



Fiscal Years 2023 & 2024 Proposed Biennial Budget

Budget and Finance Policy Committee
19 May 2022

OVERVIEW

- Summary of FY 22 Year-End Projection
- Overview of Citywide (all Funds) FY 23 & 24 Budget
- Overview of General Fund FY 23 & 24 Budget
- Recommendations for Balanced Budget
- Criteria for Prioritization of Funding Requests
- Discussion

FY 22 UPDATED 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	\$272,285,096
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	26,623,395

FY 22 EXCESS EQUITY PROJECTION

GENERAL FUND EXCESS EQUITY CALCULATION

FY 2022 Beginning Balance	\$	36,838,797	
FY 2022 Revenues	\$	272,285,096	
FY 2022 Expenditures	\$	(245,661,702)	
FY 2022 Projected G. F. Encumbrances Restricted (AAO #1)	\$	(8,451,781)	
FY 2022 Projected G. F. Encumbrances Restricted (AAO #2)	\$	(6,976,452)	
Available Balance	\$	<u>48,033,958</u>	
Less:			
Excess Property Transfer Tax to Capital	\$	(27,396,465)	
Measure U1 Ending Fund Balance	\$	-	
Measure P Ending Fund Balance	\$	(17,197,647)	
Total Restricted & Carryovers	\$	<u>(44,594,112)</u>	
FY 2022 Available Excess Equity*	\$	<u><u>3,439,846</u></u>	
Allocation to Reserves	\$	1,219,923	Deduct \$1M off Top
Excess Equity Balance	\$	<u>2,219,923</u>	divide total by 1/2 Amount to Reserve Amount to Excess + \$1M

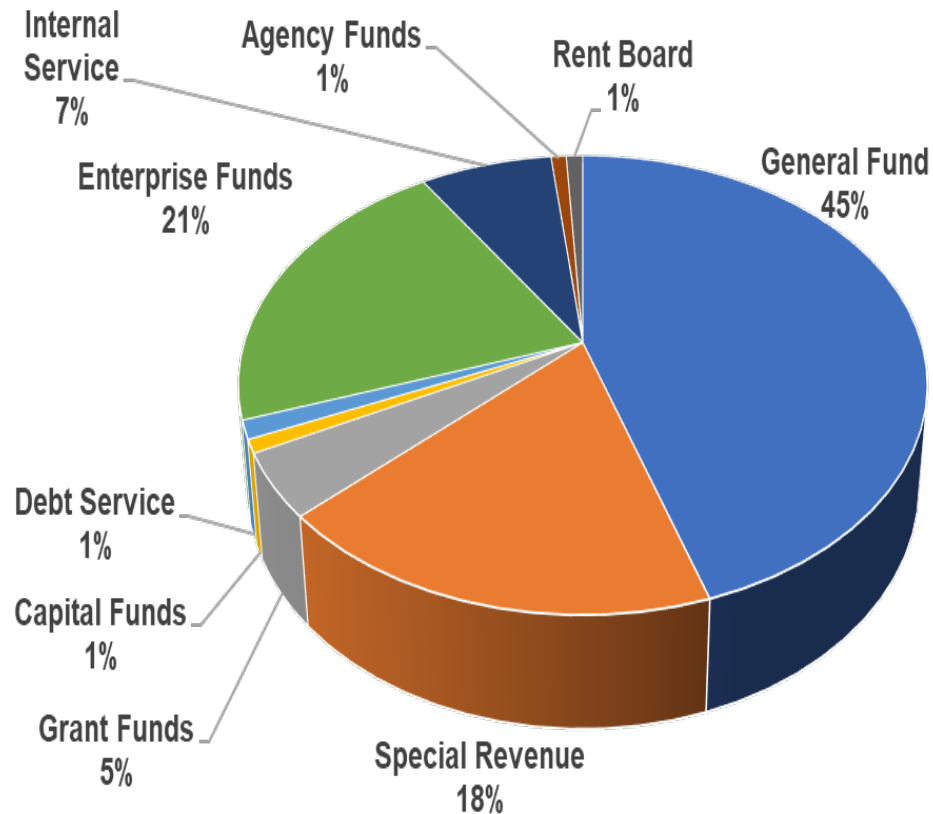
PROPOSED FY 23 & 24 SUMMARY

PROPOSED ALL FUNDS SUMMARY

Fiscal Year	Revenues	Expenditures	Staffing (FTE)
2023	\$592,431,444	\$691,022,346	1,705 (45 FTE increase over FY 22 Adopted)
2024	\$571,408,571	\$677,564,222	1,707

