



Office of the City Manager

Date: May 19, 2020
To: Budget & Finance Policy Committee
From: Dee Williams-Ridley, City Manager
Submitted by: Teresa Berkeley Simmons, Budget Manager
Subject: FY 2021 Budget Update:
Amending the City Council's Policy for the General Fund Reserves

RECOMMENDATION

Request that the Budget and Finance Policy Committee review and approve the changes to the General Fund Reserves Policy. If approved staff will request that the City Council amend Resolution 68,332-N.S. to modify the General Fund Reserve policy as recommended by the City Auditor at the Budget & Finance Policy Committee meeting on May 11, 2020, with the additional amendments:

1. Use Policy be amended to state that when using reserves, the City should specify:
 - a. the specific purpose for the use of reserve funds;
 - b. the time frame in which the reserve funds can be used; and
 - c. how much will be used during that time frame.
2. Allow flexibility in the timeframe in which the reserve funds can be used.
3. Amend the definition of catastrophic reserve to include public health emergencies and pandemics.

FISCAL IMPACTS OF RECOMMENDATION

Amending the definition of the catastrophic reserve will give the City Council more flexibility in directing the use of the General Fund Reserve.

CURRENT SITUATION AND ITS EFFECTS

The economic and financial impacts of the COVID-19 pandemic on Berkeley's finances are significant. As a result of whirlwind declines in the City's General Fund revenue streams, we are facing a \$28.7 million General Fund shortfall in FY 2021. Staff has been conducting analyses on the City's General Fund revenue sources to assess the impacts of COVID-19 to the City's revenue stream. In order to help mitigate this General Fund shortfall, departments were required to provide tiered General Fund expenditure deferrals or 1-time reductions for consideration. However, these proposals might not be enough to resolve the shortfall; thus, requiring the use of the General Fund Reserves.

On May 11, 2020, the City Auditor presented her report which recommended that the Reserves Use Policy be amended to specify: 1) the specific purpose for the use of reserve funds, 2) the time frame in which the reserve funds can be used, and 3) how much will be used during that time frame. The Policy Committee voted to move the item with a positive recommendation to the City Council to modify the General Fund Reserve policy as recommended by the City Auditor with the following amendments:

1. Allow flexibility in the timeframe in which reserve funds can be used and;
2. Amend the definition of catastrophic reserve to include public health emergencies and pandemics.

BACKGROUND

On January 24, 2017, the Berkeley City Council voted to establish a minimal General Fund Reserve level and designate specific portions of the reserve for stabilization and catastrophic purposes.

On October 3, 2017, Council members Droste, Harrison, Wengraf and Worthington formed an ad-hoc subcommittee to review and propose General Fund Stability Reserve Usage criteria.

On February 13, 2018, the Berkeley City Council voted to include General Fund Usage criteria establishing that the General Fund Stability Reserve, shall only be drawn upon if the following specific criteria are met.

1. City revenues are insufficient to meet normal operating expenses.
2. A hiring freeze has been implemented, with exceptions only for designated positions as appropriate to maintain essential and core services to the public that support public health, safety, and welfare. Essential services will be determined at the time of fiscal emergency with a recommendation from the City Manager to be approved by City Council.
4. User fees and services charges are being fully utilized for those services for which they were collected.
5. A declaration of fiscal emergency is made by ordinance before drawing on the reserves. Fiscal emergency is defined as the following:
 - a. When general revenues increase less than 3% from the prior fiscal year.
 - b. When the City needs to mitigate State or Federal budget actions that may reduce revenue or increase expenditures.
 - c. When the City must absorb liability settlements in excess of available resources in the City's litigation designation.

The General Fund Stability Reserve shall only be used in the following manner:

1. Stability Reserve funds shall be prioritized to preserve essential services and necessary staffing levels determined at the time of fiscal emergency with a recommendation from the City Manager to be approved by City Council.
2. All other reasonable and available expenditure reduction measures shall have been considered by the City Manager and the City Council before using one-time funding to support operational positions.
3. Operational positions shall not receive Stability Reserve funds for longer than two years except in extreme conditions.

