



Preliminary Fiscal Year 2022  
Year-End Financial Status

FY 2023 Fiscal Year 2023  
First Amendment to Annual  
Appropriation Ordinance (AAO#1)

Budget and Finance Policy Committee  
10 November 2022

# PURPOSE AND OVERVIEW

- **Purpose:**

- Provide a high-level update on how Fiscal Year 2022 is projected to finished financially based upon unaudited actuals
- Review of Fiscal Year 2023 AAO #1 Adjustments

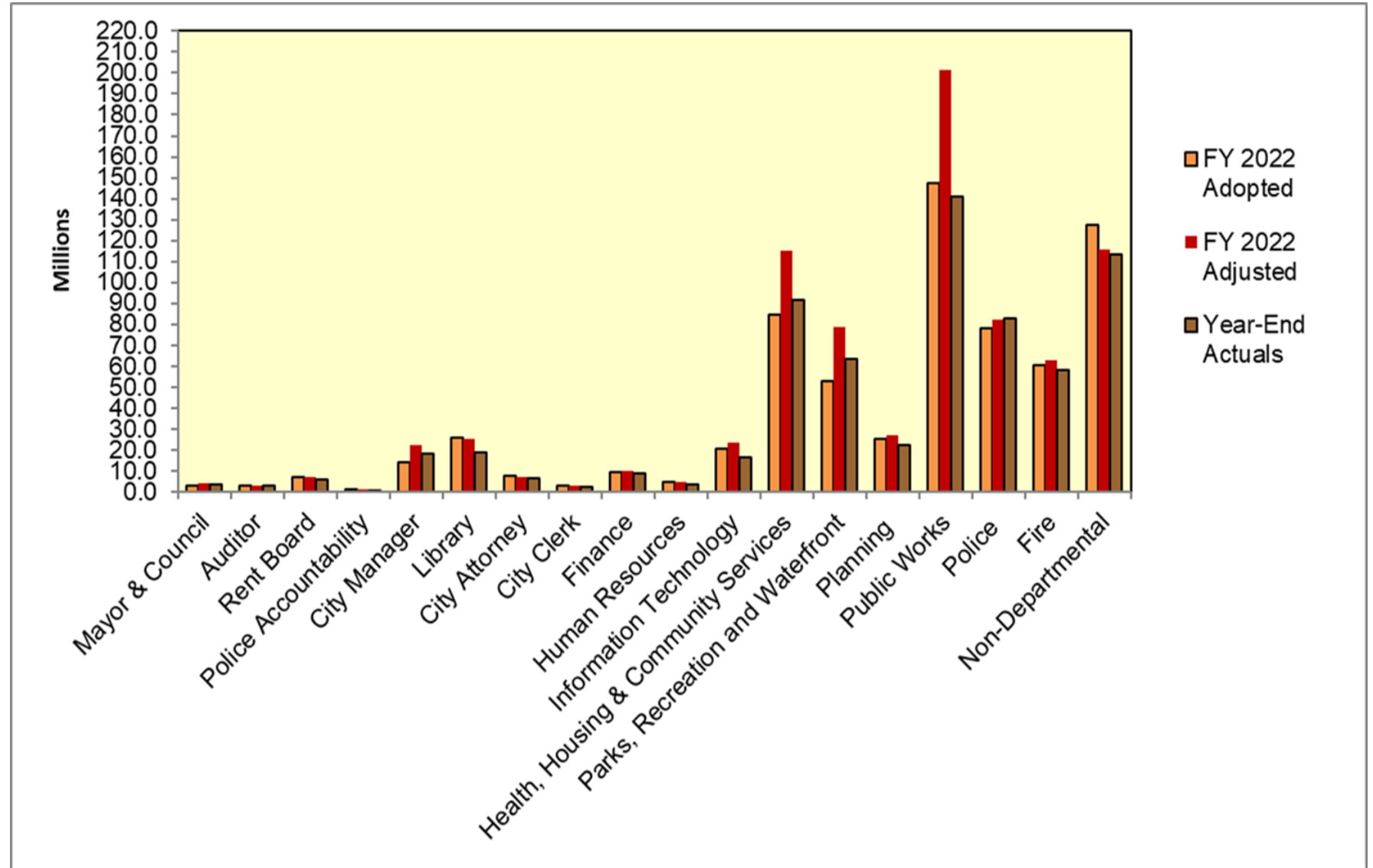
- **Overview:**

- FYE 2022 All Funds Preliminary Financial Status (by department)
- FYE 2022 Preliminary General Fund Status- Revenues
- FYE 2022 Preliminary General Fund Status- Expenditures
- FY 2022 Excess Equity Calculation
- FY 2023 AAO#1 Recommendations

- **Questions and Responses**

# FY22 ALL FUNDS SUMMARY

- Expenditures total \$659.3M
- Under budget by \$134M/17%
- Timing: Projects and capital improvements not completed
- Personnel savings from vacancies



# FY22 ALL FUNDS SUMMARY

Department	FY 2022 Adopted	FY 2022 Adjusted	Year-End Actuals	Balance (Adjusted-Actual)	Percent Expended
Mayor & Council	3,096,559	3,869,210	3,334,707	534,503	86%