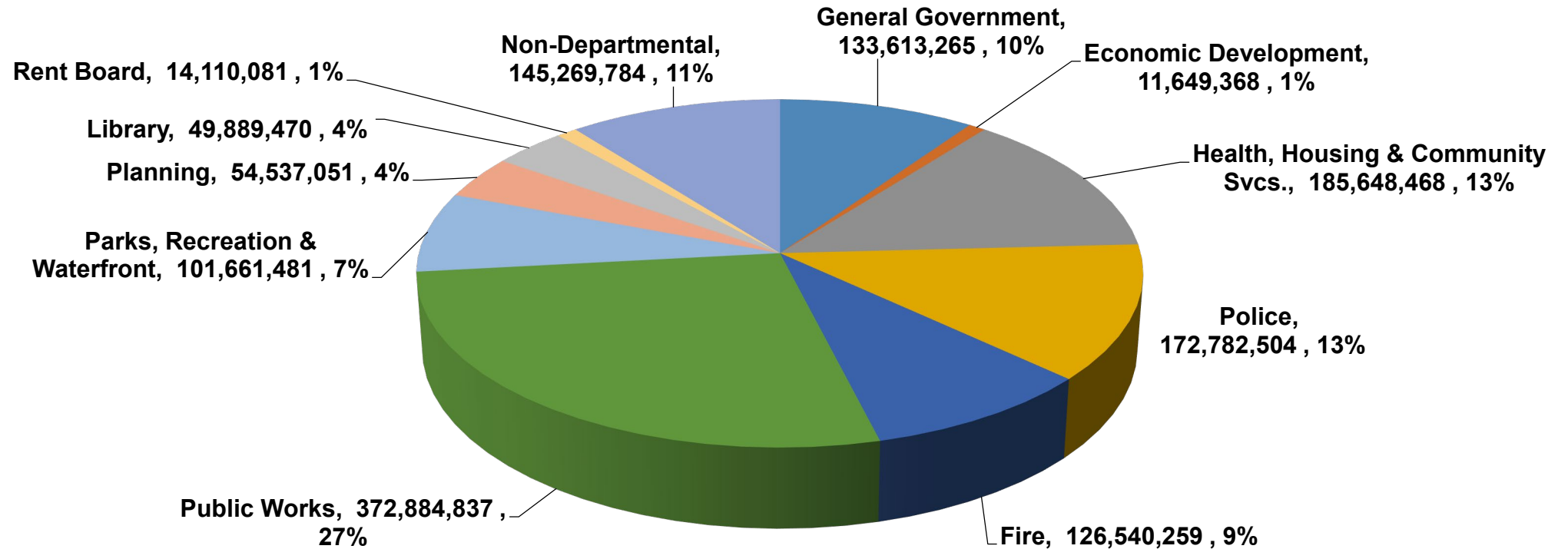
***While the numbers above indicate an unbalanced budget, they do not take into account the use of fund balances that are used to help balance the revenues with the expenditures.**

