJ/JP); and secure \$1M in new grants (FJ/BT).
3. ● Increase staff survey responses by 10% (to 130) and engagement mean by 8% (to mean satisfaction of 3.54).	3. ● Implement FY 22 CIP: Annual Paving and Channing GI (AB/IE), UUD #48 (AB/DA/RB), Cyclic Sewer (JE/DA), 5 charging stations incl CY, if funded (EK) , 1951 Shattuck (FJ/PC and SO); 125-127 Univ (EK); begin construction on Marin/Virginia/Spruce drain improvements (JE/WW); FS #3 Roof Replacement ; and purchase 8 PD Hybrids and 14 BEVs (JB/GE).
4. ● Provide 90%+ weekly, scheduled litter/trash/encampment pickups, track tonnage collected, and offer RV waste disposal option. JB/JH	4. ● Adopt and implement SB 1383 and Single Use Foodware Ordinance ; propose 5-year rate schedule ; complete 50% of ZW Strategic Plan ; and continue Transfer Station Redesign enviro's. GA/HO
5. ● Reduce 2019 sidewalk backlog by 65%. JE/TS	5. ● Start T1, Phase 2: plan FS 2/6 (EK), Corp Yard (EK/TC), and paving; design SBSC (EK/L), 1947 Center (EK/L), solar battery storage (EK/UG), and bollards (JE/TS); start constructing one ROW bathroom (EK) and pathways (JE/TS); and complete Phase 1's NBSC (EK) and 125-127 Univ (EK/TC).
6. ● Close CC referrals and audit findings: Dwight Triangle (OED/FJ), Ward Paving (JE), scooters and shared dockless mobility program (FJ), one-way 62nd St/King (FJ), RPP overhaul (FJ/GH), Commission consolidation (JE,HO,FJ,DB), and paving (AB/IE).	6. ● Propose 5-Year Paving Plan and Policy, including equity component. AB/IE
7. ● Continue progress on CC referrals and audit findings: BerkDOT (LG/FJ), fleet replacement (SO/GE), Equitable Clean Streets (JB/JH), Civic Center Vision Planning , Cameras in ROW(TBD) , and Hopkins Corridor (FJ/BT).	7. ● Gain acceptance of PSL TRANSFER TO EBMUD (RN) , paving/solid waste and sewer nexus studies (GA/DA), trail bike plan (RM/BT), watershed management/storm drain plan (JE/RS), MLA for small cats (AB/RN), sewer comprehensive plan and 5-years of rates (JE/DA), ADA Transition Plan (AB/DB), long term resurfacing plan (JE), streetlight plan (AB/RB), asset management plan (LG), and UUD/Rule 20b guidelines (AB).
8. ● Propose internal service funds for FY 23 that identify funding gap, reduce deferred mtce in fleet and facilities, consider right-sizing fleet, involve client departments (and radios), and are transparent. SO	8. ● Initiate dept strat plan (LG), BeST update (BT), and race and equity action plan (LG).
9. ● Complete all division meetings, skip levels, all staff survey, adopt/update top goals/projects and performance measures, and succession planning for Sr. Supervisors on up. LG	9. ● Stand up and use NexGen (JB), AssetWorks (JB), AMCS (GA), and web-site replacement (CL), and ensure PMS programmed into systems (JB).
10. ● Implement new comprehensive planning policy, public engagement policy, and equity into both paving and wastewater. (LG/AB/FJ/JB)	
11. ● Train division managers, superintendent, and Sr. Supervisors on budgets, contracting, and invoice processing. SO	
12. ● By Feb 2022, track percent of PW capital projects' expended-or-encumbered v. budgeted. SO	

initials = staff member leading/supporting project

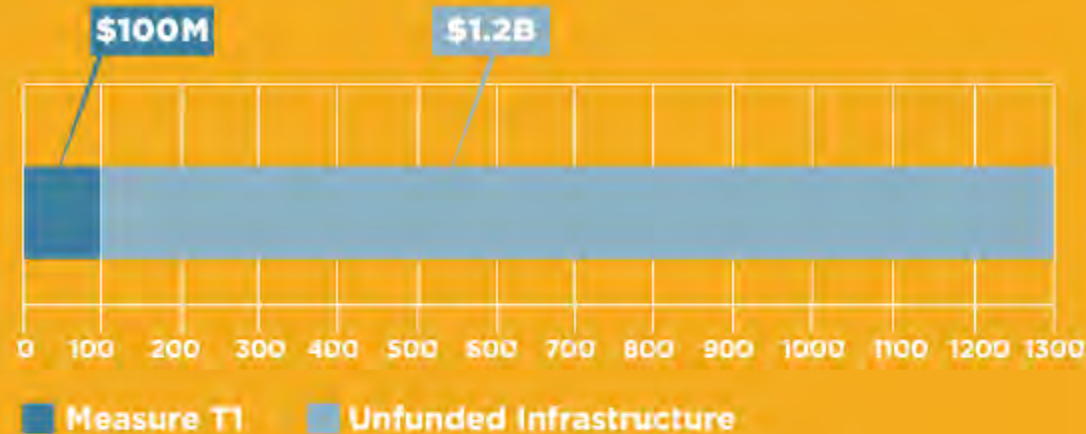
Questions? Call Liam at 981-6303 or email at lgarland@cityofberkeley.info



Unfunded Infrastructure Need - \$1.2B+

\$1.2 BILLION IN CITYWIDE INFRASTRUCTURE NEED

PARKS, WATERFRONT & CAMPS	\$220M
PUBLIC BUILDINGS	\$285M
SIDEWALKS	\$10M
STREETS & ROADS	\$250M
SEWERS	\$175M
STORM WATER	\$245M
TRAFFIC SIGNALS & PARKING	\$15M



Note: These estimates are continuously updated.

For more information on T1 projects and unfunded infrastructure need, please visit

www.cityofberkeley.info/MeasureT1



- **Plus** Undergrounding evacuation routes, Civic Center buildings, Transfer Station replacement, Bicycle and Pedestrian Plan Implementation

Highest Priority Unfunded Needs

Street & Roads - Estimated \$250M

Traffic Safety/Bike & Ped Projects - Estimated \$122M

Why?

And residents tell us...

- 69% of residents rate our streets as fair or poor
- 73% rate “repairing deteriorating streets” as extremely(35%) or very (38%) important
- 64% rate “improving traffic safety” as extremely (27%) or very (37%) important





Vision to Reality

Completed

- 20+ meetings with community groups
- Scientific survey on infrastructure and affordable housing priorities
- Online survey with 1,024 respondents
- City Council Work Session, 1/20/22

Upcoming

- Bond Capacity Study, 4/26/22
- Strategic Asset Management Plan, 5/10/22
- Program Plan, 5/31/22
- City Council decides whether to place infrastructure-focused revenue measure(s), 5/31/22 and 7/12/22

PLANNING FOR A SUSTAINABLE & RESILIENT FUTURE



INFORMATION ABOUT INFRASTRUCTURE AND
AFFORDABLE HOUSING NEEDS IN BERKELEY



Significant challenges

- ▶ Department's vacancy rate has hovered between 13-18% this fiscal year and existed pre-COVID
 - ▶ Engineering Division's rate is approaching 30%
- ▶ 159 directions from City Council referrals, strategic projects, budget referrals, and audit findings
- ▶ Depth of unfunded need, e.g., Telegraph Channing Mall elevators

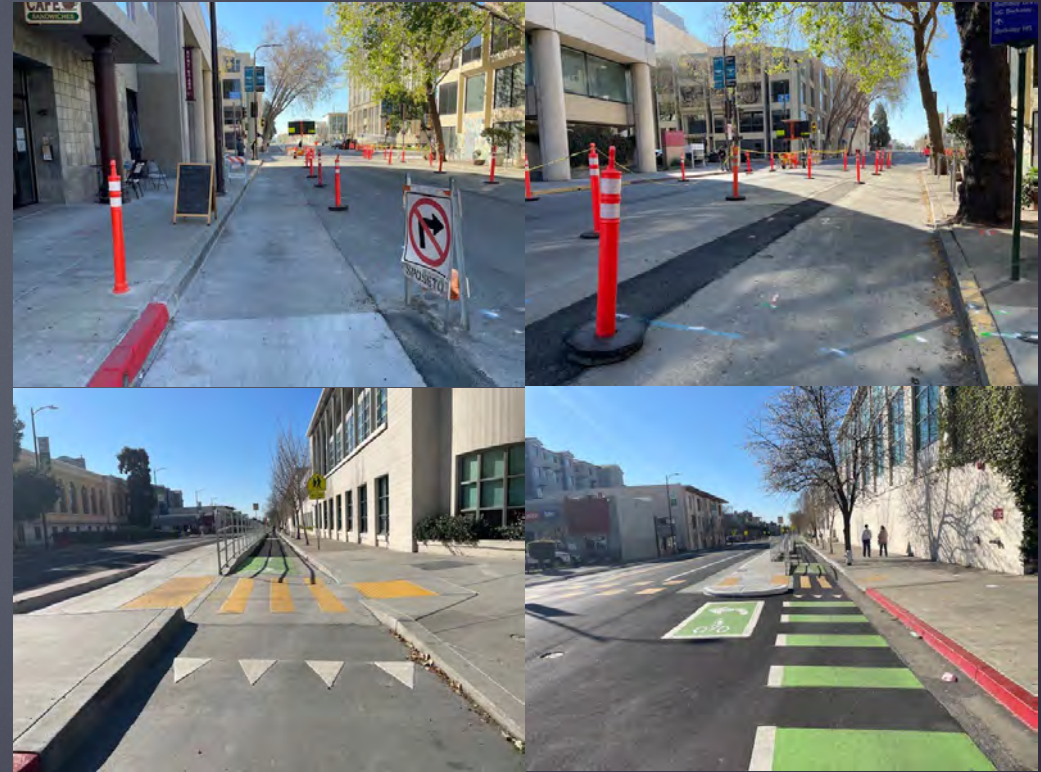
Selected Projects: Completed

- ▶ Annual FY 20 + FY 21 Street Rehabilitation
- ▶ Annual Sewer Main Replacements
- ▶ Annual Sidewalk Repairs
- ▶ Codornices Creek/Kains Restoration
- ▶ Sacramento Complete Streets Project
- ▶ Corp Yard/ Marina Corp Yard Electrical Upgrades
- ▶ Public Safety Building Leak Repair
- ▶ 125/127 University Building & Parking Upgrades
- ▶ 9th Street Path Way Phase II
- ▶ John Hinkle Storm Drain Project-T1
- ▶and more



Selected Projects: Construction In Progress

- ▶ North Berkeley Senior Center
- ▶ Milvia Bikeway Project
- ▶ Dwight/ California Intersection Improvements
- ▶ Glendale Retaining Wall Project
- ▶ Addison Bikeway
- ▶ University Ave Bus Stop Improvements



Milvia Bikeway Project

Selected Projects: Construction In Progress



Dwight/California Intersection



Glendale Retaining Wall

Selected T1, Phase 2 Projects

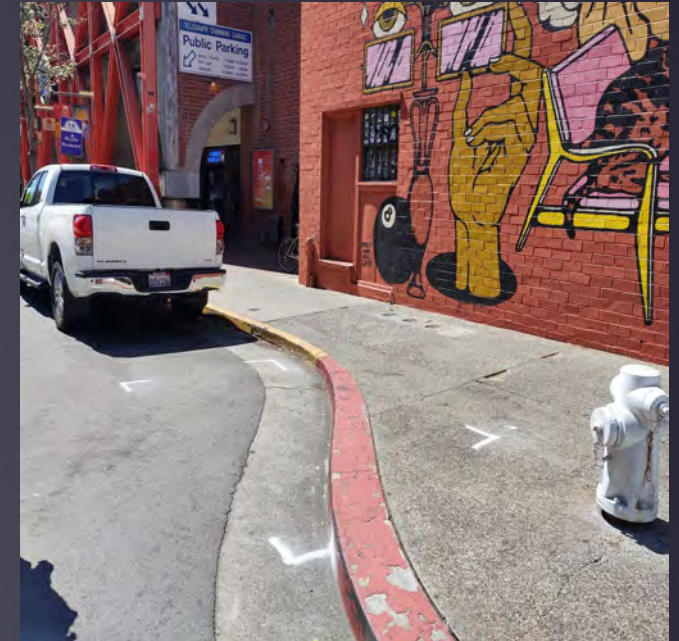
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Facilities:

- ▶ Restrooms in ROW, starting with Telegraph
- ▶ South Berkeley Senior Center
- ▶ 1947 Center Street Improvements
- ▶ Fire Station #2 & #6
- ▶ Corporation Yard: various improvements
- ▶ Emergency Power Supply-Solar Batteries

Sidewalks, Pathways, Storm, and Street Rehabilitation:

- ▶ Sidewalk Maintenance and Safety Repairs (accelerate 50/50 Sidewalk Repair Program Backlog list)
- ▶ Street Rehabilitation FY23 and FY24 (increase funds of \$6.45M for FY23-FY24)
- ▶ Pathways and Bollard Conversion
- ▶ Marin, Virginia & Spruce- Storm Drain Improvements



Channing at Telegraph:
Berkeley's first restroom in the
right of way

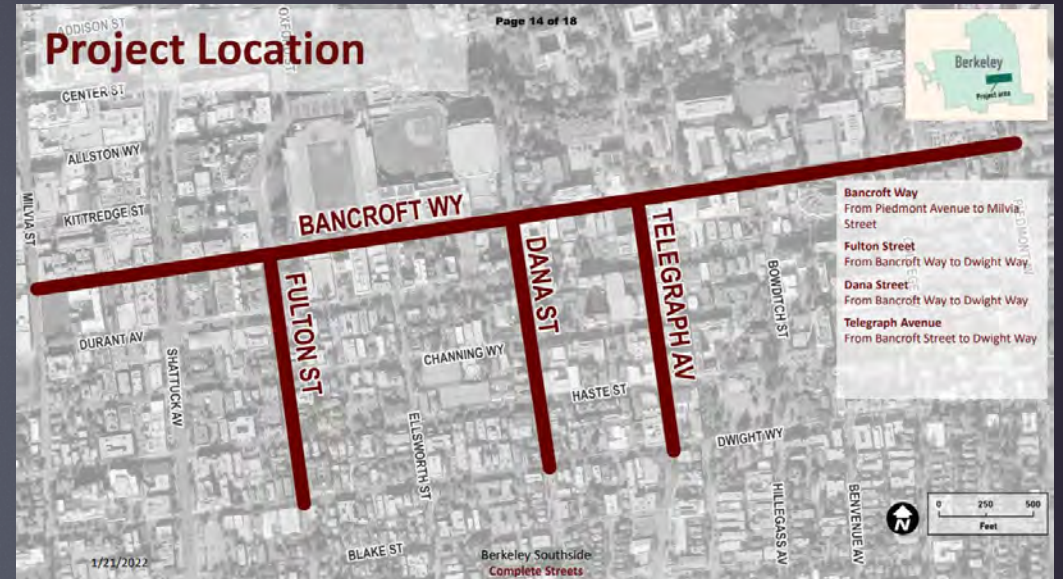
Selected Planning Projects

Ongoing

- ▶ Southside Complete Streets
- ▶ Americans with Disabilities Act Transition Plan
- ▶ Ongoing Facilities Condition Assessments
- ▶ Comprehensive Streetlight Plan

Upcoming

- ▶ Long Term Resurfacing Plan
- ▶ Corporation Yard Facilities Plan
- ▶ Comprehensive Sewer Plan
- ▶ Comprehensive Stormwater Plan



Grants

- ▶ State Affordable Housing & Sustainable Communities Round 5 grant
 - Woolsey-Fulton Bicycle Blvd \$2M
 - Parker Street to Addison \$1M
 - Various Bus Stop Upgrades \$1.2M
- ▶ MTC Federal Construction Grant
 - Southside Complete Streets \$1.2M
- ▶ ACTC 2022 Comprehensive Investment Plan grant
 - Ohlone Greenway Modernization & Safety \$1M

FY 2023 and FY 2024 CIP Proposed

Public Works CIP Program Areas		
Sewer	FY 23: \$21.8M	FY 24: \$20.8M
Key Projects	Sewer Comprehensive Plan, Annual Sewer Rehab projects	
Fund Sources	Sanitary Sewer Fund	
Storm	FY 23: \$2.6M	FY 24: \$2.2M
Key Projects	Stormwater Comprehensive Plan, Strawberry Creek Culvert Repairs, Storm Drain Repairs	
Fund Sources	Clean Stormwater Fund, T1	
Other Infrastructure	FY 23: \$.065M	FY 24: \$0.4M
Key Projects	Streetlight Repair, Underground Storage Tank Removal	
Fund Sources	Streetlight Fund, Zero Waste Fund	
Sidewalks	FY 23: \$1.5M	FY 24: \$1.5M
Key Project	Annual Sidewalk Repair, 50/50 Sidewalk Program	
Fund Sources	Measure BB, CIP Fund 501, Private 50/50 Contributions	

FY 2023 and FY 2024 CIP Proposed

Public Works CIP Program Areas

Streets	FY 23: \$14.9M	FY 24: \$11.4M
Key Projects	Annual Street Repair Projects (FY 23, FY 24), Hopkins Corridor (FY23), Wildcat Canyon Road Repair	
Fund Sources	CIP Fund, Measure BB, Gas Tax, SB1, VRF + T1, UC Settlement	
Transportation	FY 23: \$10.7M	FY 24: \$7.2M
Key Projects	Southside Complete Streets, Vision Zero: MLK Quick Build and Intersection Visibility, Ashby/San Pablo Traffic Impr., 7 th & Anthony Signal, Bus Stop Upgrades: Shattuck/MLK Way, University Ave W.	
Fund Sources	CIP Fund, Measure BB Local Streets & Roads and Bike and Ped, Gas Tax, VRF, MTC, AHSC Grants	
Facilities	FY 23: \$2.2M	FY 24: \$7.1M
Key Projects	South Berkeley Senior Center, Fire Station 2 & 6 Improvements, Restrooms R-O-W, Corp Yard Green Room Improvements	
Fund Sources	CIP Fund, T1	

CIP Fund 501 Allocation by Category

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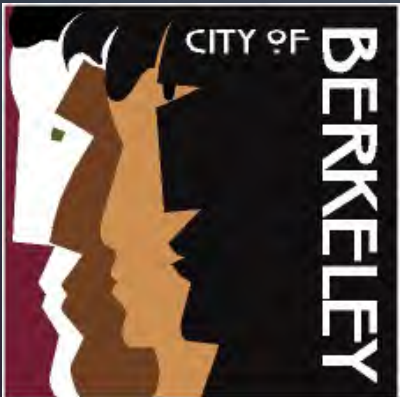
Public Works CIP Program Areas

Streets	\$1,925,000 Baseline Annual Allocation – flat since 2010
FY 23 – 24 Request	Baseline plus an additional \$8,000,000/year requested needed to maintain pavement condition at currently levels.
Sidewalks	\$635,000 Baseline Annual Allocation – flat since 2010
FY 23 – 24 Request	\$0 over Baseline (supplemented by T1 and Measure BB)
Transportation	\$120,000 Baseline Annual Allocation (Traffic Calming) – flat since 20xx
FY 23 – 24 Request	\$0 over Baseline (supplemented by 1x Grant Funding)
Facilities	\$900,000 Baseline Annual Allocation – flat since 2010
FY 23 – 24 Request	Baseline plus an additional \$1,000,000/year requested
Storm	\$0 Baseline Funding since 2018
Sewer	\$0 Baseline Funding
Other Infrastructure	\$0 Baseline Funding since 2018 (Streetlights)

*ADA Funding - Additional \$1.0M new annual request for ADA Transition Plan Update project funding, tbd split between Sidewalks and Facilities

Thank you.

Questions?