Auditor	2,805,883	2,923,936	2,691,657	232,279	92%
Rent Board	6,825,535	6,891,959	5,803,127	1,088,832	84%
Police Accountability	1,114,235	1,153,125	808,594	344,531	70%
City Manager	13,852,717	21,985,234	18,417,011	3,568,223	84%
Library	25,566,341	25,111,400	18,476,577	6,634,823	74%
City Attorney	7,278,096	6,763,728	6,200,455	563,273	92%
City Clerk	2,901,739	3,146,059	2,402,277	743,782	76%
Finance	9,431,102	9,866,420	8,738,588	1,127,832	89%
Human Resources	4,438,053	4,810,823	3,574,288	1,236,535	74%
Information Technology	20,423,888	23,528,496	16,446,316	7,082,180	70%
Health, Housing & Community Services	84,514,926	115,301,717	91,780,016	23,521,701	80%
Parks, Recreation and Waterfront	52,979,556	78,811,600	63,541,966	15,269,634	81%
Planning	25,252,729	27,006,519	22,433,636	4,572,883	83%
Public Works	147,438,656	201,229,890	140,757,036	60,472,854	70%
Police	77,807,443	82,301,504	82,753,749	(452,245)	101%
Fire	60,351,430	62,807,578	58,014,192	4,793,386	92%
Non-Departmental	127,522,399	115,622,410	113,158,492	2,463,918	98%
<b>Total</b>	<b>673,601,287</b>	<b>793,131,608</b>	<b>659,332,684</b>	<b>133,798,924</b>	<b>83%</b>

