

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

**Thursday, October 13, 2022  
10:00 AM**

Committee Members:

Mayor Jesse Arreguin, Councilmembers Kate Harrison and Lori Droste  
Alternate: Councilmember Rashi Kesarwani

**PUBLIC ADVISORY: THIS MEETING WILL BE CONDUCTED EXCLUSIVELY THROUGH  
VIDEOCONFERENCE AND TELECONFERENCE**

Pursuant to Government Code Section 54953(e) and the state declared emergency, this meeting of the City Council Budget & Finance Committee will be conducted exclusively through teleconference and Zoom videoconference. The COVID-19 state of emergency continues to directly impact the ability of the members to meet safely in person and presents imminent risks to the health of attendees. Therefore, no physical meeting location will be available.

To access the meeting remotely using the internet: Join from a PC, Mac, iPad, iPhone, or Android device: Use URL - <https://us02web.zoom.us/j/85481506493>. If you do not wish for your name to appear on the screen, then use the drop down menu and click on "rename" to rename yourself to be anonymous. To request to speak, use the "raise hand" icon on the screen.

To join by phone: Dial **1-669-900-9128 or 1-877-853-5257 (Toll Free)** and Enter Meeting ID: **854 8150 6493**. If you wish to comment during the public comment portion of the agenda, press \*9 and wait to be recognized by the Chair.

Written communications submitted by mail or e-mail to the Budget & Finance Committee by 5:00 p.m. the Friday before the Committee meeting will be distributed to the members of the Committee in advance of the meeting and retained as part of the official record.

**Roll Call:** 10:07 a.m.

**Present:** Harrison, Droste

**Absent:** Arreguin

Mayor Arreguin present at 10:17 a.m.

## **Public Comment on Non-Agenda Matters**

## **Minutes for Approval**

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

### **1. Minutes - June 23, 2022**

**Action:** M/S/C (Harrison/Droste) to approve the minutes of 6/23/2022.

**Vote:** Ayes – Harrison, Droste; Noes – None; Abstain – None; Absent – Arreguin.

## **Committee Action Items**

*The public may comment on each item listed on the agenda for action as the item is taken up. The Chair will determine the number of persons interested in speaking on each item. Up to ten (10) speakers may speak for two minutes. If there are more than ten persons interested in speaking, the Chair may limit the public comment for all speakers to one minute per speaker.*

*Following review and discussion of the items listed below, the Committee may continue an item to a future committee meeting, or refer the item to the City Council.*

### **2. Budget Referral and Updated Guidelines and Procedures for City Council Office Staff Expenditures**

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

**Referred:** May 24, 2022

**Due:** November 8, 2022

**Recommendation:** Refer to the Budget and Finance Committee to consider updates to the guidelines and procedures for City Council office budget expenditure accounts with regards to City Council staff salaries and fringe benefits expenditures and an accompanying Budget Referral of approximately \$1,226,619.52 for the FY 22-23 June Budget process.

**Financial Implications:** See report

Contact: Ben Bartlett, Councilmember, District 3, (510) 981-7130

**Action:** 0 speakers. Discussion held. Item withdrawn by the Author.

## Committee Action Items

3. **Additional Allocation of Measure P Funding to “Step Up Housing” Project**  
**From: Councilmember Bartlett (Author), Councilmember Wengraf (Co-Sponsor), Councilmember Kesarwani (Co-Sponsor)**

**Referred: August 3, 2022**

**Due: February 13, 2023**

**Recommendation:** Adopt a resolution allocating an additional \$114,660 per year for 10 years, from Measure P transfer tax receipts to support the increased costs for the lease and operation of a new permanent supportive housing project for the unhoused at the Step-Up Housing Project at 1367 University Avenue. In addition, refer to the next meeting of the Budget and Finance Policy Committee to confirm the availability of requested funding.