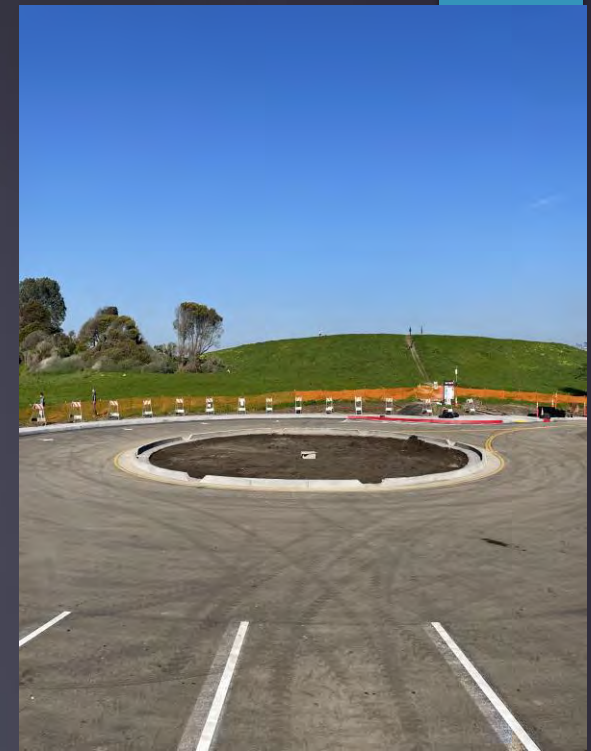




King Park 5-12 Play Structure

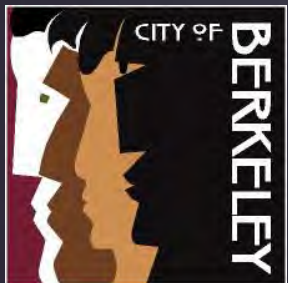


Berkeley Tuolumne Camp



Spinnaker Circle

Parks, Recreation & Waterfront Capital Improvement Projects FY 23-24

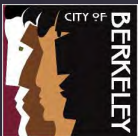


**Parks
Make
Life
Better!**

Summary of Presentation

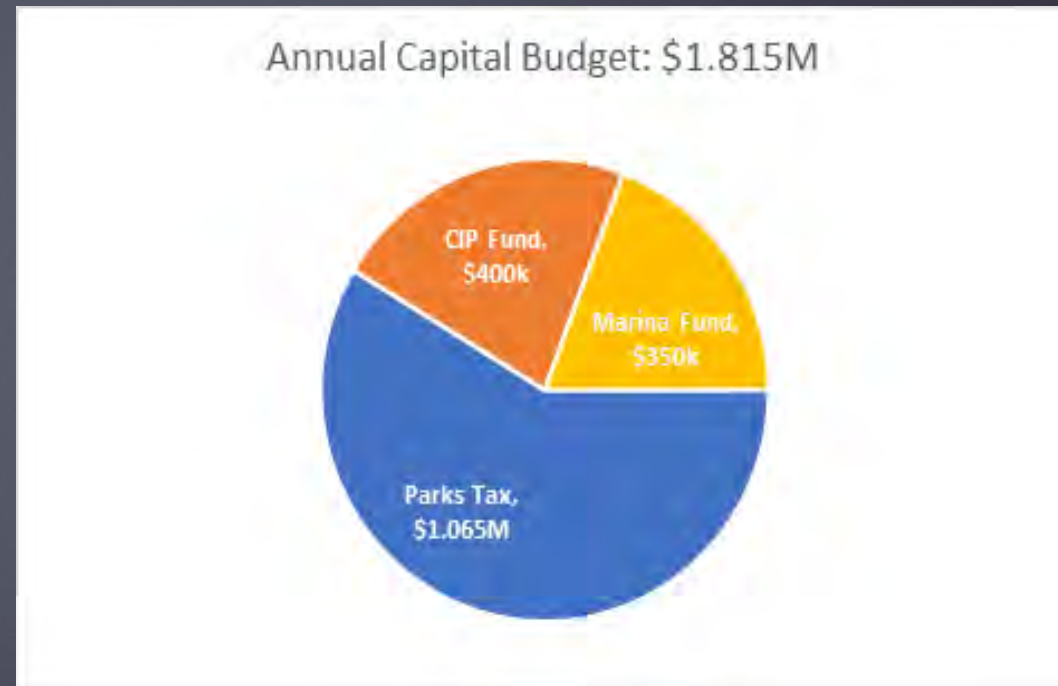
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- ▶ Current Workload - 40 Funded Projects
- ▶ PRW CIP Sources
- ▶ FY23 - FY24 Proposed CIP Budget for Annual Funding
- ▶ Five Year look at PRW CIP Funding
- ▶ Unfunded Projects
- ▶ Highest Need Projects
- ▶ Completed Construction Projects
- ▶ Completed Planning Projects
- ▶ Projects in Construction
- ▶ Planning/Design Only Projects in Process
- ▶ Outside Funding



PRW Annual CIP Funding

- ▶ General Fund **\$400k**
- ▶ Marina Fund **\$350k**
- ▶ Parks Tax **\$1.065M**



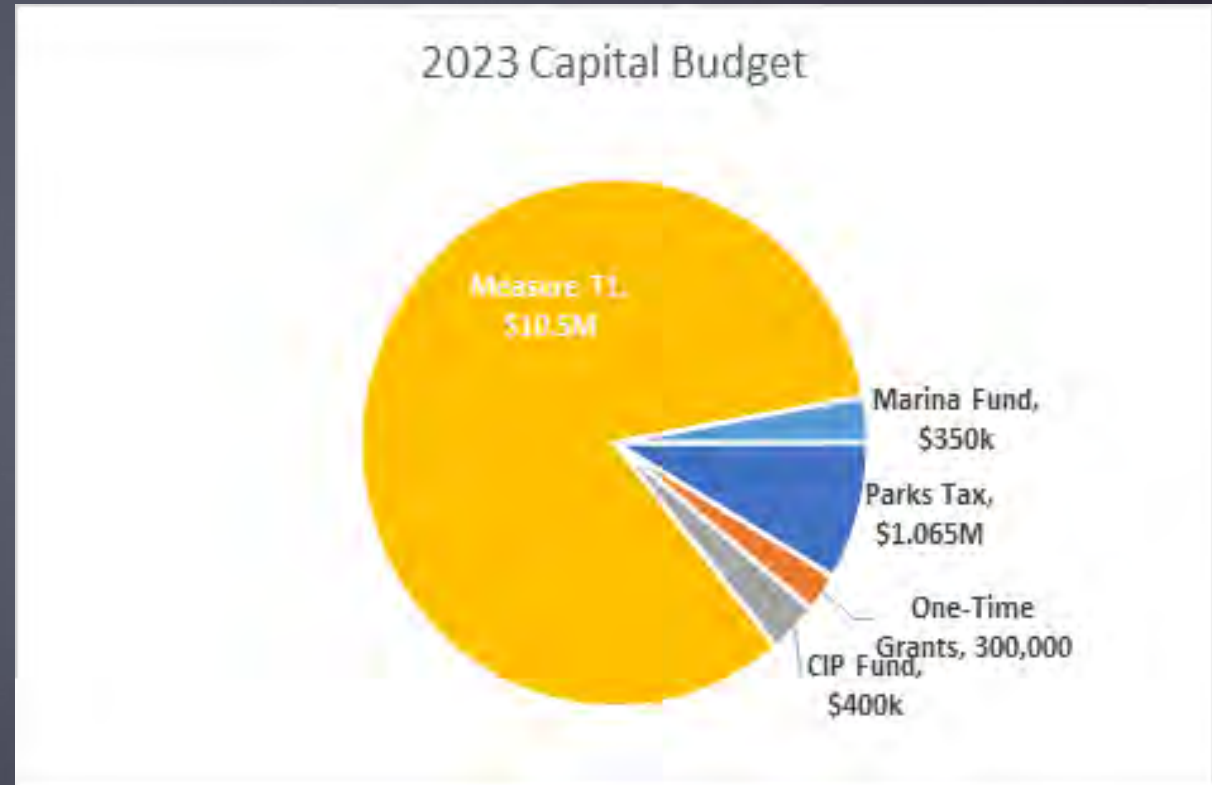
PRW Annual CIP Funding Proposed FY23 - FY24 Allocations

Project	FY23			FY24		
	Parks Tax	CIP	Marina Fund	Parks Tax	CIP	Marina Fund
Tom Bates Annual Contribution	15,000			15,000		
Tom Bates Field House and Restroom Sewer Line	125,000					
Aquatic Park Improvements CM & Inspection	100,000			100,000		
Tree Planting in Non-Grant Areas	75,000			75,000		
Grove Park Sports Field, Picnic and 2-5, 5-12 Play Structures	750,000	400,000				
Cedar Rose 2-5 and 5-12 Play Structures				875,000	400,000	
Marina Main docks, Finger docks and associated infrastructure			350,000			350,000
Total	1,065,000	400,000	350,000	1,065,000	400,000	350,000

FY23 CIP BUDGET \$12.6M

One-time and Annual Allocations

- ▶ The budget includes:
 - ▶ 83% Measure T1 (\$10.5M)
 - ▶ 9% Parks Tax Fund (\$1.065M)
 - ▶ 3% CIP (GF) (\$400k)
 - ▶ 3% Marina Fund (\$350k)
 - ▶ 2% Grant Fund (\$300k)



FY23-FY27 CIP Funding

One-time and Annual Allocations

Fund	FY23	FY24	FY25	FY26	FY27	TOTAL
Capital Improvement Fund	400,000	400,000	400,000	400,000	400,000	2,000,000
Marina Fund	350,000	350,000	350,000	350,000	350,000	1,750,000
Parks Tax	1,065,000	1,065,000	1,090,000	1,110,000	1,130,000	5,460,000
Measure T1	8,937,500	8,225,000	2,575,000			19,737,500
One-Time Grants	1,000,000	4,291,666			-	5,291,666
Grand Total	11,752,500	14,331,666	4,415,000	1,860,000	1,880,000	34,239,166

Unfunded Projects - \$210M

https://www.cityofberkeley.info/PRW_CIP/

► Current Unfunded Need

Waterfront **\$130.9M**

Parks **\$64.0M**

Camps **\$7.9M**

Pools **\$7.2M**



► Making Progress...

T1 Phase 1 and 2

General Fund

Parks Tax (2014 Measure F)

Grants



Highest Need Unfunded Projects:

Parks, Pools and Camps

Aquatic Park Tide Tubes

\$4.8M

Sleeve 5 main Tide Tubes

Clean out/Sleeve Model Boat Pond tide tubes



Aquatic Park Lagoon

Echo Lake Camp ADA Phase 2

\$2.1M

Glendale- Laloma Park

\$2.5M

ADA, Pathways, parking lot,
and 2-5 and 5-12 Play structures

Cedar Rose Play Structures

\$1.275

2-5 and 5-12 Play Structures

(proposed to be funded by Parks Tax in FY24)



Echo Lake Camp

Highest Need Waterfront Projects

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- ▶ Main/Finger Dock Repairs (K, L, M, N, O) - **\$900,000 /\$350,000 Allocated in FY23-24**
- ▶ Dredging in Main Channel - **\$6M**
- ▶ Dredging South Cove- **Unknown**



Finger Docks



South Cove by West Dock

Highest Unfunded Need – Waterfront Infrastructure

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JK Parking Lot **\$1.15M**

Additional Funding for Pilings **\$1.5M**

Funded by General Fund/ Marina Fund **\$1.5M**

Replacement of J Docks **\$4.5M**

Replacement of South Cove Sheet Pile Wall **\$4.6M**



Decaying Timber Piles



D and E Docks



Aged Sheet Pile Wall –
South Cove

Waterfront Project – Bike Park

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The poster features a dark blue background with a white silhouette of a person performing a wheelie on a bicycle. At the top right is the City of Berkeley logo with the slogan 'Parks Make Life Better!'. The main title 'BERKELEY WATERFRONT BIKE PARK' is written in large, bold, white letters. Below the title is a horizontal line. To the right of the wheelie silhouette are icons for a gear, a lightbulb, and a group of people. Below these icons is the text 'COMMUNITY WORKSHOP #1 WED. MAY 11, 2022 @ 5:30PM'. At the bottom left is a Zoom icon followed by the text 'JOIN US ON ZOOM ID: 891 4053 4660'. Below that is the Zoom URL 'HTTPS://US06WEB.ZOOM.US/J/89140534660' and the dial-in number 'DIAL IN: +16699006833,,89140534660#'. At the very bottom, a white banner contains the text 'SHARE YOUR VISION'.

BERKELEY
WATERFRONT
BIKE PARK

COMMUNITY WORKSHOP #1
WED. MAY 11, 2022
@ 5:30PM

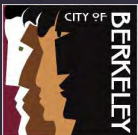
JOIN US ON ZOOM
ID: 891 4053 4660
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DIAL IN: +16699006833,,89140534660#

SHARE YOUR VISION

- No Existing Bike Park in City
- Entrance to Waterfront
- Conceptual Plan funded FY22
- Public Process beginning this month
- Requesting \$600,000 to leverage for grant funding

Projects Completed in 2021

- ▶ Aquatic Park – Tide Tube Clean Out (T1)
- ▶ James Kenney 2-5, 5-12 Play structures (Grant/ Parks Tax)
- ▶ Live Oak Community Center (T1/Parks Tax)
- ▶ City Wide Restroom Feasibility Study (T1)
- ▶ King Park 2-5, 5-12 Play Structure Improvements (Parks Tax/ Insurance)
- ▶ Rose Garden Pergola, Pathways and ADA Project- Phase 2 (T1, Parks Tax)
- ▶ Rose Garden Tennis Court Renovation (T1, Parks Tax)
- ▶ San Pablo Park 2-5, 5-12 Play Structures (T1, Parks Tax)
- ▶ San Pablo Park Tennis Court Renovation (T1p1, Parks Tax)
- ▶ Santa Fe ROW – 4 blocks – Conceptual Design (Parks Tax)
- ▶ Willard Clubhouse and Restroom Replacement – Conceptual Design (T1p1)
- ▶ Waterfront -Bike Lockers (20) (Grants, General Funds, Marina Fund)
- ▶ Waterfront- Finger Dock Replacement – Phase 3 (General Fund, Marina Fund)
- ▶ Waterfront- Pier Structural Assessment/Ferry Feasibility Study (T1, MF, WETA)



Completed Construction

- ▶ Marina Finger Dock Replacements
- ▶ 20 new Bicycle Lockers



Finger Dock Replacements



Bicycle Lockers next to Hana Japan

Completed Construction

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- ▶ Rose Garden Pergola, Pathways and Tennis Courts
- ▶ San Pablo Park Play Structure and Tennis Courts



Rose Garden Pergola and Tennis Courts



San Pablo Park 2-5 Structure



San Pablo Park Tennis Courts

Completed Construction

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- ▶ James Kenney 2-5, 5-12 Playgrounds
- ▶ King Park 2-5, 5-12 Playgrounds



James Kenney Park Playground



King Park Playground

Construction in Progress

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- ▶ Berkeley Tuolumne Camp (**Insurance, FEMA, Cal OES, GF, Donations**)
- ▶ Cazadero Camp Jenson Dormitory Replacement (**Insurance**)
- ▶ John Hinkel Park Amphitheater, Picnic and 2-12 Play Area (**T1 p2, Parks Tax**)
- ▶ West Campus Plaster, Tile and Filters Replacement (**General Fund**)
- ▶ King Plaster and Tile Replacement (**T1p2, General Fund**)
- ▶ Marina Streets -University Ave., Spinnaker, Marina (**T1p1, Streets Fund, CDA**)
- ▶ O and K Dock Electrical Replacement (**General Fund, Marina Fund**)
- ▶ Cal Trans ROW Gilman Streets and Overpass- Phase 2
includes Bay Trail/Sewer line Extension (**ACTC, T1**)



Construction In Progress

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- Cazadero: Jensen Dormitory
- Marina Streets: University Avenue, Spinnaker Way, Marina Blvd.



Cazadero Camp
Jensen Dormitory with landslide fix
in background



Spinnaker Way Green Infrastructure



University Avenue new
pavement

Construction In Progress

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Tuolumne Camp
John Hinkel Amp, picnic, 2-12 play area, parking



BTC River Walk View



BTC Dining Hall



John Hinkel Amphitheater

“Planning Only” Projects in Process

- ▶ Berkeley Marina Area Specific Plan (General Fund)
- ▶ James Kenney Skate Spot (General Fund)
- ▶ Cedar Rose 2-5, 5-12 Play Structures (General Fund)
- ▶ Glendale Laloma 2-5, 5-12 Play Structures (General Fund)
- ▶ Bike Park on University Avenue- Conceptual Plan (General Fund)
- ▶ Marina Main Harbor Dredging (General Fund)

Projects in Design (21)

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- ▶ Aquatic Park – Dock access parking and ADA: **(Parks Tax/Bayer)**
- ▶ Grove Park – Sports Field and Play Areas Renovation **(Parks Tax/ T1)**
- ▶ Ohlone Park (Milvia) 2-5 and 5-12 Play areas/Mural Garden: **(Parks Tax/T1p2)**
- ▶ Waterfront - Misc. Pilings Project: In final design **(T1p2/Parks Tax)**
- ▶ African American Holistic Resource Center **(T1, GF)**
- ▶ Willard Park Clubhouse Replacement **(T1)**
- ▶ Martin Luther King Jr. Youth Services (YAP) Renovation **(T1)**
- ▶ AP Bolivar/Landscaping/Pathway Improvements **(CDA with 600 Addison, Parks Tax)**
- ▶ Civic Center Park – Turtle Garden Project **(T1, Parks Tax, Grant)**
- ▶ Santa Fe ROW (4 blocks) Conversion to Park **(Grant)**
- ▶ Tom Bates Sports Complex – Community Space and Restroom **(T1p2)**
- ▶ Waterfront Marina D and E Dock Replacement **(DBAW Loan/T1P2)**



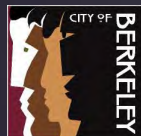
Outside Funding Sources

Grants, CDA, Donations

- ▶ **Awards, Agreements.....\$113M in last 20 years**
- ▶ Santa Fe ROW: Blake – Parker – New Park (Prop 68 Grant) -\$5M
- ▶ Aquatic Park –Street/Landscape Improvements (CDA)~\$3.5M
- ▶ Tree planting – West Berkeley (EEMP Grant) \$500k
- ▶ Civic Center Park Turtle Garden (clean California Grant) \$600K
- ▶ Double Tree Capital Agreement \$3M
- ▶ Tuolumne Camp Insurance \$50M
- ▶ FOBTC Donation for BTC \$750K
- ▶ Urban Greening - Tree Planting (State Grant) \$725K
- ▶ King Park Insurance \$300K
- ▶ **Pending Grants....**
- ▶ Grove Park Play Structure (Prop 68) \$1.15M
- ▶ MLK Junior Youth Services Center – Seismic (FEMA) \$1.2M

Thank you.

Questions?





Office of the City Manager

Date: April 13, 2022
 To: Budget & Finance Policy Committee
 From: Dee Williams-Ridley, City Manager
 Submitted by: Sharon Friedrichsen, Budget Manager
 Henry Oyekanmi, Finance Director
 Subject: Fiscal Year 2023-2024 Preliminary Budget

RECOMMENDATION

Receive a report on (1) the Fiscal Year 2022 Budget; (2) revenue and expenditure projections and assumptions used to develop the Fiscal Years 2023 and 2024 Preliminary Budget and (3) a preliminary five-year forecast and provide direction to staff.

BACKGROUND

Fiscal Year 2022 Mid-Year Update

Reviewing the performance of the current fiscal year and using the information to project trends leading into the upcoming fiscal years is part of the process of developing the biennial budget. The first section of this report provides an update regarding the actual General Fund revenues received and expenditures incurred through the first six months of Fiscal Year 2022. The report also includes fiscal year-end projections pertaining to General Fund revenues and expenditures as well as estimated Special Fund expenditures.

As depicted in the table below, as of December 31, 2021, while General Fund revenues are on track to exceed initial estimates, General Fund expenses are also somewhat higher than anticipated, but are projected to finish FY 2022 with a savings when compared to the FY 2022 Adjusted Budget. Given these trends and the fiscal uncertainty attributed to the COVID-19 pandemic, Staff will carefully monitor revenues and expenses in the second half of FY 2022.

Table 1: FY 2022 Mid-Year Budget at a Glance

<i>\$'s in Millions</i>	FY 2022 Adjusted Budget	FY 2022 Mid-Year Actuals	Percentage of Revenue Received/ Expensed and Encumbered
Revenues	\$236.0	\$128.2	54%
Expenditures	(\$259.8)	(\$118.3)	53%
Carryover and Excess Equity	\$25.0		
Balance	\$1.2		

FY 2021 Mid-Year Summary

On December 14, 2021, Council was provided the [FY 2021 Year-End Results and FY 2022 First Quarter Budget Update](#) report. At the time, both the General Fund revenues and the General Fund expenditures were tracking within budget.