# FY22 GENERAL FUND SUMMARY

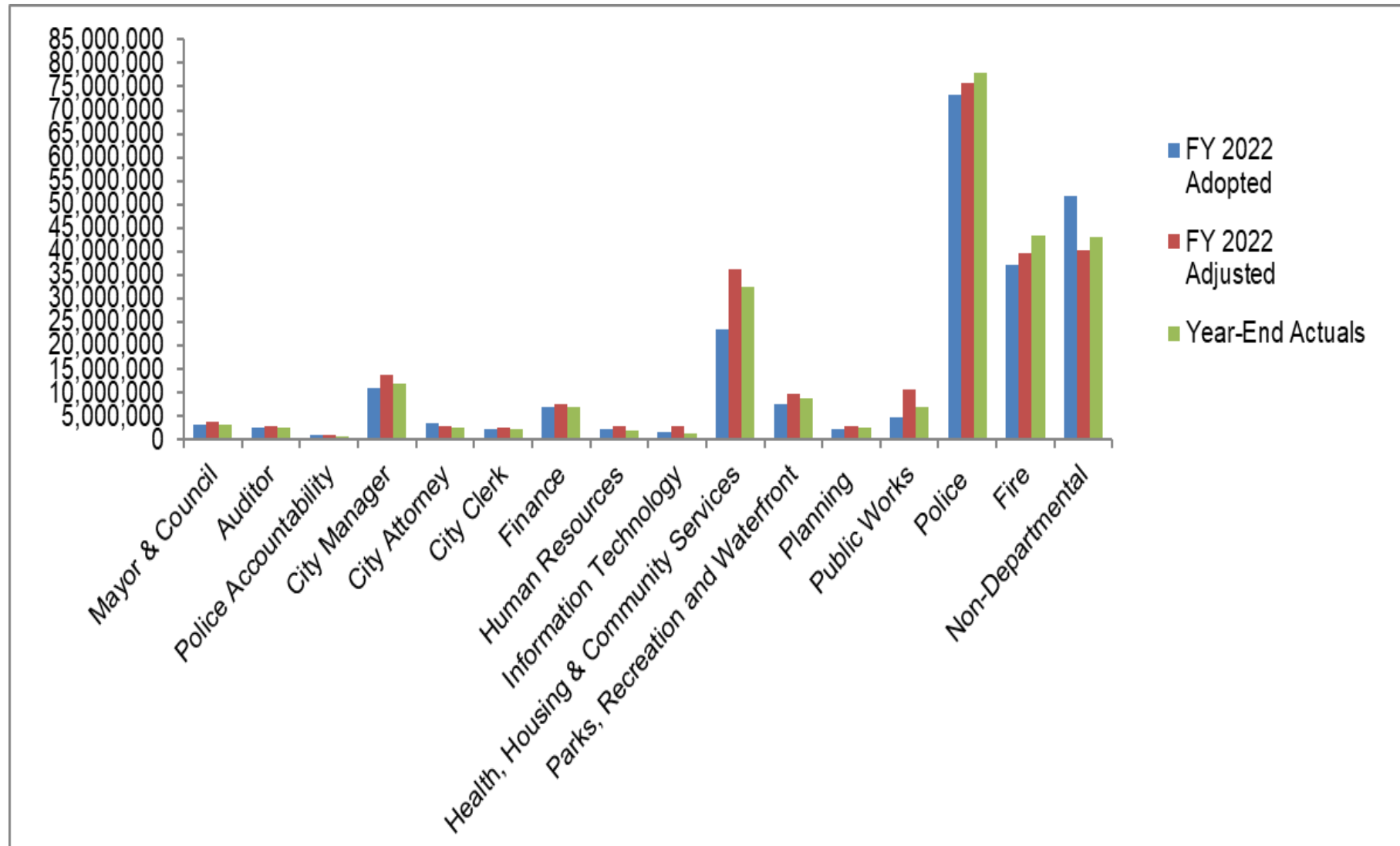
Category	FY 22 Adopted Budget	FY 22 YTD Actual (7/1/21-12/31/21)	May 22-FY 22 Revised Projection	FY 22 Unaudited Estimated Actual
Revenue	\$236,066,207	\$128,239,056	\$268,637,594	\$284,528,005
Expenditures- Personnel	148,035,070	73,355,772	149,898,761	153,421,034
Expenditures- Non-Personnel	86,719,421	40,626,797	95,762,940	95,89,803
Total Expenditures	234,754,491	113,982,570	245,661,701	249,315,837
<b>Projected Net Change</b>	<b>1,311,716</b>	<b>14,256,486</b>	<b>22,975,893</b>	<b>35,212,168</b>

# FY22 GENERAL FUND REVENUES

Revenue Category	FY 22 Adopted	Year-to-Date Actual (7/1/21-12/31/21)	May 22-FY 22 Revised Projection	FY 22 Unaudited Actual
Property Taxes, Vehicle In-Lieu	\$91,798,278	\$47,924,601	\$92,754,138	\$93,163,429
Real Estate Transfer Taxes	29,500,000	30,336,965	56,507,853	63,493,063
Sales Taxes	19,277,425	10,053,313	19,277,425	19,954,078
Utility Users Taxes, Franchise Fees	14,613,283	6,884,510	15,413,283	16,470,121
Hotel and Short Term Rental Taxes	2,803,000	3,057,880	5,200,000	7,022,844
Business License Taxes	25,262,235	2,147,773	25,920,350	26,568,638
Fines and Fees	7,013,052	4,250,465	7,727,325	8,755,802
Interest and Other Revenue	18,444,011	9,906,087	18,482,297	21,745,107
Transfers from Other Funds	27,354,923	13,677,462	27,354,923	27,354,923
<b>Total Revenues</b>	<b>236,066,207</b>	<b>128,239,056</b>	<b>268,637,594</b>	<b>284,528,005</b>