*On August 3, 2022, the City Council adopted Resolution No. 70,491-N.S. as amended and referred to the Budget & Finance Committee to consider future General Fund needs for this project and confirm availability of funds for the operating budget.*

**Financial Implications:** See report

Contact: Ben Bartlett, Councilmember, District 3, (510) 981-7130

**Action:** 1 speaker. Discussion held. Scheduled for Action on December 8, 2022.

4. **Outcomes Based Funding, Pay-For-Success and Social Impact Bonds**  
**From: Councilmember Bartlett (Author)**

**Referred: July 11, 2022**

**Due: January 30, 2023**

**Recommendation:** Referral to the City Attorney to provide guidance on how the City can implement an Outcomes Based Funding initiative.

**Financial Implications:** Staff time

Contact: Ben Bartlett, Councilmember, District 3, (510) 981-7130

**Action:** 3 speakers. M/S/C (Arreguin/Harrison) to send the item to the City Council with a Qualified Positive Recommendation to refer to the City Attorney to provide guidance on how the City can implement an Outcomes Based Funding initiative; request implementation analysis from the City Manager; and request information on whether or not this program can be used with external funds (e.g. grants) or city funds only.

**Vote:** Ayes – Harrison, Arreguin; Noes – None; Abstain – None; Absent – Droste.

Councilmember Droste absent 11:31 a.m. – 12:31 p.m.

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

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

**Action:** 0 speakers. Discussion held. The Committee requested additional information regarding the investment returns and policies of other cities. Scheduled for 11/10/2022.

## Committee Action Items

6. **Presentation on Mental Health Transports and Update on the Implementation of the Specialized Care Unit and Community Crisis Response Services**  
**From: City Manager**  
Contact: David Sprague, Fire, (510) 981-3473; Lisa Warhuus, Health, Housing, and Community Services, (510) 981-5400; Sharon Friedrichsen, Budget Manager, (510) 981-7000

**Action:** 1 speaker. Discussion held. Scheduled for November 10, 2022 agenda.

## Unscheduled Items

*These items are not scheduled for discussion or action at this meeting. The Committee may schedule these items to the Action Calendar of a future Committee meeting.*

7. **Accept the Risk Analysis for Long-Term Debt (Bonding Capacity) Report provided by Government Finance Officers Association**  
**From: City Manager**  
**Referred: April 26, 2022**  
**Due: January 30, 2023**  
**Recommendation:** Accept the report titled 'Risk-Based Analysis and Stress Test of Long-Term Debt Affordability' as provided by the Government Finance Officers Association (GFOA). This report is based on their research and development of a risk-modeling tool to address issuing long-term debt related to City of Berkeley Vision 2050.  
*On April 26, 2022, the City Council referred this item to the City Manager and Budget & Finance Committee to return to Council with recommendations or analysis on as many of the following items as possible by October 2022, if feasible. 1) Consideration of reserves policies for operational funds other than the General Fund; 2) Potential reduction of the maximum indebtedness rate from 15% of assessed property value down to 4-8% range; 3) A new policy to not incur indebtedness when interest rates go above 5% or a different specific threshold; 4) Tools for increased transparency for taxpayers; 5) Updated report and discussion of pension and healthcare costs; 6) Refer the full Report to the Budget & Finance Committee for consideration.*  
**Financial Implications:** None  
Contact: Henry Oyekanmi, Finance, (510) 981-7300
- Action:** Scheduled for Action on November 10, 2022.

## Items for Future Agendas

- Item 7 scheduled for 11/10/2022
- Annual Appropriations Ordinance scheduled or 11/10/2022
- Legislative Update scheduled for 11/10/2022

## Adjournment

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

**Vote:** Ayes – Harrison, Arreguin; Noes – None; Abstain – None; Absent – Droste.

Adjourned at 12:31 p.m.

I hereby certify that the foregoing is a true and correct record of the regular meeting of the Budget & Finance Standing Committee of the Berkeley City Council held on October 13, 2022.

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Mark Numainville, City Clerk

## Communications

*Communications submitted to City Council Policy Committees are on file in the City Clerk Department at 2180 Milvia Street, 1st Floor, Berkeley, CA, and are available upon request by contacting the City Clerk Department at (510) 981-6908 or [policycommittee@cityofberkeley.info](mailto:policycommittee@cityofberkeley.info).*