FY 2022 Mid-Year Revenues

The chart below shows FY 2022 General Fund Revenues through the first six months of the current fiscal year and compares the year-to-date revenues received to the first six months of FY 2021.

Chart 1: Adopted General Fund Revenues and Actuals Through December 31

Revenue Categories	FY 2022				FY 2021				Comparison FY22 vs FY 21		Mid Year Revised FY 2022 Projections
	Adopted	Actual	Variance	% Received	Adopted	Actual	Variance	% Received	Amount	%	
	(a)	(b)	c=(b) - (a)	(d) = (b)/(a)	(e)	(f)	g=(f) - (e)	(h) = (f)/(g)	(i) = (b) - (f)	(j) = (i)/(f)	
Secured Property	\$71,382,000	\$36,349,204	(\$35,032,796)	50.92%	\$61,165,454	\$34,731,618	(\$26,433,836)	56.78%	\$1,617,586	4.66%	\$71,382,000
Redemptions -Regular	831,441	415,104	(416,337)	49.93%	534,512	432,291	-102,221	80.88%	(17,187)	-3.98%	831,441
Supplemental Taxes	2,000,000	608,905	(1,391,095)	30.45%	1,260,000	855,050	-404,950	67.86%	(246,145)	-28.79%	2,000,000
Unsecured Property Taxes	2,625,000	3,048,386	423,386	116.13%	2,250,000	2,995,351	745,351	133.13%	53,035	1.77%	3,516,000
Property Transfer Tax	21,000,000	21,710,019	710,019	103.38%	16,500,000	10,665,913	-5,834,087	64.64%	11,044,106	103.55%	39,437,743
Property Transfer Tax-Measure P (New December 21, 2018)	8,500,000	8,626,946	126,946	101.49%	4,747,414	4,254,324	-493,090	89.61%	4,372,622	102.78%	17,070,110
Sales Taxes	18,287,215	9,533,614	(8,753,601)	52.13%	15,786,200	8,069,851	-7,716,349	51.12%	1,463,763	18.14%	18,287,215
Soda Taxes	990,210	519,699	(470,511)	52.48%	970,794	530,328	-440,466	54.63%	(10,629)	-2.00%	990,210
Utility Users Taxes	13,000,000	6,534,425	(6,465,575)	50.26%	12,750,000	6,304,755	-6,445,245	49.45%	229,670	3.64%	13,800,000
Transient Occupancy Taxes	2,173,000	2,471,311	298,311	113.73%	5,070,000	1,084,961	-3,985,039	21.40%	1,386,350	127.78%	4,300,000
Short-term Rentals	630,000	586,569	(43,431)	93.11%	676,260	218,590	-457,670	676.260	367,979	168.34%	900,000
Business License Tax	18,498,146	1,393,760	(17,104,386)	7.53%	12,984,192	390,253	-12,593,939	3.01%	1,003,507	257.14%	19,000,000
Recreational Cannabis	1,643,739	600,770	(1,042,969)	36.55%	1,300,000	355,641	-944,359	27.36%	245,129	68.93%	1,800,000
U.I. Revenues	5,120,350	153,243	(4,967,107)	2.99%	2,700,000	53,389	-2,646,611	1.98%	99,854	187.03%	5,120,350
Other Taxes	1,761,714	1,052,445	(709,269)	59.74%	922,048	705,675	-216,373	76.53%	346,770	49.14%	1,800,000
Vehicle In-Lieu Taxes	14,959,837	7,503,002	(7,456,835)	50.15%	12,421,597	7,190,227	-5,231,370	57.88%	312,775	4.35%	15,024,697
Parking Fines-Regular Collections	3,726,450	2,451,293	(1,275,157)	65.78%	5,049,000	1,714,828	-3,334,172	33.96%	736,465	42.95%	4,326,450
Parking Fines-Booting Collections			-				-		-		
Moving Violations	132,600	83,533	(49,067)	63.00%	190,000	42,277	-147,723	22.25%	41,256	97.58%	132,600
Ambulance Fees	3,154,002	1,715,639	(1,438,363)	54.40%	5,103,208	1,414,206	-3,689,002	27.71%	301,433	21.31%	3,268,275
Interest Income	4,462,320	3,107,784	(1,354,536)	69.65%	2,851,200	2,627,359	-223,841	92.15%	480,425	18.29%	4,462,320
Franchise Fees	1,613,283	350,085	(1,263,198)	21.70%	1,551,696	370,029	-1,181,667	23.85%	(19,944)	-5.39%	1,613,283
Other Revenue	6,729,977	3,275,856	(3,454,121)	48.68%	6,246,348	5,631,071	-615,277	90.15%	(2,355,215)	-41.83%	6,729,977
IDC Reimbursement	5,490,000	2,470,002	(3,019,998)	44.99%	5,490,000	2,683,137	-2,806,863	48.87%	(213,135)	-7.94%	5,490,000
Transfers	27,354,923	13,677,462	(13,677,461)	50.00%	17,274,293	8,865,281	-8,409,012	51.32%	4,812,181	54.28%	27,354,923
Total Revenue:	\$236,066,207	\$128,239,056	-\$107,827,151	54.32%	\$195,794,216	\$102,186,405	-\$93,607,811	52.19%	\$26,052,651	25.50%	\$268,637,594

The mid-year review generally focuses primarily on the major revenue fluctuations and changes that have occurred that might result in significant changes in future projections. Typically, Staff waits until the mid-year to identify General Fund revenue projections that should be revised.

During the first half of FY 2022, General Fund revenues and transfers increased by \$26,052,651 or 25.50%, from \$102,186,405 in the first half of FY 2021, to \$128,239,056 in the first half of FY 2022, primarily due to the following increases (decreases):

Secured Property Taxes	\$1,617,586
Property Transfer Taxes	11,044,106
Measure P	4,372,622
Sales Taxes	1,463,763
Transient Occupancy Taxes	1,386,350
Business License Taxes	1,003,507
Parking Fines	895,662
Transfers In	(840,890)
Other Income	(2,339,677)

Secured Property Tax (\$1,617,586 more than FY 2021 Actual)

During the first half of FY 2022, Secured Property Tax revenues totaled \$36,349,204, which was \$1,617,586 or 4.66% more than the \$34,731,618 received for the same period in FY 2021. The FY 2022 Adopted Budget assumes a 4.72% increase for the year, while the County’s Certification of Assessed Valuation reflects growth of 4.48%.

Unsecured Property Tax (\$53,035 more than FY 2021 Actual)

During the first half of FY 2022, Unsecured Property Tax revenues totaled \$3,048,386, which was \$53,035 or 1.77% more than the \$2,995,351 in the same period in FY 2021. The FY 2022 Adopted Budget reflected a decline of 31.4%, while the County’s Certification of Assessed Valuation growth reflected growth of 1.96% for FY 2022. Staff will be increasing the FY 2022 Unsecured Property Tax revenue projection to \$3,516,000.

Property Transfer Tax (\$11,044,106 more than FY 2021 Actual)

During the first half of FY 2022, Property Transfer Tax totaled \$21,710,019, which was \$11,044,106 or 103.5% more than the \$10,665,913 received for the first half of FY 2021. However, \$3,384,375, or 15.6%, of that increase resulted from the late payment by the County of the May 2021 Property Transfer Taxes, which should have been received in FY 2021. A payment of \$4,630,461 was received by the County in January 2022. Assuming no growth over the total received in the last five months of FY 2021 (\$13,097,203), the FY 2022 total would be \$39,437,743 (including the May 2021 payment of \$3,384,375 received in FY 2022). Staff is increasing the FY 2022 projection of \$21,000,000 to \$39,437,743.

The primary reasons for the remaining \$7,659,731 (\$11,044,106-\$3,384,375) increase in Property Transfer Tax were (1) The dollar value of property sales increased by \$559 million or 81.9% during the first half of FY 2022, as illustrated in Table 2 below; (2) The number of property sales transactions increased by 141 or 29.9% during the first half of FY 2022, as illustrated in Table 3 below; and (3) Seismic rebates increased from \$365,976 in the first half of FY 2021 to \$515,478 for the same period in FY 2022.

Table 2: FY 2022 and FY 2021 6 Month Comparison of Property Sales

Property Sales (In Million \$)	July	Aug	Sept	Oct	Nov	Dec	Total Property Sales \$
FY 2022	\$179.7	\$194.3	\$209.9	\$204.5	\$252.9	\$200.2	\$1,241.5
FY 2021	74.0	115.0	106.4	129.7	139.0	118.4	682.5
Change	105.7	79.3	103.5	74.8	113.9	81.8	559.0
% Change	142.7%	69.0%	97.3%	57.7%	81.9%	69.1%	81.9%

Table 3: FY 2022 and FY 2021 6 Month Comparison of Property Transfer Transactions

Property Transfer Transactions	July	Aug	Sept	Oct	Nov	Dec	Total
FY 2022	114	84	74	104	120	116	612
FY 2021	50	82	73	86	93	87	471
Change	64	2	1	18	27	29	141
% Change	128.0%	2.4%	1.4%	20.9%	29.0%	33.3%	29.9%

Measure P-Property Transfer Tax (\$4,372,622 more than FY 2021 Actual)

In addition, \$8,626,946 in Measure P taxes (a tax which took effect on December 21, 2018) were collected during the first half of FY 2022, which was \$4,372,622 or 102.8% more than the \$4,254,324 collected during the first half of FY 2021. The increase was a result of (1) 103.2% increase in the property sales amount in FY 2022 versus those for the same period in FY 2021, as reflected in the Table 4 below; (2) As reflected in Table 5, there was an 87.4% increase in the number of property sales transactions with a value of \$1.5 million or more; and (3) there were 10 property sales transactions with a value of \$10 million or more (average of \$19.7 million) in FY 2022 versus one such transaction in FY 2021 (\$12 million).

A payment of \$2,347,440 was received by the County in January 2022. Assuming no growth over the total received in the last five months of FY 2021 (\$6,095,724), the FY 2022 total would be \$17,070,110. Staff is increasing the FY 2022 projection of \$8,500,000 to \$17,070,110.

Table 4: FY 2022 and FY 2021 6 Month Comparison-Property Sales of \$1.5 Million or Greater

Property Sales \$1.5 million+	July	Aug	Sept	Oct	Nov	Dec	Total
FY 2022	\$117.7	\$128.5	\$147.9	\$145.5	\$190.7	\$134.0	\$864.3
FY 2021	39.3	61.0	58.6	67.8	82.9	115.8	425.4
Change	78.4	65.8	89.3	77.7	107.8	18.2	438.9
% Change	199.8%	107.9%	152.4%	114.6%	130.0%	15.7%	103.2%

Table 5: FY 2022 and FY 2021 6 Month Comparison of Measure P Transactions

Measure P Transactions	July	Aug	Sept	Oct	Nov	Dec	Total
FY 2022	53	42	49	44	59	51	298
FY 2021	10	26	27	30	38	28	159
Change	43	16	22	14	21	23	139
% Change	430.0%	61.5%	81.5%	46.7%	55.3%	82.1%	87.4%

Sales Tax (\$1,463,763 more than FY 2021 Actual)

For the first half of FY 2022, Sales Tax revenue totaled \$9,533,614, which was \$1,463,763 or 18.1% more than the \$8,069,851 received for the first half of FY 2021. The increase was consistent with the following projection made by the City’s Sales Tax Consultant in Table 6 below:

Table 6: Sales Tax Categories and FY 22 Revenue Projection

Sales Tax Category	Revenue Projection
General Retail	\$ 3,582,787
Food Products	5,573,760
Transportation	2,482,737
Construction	1,227,280
Business-to-business	1,782,010
Miscellaneous	786,424
Subtotal	15,434,998
County pool	3,956,336
State pool	9,966
County sharing	(970,065) ¹
CDTFA admin. fee	(144,019) ²
Total	\$18,287,216

Utility Users Taxes (\$229,670 more than FY 2021 Actual)

Utility Users Tax (UUT) revenue for the first half of FY 2022 totaled \$6,534,425, which was \$229,670 or 3.6% more than the \$6,304,755 received for the same period in FY 2021. This increase of \$229,670 is shown in Table 7 on the next page. Staff is increasing the FY 2022 UUT projection from \$13,000,000 to \$13,800,000.

¹ The cities in Alameda County share 5% of their Bradley Burns sales taxes with the County; and,

² The CDTFA administrative fees are a percentage of taxes CDTFA charges to administer the sales tax program.

Table 7: FY 2022 and FY 2021 6 Month Comparison of UUT Revenues

Utility	FY2022	FY 2021	\$ Change	% Change
Telephone	\$ 584,334	\$ 626,608	\$ -42,274	-6.75%
Cable	515,651	487,938	27,713	5.68%
Cellular	848,280	669,829	178,451	26.64%
Electric	3,551,297	3,655,820	-104,523	-2.86%
Gas	1,034,863	864,560	170,303	19.70%
Total	\$6,534,425	\$6,304,755	\$ 229,670	3.64%

Transient Occupancy Tax (\$1,386,350 more than FY 2021 Actual)

Transient Occupancy Tax (TOT) revenue for the first half of FY 2022 totaled \$2,471,311, which was \$1,386,350 or 127.78% more than the \$1,084,961 received for the first half of FY 2021. The increase in FY 2022 was primarily attributable to an increase of 138.2% at the five largest hotels in Berkeley during the first half of the year (155.8% in the first quarter and 134.1% in the second quarter). Staff is increasing the FY 2022 TOT projection from \$2,173,000 to \$3,800,000 to accommodate the new downtown hotel that came online during the second quarter of the fiscal year.

Short-Term Rentals (\$367,979 more than FY 2021 Actual)

Short-Term Rentals revenue for the first half of FY 2022 totaled \$586,569, which was \$367,979 or 168.3% more than the \$218,590 received for the first half of FY 2021. Based on the mid-year results, staff is increasing the FY 2022 projection to \$900,000.

Business License Taxes (\$1,003,507 more than FY 2021 Actual)

Business license Taxes (BLT) revenue for the first half of FY 2022 totaled \$1,393,760, which was \$1,003,507 or 257.1% more than the \$390,253 received for the first half of FY 2021. BLT are not due yet, so it is too soon to gauge the FY 2022 trend. However, the increase so far is partly due to the following: (1) Business license applications, which generated \$21,400 in additional revenue; (2) More than 200 more business license renewals were received, due to the delinquent notices sent out in September 2021; and (3) The business license revenue for retail and rental classifications increased in FY 2022 by \$31,000 and \$165,000, respectively. Based on the mid-year results, staff is increasing the FY 2022 projection to \$19,000,000.

Recreational Cannabis (\$245,129 more than FY 2021 Actual)

Recreational Cannabis revenue for the first half of FY 2022 totaled \$600,770, which was \$245,129 or 68.9% more than the \$355,641 received in the first half of FY 2021. Recreational Cannabis taxes are not due yet, so it is too soon to gauge the trend in FY 2022 revenue.

Vehicle In Lieu Taxes (\$312,775 more than FY 2021 Actual)

Vehicle in Lieu Taxes (VLF) for the first half of FY 2022 totaled \$7,503,002, which was \$312,775 or 4.35% more than the \$7,190,227 received in the first half of FY 2021. This

increase is consistent with the County’s Certification of Assessed Valuation, which reflects growth of 4.48%. Changes in VLF revenues are based on the growth in assessed values

Parking Fines (\$736,465 more than FY 2021 Actual)

Parking Fines revenue for the first half of FY 2022 totaled \$2,451,293, which was \$736,465 or 42.95% more than the \$1,714,828 received for the first half of FY 2021. The primary reasons for the increase was a significant increase in ticket writing and a higher collection rate on outstanding citations.

During the first half, ticket writing increased from 55,734 or 10.5% in the first half of FY 2021 to 61,603 in the first half of FY 2022, as shown in Table 8 below. Staff has increased the Parking Fines projection from \$3,726,450 to \$4,326,450.

Table 8: FY 2022 and FY 2021 6 Month Comparison of Parking Tickets Written

Tickets	July	August	Sept.	Oct	Nov	Dec	Total
FY 2022	9,231	9,362	11,401	11,021	10,434	10,154	61,603
FY 2021	6,810	7,654	9,093	12,519	10,357	9,301	55,734
Difference	+2,421	+1,708	+2,308	-1,498	77	853	+5,869
% Difference	+35.6%	+22.3%	+25.4%	-12.0%	-0.7%	9.2%	+10.5%

Ambulance Fees (\$301,433 more than FY 2021 Actual)

Ambulance Fees revenue for FY 2022 totaled \$1,715,639, which was \$301,433 or 21.3% more than the \$1,414,206 received for the same period during FY 2021. This increase was primarily due to an increase in the number of transports in FY 2022. The City’s Ambulance Fees vendor projects that the total number of transports for FY 2022 will be 4,500, an increase of 400 over the 4,100 transports in FY 2021.

Interest Income (\$480,425 more than FY 2021 Actual)

For the first half of FY 2022, interest income totaled \$3,107,784, which was \$480,425 or 18.29% more than the total of \$2,627,359 received for the same period in FY 2021. This increase was primarily attributable to an increase in the proportion of the portfolio that was invested in long-term (i.e., one year or more) securities than in short-term securities (i.e., less than one year, which paid rates ranging from .01%-.25%), despite the decline in average interest rates. The City moved a significant portion of its short-term funds from its Fidelity money market fund, that paid a rate of .01% into other short-term alternatives, like Commercial Paper.

This increase of \$480,425 occurred despite the Fed’s actions to keep short-term rates near zero, and the net interest rate earned by the City dropped from a range of 1.13%-1.17% during the first half of FY 2021, to a range of .96%-1.08% during the first half of FY 2022, as shown on the table on the next page.

Table 9: FY 2022 and FY 2021 6 Month Comparison of Monthly Net Interest Rate Earned

Interest	July	August	Sept	Oct	Nov	Dec
FY 2022	.91%	1.03%	1.06%	1.08%	1.02%	.96%
FY 2021	1.17%	1.13%	1.14%	1.12%	1.16%	1.14%

Transfers (\$4,812,181 more than FY 2021 Actual)

Transfers from other funds for the first quarter of FY 2022 totaled \$13,677,462 which was \$4,812,181 or 54.28% more than the \$8,865,281 received for the same period in FY 2021. This was primarily attributable to the Transfer of \$11,484,678 from the American Rescue Plan Fund in the first half of FY 2022, to recover from the impact of the COVID-19 pandemic, compared to the Transfer of \$3,450,000 from the Stabilization Reserve Fund and the \$2,250,000 from the Catastrophic Reserve Fund during the FY 2021 first half, to mitigate the negative impact of COVID-19. In addition, there was a one-time Shelter Plus Care County grant of \$1,600,000 received during the first half of FY 2021.

Other Revenues (\$2,355,215 less than FY 2021 Actual)

Other Revenues consists of licenses and permits; grants; preferential parking fees; general government charges for services; public safety charges for services; health charges for services; culture and recreation charges for services; rents and royalties; and other miscellaneous revenues that are not considered major.

Other Revenues for the first half of FY 2022 totaled \$3,275,856 which was \$2,355,215 or 41.8% less than the \$5,631,071 received for the first half of FY 2021. This decrease resulted primarily from the FY 2021 receipt of \$1,500,000 from the COVID Relief Program, and \$704,000 from the East Bay Community Foundation for the Berkeley Relief Fund, to finance grant payments to assist businesses and nonprofit organizations impacted by the COVID-19 pandemic.

General Fund Expenditures

FY 2022 Revised Budget

On December 14, 2021, the City Council approved General Fund recommended rollovers, carryovers, and adjustments totaling \$25 million in the [Amendment to the FY 2022 Annual Appropriations Ordinance](#)³(AAO).

On July 29, 2021, Council adopted the FY 2022 Budget, which authorized General Fund expenditures of \$234.8 million. Subsequently, Council authorized adjustments to the adopted budget through the Annual Appropriations Ordinance as shown in the table on the next page.