# FY22 GENERAL FUND EXPENDITURES

- Expenditures total \$249.3M
- Personnel savings from vacancies
- Public safety overtime due to vacancies and pandemic





# FY22 GENERAL FUND EXPENDITURES BY DEPARTMENT

Department	FY 22 Adjusted Budget	Year-to-Date Actual (7/121-12/31/21)	May 22-FY 22 Projected Expenditures	FY 22 Unaudited Estimated Actual
Mayor and Council	\$3,861,710	\$1,563,198	\$3,828,949	\$3,334,707
City Auditor	2,823,432	1,216,853	2,503,615	2,627,179
Police Accountability	1,153,125	382,012	883,925	808,594
City Attorney	2,782,943	1,185,801	2,502,657	2,648,007
City Manager	13,709,023	6,119,195	12,344,803	12,034,753
City Clerk	2,641,057	1,224,689	2,653,075	2,235,191
Finance	7,549,640	3,228,885	8,226,859	6,827,435
HR	2,780,494	1,116,086	2,466,850	2,052,892
IT	2,813,978	877,061	2,361,061	1,446,932



# FY22 GENERAL FUND EXPENDITURES BY DEPARTMENT

Department	FY 2022 Adjusted Budget	Year-to-Date Actual (July1- Dec, 31,2021)	May 22-FY 22 Projected Expenditures	FY 22 Unaudited Estimated Actual
HHCS	\$36,062,989	\$10,898,278	\$28,540,438	\$32,619,368
PRW	9,676,531	3,887,713	10,059,050	8,755,061
Planning	2,844,995	1,238,880	2,950,953	2,629,757
Public Works	10,666,639	2,781,682	8,438,147	6,859,823
Police	75,821,558	37,451,561	75,587,892	77,916,629
Fire & EMS	39,532,664	20,756,846	44,294,587	43,406,931
Non-Departmental	40,261,139	21,022,210	38,018,841	43,112,577
<b>Total</b>	<b>254,981,917</b>	<b>114,950,950</b>	<b>245,661,702</b>	<b>249,315,837</b>

# FY22 EXCESS EQUITY CALCULATION

## GENERAL FUND EXCESS EQUITY CALCULATION (EXCLUDES MEASURE P)\*

FY 2022 Beginning Balance	\$	19,806,333	
FY 2022 Revenues	\$	263,936,692	
FY 2022 Expenditures	\$	(236,342,638)	
<b>Available Balance</b>	\$	47,400,387	
<b>Less:</b>			
FY 2022 G. F. Encumbrances Restricted (AAO #1)	\$	(8,980,951)	
FY 2022 G.F. Carryover (AAO #1)	\$	(6,263,403)	
FY 2023 Other Adjustments (AAO #1)	\$	(673,412)	
	\$	(15,917,766)	
<b>Available Balance After AAO #1 Items</b>	\$	31,482,621	
<b>Less:</b>			
Excess Property Transfer Tax to Balance FY 23 & 24 Operating Budget	\$	(17,268,170)	
Excess Property Transfer Tax to Replenish Reserves	\$	(1,500,000)	
Excess Property Transfer Tax Available for Capital	\$	(8,569,573)	
	\$	(27,337,743)	
<b>Available Balance After Pre-Funding of Excess Property Transfer Tax</b>	\$	4,144,878	
	\$	1,572,439	← Minus
<b>Allocation to Reserves</b>	\$	1,572,439	
<b>Excess Equity Balance</b>	\$	2,572,439	← Total Excess Equity
			4,144,878.00
			Deduct \$1M off Top
			(1,000,000.00)
			divide total by 1/2
			3,144,878.00
			Amount to Reserve
			1,572,439.00
			Amount to Excess + \$1M
			2,572,439.00

