



Office of the City Manager

SUPPLEMENTAL AGENDA MATERIAL for Supplemental Packet 2

Meeting Date: May 15, 2018

Item Number: 38

Item Description: Public Hearing #1

Submitted by: Teresa Berkeley-Simmons

On May 8, 2018 Council asked staff to report back on questions raised by Council regarding FY 2019 Budget Update. This report responds to Council's directive and list Council members questions and answers to those questions.



Office of the City Manager

PUBLIC HEARING
May 15, 2018

To: Honorable Mayor and Members of the City Council

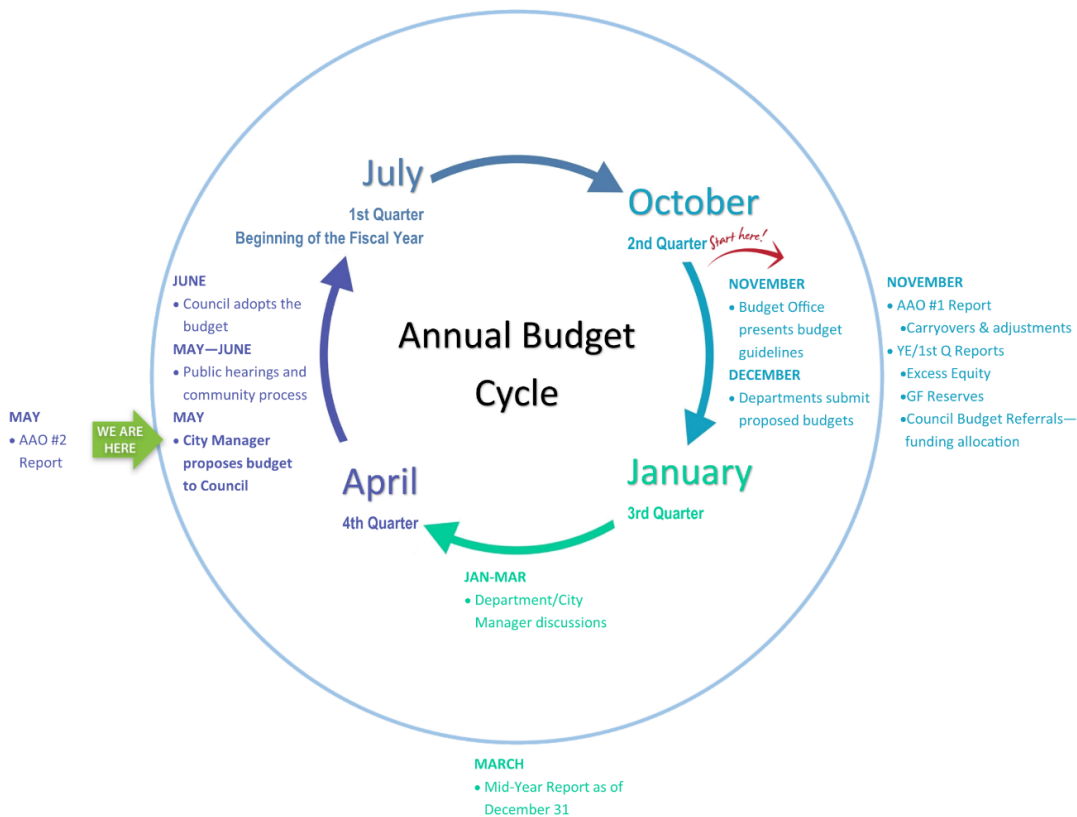
From: Dee Williams-Ridley, City Manager

Submitted by: Teresa Berkeley-Simmons, Budget Manager

Subject: FY 2019 Proposed Budget Update Public Hearing #1

SUMMARY

May 15, 2018, marks the first of two public hearings on the City’s FY 2019 Proposed Budget Update (FY19 Proposed Update), which was presented to Council on May 8, 2018. No Council action is necessary at this time. Council will consider and take action on the FY19 Proposed Update on June 26, 2018.



Council asked staff to report back on questions raised about the FY19 Proposed Update. Detailed responses to Council’s questions are included in Attachment 1.

General Fund FY 2019 Proposed Update

Staff has updated both the General Fund revenues and the General Fund expenditures in the FY 2019 Proposed Update.