For any draw-down of Stability Reserve funds, Council shall adopt a plan to repay the dollar amount of the drawdown within three months of the withdrawal. Restoration of Reserves begins within 24 months after first use. A timeline for full reimbursement must be included in the repayment plan.

ENVIRONMENTAL SUSTAINABILITY

None

RATIONALE FOR RECOMMENDATION

Defining the purpose, time frame, and amount before using reserves will help ensure accountability and transparency in the City's use of the General Fund Reserves and establish clear expectations with the public. Allowing flexibility in the timeframe in which the reserve funds can be used and amending the definition of catastrophic reserve to include public health emergencies and pandemics allows the City the agility needed to effectively respond to the COVID-19 pandemic.

CONTACT PERSON

Teresa Berkeley-Simmons, Budget Manager, City Manager's Office, 981-7000

Attachments:

1: Resolution

Exhibit A: General Fund Reserve Policy

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

AMENDING THE CITY COUNCIL'S POLICY FOR THE GENERAL FUND RESERVES

WHEREAS, the General Fund Reserves ensures the City's ability to maintain vital services to the community during times of economic uncertainty; and

WHEREAS, the City is committed to achieving long-term fiscal stability as well as mitigating the negative impacts of extraordinary risk such as earthquakes, fires, floods, public health emergencies and pandemics; and

WHEREAS, the current General Fund Reserve level of 17.43% is consistent with GFOA's best practice recommended minimum General Fund level of 16.7%; and

WHEREAS, specific portions of the reserves should be designated for catastrophic and stabilization purposes and should be reported separately from the General Fund Balance; and

WHEREAS, when using the General Fund Reserves the City should specify the purpose for the use of reserve funds, the time frame in which the reserve funds can be used, and how much will be used during that time frame. In addition the use and replenishment of the General Fund Reserves policy should allow flexibility in the timeframe in which the reserve funds can be used and the definition of catastrophic reserve should be amended to include public health emergencies and pandemics.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the attached exhibit titled General Fund Reserve Policy is hereby adopted.

City of Berkeley General Fund Reserve Policy

Policy

The General Fund is the City's primary operating fund. It is not connected to any one revenue source and may be used at the City's discretion. The General Fund is the operation fund that pays for general services provided by the City as well as public safety and capital improvements. The General Fund accounts for all general revenues and expenditures of the City related to the delivery of the City's general services not specifically collected or levied for other City funds.

The City of Berkeley is committed to achieving long-term fiscal stability as well as mitigating the negative impacts of extraordinary risk such as earthquakes, fires, floods, public health emergencies, pandemics, and economic volatility. A key attribute of a financially stable organization is appropriate reserves. Strong reserves position an organization to weather significant economic downturns more effectively, manage the consequences of outside agency actions that may result in revenue reductions, and address unexpected emergencies such as natural disasters and other catastrophic events. Establishing an adequate General Fund reserve policy allows the City to mitigate current and future financial risks resulting from economic instability or catastrophic loss.

Functions of Reserves: Stability and Catastrophic

The City of Berkeley will establish and maintain an adequate General Fund Reserve ("Reserve") to prepare for the impact of economic cycles and catastrophic events and assure fluctuations in revenue do not impede the City's ability to meet expenditure obligations. When revenues fail to meet the City's normal operating requirements, or the need for disbursements temporarily exceeds receipts, General Fund reserves, upon a two-thirds vote of the City Council, may be used in accordance with the standards set forth herein.

The Reserve shall be comprised of two elements: a Stability Reserve and a Catastrophic Reserve. The Reserve shall not be used for ongoing or new programs or services.

A **Stability Reserve** will be maintained to mitigate loss of service delivery and financial risks associated with unexpected revenue shortfalls during a single fiscal year or during a prolonged recessionary period. The purpose of the Stability Reserve is to provide fiscal stability in response to unexpected downturns or revenue shortfalls, and not to serve as a funding source for new programs or projects.