# FY23 AAO#1 ALL FUNDS SUMMARY

Fund Name	Recommended Encumbrance	Recommended Carryover	Recommended Adjustments	Total
General Fund (011)	\$12,162,503	\$6,351,969	\$2,334,297	\$20,848,769
CIP Fund (501)	\$3,234,486	\$6,520,561	\$84,847	\$9,839,894
All Other Funds	\$95,231,795	\$29,780,938	\$20,707,166	\$145,719,900
<b>Total</b>	<b>\$110,628,784</b>	<b>\$42,653,468</b>	<b>\$23,126,310</b>	<b>\$176,408,562</b>

# FY23 AAO#1 GENERAL FUND

## ▪ **Encumbrances**

- \$9M General Fund and \$3M Measure P
- Increases FY 23 Adopted Budget by \$12M

## ▪ **Carryover**

- \$6.3M in General Fund
- Primarily uncompleted projects

## ▪ **Adjustments/FY 23 Requests**

- \$1.6M Measure P for Project HomeKey
- \$673K for General Fund

# RECOMMENDED FY23 GENERAL FUND ADJUSTMENTS

Adjustment	Description	Funding Amount
City Manager's Office/OED	Aquatic Park Public Art Project - Tile Wall	\$35,000
City Manager's Office	Project Manager II-Special Projects Unit	71,075
City Manager's Office	Municipal Resource Group Contract- Employer of Choice Initiative	67,675
Police Department	Recruitment and retention proposal	207,750
Mayor and Council	Measure JJ Salary/Benefit Increases	82,017
Public Works	FY 2019 Fire Prevention & Safety funds to create connection to the Upper Columbia Pathways, currently dirt and not accessible	109,894
Public Works	Claremont/Russell & Claremont/Eton light	100,000
<b>Subtotal</b>		<b>673,412</b>
<b>New Recommendation</b>	Tenant Advocate position for Harriet Tubman Terrace (11/3/22)	<b>100,000</b>

# BPD RECRUITMENT AND RETENTION INCENTIVE PROPOSAL (RRIP)

- Law enforcement is in an extreme staffing crisis due to many factors, including high retirement and resignation rates and a smaller number of qualified applicants
- Berkeley Police Department (BPD) currently has 31 police officer vacancies and 13 dispatcher vacancies
- The impact is experienced as a reduction in services and has required mandatory overtime shifts to meet its public safety mandate.
- The proposed RRIP is part of a comprehensive strategy to make the department more competitive in today's hiring environment.
- Current hiring trends indicate the department will likely be able to hire up to ten entry-level officers, three laterals, and four dispatchers annually.

# BPD RRIP CONTINUED

- The RRIP supports recruiting efforts with hiring bonuses and retention through a payment distribution schedule that encourages employees to remain at the department long enough to establish themselves here.
- The program reinforces these efforts by providing current city staff with bonuses when they recruit a successful candidate.

	Total Incentive Distribution
Entry-Level Police Officer	New Hire: \$12,000, Referring Employee: \$5,000
Lateral I (Academy Grad) Police Officer	New Hire: \$15,000, Referring Employee: \$5,000
Lateral II (Current Peace Officer)	New Hire: \$25,000, Referring Employee: \$7,500
Entry-Level Public Safety Dispatcher (PSD I)	New Hire: \$5,000, Referring Employee: \$5,000
Lateral Public Safety Dispatcher (PSD II)	New Hire: \$5,000, Referring Employee: \$5,000



# FY22 EXCESS EQUITY OPTIONS AND RECOMMENDATIONS

- **Options**
  - No action- keep in unassigned fund balance for future use
  - Allocate to Section 115 Trust
  - Allocate to Reserves
  - Consider review and funding of budget referrals
    - \$2.8M in possible/pending new budget referrals (from 7/1/22 to 11/15/22)
- **Recommendation**
  - Approve FY 23 Recommendations
  - Defer additional funding requests to after FY 23 First Quarter Update