PROPOSED ALL FUNDS REVENUE

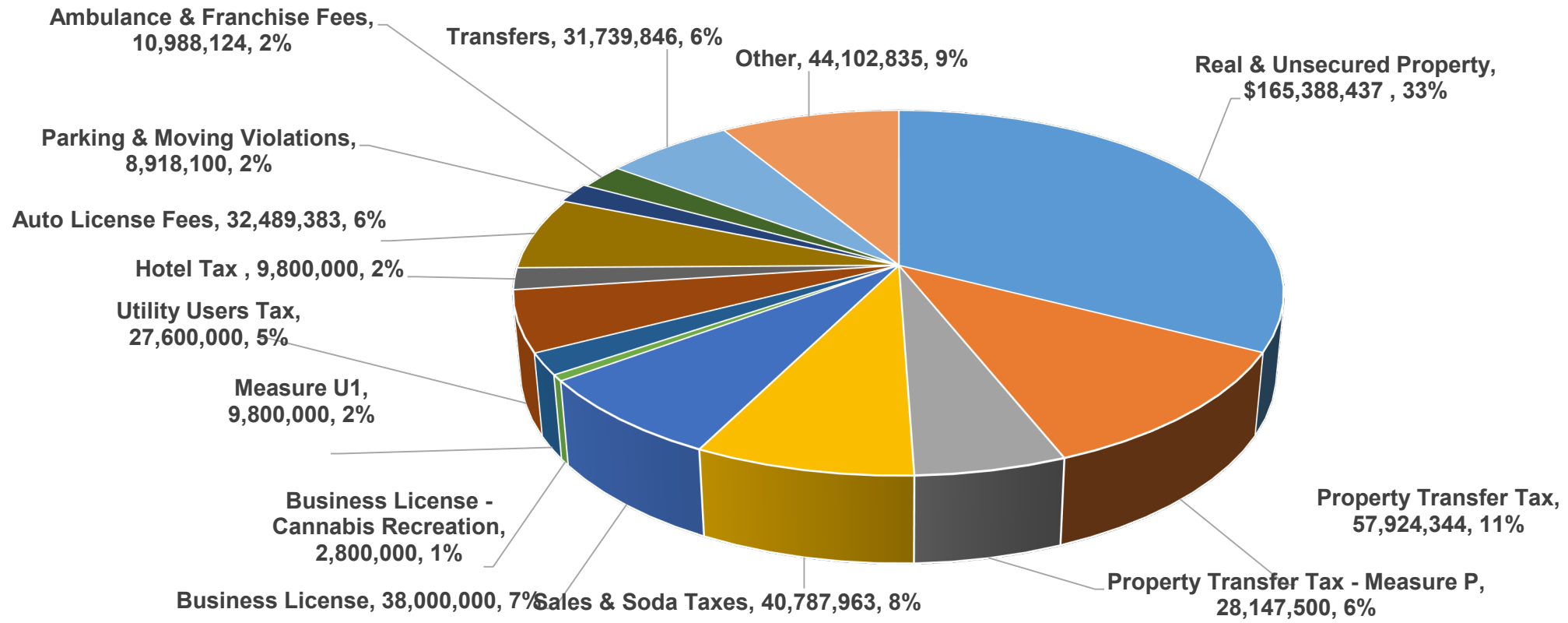


Revenue	Amount
General Fund	523,727,232
Special Revenue	209,296,328
Grant Funds	51,782,694
Capital Funds	10,801,010
Debt Service	15,075,112
Enterprise Funds	246,432,333
Internal Service	86,021,542
Agency Funds	9,923,764
Rent Board	10,780,000
Totals	1,163,840,015