A **Catastrophic Reserve** will be maintained for the purpose of sustaining General Fund operations in the case of a public emergency such as a natural disaster or other catastrophic event. The Catastrophic Reserve will be used to respond to extreme, onetime events, such as earthquakes, fires, floods, civil unrest, terrorist attacks, public health emergencies and pandemics. The Catastrophic Reserve will not be accessed to meet operational shortfalls or to fund new programs or projects.

Funding and Functions that are NOT Part of the General Fund Reserves

Not included in the General Fund Reserves are funds that are set aside for a specific purpose. This would include restricted, committed, and assigned funds.

- The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action by the City Council.
- Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Target Reserve Levels

The General Fund Reserve consists of the total of the Stability Reserve and the Catastrophic Reserve. 55% of the Reserve shall be allocated to the Stability Reserve and 45% to the Catastrophic Reserve.

Effective immediately, the target level for the Reserve shall be a minimum of 13.8% of 2017 Adopted General Fund Revenues with an Intermediate Goal of a minimum of 16.7% by the end of Fiscal Year 2020, if financially feasible. The Council hereby adopts a Long Term Goal of a Reserve of a minimum of 30% of General Fund Revenues, to be achieved within no more than 10 years. Based on a risk assessment (according to best practices), to be updated at least every five years, the Council may consider increasing or lowering the General Fund Reserve level.

Starting in Fiscal Year 2018, to achieve the City's Intermediate and Long Term Reserve Goals, 50% of Excess Equity above the first \$1 M shall be allocated to Reserves. Additional Excess Equity may be allocated to Reserves by a majority vote of the City Council.

Methodology to Meet Reserve Levels

The General Fund Reserve is separate from the General Fund Balance. The sum of the Stability Reserve and the Catastrophic Reserve and the amount determined to be Excess Equity is deemed to be General Fund Unassigned Fund Balance. Unassigned Fund Balance is the residual classification for the City's General Fund and includes all spendable amounts not contained in the other classifications.

Excess Equity is most commonly a non-recurring source of revenue and shall only be used for one-time, non-recurring expenditure needs of the City. Excess Equity should be reported separately from the General Fund Reserves.

Attaining the Long-Term Goal of a General Fund Reserve of a minimum of 30% of General Fund Revenues is important to the long-term financial health and stability of the City.

Replenishment of the General Fund Reserves

The City Manager shall recommend a replenishment schedule for all monies proposed for appropriation from the General Fund Reserves. The replenishment schedule shall be adopted simultaneous with the appropriation to withdraw Reserve funds or, if infeasible due to emergency circumstances, no more than 3 months from the date of the withdrawal appropriation. Repayment shall begin no more than 5 years from the date of withdrawal and be completed within 10 years from the date of withdrawal. While staff envisions that, in most cases, repayment will start as soon as possible, the repayment guidelines are meant to reflect a commitment to maintain a sufficient Reserve, while also recognizing that a use of Reserve funds may occur during an economic downturn and it may be necessary to postpone repayment while the economy improves.

Usage of the General Fund Stability Reserve

The General Fund Stability Reserve shall only be drawn upon if all of the following criteria are met:

1. City revenues are insufficient to meet normal operating expenses.
2. A hiring freeze has been implemented, with exceptions only for designated positions as appropriate to maintain essential and core services to the public that support public health, safety, and welfare. Essential services will be determined at the time of fiscal emergency with a recommendation from the City Manager to be approved by City Council.
3. User fees and services charges are being fully utilized for those services for which they were collected.
4. A declaration of fiscal emergency is made by ordinance before drawing on the reserves. Fiscal emergency is defined as the following:
 - a. When General Fund revenues increase less than 3% from the prior fiscal year.
 - b. When the City needs to mitigate State or Federal budget actions that may reduce revenue or increase expenditures.
 - c. When the City must absorb liability settlements in excess of available resources in the City's litigation designation.