³ https://www.cityofberkeley.info/Clerk/City_Council/2021/12_Dec/Documents/2021-12-14_Supp_3_Reports_Item_45_Rev_CMO_pdf.aspx

Table 11: FY 2022 General Fund Revised Budget

FY 2022 Adopted Budget	Encumbered Recommended	Unencumbered Recommended	Other Adjustments	FY 2022 Revised Budget
\$234,754,491	\$8,451,781	\$4,405,774	\$12,151,842	\$259,763,888

The encumbered rollovers of \$8.5 million reflect contractual obligations entered into in FY 2021, which had not been paid as of June 30, 2021. Unencumbered carryovers of \$4.4 million are approved by Council for specific purposes that had not been completed by the end of FY 2021. Funding for these commitments is brought forward into the current fiscal year to provide for payment of these obligations. Adjustments are new allocations for projects and Council priorities as detailed in the AAO.

Included in the other adjustments of \$12.2 million are Council authorized allocations for the following items:

1. \$5,069,609 for the Mayor's Proposed Supplemental Recommendations for the Allocation of General Fund Excess Equity
2. \$3,775,783 for FY 2022 General Fund Cost of Living Adjustments
3. \$339,008 for FY 2022 General Fund PEPRAMP Down
4. \$439,420 for the off-street safe parking program for Recreational Vehicles at 742 Grayson Street and other shelter operational costs
5. \$179,551 in Health, Housing & Community Services for COLA's, CalPERS, and bonuses that cannot be absorbed by grant funds in FY 2022 for labor contracts approved by Council

FY 2022 Mid-Year Actuals and Projections

General Fund expenditures incurred by department from July 1, 2021 through December 31, 2021 are shown in the chart on the next page. With 50 percent of the fiscal year elapsed, most departments are tracking under 50 percent spent in personnel due to vacant positions. Non-personnel, on the other hand, varies by department, with some departments utilizing professional services to deliver services in light of vacancies and other departments setting aside funds (encumbrances) to meet contractual obligations for services that may not be completed rendered by June 30, 2022. In addition to year-to-date actuals, the chart also includes projected expenditures for the entire fiscal year, including a projection as to whether departmental spending will be under budget.

As depicted on the chart on the next page, General Fund expenditures are estimated to less than the revised budget, resulting in anticipated savings of \$5.4 million. A significant portion of the projected savings is attributed to vacant positions and expenditures will fluctuate as departments either (1) fill vacant positions throughout the fiscal year; (2) increase overtime spending to provide services with existing staff and/or (3) spend more on consultants and other professional services (“non-personnel costs”) to mitigate vacant staff positions.

Chart 2: Adopted General Fund Expenditures and Actuals Through December 31

FY 2022 MID-YEAR GENERAL FUND EXPENDITURES (AS OF DECEMBER 31, 2021)									
DEPARTMENT	FY 2022 ADOPTED	FY 2022 REVISED*	YEAR-TO-DATE EXPENDED	YEAR-TO-DATE ENCUMBRANCES	AVAILABLE BUDGET (YEAR-TO-DATE LESS ENCUMBRANCES)	PERCENT OF PERSONNEL BUDGET SPENT	PERCENT OF NON-PERSONNEL BUDGET SPENT	FY 2022 PROJECTED EXPENDITURES	PROJECTED BALANCE/(DEFICIT)
MAYOR & COUNCIL	3,096,559	3,828,949	1,563,198	49,091	2,216,660	42%	46%	3,828,949	(0)
CITY AUDITOR	2,705,379	2,712,758	1,216,853	7,230	1,488,675	45%	50%	2,503,615	209,143
POLICE ACCOUNTABILITY	1,114,235	1,149,235	382,012	33,712	733,511	36%	38%	883,925	265,310
CITY MANAGER	10,912,354	12,811,793	6,119,195	718,409	5,974,189	45%	70%	12,344,803	466,990
CITY ATTORNEY	3,434,164	3,711,854	1,185,801	25,752	2,500,301	33%	30%	2,502,657	1,209,197
CITY CLERK	2,396,737	2,762,298	1,224,689	200,851	1,336,759	45%	60%	2,653,075	109,223
FINANCE	7,041,962	8,908,286	3,228,885	1,164,527	4,514,874	42%	63%	8,226,859	681,427
HUMAN RESOURCES	2,407,724	2,594,692	1,116,086	99,283	1,379,324	46%	51%	2,466,850	127,842
INFORMATION TECHNOLOGY	1,526,760	2,362,181	877,061	793,040	692,080	0%	71%	2,361,061	1,120
HEALTH HOUSING & COMMUNITY SERVICES	23,455,690	32,345,797	10,898,278	7,182,622	14,264,898	38%	68%	28,540,438	3,805,359
PARKS RECREATION & WATERFRONT	7,675,564	10,059,050	3,887,713	767,195	5,404,142	44%	49%	10,059,050	0
PLANNING & DEVELOPMENT	2,325,367	2,950,953	1,238,880	60,009	1,652,064	45%	42%	2,950,953	0
PUBLIC WORKS	4,742,625	10,296,492	2,781,682	1,239,766	6,050,044	37%	42%	8,438,147	1,858,345
POLICE	73,228,172	74,257,431	37,451,561	1,060,381	35,745,489	52%	55%	75,587,892	(1,330,461)
FIRE & EMERGENCY SERVICES	37,021,939	42,244,587	20,756,846	4,886,856	16,600,885	54%	80%	44,294,587	(2,050,000)
NON-DEPARTMENTAL	51,669,260	38,018,841	21,022,210	194,772	16,801,858	41%	56%	38,018,841	-
GRAND TOTAL	234,754,491	251,015,198	114,950,950	18,483,496	117,355,753	49%	60%	245,661,702	5,353,496
<i>*FY 2022 Revised does not reflect as of December 31, 2021 all Council approved allocations included in the FY 2021 AAO #1.</i>									

Some of the explanations for significant projected savings and overages by departments include:

- **City Attorney (\$1,209,197):** Projected savings resulting from several vacant positions that have occurred during the year and that may not be fully filled by the end of the fiscal year.
- **Health, Housing & Community Services (\$3,805,359):** Projected savings due to vacancies and staff redeployed to COVID-19 activities, which are funded by grants and other revenues rather than the General Fund.
- **Public Works (\$1,858,345):** Projected savings is tied to General Fund project funds that will not be fully spent by the end of FY 2022. These funds will be carried over to FY 2023
- **Police (-\$1,330,461):** The projected overage in the Police Department is due several factors, including the use of overtime to address staffing shortages.
- **Fire (-\$2,050,000):** Fire is projected to finish FY 2022 over budget by \$2 million. The department has incurred COVID-19 impacts on staffing levels. In

addition, the Department is still recovering from the nine deferred positions that were part of the hiring freeze and has experienced challenges in recruiting and retaining qualified firefighter/paramedics.

- In addition, the *City Auditor, the Office of the Director of Police Accountability, the City Manager's Office, the City Clerk, the Finance Department, and Human Resources* (\$1,859,935) are expected to finish the year under budget, largely due to savings attributed to vacant positions.

Projected General Fund Budget Summary

Based on the General Fund revenue and expenditure projections that have been provided above, the following chart provides a projected FY 2022 ending fund balance for the General Fund. The fund balance is currently estimated at \$59.8 million. However, **it is important to emphasis two things in the chart: (1) that the Transfers from other funds of \$27,354,923 includes \$11,484,678 that was transferred from the American Rescue Plan Fund and (2) that the revenue and expenditure projections provided are the best estimates staff has at this time for how the General Fund is projected to end FY 2022. Between now and the end of the year, a number of assumptions could change that will impact these projections.**

Projecting revenues for the rest of FY 22, as well as many years into the future, is inherently difficult to do with accuracy, as shifts in the macroeconomic climate can cause asset valuations and economic output to fluctuate in ways not able to be anticipated at the time projections are made. Staff use the best assumptions available, based on historic trends, observation of leading economic indicators, and known changes in the regulatory environment. The current environment, however, presents heightened uncertainty due to several macroeconomic factors that could impact future City revenues.

First, while the health emergency related to the COVID-19 pandemic is finally receding, and while many of the restrictions that had constrained economic activity have been or soon will be lifted, there is a possibility that the local economy has been reshaped in ways that will not return to a pre-pandemic "normal." The increase in telecommuting that occurred in the past couple of years may not fully recede. This could have effects on spending activities of residents and employees of City businesses and institutions, as well as the desirability of certain locations for home purchases. These trends will have to be studied and analyzed and adjustments made as more data comes in.

Second, after being kept at manageable levels for many years, there are signs that inflationary pressure is driving prices higher. It is not yet clear if this is the temporary effect of disrupted supply chains caused by COVID-19 or a more long-lasting phenomenon. The Federal Reserve Board has indicated and the markets are adjusting to the fact that interest rates will be raised as the Fed's start to tighten monetary policy to combat inflation. This will have immediate effects on economic activities in all sectors of the economy.

Third, the outbreak of war in Europe between Ukraine and Russia has the potential to dramatically reshape global markets, especially if Russian oil and natural gas are cut off from the rest of the world. This would drive fuel and transportation prices higher, with downstream effects on the prices of most goods.

Any one or a combination of these factors could necessitate further revision of the projections presented here. Staff will continue to monitor the revenues we actually receive and changes in the economic environment, so that we may update or revise our projections if changes in our forecasts are warranted.

Chart 3: FY 22 Projected General Fund Balance

FY 2022 Beginning General Fund Balance			\$ 36,838,797	
FY 2022 Revenues and Expenditures				
		Adopted	Actual YTD	Revised Projections
Revenues				
	Property Taxes and Vehicle In-Lieu	91,798,278	47,924,601	92,754,138
	Real Estate Transfer Taxes	29,500,000	30,336,965	56,507,853
	Sales Taxes	19,277,425	10,053,313	19,277,425
	Utility Users Taxes and Franchise Fees	14,613,283	6,884,510	15,413,283
	Hotel and STR Taxes	2,803,000	3,057,880	5,200,000
	Business License Taxes	25,262,235	2,147,773	25,920,350
	Fines and Fees	7,013,052	4,250,465	7,727,325
	Interest and Other Revenue	18,444,011	9,906,087	18,482,297
	Transfers from Other Funds	27,354,923	13,677,462	27,354,923
	Total Revenues	\$ 236,066,207	\$ 128,239,056	\$ 268,637,594
Expenditures				
	Total Personnel Costs	148,035,070	73,355,772	149,898,761
	Total Non-Personnel Costs	86,719,421	40,626,797	95,762,940
	Total Expenditures	\$ 234,754,491	\$ 113,982,569	\$ 245,661,702
	Net Change	\$ 1,311,716	\$ 14,256,487	\$ 22,975,892
Projected FY 2022 Ending General Fund Balance			\$ 59,814,689	

All Funds Expenditures

The General Fund comprises 30.5 percent of the total adjusted budget. The rest of the budget consists of various Special Funds. Special Funds are collected for a specific purpose; therefore, the projected balances are not considered to be discretionary and available to be re-allocated toward other programs, projects and services. Only costs associated with the Special Fund activity may be charged to a Special Fund.

Included in the FY 2022 Mid-Year All Fund Expenditures by Department chart below are both the General Fund expenditures to date and the Special Funds expenditures to date. On an All Funds basis, the City is tracking under budget as of December 31, 2021 as can be seen in the chart on the next page. On All Funds basis, the City is projected to finish FY 2022 with a balance of \$72.5 million. Health, Housing, & Community

Services, Parks, Recreation & Waterfront, and Public Works are expected to finish FY 2022 with significant balances that are tied to both vacancies and projects and grants started in FY 2021 that are not expected to be finished by the end of the fiscal year.

Chart 4: Adopted All Funds Expenditures and Actuals Through December 31

FY 2022 MID-YEAR ALL FUNDS EXPENDITURES (AS OF DECEMBER 31, 2021)								
DEPARTMENT	FY 2022 ADOPTED	FY 2022 REVISED*	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PERCENT OF BUDGET SPENT TO DATE	FY 2022 PROJECTED EXPENDITURES	PROJECTED BALANCE/(DEFICIT)
MAYOR & COUNCIL	3,096,559	3,836,449	1,563,198	49,091	2,224,160	42%	3,836,449	0
CITY AUDITOR	2,805,883	2,813,262	1,230,151	7,230	1,575,881	44%	2,530,891	282,371
RENT BOARD	6,825,535	7,502,298	2,520,539	1,214,837	3,766,922	50%	7,502,298	0
POLICE ACCOUNTABILITY	1,114,235	1,149,235	382,012	33,712	733,511	36%	883,925	265,310
CITY MANAGER	13,852,717	19,653,847	8,047,478	1,311,152	10,295,216	48%	18,900,613	753,234
LIBRARY	25,566,341	25,680,866	8,589,625	2,177,725	14,913,515	42%	20,325,974	5,354,892
CITY ATTORNEY	7,278,096	7,924,642	2,520,476	537,108	4,867,058	39%	6,643,110	1,281,532
CITY CLERK	2,901,739	3,267,300	1,269,182	200,851	1,797,268	45%	3,160,302	106,998
FINANCE	9,431,102	11,319,338	4,101,165	1,234,332	5,983,841	47%	10,495,041	824,297
HUMAN RESOURCES	4,438,053	4,651,435	1,797,375	125,697	2,728,363	41%	4,030,855	620,580
INFORMATION TECHNOLOGY	20,423,888	25,758,933	7,533,395	5,153,106	13,072,432	49%	24,438,828	1,320,105
HEALTH HOUSING & COMMUNITY SERVICES	84,514,926	129,182,820	37,250,059	31,234,274	60,698,488	53%	110,457,573	18,725,247
PARKS RECREATION & WATERFRONT	52,979,556	88,900,408	30,323,588	24,547,087	34,029,734	62%	83,434,951	5,465,457
PLANNING & DEVELOPMENT	25,252,729	27,774,725	10,647,422	1,247,297	15,880,006	43%	27,774,725	0
PUBLIC WORKS	147,438,656	229,036,144	60,612,570	52,028,114	114,444,862	49%	194,459,479	34,576,665
POLICE	77,807,443	80,581,579	39,464,967	1,713,694	39,402,918	51%	81,827,004	-1,245,425
FIRE & EMERGENCY SERVICES	60,351,430	66,013,514	26,260,403	8,261,635	31,491,476	52%	61,847,423	4,166,091
NON-DEPARTMENTAL	127,522,399	109,912,191	56,631,533	737,440	52,772,418	52%	109,912,191	0
GRAND TOTAL	673,601,287	844,958,987	300,745,138	131,814,381	410,678,071	51%	772,461,632	72,497,356
<i>*FY 2022 Revised does not reflect as of December 31, 2021 all Council approved allocations included in the FY 2021 AAO #1.</i>								

Five-Year Forecast

Presented below is a preliminary five-year forecast with projected revenues and expenditures for fiscal years 2023-2026. Based upon this initial forecast, the City faces a structural deficit in FY 23 and 24 whereby planned expenditures outpace revenues. However, if revenues continue to grow and expenditures remain constant at FY 24 baseline amounts, then the City could lessen the likelihood of a deficit in FY 26.

Chart 5: Preliminary Five-Year Forecast Fiscal Years 2023-2026

General Fund	Fiscal Year				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Beginning Fund Balance	36,838,797	38,150,513	23,800,863	16,127,157	16,414,380
Total Revenues	236,066,207	232,802,561	242,467,333	252,603,388	263,234,553
Personnel					
Miscellaneous Salaries	38,379,568	44,734,036	45,527,411	45,527,411	45,527,411
Miscellaneous Overtime	6,270,335	6,648,037	6,649,388	6,649,388	6,649,388
Miscellaneous Benefits - Pension	12,365,072	13,579,373	14,130,536	14,130,536	14,130,536
Total Miscellaneous Personnel Costs	57,014,975	64,961,446	66,307,335	66,307,335	66,307,335
Police Salaries	26,158,184	24,167,756	24,398,731	24,398,731	24,398,731
Police Overtime	1,089,160	1,154,510	1,154,510	1,154,510	1,154,510
Police Benefits - Pension	18,517,843	18,685,272	19,484,688	19,484,688	19,484,688
Total Police Personnel Costs	45,765,187	44,007,538	45,037,929	45,037,929	45,037,929
Fire & EMS Salaries	14,284,842	15,440,479	15,472,023	15,472,023	15,472,023
Fire Overtime	107,633	114,091	114,091	114,091	114,091
Fire & EMS Benefits - Pension	8,153,034	7,807,892	8,089,089	8,089,089	8,089,089
Total Fire & EMS Personnel Costs	22,545,509	23,362,462	23,675,203	23,675,203	23,675,203
Other Wages - Hourly, Summer Youth, Elected Stipends	3,637,966	3,974,380	4,012,467	4,012,467	4,012,467
Medical	13,216,615	13,223,954	13,443,671	15,056,912	16,863,741
Dental	1,271,573	1,135,675	1,244,232	1,368,655	1,505,521
Retiree Medical	3,985,761	4,286,636	4,395,312	4,527,171	4,993,470
Medicare	936,892	1,068,680	1,080,269	1,112,677	1,146,057
SRIP	1,020,274	1,061,876	1,063,934	1,063,934	1,063,934
Workers Compensation	4,372,120	4,493,834	4,532,394	4,668,366	4,808,417
Terminal Payouts	2,103,108	2,345,730	2,370,910	2,442,037	2,515,298
Other Benefits & Allowances	2,719,840	2,217,661	2,203,160	2,269,255	2,337,332
Salary Savings	-10,554,750	-2,057,742	-2,100,857	-2,100,857	-2,100,857
Total Personnel Costs	148,035,070	164,082,130	167,265,959	169,441,084	172,165,847
Non-Personnel					
Professional & Technical Services	5,997,456	9,476,132	9,472,410	9,472,410	9,472,410
Grants	14,159,041	14,270,032	14,270,032	14,270,032	14,270,032
Supplies	1,827,531	1,880,159	1,879,942	1,879,942	1,879,942
Insurance	1,212,651	1,209,688	1,209,688	1,209,688	1,209,688
Utilities	1,256,876	1,268,371	1,268,371	1,268,371	1,268,371
Other	19,043,917	11,745,695	11,554,634	11,554,634	11,554,634
Internal Services	16,418,011	16,416,066	16,416,066	16,416,066	16,416,066
Transfers	26,803,938	26,803,938	26,803,938	26,803,938	26,803,938
Total Non-Personnel Costs	86,719,421	83,070,081	82,875,081	82,875,081	82,875,081
Total Expenditures	234,754,491	247,152,211	250,141,039	252,316,165	255,040,928
Annual Surplus/(Shortfall)	1,311,716	-14,349,650	-7,673,706	287,223	8,193,625
Projected Ending Balance	38,150,513	23,800,863	16,127,157	16,414,380	24,608,005

Revenues

Information pertaining to the revenue forecast and assumptions are included on the chart on the next page, followed by a brief narrative regarding the assumptions for the major revenue categories.