PROPOSED ALL FUNDS EXPENSES



PROPOSED GENERAL FUND REVENUE

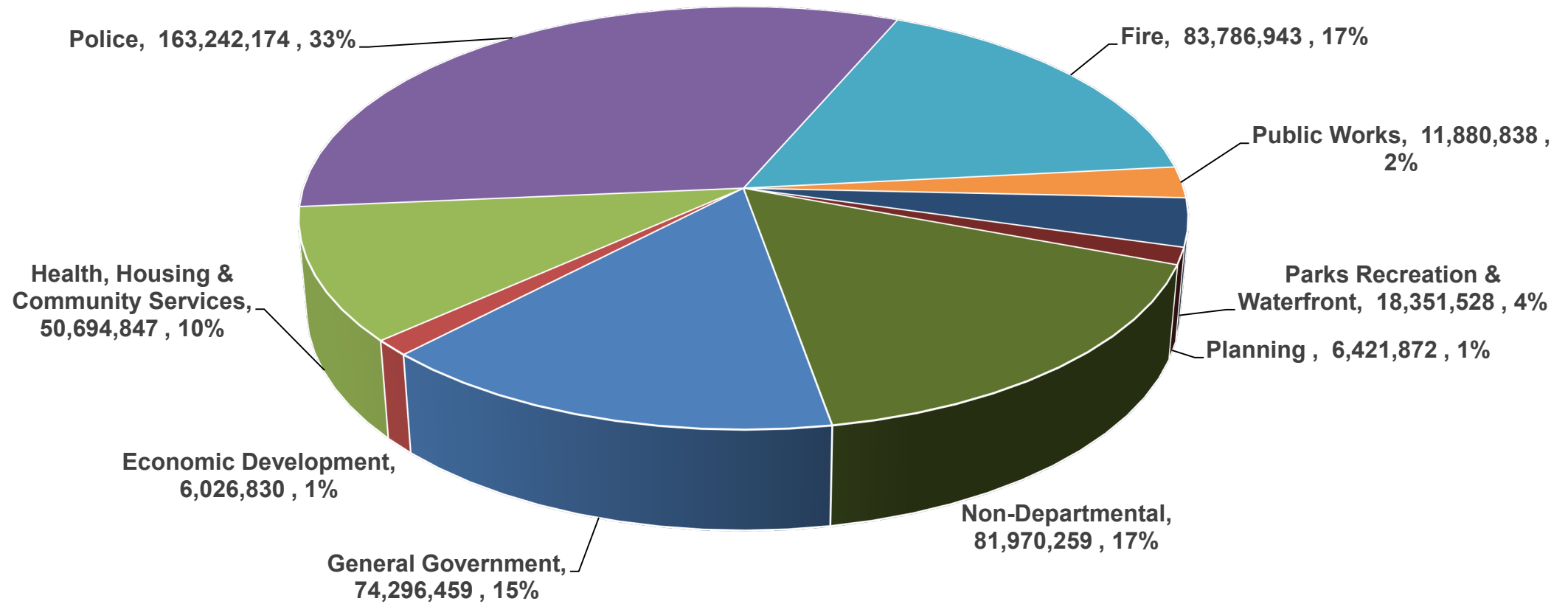


GENERAL FUND REVENUE FORECAST

5 YEARS PROJECTED GENERAL FUND REVENUE

	Projected General Fund Revenue				
	FY 2022 Adopted	FY 2022	FY 2023	FY 2024	
Undesignated Revenues					
Secured Property Taxes	71,382,000	71,382,000	75,664,920	78,691,517	
Supplemental Taxes	2,000,000	2,000,000	2,000,000	2,000,000	
Unsecured Property Taxes	2,625,000	3,637,247	3,516,000	3,516,000	
Property Transfer Taxes	12,500,000	12,500,000	12,500,000	12,500,000	
Property Transfer Tax - Measure P	8,500,000	20,054,687	14,073,750	14,073,750	
Sales Taxes	18,287,215	17,686,255	19,016,546	19,790,997	
Soda Tax	990,210	990,210	990,210	990,210	
Utility Users Taxes	13,000,000	13,800,000	13,800,000	13,800,000	
Transient Occupancy Taxes(TOT)	2,173,500	4,200,000	5,000,000	5,200,000	
Short-term Rentals	630,000	1,000,000	1,000,000	1,000,000	
Business License Taxes	18,498,146	19,000,000	19,000,000	19,000,000	
Recreational Cannabis	1,643,739	1,400,000	1,400,000	1,400,000	
Measure U1	5,120,350	4,900,000	4,900,000	4,900,000	
Other Taxes	2,593,155	2,631,441	2,631,441	2,631,441	
Vehicle In Lieu Taxes	14,959,837	15,024,697	15,926,168	16,563,215	
Parking Fines - Regular Collections	3,726,450	4,326,450	4,326,450	4,326,450	
Parking Fines - Booting Collections	-	-	-	-	
Moving Violations	132,600	132,600	132,600	132,600	
Ambulance Fees	3,154,002	3,268,275	3,880,779	3,880,779	
Interest Income	4,462,320	5,766,586	6,000,000	6,000,000	
Franchise Fees	1,613,283	1,613,283	1,613,283	1,613,283	
Other Revenues	6,729,977	6,729,977	6,729,977	6,729,977	
Indirect cost reimbursements	5,490,000	5,490,000	5,490,000	5,490,000	
Transfers	27,354,923	27,354,923	27,354,923	4,384,923	
Total Undesignated Revenues	227,566,707	244,888,631	246,947,047	228,615,141	
Designated Revenues					
Prop. Transfer Taxes for capital improvements	8,500,000	27,396,465	16,462,172	16,462,172	
Total Designated Revenues	8,500,000	27,396,465	16,462,172	16,462,172	
TOTAL REVENUES AND TRANSFERS	236,066,707	272,285,096	263,409,219	245,077,313	