The General Fund Stability Reserve shall only be used in the following manner:

1. Stability Reserve funds shall be prioritized to preserve essential services and necessary staffing levels determined at the time of the fiscal emergency with a recommendation from the City Manager to be approved by the City Council.
2. All other reasonable and available expenditure reduction measures shall

have been taken by the City Manager and the City Council before using one-time funding to support operational positions.

3. Operational positions shall not receive Stability Reserve funds for longer than two years except in extreme conditions.

For any draw-down of Stability Reserve funds, Council shall adopt a plan that identifies the specific purpose for the use of the Stability Reserve funds, the amount of Stability Reserve funds that are needed and, to the extent practicable, a timeframe in which Stability Reserve funds will be repaid. If it is not possible to estimate the timeframe in which Stability Reserve funds will be repaid at the time that they are appropriated, a repayment plan will be presented to City Council no more than 3 months from the date of the withdrawal appropriation. It is the City's goal to repay Stability Reserve funds within 24 months after they are appropriated, however, economic conditions may require flexibility in meeting this timeframe.



Office of the City Manager

Date: May 19, 2020
To: Budget & Finance Policy Committee
From: Dee Williams-Ridley, City Manager
Submitted by: Teresa Berkeley Simmons, Budget Manager
Subject: FY 2021 Budget Update:
General Fund Capital Projects & Other Non-Personnel Deferrals

The City Council adopted the FY 2020 and FY 2021 Biennial Budget (Biennial Budget) and the FY 2020 and FY 2021 Capital Improvement Program Budget (CIP Budget) on June 25, 2019. The Biennial Budget was a 2-year balanced budget. The Proclamation of Local Emergency to respond to COVID-19 was issued on March 3, 2020.

The economic and financial impacts of the COVID-19 pandemic on Berkeley's finances are significant. As a result of whirlwind declines in the City's General Fund revenue streams, we are facing a \$28.7 million General Fund shortfall in FY 2021. To help mitigate this General Fund shortfall, departments were required to provide for consideration tiered General Fund expenditure deferrals or 1-time reductions of 10 percent, 12 percent, and 15 percent of expenditures for FY 2021. However, these proposals might not be enough to resolve the shortfall; thus, requiring the use of the General Fund Reserves as well as other contingencies.

The City Manager established a hiring freeze effective April 27, 2020, and departments are reviewing the vacancies to determine additional General Fund savings. Please note that many of the vacant positions are funded by special funds and will not result in General Fund savings.

The City Manager's recommended FY 2021 General Fund Capital Projects & Other Non-Personnel Deferrals range from \$4.1 million to \$7.4 million. The City Manager's recommended FY 2021 General Fund Personnel Deferrals will be presented to the Budget & Finance Policy Committee and the City Council on May 26, 2020

Attachment:

1. General Fund Capital Projects & Other Non-Personnel Deferrals



**FY 2021 General Fund Proposed Target Deferrals
All Departments
Capital & Non- Personnel Services**

Department	Program/Item	PROPOSED			FY 2020 Allocations	Comments
		10%	12%	15%		
<u>City Auditor</u>	<i>Recommended Deferral</i>	\$ 243,076	\$ 291,692	\$ 364,615		
	Reduce travel cost, equipment and supplies	\$ 28,000	\$ 28,000	\$ 28,000		Service Impacts: decrease of 5 percent of performance audits and would assume some of the responsibilities for this position in the interim. No significant service impacts from Auditor II underfill. Lack of travel will reduce ability to receive high quality audit training.
	<i>Sub-Total</i>	\$ 28,000	\$ 28,000	\$ 28,000		
<u>City Attorney</u>	<i>Recommended Deferral</i>	\$ 282,106	\$ 338,527	\$ 423,159		
	40% reduction in Supplies, books, and subscription	\$ 26,200	\$ 26,200	\$ 26,200		
	<i>Sub-Total</i>	\$ 26,200	\$ 26,200	\$ 26,200		
<u>City Clerk</u>	<i>Recommended Deferral</i>	\$ 266,766	\$ 320,119	\$ 400,148		
	Deferral of purchase for e-filing software for Lobbyist Filings	\$ 20,000	\$ 20,000	\$ 20,000	Yes	
	Deferral from software account	\$ 10,000	\$ 10,000	\$ 10,000		
	<i>Sub-Total</i>	\$ 30,000	\$ 30,000	\$ 30,000		

Notes: Additional savings could be generated from Elections Costs Deferral and Fair Elections Fund Deferral depending on the number of measures placed on the ballot and potential new costs from ROV related to COVID-19.