Chart 6: General Fund Revenue Projections (FY 2022 to FY 2026)

5 YEARS PROJECTED GENERAL FUND REVENUES					
	Projected General Fund Revenue				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Undesignated Revenues					
Secured Property Taxes	71,382,000	75,308,010	79,449,951	83,819,698	88,429,781
Supplemental Taxes	2,000,000	2,110,000	2,226,050	2,348,483	2,477,649
Unsecured Property Taxes	3,516,000	3,709,380	3,913,396	4,128,633	4,355,707
Property Transfer Taxes	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000
Property Transfer Tax - Measure P	17,070,110	11,810,614	12,283,038	12,774,360	13,285,334
Sales Taxes	18,287,215	19,827,678	20,660,832	21,528,995	22,433,638
Soda Tax	990,210	1,010,014	1,030,214	1,050,819	1,071,835
Utility Users Taxes	13,800,000	14,076,000	14,357,520	14,644,670	14,937,564
Transient Occupancy Taxes(TOT)	4,300,000	4,515,000	4,740,750	4,977,788	5,226,677
Short-term Rentals	900,000	945,000	992,250	1,041,863	1,093,956
Business License Taxes	19,000,000	19,950,000	20,947,500	21,994,875	23,094,619
Recreational Cannabis	1,800,000	1,836,000	1,872,720	1,910,174	1,948,378
Measure U1	5,120,350	5,222,757	5,327,212	5,433,756	5,542,432
Other Taxes	2,631,441	2,684,070	2,737,751	2,792,506	2,848,356
Vehicle In Lieu Taxes	15,024,697	15,851,055	16,722,863	17,642,621	18,612,965
Parking Fines - Regular Collections	4,326,450	4,542,773	4,769,911	5,008,407	5,258,827
Parking Fines - Booting Collections	-	-	-	-	-
Moving Violations	132,600	135,252	137,957	140,716	143,531
Ambulance Fees	3,268,275	3,333,641	3,400,313	3,468,320	3,537,686
Interest Income	4,462,320	4,411,120	4,411,120	4,411,120	4,411,120
Franchise Fees	1,613,283	1,645,549	1,678,460	1,712,029	1,746,269
Other Revenues	6,729,977	6,200,000	6,200,000	6,200,000	6,200,000
Indirect cost reimbursements	5,490,000	5,490,000	5,490,000	5,490,000	5,490,000
Transfers	27,354,923	4,966,745	4,966,745	4,966,745	4,966,745
Total Undesignated Revenues	241,699,851	222,080,657	230,816,554	239,986,576	249,613,069
Designated Revenues					
Prop. Transfer Taxes for capital improvements	26,937,743	10,721,903	11,650,779	12,616,811	13,621,483
Total Designated Revenues	26,937,743	10,721,903	11,650,779	12,616,811	13,621,483
TOTAL REVENUES AND TRANSFERS	268,637,594	232,802,560	242,467,334	252,603,387	263,234,552

**Property Transfer Tax Revenues are set at a baseline amount of \$12.5 million. The Council Fiscal Policies require any excess property transfer tax revenues over the baseline to be allocated to capital improvements. Council may waive this policy as needed to balance the budget or prioritize these funds for other critical needs.*

Assumptions for Major Revenues

Property Taxes: Given the continued high collection rate, and the resilience of property values in the City, as well as a large volume of recent property sales (which bring assessed values to market value), we are projecting that annual growth will be approximately 5.5% over the next several years. The persistence of strong growth of property valuations in recent years, as well as the spike in current year sales (which bring properties assessed valuations to market value), have caused staff to increase the projected growth rate from the 3.5% that we have used in prior long-term projections.

Sales Taxes: We project that the immense effects of COVID-19 on sales tax revenue in FY 2021 to be largely reversed in FY 2022, with revenue levels almost back to FY 2019 levels, and project growth to then level off to approximately 4% in FY 2024. There is still some potential risk that an overall slowdown in underlying economic recovery will be reflected in reduced growth in consumer spending and sales tax collections.

Business License Taxes: We are projecting a 5% growth in Business License Tax revenue from heavily impacted FY 2021 levels, as economic activity recovers from the recession caused by the pandemic. Long-term projections will be adjusted as the post-pandemic economic environment becomes clearer. 2022 business license returns (for 2021 gross receipts) are just now being received, so we will know more about how revenues are trending once they are processed over the next month or so.

Transient Occupancy Tax: With recovery of business at the City's hotels expected to lag behind general economic recovery, and relying on industry guidance regarding predicted occupancy levels, we are currently projecting only 5% annual growth from current revenue levels. Even after taking into consideration the new downtown hotel, we will continue to monitor the major hotels' projections of future occupancies and will adjust long-term projections as necessary.

Utility Users Tax: We expect UUT revenue to rise marginally from FY 2022 through FY 2024, after increasing slightly in the current year due to rate increases approved by the Public Utilities Commission. Revenues are expected to remain flat after FY 2024 and beyond after all the rate increases have been actualized.

Transfer Tax: Given the continued strength in property values and in sales activity, we expect Transfer Tax revenues to increase 4% per year from FY 2023 – FY 2026, calculated based on FY 2021 revenue. The spike in revenue being seen in FY 2022 is likely due to sales triggered by looming interest rate increases that have been signaled by the Federal Reserve, as well as some pent-up demand from mildly depressed sales during the pandemic. Over the 5 years prior to the pandemic, transfer tax revenues grew 6% per year on average, but interest rate increases will probably negatively impact sales prices and volumes somewhat in the next few years. We similarly expect revenues from Measure P supplemental tax on high value property transfers to increase at the 4% rate.

Economic Uncertainties

Projecting revenues long-term is inherently difficult to do with accuracy, as shifts in the macroeconomic climate can cause asset valuations and economic output to fluctuate in ways not able to be anticipated at the time projections are made. Staff use the best assumptions available, based on historic trends, observation of leading economic indicators, and known changes in the regulatory environment. The current environment, however, presents heightened uncertainty due to several macroeconomic factors that could impact future City revenues;

First, while the health emergency related to the COVID-19 pandemic is finally receding, and while many of the restrictions that had constrained economic activity have been or soon will be lifted, there is a possibility that the local economy has been reshaped in ways that will not return to a pre-pandemic “normal.” The increase in telecommuting that occurred in the past couple of years may not fully recede. This could have effects on spending activities of residents and employees of City businesses and institutions, as well as the desirability of certain locations for home purchases. These trends will have to be studied and analyzed and adjustments made as more data comes in.

Second, after being kept at manageable levels for many years, there are signs that inflationary pressure is driving prices higher. It is not yet clear if this is the temporary effect of disrupted supply chains caused by COVID-19 or a more long-lasting phenomenon. The Federal Reserve Board has indicated and the markets are adjusting to the fact that interest rates will be raised as the Fed’s start to tighten monetary policy to combat inflation. This will have immediate effects on economic activities in all sectors of the economy.

Third, the outbreak of war in Europe between Ukraine and Russia has the potential to dramatically reshape global markets, especially if Russian oil and natural gas are cut off from the rest of the world. This would drive fuel and transportation prices higher, with downstream effects on the prices of most goods.

Any one or a combination of these factors could necessitate further revision of the projections presented here. Staff will continue to monitor the revenues we actually receive and changes in the economic environment, so that we may update or revise our projections if changes in our forecasts are warranted.

Assumptions for Major Expenditures

Personnel-Related Expenditures

Personnel-related costs are the leading driver of expenditures. FY 23 and FY 24 salaries include negotiated cost-of-living adjustments. However, the forecast assumes **no** change to the FY 24 baseline for salaries and most benefits. In terms of benefits, medical rates reflect a projected 12% increase for calendar years 2023 and 2024 while dental assumes a 10% increase in plan rates and project the continuation of these increases in the outyears. Pension is another large component of the budget and is budgeted at \$40.1 million in FY 23 and \$41.7 million in FY 24.

Other Expenditures

The forecast also includes non-personnel expenditures, such as professional services, community grants, supplies, insurance, utilities, internal services and transfers. The preliminary forecast keeps these expenses at the FY 24 baseline amount. However, it is likely that expenses such as supplies, insurance and utilities will increase.

Fiscal Year 2023 and 2024 General Fund Preliminary Biennial Budget

As illustrated in the chart below, projected expenditures in FY 23 are estimated at \$247.7 million while total projected revenues total \$232.8 million, resulting in a deficit of \$14.9 million. However, when planned property transfer taxes over the current \$12.5 million baseline, Measure P and Measure U1 revenues are separated out from total revenues, the baseline revenues available decreases to \$205.0 million in revenue. After factoring in planned expenditures for both Measure P and Measure U1, baseline revenues decrease to \$228.9 million, resulting in a shortfall of \$23.8 million. As local revenues continue to improve and expenditure costs remain fairly constant, the projected baseline deficit for FY 24 decreases to approximately \$18 million.

Chart 7: FY 23 and 24 Preliminary Budget Summary

	FY 2022 Adopted	FY 2023 Baseline	FY 2024 Baseline
Adopted/Projected Revenues	236,066,707	232,802,560	242,467,334
Less: Excesss Property Transfer Taxes	(8,500,000)	(10,721,903)	(11,650,779)
Less: Measure P Revenues	(8,500,000)	(11,810,614)	(12,283,038)
Less: Measure U1 Revenues	(5,120,350)	(5,222,757)	(5,327,212)
Baseline Revenues	213,946,357	205,047,286	213,206,305
Adopted/Projected Expenditures	234,754,491	247,725,858	250,017,632
Less: Measure P Expenditures	(15,688,170)	(13,715,599)	(13,729,174)
Less: Measure U1 Expenditures	(5,120,350)	(5,120,350)	(5,120,350)
Baseline Expenditures	213,945,971	228,889,909	231,168,108
Projected Suplus/(Deficit)	386	(23,842,623)	(17,961,803)

Salary Savings Assumptions and Alternative Scenarios

The FY 23 & FY 24 biennial budget includes a 3% Target Salary Savings from keeping positions vacant for all departments with the following exceptions: 1% for Police and 0% for City Attorney, City Auditor, Council and Fire. This salary savings assumption is estimated to generate \$2.1 million in savings in FY 23 and FY 24.

Based upon direction received from the Budget and Finance Policy Committee, salary savings scenarios have been developed to help facilitate discussions regarding salary savings assumptions to include within the preliminary baseline budget.

The chart below illustrates the projected savings associated with the following models: (1) FY 23 and 24 baseline projection with 3% savings for most departments; (2) 5% savings for most departments; and (3) 7% for most departments. The potential savings

over the baseline assumption varies by model and could generate upwards of \$4.7 million (7% average vacancy assumption) more than the estimated \$2.1 million in baseline savings in FY 23 and similar savings in FY 24. However, the projected savings would require departments to keep vacant positions unfilled, which may result in operational impacts to services, delays in executing grant-funded programs and other projects, as well as potential increased costs in overtime and/or professional services in order to continue to provide services to the community.

Chart 8: Projected FY 23 Savings Based on Vacancy Rates

Department	General Fund Payroll	Target Savings (3%)	Estimated Savings	Target Savings (5%)	Estimated Savings	Target Savings (7%)	Estimated Savings
Mayor and Council	3,652,040	0%	-	0%	-	0%	-
Auditor	2,676,643	0%	-	0%	-	0%	-
Police Accountability	940,985	0%	-	0%	-	0%	-
City Manager	8,895,084	3%	266,853	5%	444,754	7%	622,656
City Attorney	3,638,321	0%	-	0%	-	0%	-
City Clerk	1,716,789	3%	51,504	5%	85,839	7%	120,175
Information Technology	-	-	-	-	-	-	-
Finance	6,876,107	3%	206,283	5%	343,805	7%	481,327
Human Resources	2,396,523	3%	71,896	5%	119,826	7%	167,757
HHCS	14,593,166	3%	437,795	5%	729,658	7%	1,021,522
Parks, Rec and Waterfront	3,100,302	3%	93,009	5%	155,015	7%	217,021
Planning	2,678,262	3%	80,348	5%	133,913	7%	187,478
Public Works	3,811,135	3%	114,334	5%	190,557	7%	266,779
Fire	33,581,174	0%	-	0%	-	0%	-
Police	73,572,049	1%	735,720	3%	2,207,161	5%	3,678,602
Total	162,128,580		2,057,742		4,410,530		6,763,318

Next Steps and Discussion

The purpose of this agenda item is to present a high-level overview of the preliminary biennial budget. Staff continues to refine revenue and expenditure costs and plans to bring forward a series of options to help balance the FY 23 and FY 24 biennial budget to the Budget and Finance Policy Committee for discussion.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with receiving an update on the FY 22 Mid-Year Budget or the FY 23 and 24 Preliminary Budget and five-year financial forecast.

CONTACT PERSON

Sharon Friedrichsen, Budget Manager, City Manager’s Office, 981-7000
Henry Oyekanmi, Finance Director, Finance Department, 981-7200



Fiscal Years 2023 & 2024 Preliminary Biennial Budget

Budget and Finance Policy Committee
14 April 2022

OVERVIEW

- FY 2022 Mid-Year General Fund Update
- Five Year General Fund Forecast
- FY 2023 and 2024 General Fund Preliminary Budget
- Next Steps
- Discussion

FY 22 MID-YEAR REVENUE SUMMARY

- Revenues (excluding transfers from other funds) up \$21.2M, or 22.8%, from \$93.3M in FY 21

Revenue Categories w/ Significant Changes	Change vs FY 2021 YTD Dec
Secured Property Taxes	\$1,617,586
Property Transfer Taxes	11,044,106
Measure P	4,372,622
Sales Taxes	1,463,763
Transient Occupancy Taxes (TOT)	1,754,329
Business License Taxes	1,348,490
Parking Fines	895,662
Transfers In	-840,890
Total	\$21,655,668

PROPERTY TRANSFER TAX SUMMARY

Property Sales (in Million \$)	July	Aug	Sept	Oct	Nov	Dec	Total
FY 2022	\$179.7	\$194.3	\$209.9	\$204.5	\$252.9	\$200.2	\$1,241.5
FY 2021	74.0	115.0	106.4	129.7	139.0	118.4	682.5
Change (\$)	105.7	79.3	103.5	74.8	113.9	81.8	559.0
Change (%)	142.7	69.0	97.3	57.7	81.9	69.1	81.9

Property Transfer Transactions	July	Aug	Sept	Oct	Nov	Dec	Total
FY 2022	114	84	74	104	120	116	612
FY 2021	50	82	73	86	93	87	471
Change	64	2	1	18	27	29	141
Change (%)	128.0	2.4	1.4	20.9	29.0	33.3	29.9

FY 2022 MID-YEAR REVENUES

Revenue Category	FY 22 Adopted	Year-to-Date Actual (7/1/21-12/31/21)	FY 22 Revised Projection	Variance
Property Taxes, Vehicle In-Lieu	\$91,798,278	\$47,924,601	\$92,754,138	\$955,860
Real Estate Transfer Taxes	29,500,000	30,336,965	56,507,853	27,007,853
Sales Taxes	19,277,425	10,053,313	19,277,425	0
Utility Users Taxes, Franchise Fees	14,613,283	6,884,510	15,413,283	800,000
Hotel and Short Term Rental Taxes	2,803,000	3,057,880	5,200,000	2,397,000
Business License Taxes	25,262,235	2,147,773	25,920,350	658,115
Fines and Fees	7,013,052	4,250,465	7,727,325	714,273
Interest and Other Revenue	18,444,011	9,906,087	18,482,297	38,286
Transfers from Other Funds	27,354,923	13,677,462	27,354,923	0
Total Revenues	236,066,207	128,239,056	268,637,594	32,571,387

FY 22 MID-YEAR EXPENDITURE SUMMARY

- \$234.8M FY 22 Adopted Budget, AAO increase of \$25.0M to \$259.8M
- Projected savings of \$8.8M due to vacancies (planned “salary savings” and unanticipated) from revised budget, operational impacts
- Public safety estimated to be \$3.4M over budget due to increased overtime due to impacts of coronavirus omicron variant on staffing
- Compared to revised budget, projected overall savings of \$5.4M, although may be less with filling of vacant positions thorough June 30, 2022 and carryover of required encumbrances to FY 23

FY 22 MID-YEAR EXPENDITURES BY DEPARTMENT

Department	FY 2022 Revised Budget	Year-to-Date Actual (July1- Dec, 31,2021)	FY 2022 Projected Expenditures	Projected Balance (Shortfall)
Mayor and Council	\$3,828,949	\$1,563,198	\$3,828,949	\$0
City Auditor	2,712,758	1,216,853	2,503,615	209,143
Office of Director of Police Accountability	1,149,235	382,012	883,925	265,310
City Attorney	3,711,854	1,185,801	2,502,657	1,209,197
City Manager	12,811,793	6,119,195	12,344,803	466,990
City Clerk	2,762,298	1,224,689	2,653,075	109,223
HR	2,594,692	1,116,086	2,466,850	127,842
Finance	8,908,286	3,228,885	8,226,859	681,427
IT	2,362,181	877,061	2,361,061	1,120

FY 22 MID-YEAR EXPENDITURE BY DEPARTMENT

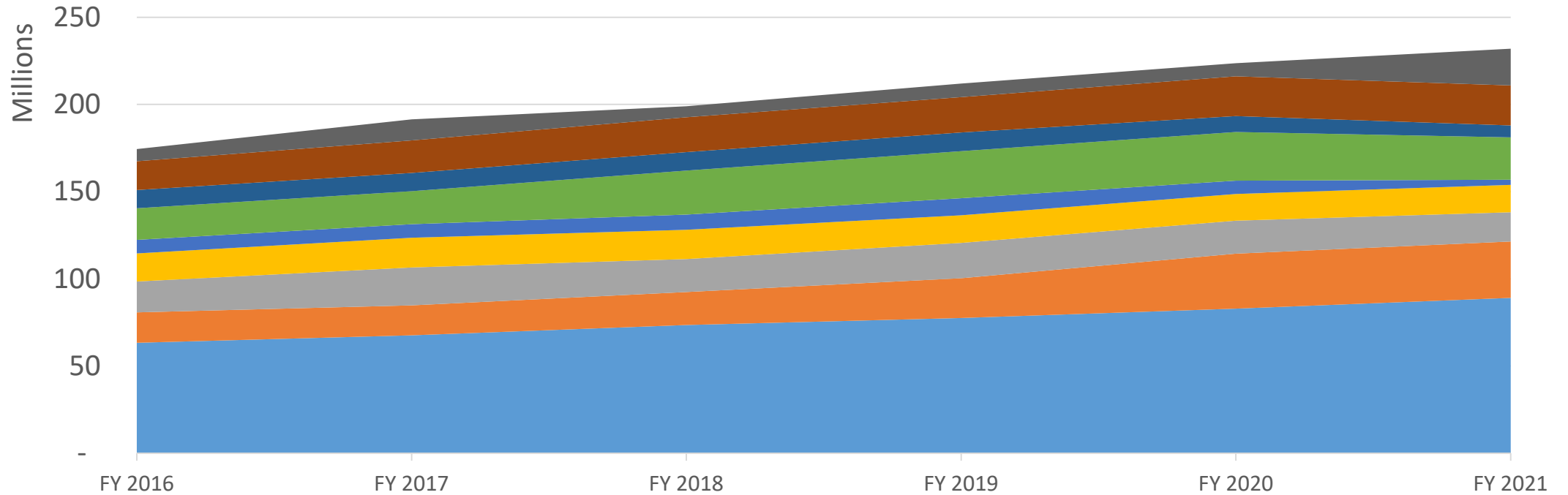
Department	FY 2022 Revised Budget	Year-to-Date Actual (July1- Dec, 31,2021)	FY 2022 Projected Expenditures	Projected Balance (Shortfall)
HHCS	\$32345797.	\$10,898,278	\$28,540,438	\$3,805,359
PRW	10,059,050	3,887,713	10,059,050	0
Public Works	10,296,492	2,781,682	8,438,147	0
Planning	2,950,953	1,238,880	2,950,953	0
Police	74,257,431	37,451,561	75,587,892	(1,330,461)
Fire & EMS	42,244,587	20,756,846	44,294,587	(2,050,000)
Non-Departmental	38,018,841	21,022,210	38,018,841	0
Total	251,015,198*	114,950,950	245,661,702	5,353,496

*Does not include \$8.8M of pending approved AAO adjustments due to timing

FY 22 PRELIMINARY PROJECTION

Category	FY 22 Adopted Budget	FY 22 YTD Actual (7/1/21-12/31/21)	FY 22 Revised Projection
Revenue	\$236,066,207	\$128,239,056	\$268,637,594
Expenditures- Personnel	148,035,070	73,355,772	149,898,761
Expenditures- Non-Personnel	86,719,421	40,626,797	95,762,940
Total Expenditures	234,754,491	113,982,570	245,661,701
Projected Net Change	1,311,716	14,256,486	22,975,893

GENERAL FUND BUDGET REVENUE HISTORY AT A GLANCE



■ Property Taxes and Vehicle In-Lieu

■ Sales Taxes

■ Hotel and STR Taxes

■ Fines and Fees

■ Transfers from Other Funds

■ Real Estate Transfer Taxes

■ Utility Users Taxes and Franchise Fees

■ Business License Taxes

■ Interest and Other Revenue

PRELIMINARY GENERAL FUND FIVE-YEAR REVENUE AND EXPENDITURE FORECAST

General Fund	Fiscal Year				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Beginning Fund Balance	36,838,797	38,150,513	23,800,863	16,127,157	16,414,380
Total Revenues	236,066,207	232,802,561	242,467,333	252,603,388	263,234,553
Total Personnel Costs	148,035,070	164,082,130	167,265,959	169,441,084	172,165,847
Total Non-Personnel Costs	86,719,421	83,070,081	82,875,081	82,875,081	82,875,081
Total Expenditures	234,754,491	247,152,211	250,141,039	252,316,165	255,040,928
Annual Surplus/(Shortfall)	1,311,716	-14,349,650	-7,673,706	287,223	8,193,625
Projected Ending Balance	38,150,513	23,800,863	16,127,157	16,414,380	24,608,005

GENERAL FUND BUDGET REVENUE FORECAST

Revenue Category	FY 2022 Adopted	FY 2022 Projected	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected
Property Taxes and Vehicle In-Lieu	\$ 91,798,278	\$ 92,754,138	\$ 97,809,886	\$ 103,143,701	\$ 108,770,875	\$ 114,707,544
Real Estate Transfer Taxes	29,500,000	56,507,853	35,032,517	36,433,818	37,891,171	39,406,817
Sales Taxes	19,277,425	19,277,425	20,837,692	21,691,046	22,579,814	23,505,473
Utility Users Taxes and Franchise Fees	14,163,283	15,413,283	15,721,549	16,035,980	16,356,699	16,683,833
Hotel and STR Taxes	2,803,000	5,200,000	5,460,000	5,733,000	6,019,650	6,320,633
Business License Taxes	25,262,235	25,920,350	27,008,757	28,147,432	29,338,806	30,585,428
Fines and Fees	7,013,052	7,727,325	8,011,665	8,308,181	8,617,442	8,940,043
Interest and Other Revenue	18,444,011	18,482,297	17,953,749	18,007,430	18,062,185	18,118,035
Transfers from Other Funds	27,354,923	27,354,923	4,966,745	4,966,745	4,966,745	4,966,745
Total Revenues	236,066,027	268,637,594	232,802,560	242,467,334	252,603,387	263,234,552



GENERAL FUND BUDGET REVENUE ASSUMPTIONS

Property Taxes - Persistent strong property valuation growth in recent years, as well as the spike in current year sales (which bring properties assessed valuations to market value). Expect 5.5% growth.