FY 2019 General Fund Budget Update
(dollars in millions)

FY 2019 Adopted		FY 2019 Update	
Revenues	Expenditures	Revenues	Expenditures
\$175.3	\$175.3	\$184.7	\$183.1

Changes to revenues reflect a \$9.4 million increase. Of that, \$7 million is attributable to Property Tax. This is based on the most current rate provided by the County.¹

Also reflected in the FY19 Proposed update are \$7.8 million in expenditures. Included in the expenditures are the following:

- CalPERS and compensation contingencies (\$5.1 million)
- Public Finance Campaign² (\$500,000)
- Public Liability fund (\$1.3 million), and
- Software licensing true-up resulting from an audit (\$1.2 million)

The excess is offset by net expenditure reductions such as the reduction in personnel costs as noted below.

Staffing Adjustments Included in the Proposed Update

Staff is proposing to add 14.79 net FTEs to be funded by the General Fund. Even with the addition of these new FTEs, the FY19 Proposed Update generated personnel savings totaling \$833,000. Savings were realized as a result of employee contributions to benefits and a resetting of positions in the payroll library. Positions previously paid at the highest step were reset to the medium step as a result of vacancies.

¹ Secured Property Taxes-the projection is initially based on the County’s preliminary estimate of the increase in assessed values; it is later adjusted for the County’s certification of the increase in assessed values.

² In 2016 Berkeley voters adopted the Berkeley Fair Elections Act of 2016 (Public Finance Campaign). This ballot measure created a voluntary program providing public matching funds for candidates running for office of Mayor or Councilmember. Participating candidates are eligible to receive a 6-to-1 match on qualifying contribution of up to \$50 (e.g. for a \$500 qualifying contribution, a participating candidate received \$300 in public matching funds)

These savings offers an opportunity to strategically hire staff to address operational needs. For example the Assistant Management Analyst is needed to assist with the Public Campaign Finance Mandate. The new Revenue Development Specialists are needed to administer the new revenues tied to the marijuana tax, Measure U1, and short-term rentals. The Senior Animal Control Officer and the Fire Prevention Inspector will improve the City's safety needs. The Applications Programmer Analysts II is needed to provide support for the new Police Bodyworn Camera program. The Contract Administrator was a position that was temporarily cut as a cost savings measure and the work was absorbed by the Senior Buyer and the General Services Manager; however, that workload is no longer sustainable. The Senior Management Analyst in the City Manager's Office isn't truly a new positions. The position is tied to special events and was relocated from the Department of Health, Housing, and Community Services to the City Manager's Office These positions increase safety, administer legislative mandates, provide administrative oversight of new revenues, and improve the overall effectiveness of the organization.

Even though the net load the 14.79 positions totaled \$1,087,373 the FY19 Update resulted in General Fund personnel savings totaling \$833,000.

Unfunded Needs

Finally, in FY 2018 Council either allocated funding or increased funding for the following:

- Winter Shelter
- FY 2018 PW/Transportation Referrals
- Illegal Dumping
- Pathways Project
- Enterprise Resource Management Application (ERMA - FUND\$ Replacement)

These funding increases were not included in the FY19 Proposed Update baseline. As Council identifies updated priorities for FY19, the alignment of resources will also need to be considered. In addition, throughout FY2018 Council made budget referrals to the FY19 Update totaling \$3.1 million. These items are listed below and will also need to be prioritized by Council.

New Budget Referrals (\$3.1 million)

Throughout the year Councilmembers may refer items to the budget process. Below is a list of Council items referred to the FY 2019 budget process since July 1, 2017.

Title and Item #	Council Date	Description (Purpose)	Amount	Referred by: Council Member Name
Resilient Shoreline Program of Citizens for East Shore Parks³	7/11/ 2017	Refer to the mid-year budget process a contribution of \$10,000 to participate in CESP's Visualizing Sea-level Rise event in Berkeley.	\$10,000	Hahn, Wengraf, and Maio
Prioritize installation of Traffic Lights, HAWK lights, or Stop Signs at the Intersection of Dwight Way and California Street⁴	10/31/2017	1. Refer to the 2017 Mid-year budget process the installation of Traffic Lights, HAWK Lights, or Stop Signs at the intersection of Dwight Way and California Street. If such an installation is approved in the budget process, direct the City Manager and Transportation staff to prioritize and expedite said installation. 2. Request that the stoplights on Dwight at the intersections on either side of the Dwight and California intersection be coordinated.	\$10,000 to \$400,000	Harrison, Bartlett, Davila