**FY 2021 General Fund Proposed Target Deferrals
All Departments
Capital & Non- Personnel Services**

Department	Program/Item	PROPOSED			FY 2020 Allocations	Comments
		10%	12%	15%		
<u>CMO - Admin</u>	<i>Recommended Deferral</i>	\$ 687,632	\$ 825,158	\$ 1,031,448		
	Census 2020 (FY20)	\$ 125,000	\$ 125,000	\$ 125,000	Yes	unspent funds in FY20 due to COVID-19
	Printing and Binding	\$ 7,000	\$ 7,000	\$ 7,000		
	Advertising	\$ 5,000	\$ 5,000	\$ 5,000		
	Postage	\$ 5,000	\$ 5,000	\$ 5,000		
	Office Supplies	\$ 5,000	\$ 5,000	\$ 5,000		
	Miscellaneous	\$ 5,000	\$ 5,000	\$ 5,000		
	Solano Avenue Revitalization Plan	\$ 300,000	\$ 300,000	\$ 300,000	Yes	FY 20 Excess equity - Carried over to FY 21, Part of Baseline 1-time allocation
	Citywide Risk Assessment	\$ 100,000	\$ 100,000	\$ 100,000	Yes	FY 20 Excess equity, no contract, no funds spent
	<i>Sub-Total</i>	<i>\$ 552,000</i>	<i>\$ 552,000</i>	<i>\$ 552,000</i>		
<u>CMO-Animal Services</u>	Pride industries		\$ 9,177	\$ 9,177		
	Airfare		\$ 3,000	\$ 3,000		
	Lodging		\$ 2,000	\$ 2,000		
	Field Supplies		\$ 7,000	\$ 7,000		
	Other Supplies		\$ 6,000	\$ 6,000		
	<i>Sub-Total</i>		<i>\$ 27,177</i>	<i>\$ 27,177</i>		



**FY 2021 General Fund Proposed Target Deferrals
All Departments
Capital & Non- Personnel Services**

Department	Program/Item	PROPOSED			FY 2020 Allocations	Comments
		10%	12%	15%		
<u>CMO - OED</u>	<i>Recommended Deferral</i>	\$ 288,649	\$ 346,379	\$ 432,974		
	<i>Adjusted Deferral per OED*</i>	\$ 157,831	\$ 189,397	\$ 236,746		
	Festival Grants Program	\$ 158,315	\$ 158,315	\$ 158,315		The City will likely be discouraging large gatherings through FY21 (although some of these events may still occur by pivoting to online or other media).
	Berkeley Film Foundation		\$ 25,000	\$ 25,000		
	15% Berkeley Arts Center Reduction		\$ 12,998	\$ 12,998		
	Small Business Support		\$ 75,000	\$ 75,000		Funding for support for businesses at risk of displacement or closure, provided by nonprofit partners.
	Bayer Development Agreement		\$ 25,000	\$ 25,000	Yes	FY 20 Excess Equity, No Contract, Not Spent
	Reduce Civic Arts Grants		\$ 50,000	\$ 50,000		10% reduction, eliminate project grants to individual artists
	Sub-Total	\$ 158,315	\$ 346,313	\$ 346,313		

*Adjusted for the Downtown PBID

Notes: Assessment and Visit Berkeley (pass through allocations)

Downtown PBID Assessment: Under the provisions of Prop 218 the City is obligated to pay this special assessment \$ 158,187

Visit Berkeley TOT Share: This amount will automatically scale down, as the actual payment is calculated as one twelfth of TOT revenues. \$ 650,000