Sales Taxes - Immense effects of COVID-19 to be largely reversed in FY 2022, with revenue levels almost back to FY 2019 levels, and project growth to then level off to approximately 4% in FY 2024.

Business License Taxes - Economic activity continues to recover from the recession caused by the pandemic. Expect 5% growth. Long-term projections will be adjusted as the post-pandemic economic environment becomes clearer.

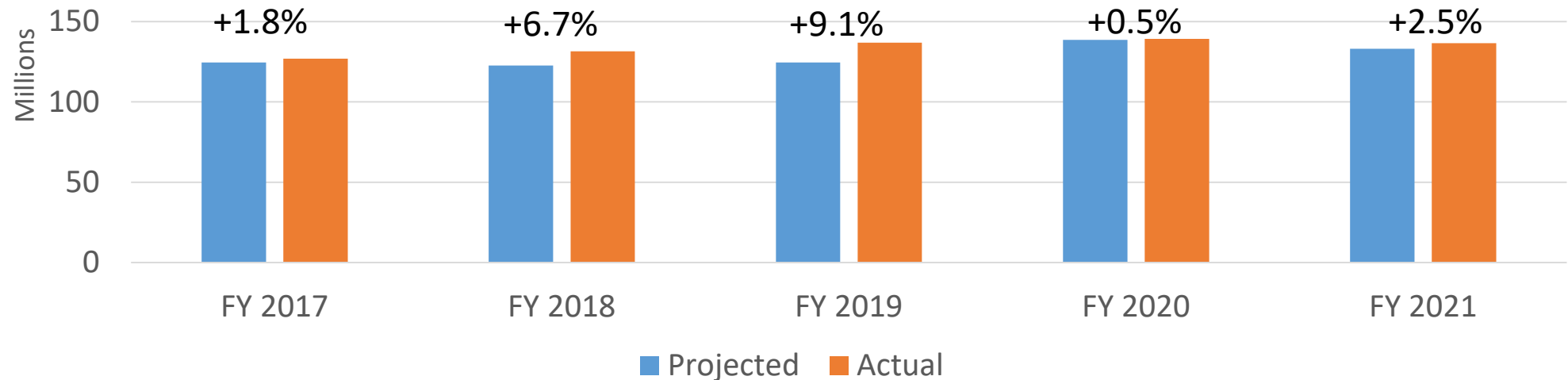
Transient Occupancy Tax - City's hotels recovery expected to lag behind general economic recovery, and relying on industry guidance regarding predicted occupancy levels, we are currently projecting only 5% annual growth from current revenue levels.

Utility Users Tax – Rate increases approved by the Public Utilities Commission to cause marginal growth FY 2022-24. Revenues are expected to remain flat after FY 2024 and beyond after all the rate increases have been actualized.

Transfer Tax - Given the continued strength in property values and in sales activity, we expect Transfer Tax revenues to increase 4% per year from FY 2023 – FY 2026, calculated based on FY 2021 revenue.

PAST PROJECTIONS- GENERAL FUND MAJOR REVENUE CATEGORIES

	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021	
	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
Property Tax	58,626,587	54,043,637	52,786,320	58,725,416	53,577,365	62,057,048	64,599,622	66,356,846	71,558,516	71,604,567
Sales Tax	17,210,353	20,105,287	18,000,000	17,435,591	18,522,000	18,663,550	18,238,000	17,557,539	15,985,141	15,792,305
Utility Users Tax	14,194,436	15,109,305	14,282,375	14,828,120	14,496,610	13,973,744	15,000,000	13,475,915	13,269,760	13,892,200
Business License Tax	17,097,934	18,829,739	18,451,191	19,878,912	18,727,959	19,848,803	19,584,000	20,863,638	15,300,000	17,809,332
Hotel Tax	7,152,440	7,810,884	8,769,633	8,718,288	8,640,000	9,826,171	7,800,000	7,667,955	2,546,260	2,986,677
Vehicle In-Lieu Taxes	10,269,057	10,994,452	10,320,402	11,822,917	10,475,208	12,540,784	13,333,826	13,356,044	14,384,459	14,380,453
Total	124,550,807	126,893,304	122,609,921	131,409,244	124,439,142	136,910,100	138,555,448	139,277,937	133,044,136	136,465,534



GENERAL FUND BUDGET EXPENDITURE FORECAST

General Fund	Fiscal Year				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Miscellaneous Salaries	38,379,568	44,734,036	45,527,411	45,527,411	45,527,411
Miscellaneous Overtime	6,270,335	6,648,037	6,649,388	6,649,388	6,649,388
Miscellaneous Benefits - Pension	12,365,072	13,579,373	14,130,536	14,130,536	14,130,536
Police Salaries	26,158,184	24,167,756	24,398,731	24,398,731	24,398,731
Police Overtime	1,089,160	1,154,510	1,154,510	1,154,510	1,154,510
Police Benefits - Pension	18,517,843	18,685,272	19,484,688	19,484,688	19,484,688
Fire & EMS Salaries	14,284,842	15,440,479	15,472,023	15,472,023	15,472,023
Fire Overtime	107,633	114,091	114,091	114,091	114,091
Fire & EMS Benefits - Pension	8,153,034	7,807,892	8,089,089	8,089,089	8,089,089
Other Wages - Hourly, Summer Youth, Elected Stipends	3,637,966	3,974,380	4,012,467	4,012,467	4,012,467
Medical	13,216,615	13,223,954	13,443,671	15,056,912	16,863,741
Dental	1,271,573	1,135,675	1,244,232	1,368,655	1,505,521
Retiree Medical	3,985,761	4,286,636	4,395,312	4,527,171	4,993,470
Medicare	936,892	1,068,680	1,080,269	1,112,677	1,146,057
SRIP	1,020,274	1,061,876	1,063,934	1,063,934	1,063,934
Workers Compensation	4,372,120	4,493,834	4,532,394	4,668,366	4,808,417
Terminal Payouts	2,103,108	2,345,730	2,370,910	2,442,037	2,515,298
Other Benefits & Allowances	2,719,840	2,217,661	2,203,160	2,269,255	2,337,332
Salary Savings	-10,554,750	-2,057,742	-2,100,857	-2,100,857	-2,100,857
Total Personnel Costs	148,035,070	164,082,130	167,265,959	169,441,084	172,165,847
Professional & Technical Services	5,997,456	9,476,132	9,472,410	9,472,410	9,472,410
Grants	14,159,041	14,270,032	14,270,032	14,270,032	14,270,032
Supplies	1,827,531	1,880,159	1,879,942	1,879,942	1,879,942
Insurance	1,212,651	1,209,688	1,209,688	1,209,688	1,209,688
Utilities	1,256,876	1,268,371	1,268,371	1,268,371	1,268,371
Other	19,043,917	11,745,695	11,554,634	11,554,634	11,554,634
Internal Services	16,418,011	16,416,066	16,416,066	16,416,066	16,416,066
Transfers	26,803,938	26,803,938	26,803,938	26,803,938	26,803,938
Total Expenditures	234,754,491	247,152,211	250,141,039	252,316,165	255,040,928

GENERAL FUND FY 23 & 24 BASELINE SUMMARY

	FY 2022 Adopted	FY 2023 Baseline	FY 2024 Baseline
Adopted/Projected Revenues	236,066,707	232,802,560	242,467,334
Less: Excesss Property Transfer Taxes	(8,500,000)	(10,721,903)	(11,650,779)
Less: Measure P Revenues	(8,500,000)	(11,810,614)	(12,283,038)
Less: Measure U1 Revenues	(5,120,350)	(5,222,757)	(5,327,212)
Baseline Revenues	213,946,357	205,047,286	213,206,305
Adopted/Projected Expenditures	234,754,491	247,725,858	250,017,632
Less: Measure P Expenditures	(15,688,170)	(13,715,599)	(13,729,174)
Less: Measure U1 Expenditures	(5,120,350)	(5,120,350)	(5,120,350)
Baseline Expenditures	213,945,971	228,889,909	231,168,108
Projected Suplus/(Deficit)	386	(23,842,623)	(17,961,803)

FY23 & 24 GENERAL FUND BUDGET EXPENDITURES BY TYPE

Expenditure Category	FY 22 Adopted	FY 23 Preliminary	FY 24 Preliminary
Salaries and Benefits	148,035,070	164,082,130	167,265,959
Professional and Technical Services	5,997,456	9,476,132	9,472,410
Community Grants	14,159,041	14,270,032	14,270,032
Supplies	1,827,531	1,880,159	1,879,942
Insurance	1,212,651	1,209,688	1,209,688
Utilities	1,256,876	1,268,371	1,268,371
Other	19,043,917	11,745,695	11,554,634
Internal Services	16,418,011	16,416,066	16,416,066
Transfers	26,803,938	26,803,938	26,803,938
Total Expenditures	234,754,491	247,152,211	250,141,039

FY23&24 GENERAL FUND DEPARTMENTAL EXPENDITURES

	2021 ACTUAL	2022 ADOPTED	2022 REVISED	2023 BASELINE	2024 BASELINE
MAYOR AND COUNCIL	2,701,344	3,096,559	3,820,624	4,025,131	4,074,793
CITY AUDITOR	2,467,028	2,705,379	2,755,379	2,978,558	2,998,981
POLICE ACCOUNTABILITY	3,251	1,114,235	1,149,235	1,144,724	1,162,414
CITY MANAGER'S OFFICE	11,102,637	10,912,354	13,129,814	11,519,768	11,751,308
CITY ATTORNEY	2,760,048	3,434,164	3,710,164	4,010,250	4,065,279
CITY CLERK	2,832,552	2,396,737	2,521,925	2,684,842	2,747,927
FINANCE	6,682,935	7,041,962	7,907,522	8,079,361	8,201,160
HUMAN RESOURCES	2,318,029	2,407,724	2,829,615	2,834,412	2,888,581
INFORMATION TECHNOLOGY	1,330,730	1,526,760	2,515,071	1,526,760	1,526,760
HEALTH, HSG & COMMUNITY SERVICES	25,567,324	23,455,690	31,003,038	25,027,045	25,295,269
PARKS, RECREATION & WATERFRONT	7,304,226	7,675,564	9,896,204	8,822,305	9,036,557
PLANNING & DEVELOPMENT	2,567,473	2,325,367	2,926,332	3,209,174	3,212,698
PUBLIC WORKS	5,499,277	4,742,625	10,913,809	5,991,973	5,884,814
POLICE	77,270,053	73,228,172	73,982,832	80,619,558	81,884,487
FIRE & EMERGENCY SERVICES	38,988,843	37,021,939	40,220,081	41,314,208	41,348,815
NON DEPARTMENTAL	46,189,064	51,669,260	42,855,878	43,937,788	43,937,788
TOTAL EXPENDITURES	235,584,812	234,754,491	252,137,523	247,725,857	250,017,631

VACANCY ASSUMPTIONS AND ALTERNATIVES

FY 2023							
Department	General Fund Payroll	Target Savings (3%)	Estimated Savings	Target Savings (5%)	Estimated Savings	Target Savings (7%)	Estimated Savings
Mayor and Council	3,652,040	0%	-	0%	-	0%	-
Auditor	2,676,643	0%	-	0%	-	0%	-
Police Accountability	940,985	0%	-	0%	-	0%	-
City Manager	8,895,084	3%	266,853	5%	444,754	7%	622,656
City Attorney	3,638,321	0%	-	0%	-	0%	-
City Clerk	1,716,789	3%	51,504	5%	85,839	7%	120,175
Information Technology	-		-		-		-
Finance	6,876,107	3%	206,283	5%	343,805	7%	481,327
Human Resources	2,396,523	3%	71,896	5%	119,826	7%	167,757
HHCS	14,593,166	3%	437,795	5%	729,658	7%	1,021,522
Parks, Rec and Waterfront	3,100,302	3%	93,009	5%	155,015	7%	217,021
Planning	2,678,262	3%	80,348	5%	133,913	7%	187,478
Public Works	3,811,135	3%	114,334	5%	190,557	7%	266,779
Fire	33,581,174	0%	-	0%	-	0%	-
Police	73,572,049	1%	735,720	3%	2,207,161	5%	3,678,602
Total	162,128,580		2,057,742		4,410,530		6,763,318

NEXT STEPS

- Return with options to balance projected budget
- Department presentations April 27-29, 2022
- Proposed FY 23 & 24 Budget Presentation on May 10, 2022
- Budget referrals by May 31, 2022 Council meeting



Office of the City Manager

Date: April 12, 2022
To: Budget & Finance Policy Committee
From: Dee Williams-Ridley, City Manager
Submitted by: Sharon Friedrichsen, Budget Manager
Subject: Second Amendment: FY 2022 Annual Appropriations Ordinance

RECOMMENDATION

Receive a report on the recommended adjustments for inclusion in the Second Amendment to the FY 2022 Annual Appropriations Ordinance and authorize staff to present the approved Second Amendment to the FY 2022 Annual Appropriations Ordinance to the full City Council on May 10, 2022 for consideration and adoption.

FISCAL IMPACTS OF RECOMMENDATION

On June 29, 2021 the City Council adopted the Fiscal Year (“FY”) 2022 Budget, authorizing gross appropriations of \$673,601,287 and net appropriations of \$552,265,708 (net of dual appropriations).

This First Amendment to the FY 2022 Annual Appropriations Ordinance approved by Council on January 18, 2022 increased the gross appropriations to \$852,116,502 and net appropriations to \$716,547,594 and represents the re-authorization of funding previously committed in FY 2021 and some new expenditures including new grant fund appropriations.¹

This Second Amendment to the FY 2022 Annual Appropriations Ordinance totals \$42,930,044 (gross) and \$33,154,222 (net) and increases gross appropriations to \$895,046,545 and net appropriations to \$749,701,816. The changes in this report are primarily unencumbered carryover and adjustments to continue and start capital projects and other City initiatives.

BACKGROUND

The Annual Appropriations Ordinance (AAO) establishes the expenditure limits by fund for FY 2022. Throughout the year, the City takes actions that amend the adopted budget. These may include, but are not limited to, the acceptance of new grants,

¹ https://www.cityofberkeley.info/Clerk/City_Council/2022/01_Jan/Documents/2022-01-18_Item_01_Amendment_FY_2022_AAO.aspx

revisions to existing grants, adjustments to adopted expenditure authority due to emergency needs, and transfers in accordance with Council's fiscal policies.

The adopted budget is also amended annually to reflect the re-appropriation of prior year funds for contractual commitments (i.e. encumbrances) as well as unencumbered carryover of unexpended funds previously authorized for one-time, non-recurring purposes. These budget modifications are periodically presented to the Council in the form of an Ordinance amending the Annual Appropriations Ordinance, which formally requires a two-thirds vote of the City Council. This report addresses re-appropriating FY 2021 spending authority to FY 2022 of available cash for commitments entered into in prior years and is the second amendment to the FY 2022 AAO.

When Council adopts an appropriations ordinance (budget), it is based on projected revenues and expenditures. If fund balances do not support the requested level of expenditures, no carryover is recommended.

The proposed changes, presented in their entirety in Exhibit A, are summarized as follows:

	Recommended Carryover	Recommended Adjustments	Total
General Fund (011)	\$ -	\$ 5,436,452	\$ 5,436,452
Capital Improvement Fund (501)	\$ 72,707	\$ 231,148	\$ 303,855
All Other Funds	\$ 4,499,576	\$ 32,690,161	\$ 37,189,737
Total	\$ 4,572,283	\$ 38,357,761	\$ 42,930,044

Below is a summary of the FY 2021 Unencumbered Carryover and the FY 2022 Adjustments for the City's General Fund and Other Funds.

General Fund

The General Fund includes recommended adjustments of \$5,436,452 for the following items:

Recommended Adjustments

- \$39,085 in funds from the East Bay Community Foundation raised by the Berkeley Relief Fund and authorize the City Manager to allocate these funds to the following: \$10,000 each to the Starry Plough Pub and Music Venue and \$18,142.38 to the Eviction Defense Center for the Housing Retention Program. Approved by Council on 12/14/21 through Resolution 70,167-N.S.
- \$80,000 in the City Manager's Office -for professional executive recruitment services to fill the vacant Director of Human Resources and Director of Information Technology positions.
- \$445,129 in additional funds for the Visit Berkeley contract based on additional Transient Occupancy Tax revenues received in FY 2022.

- ❑ \$37,260 for an emergency generator for the Animal Shelter
- ❑ \$73,068 in the Fire Department for a payment to the State of California for overpayments for the Ground Emergency Medical Transport program in FY 2011 & FY 2014
- ❑ \$250,000 in the Fire Department for the Fire Department Training Academy to help fill vacant positions
- ❑ \$250,000 in Health, Housing & Community Services for the Health Equity & Innovation District Consultant Council Referral after staff learned this item cannot be funded through the American Rescue Plan
- ❑ \$4,110,918 in Non-Departmental for the FY 2021 Allocation to Stability Reserve Fund (\$2,261,005) and to Catastrophic Reserve Fund (\$1,849,913). Approved by Council on 12/14/21 with Mayor's Budget Recommendations.
- ❑ \$150,000 in Parks, Recreation & Waterfront for additional funding for the West Campus Pool and King Pool projects as bids came out higher than the estimate

All of the General Fund items listed above are being funded from the projected additional \$22 million dollars in General Fund Revenues that the City is anticipating to receive in FY 2022. The information about the additional revenues is being presented to the City Council in the FY 2022 Mid-Year Report in tonight's agenda.