³ https://www.cityofberkeley.info/Clerk/City_Council/2017/07_Jul/Documents/2017-07-11_Item_32_Support_the_Resilient.aspx

⁴ https://www.cityofberkeley.info/Clerk/City_Council/2017/10_Oct/Documents/2017-10-31_Item_16_Budget_Referral_Prioritize_Installation.aspx

Title and Item #	Council Date	Description (Purpose)	Amount	Referred by: Council Member Name
Berkeley Youth Alternative ⁵	11/14/2017	Refer to the budget process for inclusion on the list of items to be prioritized for funding consideration in November 2017, \$30,000 to support for Berkeley Youth Alternatives (BYA) Afterschool Center and \$49,674 to support the BYA Counseling Center.	\$79,674	Davila
Funding a Pedestrian-Activated Crosswalk Across Cedar ⁶	11/28/2017	Refer to the budget process the funding of pedestrian-activated crosswalk across Cedar on the Ohlone Greenway at Cedar Rose Park.	\$100,000	Maio
Pedestrian-activated Crosswalk Across University Avenue at Grant Street ⁷	12/5/2017	Refer to the budget process the funding of pedestrian-activated crosswalk across University Avenue at Grant Street.	\$100,000	Maio and Harrison

⁵ [https://www.cityofberkeley.info/Clerk/City_Council/2017/11_Nov/Documents/2017-11-14_Item_16_Budget_Referral_Berkeley_Youth.aspx/2016-02-23_Item_26_Refer_\\$50,000_to_the_FY_2016.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2017/11_Nov/Documents/2017-11-14_Item_16_Budget_Referral_Berkeley_Youth.aspx/2016-02-23_Item_26_Refer_$50,000_to_the_FY_2016.aspx)

⁶ https://www.cityofberkeley.info/Clerk/City_Council/2017/11_Nov/City_Council_11-28-2017_-_Regular_Meeting_Agenda.aspx (Item #12)

⁷ https://www.cityofberkeley.info/Clerk/City_Council/2017/12_Dec/Documents/2017-12-05_Item_13_Budget_Referral_Funding_a_Pedestrian.aspx

Title and Item #	Council Date	Description (Purpose)	Amount	Referred by: Council Member Name
Indigenous People Day Pow Wow Budget Augmentation ⁸	12/5/2017	Budget referral to increase the Indigenous Peoples Day Pow Wow CY 18 stipend from \$4,050 to \$6,050.	\$2,000	Maio, Arreguin, and Davila
Second dwelling Unit/Accessory Dwelling Unit Pilot Program to House the Homeless ⁹	12/5/2017	Refer to the City Manager’s office to develop a second dwelling unit/accessory dwelling unit Pilot Project as an additional strategy to provide housing for homeless persons and families.	\$550,000	Bartlett
RFFB light at Eton Avenue and Claremont Boulevard ¹⁰	12/5/2017	Refer to the budget process a one-time allocation for a Rectangular Rapid Flash Beacon (RFFB) light at Claremont Boulevard and Eton Avenue	\$50,000	Droste

⁸ https://www.cityofberkeley.info/Clerk/City_Council/2017/12_Dec/Documents/2017-12-05_Item_14_Budget_Referral_Indigenous_Peoples.aspx

⁹ https://www.cityofberkeley.info/Clerk/City_Council/2017/12_Dec/Documents/2017-12-05_Item_15_Refer_to_the_City_Manager's_Office.aspx

¹⁰ https://www.cityofberkeley.info/Clerk/City_Council/2017/12_Dec/Documents/2017-12-05_Item_20_Budget_Referral_RFFB_Light.aspx