PROPOSED GENERAL FUND EXPENSES



FY23&24 GENERAL FUND DEPARTMENTAL EXPENDITURES

General Fund Baseline Budget	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	3,006,058	3,026,481
POLICE ACCOUNTABILITY	3,251	1,114,235	1,149,235	166,136	1,174,826
CITY MANAGER'S OFFICE	11,102,637	10,912,354	13,129,814	11,911,007	12,116,500
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	8,431,482	8,550,063
HUMAN RESOURCES	2,318,029	2,407,724	2,829,615	3,112,412	3,166,581
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	25,265,310	25,429,537
PARKS, RECREATION & WATERFRONT	7,304,226	7,675,564	9,896,204	9,061,484	9,290,044
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	5,993,903	5,886,935
POLICE	77,270,053	73,228,172	73,982,832	80,870,183	82,371,991
FIRE & EMERGENCY SERVICES	38,988,843	37,021,939	40,220,081	41,626,945	42,159,998
NON DEPARTMENTAL	46,189,064	51,669,260	42,855,878	41,230,901	40,739,358
TOTAL EXPENDITURES	235,584,812	234,754,491	252,137,523	246,131,978	249,539,771

FY23 & 24 GENERAL FUND BUDGET EXPENDITURES BY TYPE

Expenditure Category	FY 22 Adopted	FY 23 Proposed	FY 24 Proposed
Salaries and Benefits	148,035,070	165,854,727	168,991,692
Professional and Technical Services	5,997,456	9,665,402	9,661,680
Community Grants	14,159,041	14,270,032	14,270,032
Supplies	1,827,531	1,970,359	1,970,142
Insurance	1,212,651	1,209,688	1,209,688
Utilities	1,256,876	1,268,371	1,268,371
Other	19,043,917	9,611,669	8,886,437
Internal Services	16,418,011	16,477,792	16,477,792
Transfers—ARPA, \$2M Section 115 Trust	26,803,938	26,803,938	26,803,938
Total Expenditures	234,754,491	247,131,978	249,539,772

COMMUNITY PAYMENTS

Entity	Amount
Visit Berkeley	\$181,125
Civic Arts Grants/Berkeley Art Center	\$611,652
Berkeley Community Media	\$230,710
All Others	\$7,721,064
Measure P	\$5,473,981
Total	14,218,532

COMMUNITY FUNDING

Funding Category	FY 2022	FY 2023	General Fund					Other	
	Adopted	Proposed	CDBG	CSBG	ESG	Measure P	Measure U1	Other	Funds
Arts Total	586,652	586,652						586,652	
Childcare Total	643,902	643,902						630,627	13,275
Community Facilities Improvements	1,169,826	529,583	505,008					24,575	
Community Media Total	230,710	230,710						230,710	
Disability Programs Total	1,694,976	1,750,788	159,660					103,305	1,487,823
Economic Development Total	181,125	181,125						181,125	
Employment Training Total	295,165	295,165						295,165	
Health Total	2,220,256	2,220,256		160,000				2,060,256	
Homeless Services Total	11,517,647	12,116,147	418,921	0	216,009	8,481,269	100,000	2,722,903	177,045
Housing Development & Rehabilitation Total	553,475	553,475	250,000				200,000	103,475	0
Legal/Advocacy Total	930,486	930,486	35,000	0	0	0	800,000	95,486	0
Other Total	168,104	168,104						168,104	0
Recreation Total	18,573	18,573						18,573	
Seniors Total	9,110	9,110						9,110	
Youth Total	1,040,567	1,040,567	0					1,040,567	
TOTAL COMMUNITY AGENCY ALLOCATIONS	21,260,574	21,274,643	1,368,589	160,000	216,009	8,481,269	1,100,000	8,270,633	1,678,143