Other Funds

Other City funds (including capital improvement project funds) total recommended carryover of \$4,572,283 and recommended adjustments of \$32,921,309 includes the following allocations:

Recommended Carryover

- ❑ \$150,000 in Measure B Local Streets & Roads funds for the Ravo Narrow Street Sweeper
- ❑ \$678,819 in Emergency Solutions Grant Funding for housing services to be provided by community agencies
- ❑ \$465,152 in CalTrans Grant Funding for the North Berkeley BART/Sacramento Street Complete Streets project
- ❑ \$853,735 in Measure T1 funds for various projects in Public Works that are listed as Item Numbers 116-122 in Attachment 2
- ❑ \$2,269,671 in Sanitary Sewer funds in Public Works for two sewer rehabilitation projects at Martin Luther King, Jr. Way and other locations and San Pablo Avenue

Recommended Adjustments

- ❑ \$250,000 in Measure U1 fund for the Eviction Defense Center Housing Retention Program
- ❑ \$600,000 in Climate Equity Action Fund to assist low-income residents with the transition to zero-carbon transportation and buildings

- ❑ \$2,700,000 in Catastrophic Reserve Funds to transfer to the Playground Camp Fund for the Berkeley Tuolumne Camp Rebuild project. The allocation of these funds has already been included in the reserve calculations presented in the FY 2021 Year-End and FY 2022 First Quarter Report²
- ❑ \$100,000 in Special Tax for the Disabled (Measure E) Funds for a consultant and enter into any agreements to provide Easy Does It (EDI) with operational, management, and organizational culture consulting services for an amount not to exceed \$100,000 to ensure initial and sustained implementation of audit findings. Approved by Council on 9/10/19 through Resolution 69,077-N.S.
- ❑ \$743,055 in Playground Camps Funds for the Cazadero Camp Landslide and Berkeley Tuolumne Camp Rebuild project
- ❑ \$439,397 in State Transportation Tax Funds for the FY 2020 Street Rehab project and for a contract with BSK Associates to on-call site assessment work
- ❑ \$1,232,491 in CDBG Funds for the Rosewood Manor Multi-Family Housing Rehab project. Approved by Council through Resolutions 69,719-N.S. on 2/9/21 and 69,830-N.S. on 4/27/21
- ❑ \$722,284 in Measure BB – Local Streets & Roads Funds in Public Works for various projects that are listed as Item Numbers 35-39 in Attachment 2
- ❑ \$277,069 in Measure BB – Bike & Pedestrian Funds in Public Works for various projects that are listed as Item Numbers 41-43 in Attachment 2
- ❑ \$298,986 in Parks Tax Funds for park projects, bench donation, and increased water and refuse costs
- ❑ \$600,000 in Measure GG Funds for Fire Overtime costs
- ❑ \$5,000,000 in Operating Grants – State Funds from State of California Department of Housing & Community Services Local Housing Trust Fund for Blake Street (2527 San Pablo) and Maudelle Miller Shirek (2001 Ashby) projects. Both projects will receive \$2.5 million. Approved by Council on 7/14/20 through Resolution No. 69,494-N.S.
- ❑ \$615,130 in Capital Grants – State Funds for various Public Works capital projects that are listed as Item Numbers 60-62 in Attachment 2
- ❑ \$214,000 in Capital Grants – Local Funds for the Ohlone Greenway Modernization & Safety project
- ❑ \$73,394 in Health (General) Funds for Public Health grant budget adjustments
- ❑ \$1,408,664 in Mental Health Services Act Funds for the MHSA Wellness Center Operations contract and a contract amendment with Berkeley Food & Housing Project for Berkeley Mental Health Flexible Funding Programs and Russell Street Residence
- ❑ \$7,565,443 in One-Time Grant Funds for projects in the City Manager’s Office, Health, Housing & Community Services, and Parks Recreation & Waterfront that are listed as Item Numbers 87-94 in Attachment 2

² https://www.cityofberkeley.info/Clerk/City_Council/2021/12_Dec/Documents/2021-12-14_Supp_2_Reports_Item_44_Rev_City_Manager_pdf.aspx

- ❑ \$325,000 in MTC Funds for the Bicycle Plan Project and West Berkeley Quick Build Project
- ❑ \$168,272 in FEMA Grant Funds for a Regional Fire Leadership Development Academy
- ❑ \$231,148 in Capital Improvement Funds for various projects listed as Item Numbers 108-114 in Attachment 2
- ❑ \$585,000 in Measure T1 for various projects listed as Item Numbers 119, 120, and 122 in Attachment 2
- ❑ \$5,452,871 in Measure O Funds for the Maudelle Miller Shirek Community project (2001 Ashby) project
- ❑ \$1,346,627 in Zero Waste Funds for the new Recology Center contract for residential curbside recycling
- ❑ \$436,379 in Marina Funds for various projects listed as Item Numbers 131-136 in Attachment 2
- ❑ \$214,643 in Sanitary Sewer Funds for two sewer rehabilitation projects at Martin Luther King, Jr. Way and other locations and San Pablo Avenue
- ❑ \$456,165 in Tourism BID Funds for Visit Berkeley Contract based on additional revenues received in FY 2022

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with the act of adopting the budget/appropriations ordinance/amendments. Actions included in the budget will be developed and implemented in a manner that is consistent with the City's environmental sustainability goals and requirements.

RATIONALE FOR RECOMMENDATION

The recommendation allows the City to amend the current FY 2022 Revised Budget, re-appropriating funds from FY 2021 to FY 2022 for contractual commitments that need to be paid. It revises the budget to reflect approved carryover requests and adjustments in both discretionary and non-discretionary funds.

Staff has conducted a detailed analysis of the individual carryover and other adjustment requests submitted by departments and is presenting carryover and other adjustment recommendations for projects that are either currently under contract, represent Council priorities, and/or are considered critical.

CONTACT PERSON

Sharon Friedrichsen, Budget Manager, City Manager's Office, 981-7000
Rama Murty, Senior Management Analyst, City Manager's Office, 981-7000

Attachments:

1: Ordinance

Exhibit A: Annual Appropriation Ordinance Summary of Appropriations by Fund

2: FY 2022 Annual Appropriations Ordinance Amendment #2 Recommendations

SUMMARY OF APPROPRIATIONS BY FUND

ERMA Fund # Fund	FY 2022 Revised #1	2nd AAO		FY 2022 Revised #2	
		Reappropriations	Other Adjustments		Total Amend.
11 General Fund Discretionary	259,763,888		5,436,452	5,436,452	265,200,340
16 Measure U1 - Housing	9,089,089		250,000	250,000	9,339,089
17 Climate Equity Action	0		600,000	600,000	600,000
99 Catastrophic Reserve Fund	0		2,700,000	2,700,000	2,700,000
101 Library - Tax	25,152,140			-	25,152,140
103 Library - Grants	64,889			-	64,889
104 Library - Friends & Gift	150,197			-	150,197
105 Library - Foundation	350,046			-	350,046
106 Asset Forfeiture	364,165			-	364,165
107 Special Tax Measure E	1,451,853		100,000	100,000	1,551,853
108 First Source Fund	46,675			-	46,675
110 Sec 108 Loan Gty Asst.	553,108			-	553,108
111 Fund Raising Activities	74,875			-	74,875
113 Sports Field (Vendor Oper)	625,781		25,000	25,000	650,781
114 Gilman Fields Reserve	2,694			-	2,694
115 Animal Shelter	57,920			-	57,920
116 Paramedic Tax	4,916,665			-	4,916,665
117 CA Energy Commission	44,249			-	44,249
119 Domestic Violence Prev - Vit Stat	22,587			-	22,587
120 Affordable Housing Mitigation	5,373,924			-	5,373,924
121 Affordable Child Care	13,275			-	13,275
122 Inclusionary Housing Program	550,501			-	550,501
123 Condo Conversion	1,107,597			-	1,107,597
124 Parking In-Lieu Fee	82,010			-	82,010
125 Playground Camp	29,823,415		743,055	743,055	30,566,470
126 State-Prop 172 Pub.Safety	942,880			-	942,880
127 State Transportation Tax	9,201,033		439,397	439,397	9,640,430
128 CDBG	4,854,839		1,232,491	1,232,491	6,087,330
129 Rental Housing Safety Program	2,231,853		25,000	25,000	2,256,853
130 Measure B - Local St & Road	5,632,887	150,000		150,000	5,782,887
131 Measure B - Bike and Pedestrian	317,541			-	317,541
132 Measure B - Paratransit	543,039			-	543,039
133 Measure F Alameda County VRF St & Rd	956,556			-	956,556
134 Measure BB - Local St & Road	10,873,305		722,284	722,284	11,595,589
135 Measure BB - Bike & Pedestrian	1,253,739		277,069	277,069	1,530,808
136 Measure BB - Paratransit	476,161		43,000	43,000	519,161
137 One Time Funding	19,080			-	19,080
138 Parks Tax	18,779,226	22,253	298,986	321,239	19,100,465
139 Street and Open Space Improvement	1,702			-	1,702
140 Measure GG - Fire Prep Tax	5,407,799		600,000	600,000	6,007,799
142 Streetlight Assessment District	3,195,968			-	3,195,968
143 Berkeley Bus Ec Dev	680,937			-	680,937
145 Bayer (Miles Lab)	9,452			-	9,452
146 Employee Training	961,840			-	961,840
147 UC Settlement	5,044,285			-	5,044,285
148 Private Percent - Art Fund	850,618			-	850,618
149 Private Party Sidewalks	350,000			-	350,000
150 Public Art Fund	155,161			-	155,161
152 Vital & Health Statistics Trust Fund	29,813			-	29,813
156 Hlth State Aid Realign Trust	3,806,205			-	3,806,205
157 Tobacco Cont.Trust	398,017	46,371		46,371	444,388
158 Mental Health State Aid Realign	3,451,968			-	3,451,968
159 Citizens Option Public Safety Trust	531,636			-	531,636
161 Alameda Cty Abandoned Vehicle Abatement	100,597			-	100,597
162 Shelter Operations	170,953			-	170,953
164 Measure FF	12,750,000			-	12,750,000
165 Fair Elections	505,002			-	505,002
302 Operating Grants - State	292,181		5,000,000	5,000,000	5,292,181
305 Capital Grants - Federal	7,062,518			-	7,062,518
306 Capital Grants - State	2,836,204		615,130	615,130	3,451,334
307 Capital Grants - Local	639,254		214,000	214,000	853,254
309 OTS DUI Enforcement Education Prg.	311,245			-	311,245
310 HUD/Home	835,218			-	835,218
311 ESGP	4,117,298	678,819		678,819	4,796,117
312 Health (General)	4,001,104	4,382	73,394	77,777	4,078,880
313 Target Case Management Linkages	919,016		4,000	4,000	923,016

SUMMARY OF APPROPRIATIONS BY FUND

ERMA Fund # Fund	FY 2022 Revised #1	2nd AAO			FY 2022 Revised #2
		Reappropriations	Other Adjustments	Total Amend.	
314 Alameda County Tay Tip	35,812			-	35,812
315 Mental Health Service Act	12,074,902		1,408,664	1,408,664	13,483,566
316 Health (Short/Doyle)	5,043,891			-	5,043,891
317 EPSDT Expansion Proposal	389,139			-	389,139
318 Alcoholic Bev Ctr OTS/UC	125,244			-	125,244
319 Youth Lunch	354,536			-	354,536
320 Sr. Nutrition Title III	107,003		10,799	10,799	117,802
321 CFP Title X	180,790		30,000	30,000	210,790
324 BUSD Grant	362,343			-	362,343
325 Vector Control	348,745			-	348,745
326 Alameda County Grants	631,318		13,600	13,600	644,918
327 Senior Supportive Social Services	64,339			-	64,339
328 Family Care Support Program	75,212		3,828	3,828	79,040
329 CA Integrated Waste Management	20,640			-	20,640
331 Housing Mitigation	1,126,763			-	1,126,763
333 CALHOME	363,100			-	363,100
334 Community Action	533,722			-	533,722
336 One-Time Grant: No Cap Exp	7,883,266		7,565,443	7,565,443	15,448,709
338 Bay Area Air Quality Management	60,000			-	60,000
339 MTC	540,134		325,000	325,000	865,134
340 FEMA	804,697		168,272	168,272	972,969
341 Alameda Cty Waste Mgt.	285,000			-	285,000
343 State Dept Conserv/Recylg	28,000			-	28,000
344 Caltrans Grant	752,612	465,152	75,138	540,290	1,292,902
345 Meas WW - Park Bond - Grant	1,220			-	1,220
346 Caltrans Safe Routes 2 Schools	9,757			-	9,757
347 Shelter+Care HUD	6,271,483			-	6,271,483
348 Shelter+Care County	855,792			-	855,792
349 JAG Grant	52,500			-	52,500
350 Bioterrorism Grant	598,920		173,537	173,537	772,457
351 UASI Regional Fund	35,703	9,192		9,192	44,895
354 ARPA - Local Fiscal Recovery Fund	46,300,355			-	46,300,355
501 Capital Improvement Fund	17,500,834	72,707	231,148	303,855	17,804,689
502 Phone System Replacement	452,916			-	452,916
503 FUND\$ Replacement	5,608,470			-	5,608,470
504 PEG-Public, Education & Government	100,000			-	100,000
506 Meas M - Street and Watershed Imprv	30,335			-	30,335
511 Measure T1 - Infra & Facil.	20,433,950	853,735	585,000	1,438,735	21,872,685
512 Measure O	22,115,110		5,452,871	5,452,871	27,567,981
552 09 Measure FF Debt Service	1,343,638			-	1,343,638
553 2015 GORBS	2,051,966			-	2,051,966
554 2012 Lease Revenue Bonds BJPFA	502,238			-	502,238
555 2015 GORBS - 2002 G.O. Refunding Bonds	379,561			-	379,561
556 2015 GORBS (2007, Series A)	142,865			-	142,865
557 2015 GORBS (2008 Measure I)	481,286			-	481,286
558 2010 COP (Animal Shelter)	406,991			-	406,991
559 Measure M GO Street & Water Imps	740,738			-	740,738
560 Infrastructure & Facilities Measure T1	1,731,181			-	1,731,181
561 Measure O - Housing Bonds	2,023,940			-	2,023,940
601 Zero Waste	51,371,398		1,346,627	1,346,627	52,718,025
606 Mar -Coastal Conservancy	7,868			-	7,868
607 Mar - Dept of Boating & Waterway	93,460		66,200	66,200	159,660
608 Marina Operation	12,151,035		436,379	436,379	12,587,414
611 Sewer	44,890,262	2,269,671	214,643	2,484,314	47,374,576
612 Private Sewer Lateral FD	193,658			-	193,658
616 Clean Storm Water	5,895,328			-	5,895,328
621 Permit Service Center	22,961,785			-	22,961,785
622 Unified Program (CUPA)	828,769		50,000	50,000	878,769
627 Off Street Parking	7,304,672			-	7,304,672
631 Parking Meter	10,645,212			-	10,645,212
636 Building Purchases and Management	3,481,724			-	3,481,724
671 Equipment Replacement	16,510,385		345,188	345,188	16,855,573
672 Equipment Maintenance	9,990,781			-	9,990,781
673 Building Maintenance Fund	4,686,074			-	4,686,074
674 Central Services	388,107			-	388,107
676 Workers Compensation	6,706,769			-	6,706,769

SUMMARY OF APPROPRIATIONS BY FUND

ERMA Fund # Fund	FY 2022 Revised #1	2nd AAO			FY 2022 Revised #2
		Reappropriations	Other Adjustments	Total Amend.	
678 Public Liability	4,212,789			-	4,212,789
680 Information Technology	16,937,191			-	16,937,191
762 Successor Agency - Savo DSF	57,120			-	57,120
776 Thousand Oaks Underground	98,448			-	98,448
777 Measure H - School Tax	500,002			-	500,002
778 Measure Q - CFD#1 Dis. Fire Protect Bond	2,078,385			-	2,078,385
779 Spl Tax Bds. CFD#1 ML-ROOS	2,823,820			-	2,823,820
781 Berkeley Tourism BID	208,771		456,165	456,165	664,936
782 Elmwood Business Improvement District	62,389			-	62,389
783 Solano Ave BID	32,809			-	32,809
784 Telegraph Avenue Bus. Imp. District	761,808			-	761,808
785 North Shattuck BID	321,335			-	321,335
786 Downtown Berkeley Prop & Improv. District	1,509,001			-	1,509,001
801 Rent Board	6,862,718			-	6,862,718
GROSS EXPENDITURE:	852,116,502	4,572,283	38,357,761	42,930,044	895,046,545
Dual Appropriations	(75,174,972)	-	(9,430,634)	(9,430,634)	(84,605,606)
Revolving & Internal Service Funds	(60,393,936)	-	(345,188)	(345,188)	(60,739,124)
NET EXPENDITURE:	716,547,594	4,572,283	28,581,939	33,154,222	749,701,816

Item #	Fund #	Fund Name	Department	Recommended Carryover	Recommended Adjustment	Project Number	Description/Project name	Mandated by Law	Authorized by Council	City Manager Request	Comments/Justification
1	011	General Fund	City Manager's Office/HHCS		\$39,085		Berkeley Relief Fund		X		Accept a \$39,085 payment from the East Bay Community Foundation of funds raised by the Berkeley Relief Fund and authorize the City Manager to allocate these funds to the following: \$10,000 to the Starry Plough Pub and Music Venue and \$18,142.38 to the Eviction Defense Center for the Housing Retention Program. Approved by Council on 12/14/21 through Resolution 70,167-N.S.
2	011	General Fund	City Manager's Office		\$80,000		Recruitments for HR Director and IT Director			X	Appropriate funds for professional executive recruitment services to fill the vacant Director of Human Resources and Director of Information Technology positions
3	011	General Fund	City Manager's Office		\$445,129		Visit Berkeley Contract			X	Appropriate additional funds for the Visit Berkeley contract based on additional Transient Occupancy Tax revenues received in FY 2022.
4	011	General Fund	City Manager's Office		\$37,260		Shelter Generator			X	The division has pursued the purchase and installation of an emergency generator for the past couple years, but was unable to procure alternate funding. The generator is crucial for maintaining electricity in the event of a public safety power shutoff, and will allow the shelter to maintain refrigeration for deceased animals, veterinary medicine, and other crucial electrical functions for the essential service.
5	011	General Fund	Fire		\$73,068		Ground Emergency Medical Transport Program	X			Appropriate funding to the State of California for overpayments for the Ground Emergency Medical Transport program in FY 2011 & FY 2014
6	011	General Fund	Fire		\$250,000		Fire Department Training Academy			X	Appropriate funding for the Fire Department Training Academy
7	011	General Fund	HHCS		\$992	HHPGHB2201	Healthy Berkeley		X		Appropriate fund from the Sugar Sweetened Beverage Grant to support environmental strategies. Approved by Council on 5/25/2021 through Resolution No. 69,904-N.S.
8	011	General Fund	HHCS		\$250,000		Health Equity Consultant			X	Approve funding for Health Equity & Innovation District Consultant Council Referral after staff learned this item cannot be funded through the American Rescue Plan
9	011	General Fund	Non-Departmental		\$4,110,918		Allocation to Reserves		X		FY 2021 Allocation to Stability Reserve Fund (\$2,261,005) and to Catastrophic Reserve Fund (\$1,849,913). Approved by Council on 12-14-21 with Mayor's Budget Recommendations
10	011	General Fund	Parks, Recreation and Waterfront		\$150,000	PRWPK22005 and PRWPK22011	West Campus Pool Project and King Pool Project			X	Appropriate additional funding for the West Campus Pool and King Pool projects as bids came out higher than estimate.
11	011 Total			\$0	\$5,436,452						
12	016	Measure U1	HHCS		\$250,000		Eviction Defense Center		X		FY 2022 funding for Eviction Defense Center Housing Retention Program. Approved by Council on 6/29/21 through Resolution 69,945 N.S.
13	016 Total			\$0	\$250,000						
14	017	Climate Equity Action	Planning		\$600,000		Pilot Climate Equity Action program		X		Establish a Pilot Climate Equity Action Fund to Assist Low-Income Residents with Transition to Zero-Carbon Transportation and Buildings
15	017 Total			\$0	\$600,000						
16	099	Catastrophic Reserve	Non-Departmental		\$2,700,000		Transfer to Playground Camp Fund		X		Transfer to Playground Camp Fund for Berkeley Tuolumne Camp Rebuild. Approved by Council on 4/4/17 through Resolution No. 67,889 - N.S.
17	099 Total			\$0	\$2,700,000						
18	107	Special Tax for Disabled (Measure E)	HHCS		\$100,000		Consulting Services for Easy Does It		X		Use Measure E reserve funds to procure a consultant and enter into any agreements to provide Easy Does It (EDI) with operational, management, and organizational culture consulting services for an amount not to exceed \$100,000 to ensure initial and sustained implementation of audit findings. Approved by Council on 9/10/19 through Resolution 69,077-N.S.
19	107 Total			\$0	\$100,000						
20	113	Gilman Sports Field	Non-Departmental		\$25,000		Gilman Sports Fund			X	Transfer to Turf Replacement Fund from the Sports field operating fund.
21	113 Total			\$0	\$25,000						
22	125	Playground Camp	Parks, Recreation, and Waterfront		\$4,755	PRWEM16004	Cazadero Camp Landslide			X	Appropriate fund for Cazadero Camp Jensen Dorm Project need for Hazard Testing at the Pool Dormitory.
23	125	Playground Camp	Parks, Recreation, and Waterfront		\$728,300	PRWCP19001 and PRWCP22001	BTC Construction Management and BTC Start-up Costs			X	Appropriate funding for continuation of the Berkeley Tuolumne Camp project
24	125	Playground Camp	Parks, Recreation, and Waterfront		\$10,000	PRWEM16004	Cazadero Camp Landslide			X	Funds for City of Berkeley permit fees for Cazadero Camp