Title and Item #	Council Date	Description (Purpose)	Amount	Referred by: Council Member Name
Temporary Staff Position to Support Undergroundin g of Utilities ¹¹	12/5/2017	Refer to the 2017-18 budget process \$200,000 for a temporary staff position to carry out recommendations from, and work with, the Utility Undergrounding Subcommittee of the Public Works Commission	\$200,000	Droste and Wengraf
Hopkins Street Corridor Traffic and Placemaking Study ¹²	01/23/2018	Refer to the Budget Process the funds necessary to undertake a traffic and place making study of the Hopkins/Monterey/ Sacramento corridor; specifically, Sacramento Street from the southern approach of Rose Street to Hopkins, Hopkins from Gilman Avenue to Sutter/Henry, and the Monterey Avenue approach to Hopkins from the North.	\$200,000	Hahn
Installation of Traffic Lights, HAWK Lights or Stop Sign at California St. & Ashby Ave. ¹³	03/13/2018	Refer to the budget process the installation of Traffic Lights, HAWK Lights, or Stop Signs at the intersection of California St & Ashby Ave. If such an installation is approved in the budget process, direct the City Manager and Transportation staff to expedite said Installation.	\$10,000 - \$400,000	Bartlett

¹¹https://www.cityofberkeley.info/Clerk/City_Council/2017/12_Dec/Documents/2017-12-05_Item_21_Temporary_Staff_Position.aspx

¹²https://www.cityofberkeley.info/Clerk/City_Council/2018/01_Jan/Documents/2018-01-23_Item_28_Budget_Referral_Hopkins.aspx

¹³https://www.cityofberkeley.info/Clerk/City_Council/2018/03_Mar/Documents/2018-03-13_Item_18_Budget_Referral_Installation.aspx

Title and Item #	Council Date	Description (Purpose)	Amount	Referred by: Council Member Name
Police Foot Patrol in Downtown. ¹⁴	03/27/2018	Refer to FY2018/19 Budget Process to establish funding for police foot patrol or bicycle officers to cover the Downtown Area as defined in the Downtown Area Plan, which includes portions of Berkeley Police Department Beats 4, 3 and 5.	\$423,331 - \$465,987 annually; \$343,532 overtime annual cost	Harrison
Improved Lighting along the Ohlone Greenway through Cedar Rose Park ¹⁵	03/27/2018	Refer to the budget process the funding of improved lighting along the Ohlone Greenway through Cedar Rose Park.	\$50,000	Maio
Increase Berkeley Civic Arts Grants Program budget by \$75,000 for FY19 ¹⁶	04/03/2018	Refer to the budget process a \$75,000 increase to the FY 19 budget for the Civic Arts Program, bringing the total for FY 2019 to \$500,000.	\$75,000	Hahn, Harrison and Worthington

¹⁴https://www.cityofberkeley.info/Clerk/City_Council/2018/03_Mar/Documents/2018-03-13_Item_19_Budget_Referral_Police.aspx

¹⁵https://www.cityofberkeley.info/Clerk/City_Council/2018/03_Mar/Documents/2018-03-27_Item_12_Budget_Referral_Improved_Lighting.aspx

¹⁶https://www.cityofberkeley.info/Clerk/City_Council/2018/04_Apr/Documents/2018-04-03_Item_11_Budget_Referral_Increase_Berkeley.aspx

Title and Item #	Council Date	Description (Purpose)	Amount	Referred by: Council Member Name
Council Referral on Deep Green building Initiative – recommendation for Dedicated Revenue Stream to Incentivize residential Energy Efficiency and Electrification 17	04/24/2018	Refer to the budget process \$50,000 for the staff work and cost benefit analysis to determine highest value energy-saving measures.	\$50,000	Energy Commission
TOTAL			\$3,076,193	

¹⁷https://www.cityofberkeley.info/Clerk/City_Council/2018/04_Apr/Documents/2018-04-24_Item_16_Partial_Response_to_Council.aspx

Budget Council Meetings

The following are upcoming Council meetings during which budget information will be presented.

Date	Council Meetings
May 15, 2018	Public Hearing #1: Budget FY 2018 Annual Appropriation Ordinance Amendment #2 Proposed Fee Increases
May 29, 2018	Public Hearing #2: Budget Council Recommendations on Budget Due to the City Manager
June 12, 2018	Council Discussion on Budget Recommendations
June 26, 2018	Adopt FY 2019 Budget Update & Annual Appropriation Ordinance

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with the act of adopting the budget. 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.

CONTACT PERSON

Teresa Berkeley-Simmons, Budget Manager, City Manager’s Office, 981-7000
 Henry Oyekanmi, Finance Director, Department of Finance 981-7300

Attachments:

- 1: Responses to Council’s Questions (May 8, 2018 Worksession)

Attachment 1

1. **Question:** What is the total cost of funding the requested 14.75 increase in General Fund FTEs in FY 19?