MEASURE P EXPENSES

	FY 2023 Proposed	FY 2024 Proposed
<i>Measure P Revenues</i>	14,073,750	14,073,750
LESS: Total Expenses	13,040,382	12,835,757
CMO: Homeless Services Coordinator	196,348	202,899
Finance: Accountant II	178,858	193,441
Finance: Contract Staffing	0	0
HHCS: Community Services Specialist II	0	0
HHCS: 50% Senior Management Analyst	113,085	116,560
HHCS:Community Services Specialist II	207,439	209,513
Fire: 5150 Response & Transport	1,900,000	1,900,000
Dorothy Day House Shelter	566,000	566,000
Dorothy Day House Drop In	182,000	182,000
Pathways STAIR Center	2,499,525	2,499,525
No Place Like Home	128,750	128,750
Hope Center - Mental Health Services	71,250	71,250
Coordinated Entry System	1,000,000	1,000,000
BDIC Locker Program	50,000	50,000
LifeLong Medical - Street Medicine	525,000	525,000
YSA Tiny Home	78,000	78,000
DBA- Homeless Outreach Worker	40,000	40,000
Downtown Streets Team	225,000	225,000
Shelter at 742 Grayson Street	1,011,900	1,011,900
Project Homekey	0	0
Permanent Housing Subsidies / Shallow St	1,600,000	1,600,000
1367 University Avenue Step Up Housing	1,133,244	900,000
HHCS: Square One Hotel Vouchers	0	0
Training and Evaluation	133,334	133,334
Homeless Response Team	918,149	920,085
Berkeley Relief Fund	0	0
Portable Toilets	96,000	96,000
Berkeley Emergency Storm Shelter	186,500	186,500
Total Expenditures	13,040,382	12,835,757
Fiscal Year Surplus (Shortfall)	1,033,368	1,237,993
Ending Fund Balance	\$18,231,016	\$19,469,009

FY 23 & 24 GENERAL FUND BASELINE BUDGET SUMMARY

	FY 22 Adopted	FY 2023 Proposed	FY 2024 Proposed
Adopted/Projected Revenues	236,066,707	263,409,219	245,077,313
Less: Excesss Property Transfer Taxes Over \$12.5M Baseline	(8,500,000)	(16,462,172)	(16,462,172)
Less: Measure P Revenues	(8,500,000)	(13,040,382)	(14,073,750)
Less: Measure U1 Revenues	(5,120,350)	(4,900,000)	(4,900,000)
Baseline Revenues	213,946,357	229,006,665	209,641,391
Adopted/Projected Expenditures	234,754,491	247,131,978	249,539,772
Less: Measure P Expenditures	(15,688,170)	(13,040,382)	(12,835,757)
Less: Measure U1 Expenditures	5,125,350	(4,900,000)	(4,900,000)
Baseline Expenditures	213,945,971	229,191,596	231,804,015
Projected Surplus/(Deficit)	1,312,216	34,217,623	13,273,298
Projected Surplus/(Deficit) Baseline	386	(184,931)	(22,162,624)

FY 23 & 24 GENERAL FUND BASELINE BUDGET RECOMMENDATION

Recommendation	FY 23 Proposed	FY 24 Proposed
Adopted/Projected Revenues (inc PTT @\$12.5M)	263,409,219	245,077,313
Less: Excesss Property Transfer Taxes	(16,462,172)	(16,462,172)
Less: Measure P Revenues	(13,040,382)	(14,073,750)
Less: Measure U1 Revenues	(4,900,000)	(4,900,000)
Baseline Revenues	229,006,665	209,641,391
Adopted/Projected Expenditures	247,131,978	249,539,772
Less: Measure P Expenditures	(13,040,382)	(12,835,757)
Less: Measure U1 Expenditures	(4,900,000)	(4,900,000)
Baseline Expenditures	229,191,596	231,804,015
Projected Surplus/(Deficit) All	34,217,623	13,273,298
Projected Surplus/(Deficit) Baseline	(184,931)	(22,162,624)
Recommendation: PTT Baseline to \$18.0M	5,500,000	5,500,000
Recommendation: Partial Use of FY 22 PTT	-	17,000,000
Projected Surplus/(Deficit) to Baseline	5,315,069	337,376
Excess Available for Capital*	10,962,172	10,962,172
Total Availble all Priorities	16,277,241	10,962,172
Less: Contriubtion to Reserves	(2,000,000)	(2,000,000)
Available for Tier 1 Funding and Capital	14,277,241	8,962,172

FUNDING REQUESTS AND CRITERIA

Tier	Criteria
Tier 1	Legislative Mandates Public Safety Items Critical Operational Needs Critical Infrastructure Council Approved Items Revenue Generating, Cost Share
Tier 2	Non-Critical Operational Needs on hold or have existing funding
Tier 3	Non-Urgent Operational Needs

POLICY CONSIDERATIONS

- Defer transferring all FY 22 Excess Property Tax to Capital
 - \$10 million to Capital, \$17 million for FY 24 Operations
- Change Property Transfer Tax Baseline to \$18 million
- Consideration of Threshold/Trigger Policy for Transfer Tax
 - Once threshold reached, allocate a portion to reserves, trust, capital
- Comprehensive review of services with nexus to Measure P
- Consideration of Measure P baseline