25	125 Total			\$0	\$743,055						
26	127	State Transportation Tax	Public Works		\$389,397	PWENST2001	Street Rehab FY2020			X	Appropriate fund to pay for outstanding invoices for FY 2020 Street Rehab project
27	127	State Transportation Tax	Public Works		\$50,000		BSK On-Call Site Assessment Consultant			X	Appropriate funding to pay for the BSK On-call Site Assessment consultant
28	127 Total			\$0	\$439,397						
29	128	CDBG	HHCS		\$1,232,491		CDBG Multi-Family Housing Rehab Allocations		X		Funding for the Rosewood Manor Multi-Family Housing Rehab project. Approved by Council through Resolutions 69,719-N.S. on 2/9/21 and 69,830-N.S. on 4/27/21
30	128 Total			\$0	\$1,232,491						
31	129	RHSP	Planning		\$25,000		Insurance Deduction for Vehicle #9127			X	Appropriate funding to pay for the insurance deduction of vehicle #9127
32	129 Total			\$0	\$25,000						
33	130	Measure B - Local Streets and Roads	Public Works	\$150,000			Ravo Sweeper			X	Carryover of fund for the Ravo Narrow Sweeper
34	130 Total			\$150,000	\$0						
35	134	Measure BB - Local Streets and Road	Public Works		\$28,551	PWTRCT0918	Ashby/San Pablo Traffic Improvement			X	Appropriate fund for EBMUD hydrant relocation so project can continue
36	134	Measure BB - Local Streets and Road	Public Works		\$337,163	PWENSW2002	Sidewalk Shaving		X		Appropriate fund for Trip Stop Sidewalk Repair contract amendment for FY20 Sidewalk Inspection and Shaving Services. Approved by Council on 04/27/2021 through Resolution No. 69,822-N.S.
37	134	Measure BB - Local Streets and Road	Public Works		\$250,000	PWTRPL2202	BeST Plan Update			X	Appropriate funds for the Berkeley Strategic Transportation Plan Update project
38	134	Measure BB - Local Streets and Road	Public Works		\$53,285	PWTRBP2203	Parker Street to Addison Bikeway			X	Appropriate funds for the Parker Street to Addison Bikeways project
39	134	Measure BB - Local Streets and Road	Public Works		\$53,285	PWTRCS2203	University West Bus Stops			X	Appropriate funds for the University West Bus Stops project
40	134 Total			\$0	\$722,284						
41	135	Measure BB - Bike & Pedestrian	Public Works		\$48,950	PWTRBP2204	Ohlone Greenway Modernization & Safety			X	Appropriate funds for the Ohlone Greenway Modernization & Safety Project (Santa Fe Ave. to Franklin St.)
42	135	Measure BB - Bike & Pedestrian	Public Works		\$61,909	PWTRBP2201	Martin Luther King Jr. Way Vision Zero Quick Build			X	Appropriate funds for the design and install quick-build pedestrian and bicycle crossing safety improvements between Dwight Way and Russell Street
43	135	Measure BB - Bike & Pedestrian	Public Works		\$166,210	PWTRBP2202	South Sacramento Street Pedestrian Improvements			X	Appropriate funds for the South Sacramento Street Pedestrian Improvements project
44	135 Total			\$0	\$277,069						
45	136	Measure BB - Paratransit	HHCS		\$43,000	HHAMBB2201	AG Paratransit Measure BB			X	Increase Paratransit Program Measure BB funding due to sunseting of Measure B Paratransit Program funding
46	136 Total			\$0	\$43,000						
47	138	Parks Tax	Parks, Recreation, and Waterfront		\$15,000		FY 2022 JPA contribution			X	Appropriate fund for the FY 2022 AP dog run fence
48	138	Parks Tax	Parks, Recreation, and Waterfront		\$26,566		FY 2022 Parks Minor MTC			X	Appropriate fund for the FY 2022 JPA contribution/payment
49	138	Parks Tax	Parks, Recreation, and Waterfront		\$16,720	PRWPK22004	PY 2022 Parks Minor Maintenance			X	Appropriate fund for picnic table and tree planting at Strawberry Creek Park. Funding comes from Rorick Trust for this project.
50	138	Parks Tax	Parks, Recreation, and Waterfront		\$5,700		Parks and Marina Memorial Benches			X	Appropriate fund for Parks and Marina Memorial benches
51	138	Parks Tax	Parks, Recreation, and Waterfront		\$235,000		Increase in EBMUD and Refuse cost			X	Appropriate funding to increase cost in utilities (water and refuse)
52	138	Parks Tax	Parks, Recreation, and Waterfront	\$22,253		PRWPK21002	Parks Strategic Plan Funding			X	Carryover FY 2021 project funding for project hourly staffing cost in FY 2022.
53	138 Total			\$22,253	\$298,986						
54	140	Measure GG	Fire		\$600,000		Fire Overtime			X	Appropriate additional funds for projected Fire overtime costs in FY 2022
55	140 Total			\$0	\$600,000						
56	157	Tobacco Control	HHCS	\$46,371		HHPLLA2101	Tobacco Prevention			X	Carryover of fund to support the Tobacco Prevention program
57	157 Total			\$46,371	\$0						
58	302	Operating Grants - State	HHCS		\$5,000,000		Local Housing Trust Fund Grant		X		Approve funding from State of California Department of Housing & Community Services Local Housing Trust Fund for Blake Street (2527 San Pablo) and Maudelle Miller Shirek (2001 Ashby) projects. Both projects will receive \$2.5 million. Approved by Council on 7/14/20 through Resolution No. 69,494-N.S.
59	302 Total			\$0	\$5,000,000						
60	306	Capital Grants - State	Public Works		\$351,700	PWTRBP2201	Martin Luther King Jr. Way Vision Zero Quick Build			X	Appropriate funds for the design and install quick-build pedestrian and bicycle crossing safety improvements between Dwight Way and Russell Street
61	306	Capital Grants - State	Public Works		\$131,715	PWTRBP2203	Parker Street to Addison Bikeway			X	Appropriate funds for the Parker Street to Addison Bikeways project
62	306	Capital Grants - State	Public Works		\$131,715	PWTRCS2203	University West Bus Stops			X	Appropriate funds for the University West Bus Stops project
63	306 Total			\$0	\$615,130						
64	307	Capital Grants - Local	Public Works		\$214,000	PWTRBP2204	Ohlone Greenway Modernization & Safety			X	Appropriate funds for the Ohlone Greenway Modernization & Safety Project (Santa Fe Ave. to Franklin St.)
65	307 Total			\$0	\$214,000						

66	311	ESG	Health, Housing & Community Svcs.	\$678,819			C-ESG-CARES FY21/GRANT BALANCE		X		Appropriate fund from the Emergency Solutions Grant for housing services. Approved by Council on 9/15/2020 through Resolution No. 69,563-N.S.
67	311 Total			\$678,819	\$0						
68	312	Health (General)	HHCS	\$4,382		HHPORA2201	Oral Health Program			X	Carryover of fund for continuance of the Oral Health program
69	312	Health (General)	HHCS		\$46,981	HHPMCA2201	Maternal Child And Adolescent Health			X	Revise grant budget to match approved amount
70	312	Health (General)	HHCS		\$20,000		Clinical Reproductive Health Services and Education		X		Appropriate funding for the Title X grant fund (awarded \$20k) for reproductive health services and education program
71	312	Health (General)	HHCS		\$6,413	HHPLPP2201	CHDP Lead Prevention Program			X	Revise grant budget to match approved amount
72	312 Total			\$4,382	\$73,394						
73	313	Targeted Case Management/Linkages	HHCS		\$4,000	HHPTCM2201	TCM Grant			X	Appropriate TCM grant balance to provide Public Health Services
74	313 Total			\$0	\$4,000						
75	315	Mental Health Service Act	HHCS		\$491,933	HHMWEL2201	MHSA-CSS Development Wellness		X		Appropriate Fund for the MHSA Wellness Center Operations Contract with Alameda County Behavioral Services approved by Council on 09/28/2021 through Resolution No. 70,038-N.S.
76	315	Mental Health Service Act	HHCS		\$916,731	HHMCSA2201	MHSA-CSS Admin			X	Funds for contract amendment with Berkeley Food & Housing Project for Berkeley Mental Health Flexible Funding Programs and Russell Street Residence
77	315 Total			\$0	\$1,408,664						
78	320	SR. NUTRITION (TITLE III)	HHCS		\$723	HHACON2201	AG C1 CONGREGATE			X	Appropriate additional grant funding for Congregate Nutrition program
79	320	SR. NUTRITION (TITLE III)	HHCS		\$10,076	HHAMOW2201	AG Meals on Wheels			X	Appropriate additional grant funding for Home Delivered Nutrition program
80	320 Total			\$0	\$10,799						
81	321	C.F.P. Title X	HHCS		\$30,000		Supplemental Title X Funding		X		Appropriate fund for supplemental Title X funding for the program period 10/1/2021 to 03/31/2022. Approved by Council on 05/11/2021 through Resolution No. 69,842-N.S.
82	321 Total			\$0	\$30,000						
83	326	Alameda County Grants	HHCS		\$13,600					X	Revise grant budget to match approved amount
84	326 Total			\$0	\$13,600						
85	328	Family Care Support Program	HHCS		\$3,828	HHACAR2201	AG Family Caregiver			X	Revise grant budget to match approved amount
86	328 Total			\$0	\$3,828						
87	336	One Time Grant	City Manager's Office		\$3,993,397		Interim Housing Program at Rodeway Inn		X		Appropriate grant funds from the Encampment Resolution Grant Fund (\$1,793,397) and a donation from the University of California, Berkeley (\$2,200,000) for a contract with Abode Services to operate an interim housing program at the Rodeway Inn at 1461 University Avenue. Approved by Council on 4/26/22
88	336	One Time Grant	City Manager's Office		\$3,005,270		1461 University Avenue Lease		X		Appropriate grant funds from the Encampment Resolution Grant Fund and a donation from the University of California, Berkeley to lease the property at 1461 University Avenue to , to operate noncongregate interim housing at the Rodeway Inn for the cohort of individuals currently living in the encampment at People's Park. Approved by Council on 4/26/22
89	336	One Time Grant	HHCS		\$48,994		Kitchen Electrification - Aging Services			X	Appropriate Fund for the Eastbay Community Energy Grant for the period of 2/1/21 - 12/31/21.
90	336	One Time Grant	HHCS		\$55,463		Provider Relief CARES Act Funding		X		Appropriate Federal COVID-19 Funding from HHS Cares Act Provider Relief Fund. Approved by Council on 12-15-20 through Resolution No. 69,653-N.S.
91	336	One Time Grant	HHCS		\$60,795	HHODIS2201	Disease Intervention Specialist Grant			X	Revise grant budget to match approved amount
92	336	One Time Grant	City Manager's Office		\$10,525		Grant from the William and Flora Hewlett Foundation		X		Appropriate funding to receive a grant award from William and Flora Hewlett Foundation. Authorized by Council on 09/28/2021 through Resolution No. 70,033-N.S.
93	336	One Time Grant	Parks, Recreation & Waterfront		\$300,000	PRWPK21012	Santa Fe Right of Way			X	Appropriate Proposition 68 Funds for Santa Fe Right-of-Way project

94	336	One Time Grant	HHCS		\$91,000	HHMTEP2201	TeleHealth Expansion Project		X		Appropriate grant funding for information technology equipment, telehealth licenses, and PPE for the Mental Health program
95	336 Total			\$0	\$7,565,443						
96	339	MTC	Public Works		\$75,000	PWTRBP2207	Bicycle Plan			X	Allocate MTC Funds for the Bicycle Plan project.
97	339	MTC	Public Works		\$250,000	PWTRBP2206	West Berkeley Quick Build			X	Allocate MTC Funds for the West Berkeley Quick Build project.
98	339 Total			\$0	\$325,000						
99	340	FEMA	Fire		\$168,272		FEMA Grant		X		Appropriate grant funding from FEMA for Regional Fire Leadership Development Academy. Authorized by Council on 9/28/21 through Resolution No. 70,035-N.S.
100	340 Total			\$0	\$168,272						
101	344	Caltrans Grant	Public Works	\$465,152	\$75,138	PWTRCT1803	NB BART/Sacramento Street Complete Streets			X	Funding needed to finish construction phase of project and spend down grant fund
102	344 Total			\$465,152	\$75,138						
103	350	Bio-Terrorism Grant	HHCS		\$173,537	HHPHEP2201	Public Health Emergency Preparedness			X	Revise grant budget to match approved amount
104	350 Total			\$0	\$173,537						
105	351	UASI Regional Fund	Fire & Emergency Svcs	\$9,192			Fire BACM			X	Carryover of UASI grant funding
106	351 Total			\$9,192	\$0						
107	501	Capital Improvement	Health, Housing & Community Services		\$1,885		Housing Trust Fund - General Fund		X		Appropriate Housing Trust Fund - GF for remaining RCD Contract#32100084, and Satellite Affordable Housing Contract#32100085. Approved by Council on 07/28/20 through Res. No. 69,513-N.S.
108	501	Capital Improvement	Public Works		\$132,311	PWENSR1542	Sewer Laterals & CCTV			X	On-going rehabilitation of city-owned sewer laterals
109	501	Capital Improvement	Public Works	\$32,400		PWENSW2004	Pathways FY 2020			X	Carryover funding to continue the Pathways FY 2020 project
110	501	Capital Improvement	Public Works		\$4,643	PWENBM2004	MHS Wall Repair - 2636-2640 MLK			X	Appropriate fund to repair wall at MHS 2636 MLK (substantial damage)
111	501	Capital Improvement	Public Works	\$13,070		PWENCB2104	Corp Yard Mezzanine			X	Carryover funding to continue the Corp yard electrical warehouse mezzanine seismic
112	501	Capital Improvement	Public Works	\$27,237		PWENBM2103	FS #7 Fire Alarm Control Panel Replacement			X	Carryover funding for Fire Station#7 Fire Alarm Control Panel Replacement project.
113	501	Capital Improvement	Public Works		\$50,000		FY 2022 Annual Sidewalk Grinding allocation			X	Appropriate the annual CIP fund sidewalk program allocation for grinding
114	501	Capital Improvement	Public Works		\$42,309	PWTRCT0918	Ashby/San Pablo Traffic Improvement			X	Appropriate fund for Ashby/San Pablo Traffic improvement project (widening the WB Approach)
115	501 Total			\$72,707	\$231,148						
116	511	Measure T1	Public Works	\$100,000		PWT1CB2207	OXFORD & TELEGRAPH/CHANNING GRGE&RI			X	Carryover of fund to continue the garage project
117	511	Measure T1	Public Works	\$1,811		PWENCB1405	Mental Health Renovation			X	Carryover of fund to continue the Mental Health renovation project
118	511	Measure T1	Public Works	\$100,000		PWT1CB2208	EMERG POWER SUPPLY SOLAR BATTERIES			X	Carryover of fund to continue the Emergency Power Supply Solar Batteries project
119	511	Measure T1	Public Works		\$85,000	PWT1CB2209	PW CY IMPROV GREEN BLDG			X	Appropriate funding for the PW CorpYard Improvement Green Building project
120	511	Measure T1	Public Works		\$350,000	PWT1CB1901	NBSC SEISMIC RETROFIT - T1			X	Appropriate funding for the continuation of the construction phase of the NBSC Seismic Retrofit project
121	511	Measure T1	Public Works	\$651,924		PWT1CB1901	NBSC SEISMIC RETROFIT - T1			X	Carryover of T1 fund for the continuation of the construction phase of the NBSC Seismic Retrofit project
122	511	Measure T1	Public Works		\$150,000	PWENSD2103	Storm Drain Improvement FY 2021			X	Appropriate Meas T1 Fund for FY21 Storm Drain Improvement Project. This additional funding request is for the Construction Phase (bids higher than anticipated) including 15% contingency
123	511 Total			\$853,735	\$585,000						
124	512	Measure O HSG	HHCS		\$5,452,871		Ashby Maudelle Miller Shirek Community (2001 Ashby)		X		Appropriate balance of Measure O funding for the Maudelle Miller Shirek Community project (2001 Ashby)
125	512 Total			\$0	\$5,452,871						
126	601	Zero Waste	Public Works		\$1,346,627		Ecology Center Contract		X		Appropriate funding for the new Recology Center contract for residential curbside recycling
127	601 Total			\$0	\$1,346,627						

128	607	Mar - Dept. of Boating & Waterway	Parks, Recreation, and Waterfront		\$46,200	PRWWF22005	DBW 2021 SAVE Grant		X		Appropriate funding for DBW 2021 SAVE grant program. Approved by Council on 05/21/2021 through Res. No. 69,876-N.S.
129	607	Mar - Dept. of Boating & Waterway	Parks, Recreation, and Waterfront		\$20,000	PRWWF22010	DBW Boating Safety and Enforcement Equipment (BSEE) Grant		X		This is for the purchase and replacement of equipment related to boating safety located at the Berkeley Marina. There is no cost share requirement for this grant. Approved by Council on 10-26-21 through Resolution No. 70,087-N.S.
130	607 Total			\$0	\$66,200						
131	608	Marina Operations/Maint	Parks, Recreation, and Waterfront		\$9,500		Parks and Marina Memorial Benches			X	Appropriate funding for Parks and Marina Memorial benches
132	608	Marina Operations/Maint	Parks, Recreation, and Waterfront		\$50,000		Increase in EBMUD cost			X	Appropriate funding for increased EBMUD cost
133	608	Marina Operations/Maint	Parks, Recreation, and Waterfront		\$39,500	PRWWF22009	Hana Japan Fire Suppression			X	Appropriate funding for Hana Japan Fire Suppression project.
134	608	Marina Operations/Maint	Parks, Recreation, and Waterfront		\$315,000	PRWWF22006 PRWWF22007	D & E Bathroom Fence FY22 Waterfront Pilings			X	Appropriate funding for the D&E Bathroom fence project and the FY 2022 Waterfront Pilings project
135	608	Marina Operations/Maint	Parks, Recreation, and Waterfront		\$20,479	PRWWF22009	Hana Japan Fire Suppression			X	This contract is for emergency work to fix the standpipe outside Hana Japan at the Waterfront, after a car hit and damaged the standpipe and comprised fire suppression capabilities to the restaurant.
136	608	Marina Operations/Maint	Parks, Recreation, and Waterfront		\$1,900					X	Appropriate donation funds for a memorial bench at Shorebird Park at the Berkeley Marina in memory of Shay M. Finnegan. Approved by Council on 9/28/21 through Resolution No. 70,042 - N.S.
137	608 Total			\$0	\$436,379						
138	611	Sanitary Sewer	Public Works	\$2,065,469	\$180,773	PWENSR2102	SS REHAB MLK JR WAY CEDAR ET AL			X	Carryover and appropriate new funding for the continuation of the Sanitary Sewer Rehabilitation MLK Jr Way Et Al project
139	611	Sanitary Sewer	Public Works	\$204,202	\$33,870	PWENSR2001	SS REHAB - SAN PABLO AVE			X	Carryover and appropriate new funding for the continuation of the Sanitary Sewer Rehabilitation San Pablo Ave
140	611 Total			\$2,269,671	\$214,643						
141	622	Unified Program (CUPA)	Planning		\$50,000		CUPA Software			X	Toxics Replacement Software
142	622 Total			\$0	\$50,000						
143	671	Equipment Replacement	Public Works		\$345,188		Overhaul of #6505 Wheel Loader			X	Overhaul was paid out of Equipment Maintenance Fund and needs to be reimbursed
144	671 Total			\$0	\$345,188						
145	781	Tourism BID	City Manager's Office		\$456,165		Tourism BID Visit Berkeley Contract			X	Appropriate additional funds for the Tourism BID Visit Berkeley Contract based on additional revenues received in FY 2022.
146	781 Total			\$0	\$456,165						
147	Grand Total			\$4,572,283	\$38,357,761						