Response: Even though the net load of the 14.79 positions totaled \$1,087,373, the FY19 Update resulted in General Fund personnel savings totaling \$833,000.

Department	Previous Position	Previous FTE	Previous GF Cost	New Position	GF FTE Classification Change	New GF Cost	Cost Change
City Clerk	Assistant Management Analyst	0.47	66,295	Assistant Management Analyst	0.53	138,502	72,207
City Manager	Assistant to the City Manager	1.00	206,823	Deputy City Manager	1.00	303,433	96,610
City Manager	Animal Control Officer	1.00	127,795	Senior Animal Control Officer	1.00	118,468	(9,326)
City Manager	Senior Management Analyst (HHCS)	1.00	213,142	Senior Management Analyst	1.00	208,455	(4,687)
Finance				Contract Administrator	1.00	153,644	153,644
Finance	Field Representative	1.00	139,377	Revenue Development Specialist I	1.00	121,994	(17,383)
Finance				Revenue Development Specialist II	2.00	300,092	300,092
Fire				Fire Prevention Inspector (Civilian)	1.00	142,695	142,695
HHCS				Homeless Services Coordinator	1.00	158,176	158,176
HHCS	Hourly Health Officer & Labor Distribution Changes		102,508	Manager of Public Health Services	0.50	102,508	0
HHCS				Nutritionist	0.33	26,902	26,902
HHCS				Registered Nurse	0.15	20,087	20,087
HHCS				Senior Community Health Specialist	0.50	69,803	69,803

HHCS	Health Planning, Education & Promotion Supervisor	1.00	13,001	Senior Health Services Program Specialist	0.55	103,374	90,373
IT	Body Worn Camera Staffing Funding		165,656	Applications Programmer Analyst II	1.00	165,656	-
Planning	Senior Management Analyst	1.00	26,718	Administrative & Fiscal Services Manager	0.13	27,334	616
Planning	Associate Planner	1.00	147,921	Assistant Planner	1.00	109,194	(38,727)
Planning	Hazardous Materials Specialist II	1.00	14,897	Hazardous Materials Specialist I	0.10	13,020	(1,877)
PRW	Aquatics Facilities Supervisor	1.00	89,834	Aquatics Coordinator	1.00	118,002	28,168
Totals		9.47	\$1,313,967		14.79	\$2,401,340	\$1,087,373

2. **Question:** Does the above cost assume that the positions are filled all year?

Response: Yes. The cost assumes that the positions are filled beginning July 1, 2018.

3. **Question:** What is the dollar amount in savings associated with the assumed salary savings rate of 3% for FY 19?

Response: \$2.25 million

4. **Question:** How much of the \$1.2 million for software related costs in FY 19 are directly required by the findings of the audit? How much of the funding is discretionary?

Response: *We have to pay for licensing. The Microsoft EA cost for FY19 is \$636,120 and the remaining \$595,100 is for various other software licensing renewals for infrastructure support. All software licensing payments have ongoing annual software assurance and maintenance and support payments requirements.*

Description	FY 19 Funding requirements	What's included
Software Licensing - MICROSOFT EA	\$ 636,120.00	Microsoft EA: City wide licensing for MS Office (Word, Excel, Powerpoint, Publisher), Skype for Business, Azure cloud, O365, MS Project, MS Visio, MS Visual Studio Pro, SQL Server Licensing
Software Licensing ("Keeps the Lights On" Core Technology infrastructure)	\$ 595,100.00	Core Infrastructure: Servers, Storage, warranties, Backup Servers, Website Maintenance, Spam Filtering, Printing Servers, AntiVirus, Monitoring Software, UPS Maintenance, Council Meeting Video Streaming software, Website Subscription services etc..
Total Technology Costs	\$ 1,231,220.00	\$ 1,231,220.00

5. **Question:** Are there additional revenues identified in the budget to be generated by the new revenue development specialists? How much additional revenue is assumed?

Response: *The new revenue development specialists are needed to administer the new revenues tied to the marijuana tax, Measure U1, and short-term rentals. And yes they will be responsible for enhanced auditing. Finance is creating and expanding auditing programs that is expected to increase revenues by \$500,000.*

6. **Question:** Of the \$4.7 million amount requested for repayment to the Workers Compensation fund for Premier Cru requested for FY 19 specifically?