**FY 2021 General Fund Proposed Target Deferrals
All Departments
Capital & Non- Personnel Services**

Department	Program/Item	PROPOSED			FY 2020 Allocations	Comments
		10%	12%	15%		
<u>Finance</u>	<i>Recommended Deferral</i>	\$ 640,155	\$ 768,186	\$ 960,233		
	No non-personnel items proposed					
<u>Fire</u>	<i>Recommended Deferral</i>	\$ 3,295,464	\$ 3,954,556	\$ 4,943,196		
	Travel	\$ 5,000	\$ 5,000	\$ 5,000		Defer 6 months of travel budget since usage is all year.
	Eliminate Exam Testing	\$ 14,000	\$ 14,000	\$ 14,000		Eliminate outside consultant and conduct in-house promotional exam process.
	Vegetation Mgmt. non-personnel budget		\$ 334,000	\$ 334,000	Yes	Due to pandemic, veg mgmt. plans weren't able to be executed and \$334k was routed to EOC budget.
	<i>Sub-Total</i>	<i>\$ 19,000</i>	<i>\$ 353,000</i>	<i>\$ 353,000</i>		
<u>HHCS</u>	<i>Recommended Deferral</i>	\$ 1,468,827	\$ 1,762,593	\$ 2,203,241		
	HO - Infectious Disease grant	\$ 80,000	\$ 80,000	\$ 80,000		Use to fund Covid efforts in FY21
	SSB program		\$ 30,000	\$ 30,000		Save funds from FY21
	<i>Sub-Total</i>	<i>\$ 80,000</i>	<i>\$ 110,000</i>	<i>\$ 110,000</i>		
<u>Human Resources</u>	<i>Recommended Deferral</i>	\$ 237,075	\$ 284,490	\$ 355,612		
	Employee Relations Professional Service Contract			\$ 25,000		
	From Personnel and Admin Services			\$ 15,247		
	Advertising account					
	Navex Contract			\$ 16,989		
	<i>Sub-Total</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 57,236</i>		



**FY 2021 General Fund Proposed Target Deferrals
All Departments
Capital & Non- Personnel Services**

Department	Program/Item	PROPOSED			FY 2020 Allocations	Comments
		10%	12%	15%		
Information Technology	<i>Recommended Deferral</i>	\$ 940,293	\$ 1,128,351	\$ 1,410,439		
	Fund 891 Division 2701					
	MISC PROF SVCS	\$ 27,445	\$ 63,503	\$ 102,731		
	PROFESSIONAL DUES AND FEE	\$ 18,000	\$ 24,800	\$ 50,000		Cancelled Gartner Subscription
	COMMERCIAL TRAVEL	\$ 7,200	\$ 7,200	\$ 7,200		
	BOOKS AND PUBLICATIONS	\$ 3,000	\$ 10,000	\$ 12,000		
	Fund 891 Division 2702					Cancelled: GIS Master Address Database Project
	MISC PROF SVCS	\$ 60,000	\$ 90,000	\$ 180,000		
	PROFESSIONAL DUES AND FEE	\$ 15,000	\$ 20,000	\$ 30,000		
	FURNITURE AND FIXTURES	\$ 5,000	\$ 5,000	\$ 5,000		
	COMPUTERS & PRINTERS	\$ 2,500	\$ 5,000	\$ 7,500		
	SMALL EQUIPMENT	\$ 2,500	\$ 2,500	\$ 2,500		
	Fund 891 Division 2703					Cancelled: Deployment of additional ServiceNow modules
	MISC PROF SVCS	\$ 105,000	\$ 120,000	\$ 125,000		
	COMPUTER SOFTWARE/LIC MTC	\$ 100,000	\$ 100,000	\$ 100,000		Cancelled: Scripting project
	PROFESSIONAL DUES AND FEE	\$ 15,000	\$ 15,000	\$ 15,000		
	FURNITURE AND FIXTURES	\$ 5,000	\$ 5,000	\$ 5,000		
	COMPUTERS & PRINTERS	\$ 2,500	\$ 5,000	\$ 10,000		
	SMALL EQUIPMENT	\$ 7,000	\$ 7,000	\$ 7,000		
	Fund 891 Division 2704					Cancelled: Help Desk training and education services
	MISC PROF SVCS	\$ 10,000	\$ 12,000	\$ 27,260		
	MISC PROF SVCS	\$ 54,000	\$ 112,000	\$ 162,000		Cancelled: Two cyber security priority 2 projects
	SMALL EQUIPMENT	\$ 5,000	\$ 7,000	\$ 21,250		Cancelled: cables and components for citywide distribution



