



Office of the Mayor

ACTION CALENDAR
November 28, 2017

To: Members of the City Council

From: Mayor Jesse Arreguin

Subject: Mayor's Recommendations for Allocation of Unassigned General Fund Excess Equity

RECOMMENDATION

1. Approve the proposed allocations in Attachment A of \$3,500,000 in Fiscal Year 2017 Unassigned Excess Equity, \$1,000,000 in Measure U1 revenues for the Small Sites Program, and \$173,531 in funding re-appropriated from the new 1011 University Avenue Council Chambers project.
2. Adopt a resolution authorizing the City Manager to execute an amendment to Contract No. 010577 with Dorothy Day House to add \$110,000 to expand the existing Berkeley Emergency Storm Shelter (BESS) and operate a nightly winter shelter for up to 140 nights through April 15, 2018 for a total contract amount not to exceed \$181,324.
3. Direct the City Manager to bring back to Council a proposal to establish an Irrevocable Supplemental Pension Trust and other options as proposed by staff.

BACKGROUND

The Fiscal Year 2017 General Fund Year-end balance was \$29.5 million. Amounts restricted, committed, or assigned totaled \$21.5 million. Excess equity beyond this amount was allocated as follows: \$3.5 million as required by the General Fund Reserve Policy, and \$4.5 million in Unassigned Excess Equity.

Attachment A includes my recommendations for the allocation of Fiscal Year 2017 Excess Equity. These recommendations include items referred from the June budget process, as well as new priorities identified by the City Council.

Funding Sources for Allocations

In order to fully fund Council priorities, I am proposing the allocation of \$3.5 million of the \$4.5 million available in Excess Equity. This will set aside at least \$1 million in Excess Equity to use for future costs (e.g. labor negotiations). I am also proposing that we set aside \$1,000,000 in Measure U1 revenues to provide start-up funding for a Small Sites Program. This is contingent on the recommendation of the Housing Advisory Commission.

In addition, I propose that we re-appropriate \$173,531 from funding recommended in the Annual Appropriations Ordinance #1 for the 1011 University Avenue Council Chamber. Given that the City is engaged in negotiations with BUSD over use of their Board Room for Council meetings this funding is not necessary.

Addressing Unfunded Liabilities

Council received a communication on November 27, 2017 from several labor groups requesting that the City set aside revenues for payment of pension obligations. In response to this request, I am recommending that Council direct the City Manager to bring back a proposal to establish an Irrevocable Supplemental Pension Trust and other options as proposed by staff.

In addition, this proposal includes \$450,000 in repayment to the General Fund Reserves to replenish funding allocated for the Tuolumne Camp project. My intent is for the City to make steady payments (either between \$300,000 to \$600,000, funds permitting) over a 10-year period to fully repay the Reserve Fund.

Funding Expanded Winter Shelter Program

My budget recommendations propose the allocation of \$300,000 for an expanded Winter Shelter Program, to provide needed shelter for our growing homeless population during this winter season. In order to expediently implement this recommendation, this item also requests approval of a Resolution (Attachment B) authorizing the City Manager to execute a contract amendment with Dorothy Day House to expand the existing Berkeley Emergency Storm Shelter (BESS) and operate a nightly winter shelter for up to 140 nights through April 15, 2018.

These budget recommendations address a number of key community priorities: Repayment of General Fund Reserves, Addressing Homelessness, Creating Affordable Housing, Traffic Calming, and Public Health.

I would like to thank Councilmembers Harrison, Maio and Worthington for working with me to develop these recommendations.

FINANCIAL IMPLICATIONS

Proposed allocation of \$3,500,000 in Unassigned General Fund Excess Equity to budget referrals. Additionally, \$1,000,000 in Measure U1 tax receipts for implementation of the Small Sites Program, contingent on the recommendation of the Housing Advisory Commission. In addition, re-appropriate \$173,531 in funding set aside for construction of a new Council Chambers at 1011 University Avenue.

CONTACT PERSON

Mayor Jesse Arreguín

510-981-7100

Attachment A: Mayor's Mid-Year Budget Recommendations

Attachment B: Resolution Authorizing Contract Amendment with Dorothy Day House

**Attachment A: Mayor's Mid-Year Budget Recommendations
FY 2018/19**

TABLE 1: CONTINUED AND NEW REQUESTS		
Item Title	Source of Revenue	Amount
Pathways Project Operating Costs	General Fund	\$1,900,000
Berkeley Age-Friendly Continuum	General Fund	\$20,000
Berkeley Youth Alternatives After-School Center	General Fund	\$30,000
Berkeley Housing Authority Damage Claim Program	General Fund	\$50,000
Enhanced Public Health Measures	General Fund	\$60,000
Berkeley High School MEET Program	General Fund	\$46,389
Payment to Catastrophic Reserve and General Reserves (\$300,000 + \$150,000)	General Fund	\$450,000
Illegal Dumping Clean-up	General Fund	\$100,000
Emergency Winter Shelter and Warming Center Program	General Fund	\$300,000
Funding Gap for Women's and Men's Shelter	General Fund	\$170,000
Downtown Storage Pilot Program	General Fund	\$50,000
Alta Bates Closure Health Impact Assessment	General Fund	\$25,000
Land Use Planning Consultant	General Fund	\$172,142
Police Data Analyst Consultant	General Fund	\$50,000
California/Dwight Traffic Calming	Transportation/Public Works	\$100,000
Cedar/Rose Traffic Calming	Transportation/Public Works	\$100,000
Claremont/Eton RFFB Light	Transportation/Public Works	\$50,000
One-Time Expenditures FY2018/19 Subtotal		\$3,673,531
Funding Source:		
Unassigned GF Excess Equity		\$3,500,000
New Council Chamber at 1011 University Avenue		\$173,531
Total:		\$3,673,531

TABLE 2: SPECIAL FUNDS		
Item Title	Source of Revenue	Amount
Small Sites Program (Subject to HAC recommendation)	Measure U1 Revenues	\$1,000,000

**Attachment A: Mayor's Mid-Year Budget Recommendations
FY 2018/19**

TABLE 3: ITEMS TO PRIORITIZE FOR JUNE 2018 CONSIDERATION		
Item Title	Source of Revenue	Amount
Develop Plan For San Pablo Avenue	General Fund	\$100,000
TOTAL Items to Prioritize for Consideration FY 2019/20		100,000

RESOLUTION NO. ##,###-N.S.

DOROTHY DAY HOUSE WINTER SHELTER EXPANSION

WHEREAS, the City of Berkeley is committed to providing a humane response to addressing homelessness; and

WHEREAS, the City of Berkeley has historically implemented a seasonal winter shelter program; and

WHEREAS, Berkeley Emergency Storm Shelter (BESS), operated by Dorothy Day House, has already been awarded \$30,101 for fiscal year 2018 to operate an Emergency Storm Shelter on cold and rainy nights only for up to 65 people for 45 nights; and

WHEREAS, Dorothy Day House has an existing contract (Contract No. 010577) with the City of Berkeley; and

WHEREAS, funds in the amount of \$110,000 (Budget Code: 010-9703-410-3510) are needed to continuously operate a winter shelter on a nightly basis until April 15, 2018.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is hereby authorized to execute an amendment in FY2018 to Contract No. 010577 with Dorothy Day House in the amount of \$110,000 for the purpose of providing a continuous winter shelter until April 15, 2017 for a total contract amount not to exceed \$181,324. A record contract of said contract and any amendments are on file with the Office of the City Clerk.