Response: Based on the repayment schedule below the annual payment allocated from Measure U1 is \$946,163. However, it was anticipated that the initial payment would occur in FY 2018. The two year payment for FY 2018 and FY 2019 totals \$1.89 million.

*Summary of Proposed Funds for Repayment
Total Purchase Price: \$6,650,000*

Repayment Source	Principal Repayment Amount	Percent of Purchase Price
General Fund Excess Property Transfer Tax	\$ 2,000,000	30%
Measure U1 Business Tax Revenue	\$ 4,650,000	70%

*Annual Repayment Amounts by Source (with interest)
Total Repayment Amount: \$6,765,575*

Repayment Source	General Fund Excess Property Transfer Tax*	Measure U1 Business Tax Revenue**
FY 2017-18	406,952	946,163
FY 2018-19	406,952	946,163
FY 2019-20	406,952	946,163
FY 2020-21	406,952	946,163
FY 2021-22	406,952	946,163
Total	\$2,034,760	\$4,730,815

7. Question: Please prioritize the expenditures for the Marina.
Response: Please see chart below.

		:KEY:			
		Planning, Design		Construction	
PROJECT NAME OR SCOPE	Project Cost	FY19	FY20	FY21	FY22
One-time Waterfront needs	Project Cost				
Project Manager (3-year, project-based position)	\$650,000	\$650,000			
Waterfront Master Plan* *Addl \$150k budgeted in existing FY19 budget	\$500,000	\$500,000			
Finger Dock & Piling Design, Permitting & Replacement	\$3,325,000	\$200,000	\$850,000	\$850,000	\$1,425,000
Parking Lot, Restroom & Gates: F-G Dock	\$1,450,000	\$220,000			\$1,230,000
Parking Lot, Restroom, & Electrical: O Dock, plus Electrical at K Dock	\$2,860,000	\$430,000			\$2,430,000
Parking Lot: J & K Dock	\$1,005,000	\$160,000			\$845,000
Parking Lot Gates: D & E Dock	\$150,000	\$150,000			

Restroom Upgrades** **Addl \$175k budgeted in existing FY19 budget	\$75,000	\$75,000			
Meadow Area Barrier	\$150,000	\$150,000			
Shoreline Stabilization (New)	\$1,640,000	\$250,000			\$1,390,000
Total	\$11,805,000	\$2,785,000	\$850,000	\$850,000	\$7,320,000

8. **Question:** What is the explanation for a projected decline in U1 revenue in FY 20 shown on page 12 of the report?

Response: *The projection for U1 for 2020 is \$3.2 Million and \$3.4 Million for 2021. The \$2.2 Million and \$2.4 Million in the chart are the unallocated expenditures beyond the \$1 million already allocated for both FY 2020 and FY 2021. Please note that the U1 allocations totaling \$1 Million is included in FY 2020 and FY 2021.*

9. **Question:** Where are the \$2.5-6.5 million in annual interest earnings on the City's pooled investment funds shown in the budget?

Response: *The \$2.5 million in annual interest earning tied to the General Fund are included in Attachment 2 of the May 8, report. The chart is also included below and the General Fund interest income is highlighted. The remaining interest is allocated to the various special funds to support baseline operations.*

**FY 2019
Proposed Update General Fund Revenues
Summary**

	Actual Revenues FY 2016	Actual Revenues FY 2017	Adopted Revenues FY 2018	Adopted Revenues FY 2019	Proposed Update Revenues FY 2019
Secured Property	\$48,046,765	\$51,474,746	\$50,018,636	\$50,768,165	\$57,966,998
Unsecured Property	2,661,235	2,568,891	2,767,684	2,809,200	2,500,000
Supplemental Taxes	1,469,993	1,874,630	1,100,000	1,116,500	1,400,000
Property Transfer Tax	17,452,190	17,151,793	12,500,000	12,500,000	12,500,000
Sales Tax	15,944,002	20,105,287	18,000,000	18,522,000	18,140,977
Soda Tax	1,712,892	1,550,222	1,721,456	1,747,278	1,500,000
Business License	18,089,403	18,829,739	18,451,191	18,727,959	19,200,000
Utility Users Tax	14,211,318	15,109,305	14,282,375	14,496,610	15,000,000
Hotel Tax	7,813,366	7,810,884	7,969,633	8,089,178	7,800,000
Vehicle In-Lieu	10,308,802	10,994,452	10,320,402	10,475,208	12,381,128
Parking Fines	6,134,784	6,120,474	6,503,322	6,600,871	5,818,123
Moving Violations	252,752	232,523	239,770	243,367	235,000
Interest	2,465,654	2,385,492	2,211,000	2,244,165	2,500,000
Ambulance Fees	4,102,074	4,183,673	4,823,720	4,913,194	4,613,194
Franchise Fees	1,916,975	1,988,589	1,955,315	1,984,643	1,984,643
Other Revenue	10,544,785	9,414,370	11,106,877	11,114,391	11,878,092
Transfers	8,814,438	9,417,888	8,920,421	8,961,523	9,337,885
TOTAL	\$171,941,428	\$181,212,958	\$172,891,802	\$175,314,252	\$184,756,040