**FY 2021 General Fund Proposed Target Deferrals
All Departments
Capital & Non- Personnel Services**

Department	Program/Item	PROPOSED			FY 2020 Allocations	Comments
		10%	12%	15%		
<u>Information Technology Continuation</u>	Fund 891 Division 2709					
	COMPUTER SOFTWARE/LIC MTC	\$ 40,000	\$ 50,000	\$ 60,000		Cancelled: CRM Project (Lagan replacement)
	TELEPHONES	\$ 7,000	\$ 15,000	\$ 25,000		
	PRINTING AND BINDING	\$ 1,500	\$ 2,500	\$ 3,650		
	COMMERCIAL TRAVEL	\$ 3,000	\$ 4,000	\$ 5,000		
	BOOKS AND PUBLICATIONS	\$ 350	\$ 350	\$ 350		
	OFFICE SUPPLIES	\$ 1,500	\$ 2,000	\$ 2,500		
	FURNITURE AND FIXTURES	\$ 1,500	\$ 2,000	\$ 2,500		
	SMALL EQUIPMENT	\$ 1,000	\$ 1,200	\$ 1,700		
	Fund 891 Division 2750					
	COMPUTERS & PRINTERS	\$ 67,298	\$ 67,298	\$ 67,298		Cancelled: FY21 Wifi and Uninterrupted Power Supplies Replacement Programs
	1947 MOVE	\$ 572,000	\$ 572,000	\$ 572,000	Yes	
	Fund 608 Division 2750					
	VOIP	\$ 198,000	\$ 198,000	\$ 198,000		Cancelled FY21 Annual GF transfer to VoIP
Sub-Total	\$ 1,337,293	\$ 1,525,351	\$ 1,807,439			
<u>Planning</u>	Recommended Deferral	\$ 213,391	\$ 256,069	\$ 320,086		
	CEQA student housing	\$ 45,000	\$ 45,000	\$ 45,000	Yes	
	Density Standards	\$ 8,000	\$ 8,000	\$ 8,000	Yes	
	Southside EIR	\$ 58,000	\$ 58,000	\$ 58,000	Yes	
	Missing Middle RFP Study	\$ 100,000	\$ 100,000	\$ 100,000	Yes	
	BART Station Env Planning		\$ 50,000	\$ 50,000	Yes	
	Landmarks Pres Grants			\$ 20,000	Yes	
	BART Station Env Planning (ph 3 deferral)			\$ 40,000	Yes	
	Sub-Total	\$ 211,000	\$ 261,000	\$ 321,000		



**FY 2021 General Fund Proposed Target Deferrals
All Departments
Capital & Non- Personnel Services**

Department	Program/Item	PROPOSED			FY 2020 Allocations	Comments
		10%	12%	15%		
<u>Police</u>	<i>Recommended Deferral</i>	\$ 6,985,110	\$ 8,382,132	\$ 10,477,665		
	Non-mandatory training and travel along with eliminating non-essential purchases	\$ 500,000	\$ 500,000	\$ 500,000		
	Defer purchase of vehicles	\$ 412,483	\$ 412,483	\$ 412,483		
	Gun buyback program	\$ 60,000	\$ 60,000	\$ 60,000	Yes	
	Sub-Total	\$ 972,483	\$ 972,483	\$ 972,483		
<u>PRC</u>	<i>Recommended Deferral</i>	\$ 62,610	\$ 75,132	\$ 93,915		
	Services and Materials	\$ 13,509	\$ 13,509	\$ 13,509		Substantial savings in the Registration, Travel, and Meals & Lodging categories, due to cancellation of the NACOLE conference. The conference is being reformulated as a series of webinars, for a fee, so a small amount remains in the Registration category.
	Services and Materials		\$ 1,425	\$ 1,425		Postage and Rental of Office Equipment & Furniture (copier) expenses are reduced by a greater reliance on electronic agenda packets, and perhaps a reduction in the number of meetings. This would also reduce the amount of office supplies needed.
	Services and Materials			\$ 4,275		Charges for using the South Berkeley Senior Center (Rental of Land) for Commission meetings could be reduced by having fewer meetings or holding them via videoconferencing
	Sub-Total	\$ 13,509	\$ 14,934	\$ 19,209		