10. **Question:** How much additional interest might we earn with a 10-year horizon for investments as compared to a 5-year horizon?

Response: *The California Government Code Section 53601 allows municipalities to invest for a maximum of 10 years. Typically, the longer the funds are invested, the higher the rate of return generated on those investments. Also, the longer the funds are invested, the longer the call protection. Below is the current yield as of close of business on May 11, 2018:*

Name	Yield		
<u>U.S. 1 Month Treasury Bill</u>	1.67%		
<u>U.S. 3 Month Treasury Bill</u>	1.917%		
<u>U.S. 6 Month Treasury Bill</u>	2.061%		
<u>U.S. 1 Year Treasury Bill</u>	2.2787%		
<u>U.S. 2 Year Treasury Note</u>	2.5431%		
<u>U.S. 3 Year Treasury Note</u>	2.701%		
<u>U.S. 5 Year Treasury Note</u>	2.8348%		
<u>U.S. 7 Year Treasury Note</u>	2.9361%		
<u>U.S. 30 Year Treasury Bond</u>	3.105%		

11. **Question:** Can the following Council priorities be paid from one-time funds available from excess property tax:

- a. Traffic improvements (\$625,000)?
- b. Resilient Shoreline Program?
- c. Lighting on Ohlone Greenway?

Response: *One of Council's fiscal policies is that Transfer Tax in excess of the \$12.5 million baseline will be treated as one-time revenue to be used for the City's capital infrastructure needs. The items listed above are one-time capital infrastructure needs.*

12. **Question:** What is the amount needed to cover liabilities related to the Section 115 trust fund? Where do those funds reside?

Response: *The City has \$3.5 Million seed money to implement the IRS Section 115 Trust Fund. The cost or liabilities will be netted with the earned revenues.*

13. **Question:** For the short term rental program, by how much are staff costs expected to exceed the fees/penalties collected?

Response: *Staff is still in the process of determining the fiscal need to administer the program.*

14. **Question:** Why are some community agencies funded in FY 2018 and not in FY 2019?

Response: *The agencies received only one year allocations from the Council in FY 2018. Council authorized the following one-time allocations in June 27, 2017¹ and December 5, 2017².*

¹ https://www.cityofberkeley.info/Clerk/City_Council/2017/06_June/City_Council_06-27-2017_-_Regular_Meeting_Agenda.aspx

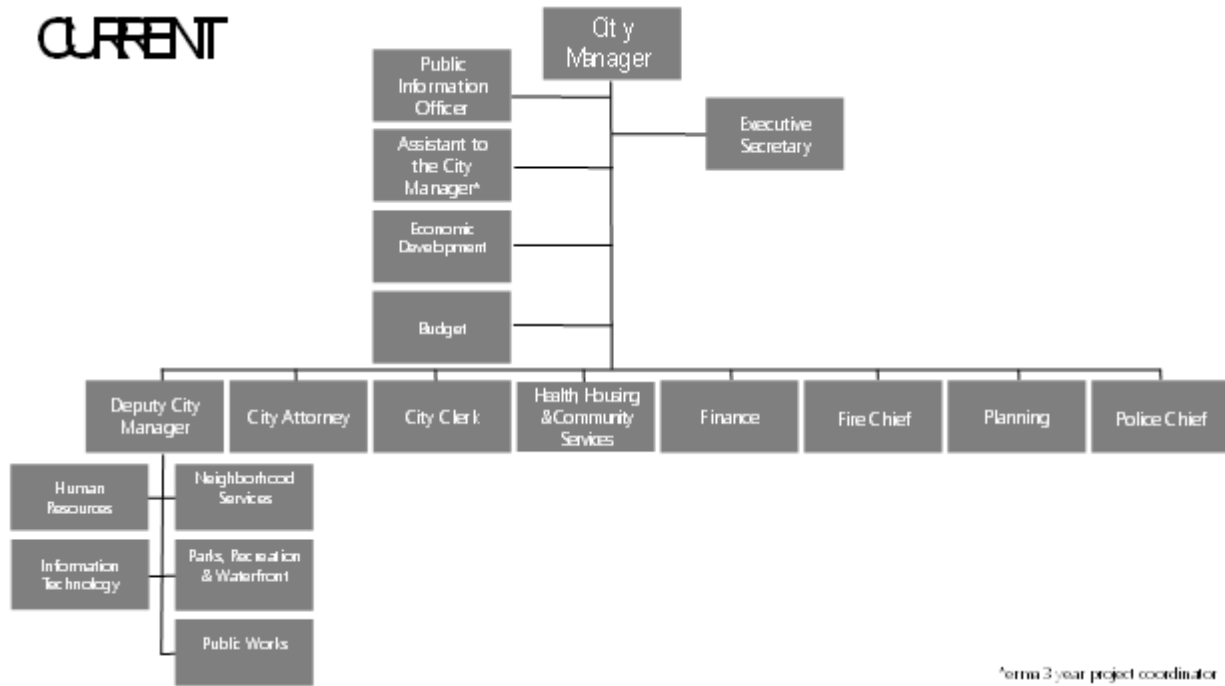
² https://www.cityofberkeley.info/Clerk/City_Council/2017/12_Dec/City_Council_12-05-2017_-_Regular_Meeting_Agenda.aspx

ONE-TIME EXPENDITURES (FY18)		June 27, 2017
Description	Amount	
Berkeley Inclusion in Opportunity Index	\$100,000	
Legal + Mental Health Support for Immigrants and Religious Communities	\$50,000	
Pathways Project Starting Capital	\$250,000	
Pathways Project Capital Expenses	\$150,000	
South Berkeley Community Church	\$14,000	
SupplyBank.Org Expanded School Supply Distribution	\$25,000	
Feasibility Study and Impact Analysis for African American Holistic Resource Center	\$75,000	
Berkeley Civic Arts Program	\$140,000	
Berkeley Art Center	\$11,000	
Evaluation of Allston and California Stop Signs	\$8,000	
Funding for Street Lighting	\$50,000	
Hawk Light at Claremont Boulevard and Russell Street	\$50,000	
Increase Funding for Neighborhood Traffic Calming	\$50,000	
Pedestrian Activated Crosswalk at Sacramento Street and North Berkeley BART	\$80,000	
Three Beacon Lights	\$75,000	
RFP Step Up Housing	\$45,000	
One Time FY2018 Total (June 27, 2017)	\$1,173,000	
One-Time Expenditures Mid-Year FY18		
Description	Amount	
Pathways Project Operating Costs	\$1,900,000	
Berkeley Age-Friendly Continuum	\$20,000	
Berkeley Youth Alternatives After-School Center	\$30,000	
Berkeley Youth Alternatives Counseling Center	\$49,000	
Berkeley Housing Authority Damage Claim Program	\$50,000	
Enhanced Public Health Measures	\$60,000	
Berkeley High School MEET Program	\$46,389	
Payment to Catastrophic Reserve and General Reserve	\$371,000	
Illegal Dumping Clean-up	\$100,000	
Emergency Winter Shelter and Warming Center Program	\$300,000	
Funding Gap for Women's and Men's Shelter	\$170,000	
Downtown Storage Pilot Program	\$50,000	
Alta Bates Closure Health Impact Assessment	\$25,000	
Land Use Planning Consultant	\$172,142	
Police Data Analyst Consultant	\$50,000	
California/Dwight Traffic Calming	\$100,000	
Cedar/Rose Traffic Calming	\$100,000	
Claremont/Eton RFFB Light	\$50,000	
UC Theater	\$30,000	
Small Sites Program	\$1,000,000	
One-Time FY 2018 Total (December 5, 2017)	\$4,673,531	

15. **Question:** What does the proposed CMO reorganization look like with the addition of a second Deputy City Manager?

Response: Please see charts below

CURRENT



PROPOSED