**FY 2021 General Fund Proposed Target Deferrals
All Departments
Capital & Non- Personnel Services**

Department	Program/Item	PROPOSED			FY 2020 Allocations	Comments
		10%	12%	15%		
<u>PRW</u>	<i>Recommended Deferral</i>	\$ 609,205	\$ 731,046	\$ 913,807		
	Echo Lake ADA (CIP PRW Camps Capital)	\$ 445,388	\$ 445,388	\$ 445,388	Yes	We met our Echo Lake ADA obligation by engaging in the design process. This is complete.
	John Hinkel Play Area (CIP PRW Parks Capital)	\$ 193,029	\$ 300,000	\$ 300,000		Projects will be cost-shifted from CIP to Parks Tax. The Ohlone mural and play project (funded by Parks Tax) would be reduced from construction to design to accommodate the funding shift.
	Skate Parks Improvements (CIP PRW Parks Capital)		\$ 20,713	\$ 100,000		Projects will be cost-shifted from CIP to Parks Tax. The Ohlone mural and play project (funded by Parks Tax) would be reduced from construction to design to accommodate the funding shift.
	<i>Sub-Total</i>	\$ 638,417	\$ 766,101	\$ 845,388		
<u>Public Works</u>	<i>Recommended Deferral</i>	\$ 351,813	\$ 422,175	\$ 527,719		
	Equipment Replacement			\$ 1,366,699		Annual Transfer from the General Fund to Fund 671
	<i>Sub-Total</i>			\$ 1,366,699		



**FY 2021 General Fund Proposed Target Deferrals
All Departments
Capital & Non- Personnel Services**

Department	Program/Item	PROPOSED			FY 2020 Allocations	Comments	
		10%	12%	15%			
<u>Mayor/Council Budget Referral/ Recommendation</u>	City-wide Undergrounding (PWENUD1602)	General Fund	FY 2020	\$	100,000	Yes	<u>\$16,479 has been spent/encumbered</u> Project that has not started and can be delayed Amount Budgeted in Public Works
	Freestanding Public Restroom - TBID	Capital Improvement Fund	FY 2020	\$	100,000	Yes	Project that has not started and can be delayed Amount Budgeted in Public Works
	Ped Xing Signal @ intersec of Shattuck & Prince	Capital Improvement Fund	FY 2020	\$	100,000	Yes	Project that has not started and can be delayed Amount Budgeted in Public Works
	Ped/Bike Safety along Oxford St	Capital Improvement Fund	FY 2020	\$	75,000	Yes	Project that has not started and can be delayed Amount Budgeted in Public Works
	Reserved for Pedestrian/Bicycle Safety Improvements	Capital Improvement Fund	FY 2020	\$	100,000	Yes	Project that has not started and can be delayed ; \$100K-FY20 Amount Budgeted in Public Works - \$100K
	Traffic Calming at MLK and Stuart Street (up to)	Excess Property Transfer Tax	FY 2020	\$	100,000	Yes	Project that has not started and can be delayed
	Sub-Total				\$	575,000.00	
<i>Notes:</i>	<i>The list excludes all projects that have started and will be completed and/or were completed per PW GF/CIP/Excess Prop. Tax projects.</i>						
Total Capital and Non-Personnel Deferral		\$	4,066,217.00	\$	6,954,258.00	\$	7,437,144.35