



Office of the City Manager

PUBLIC HEARING
May 12, 2020

To: Honorable Mayor and Members of the City Council
From: Dee Williams-Ridley, City Manager
Submitted by: Teresa Berkeley-Simmons, Budget Manager
Subject: Fiscal Year 2021 Proposed Budget Update Public Hearing #1

RECOMMENDATION

Conduct a public hearing regarding the FY 2021 Proposed Budget Update.

SUMMARY

May 12, 2020, marks the first of two scheduled public hearings on the FY 2021 Proposed Budget Update. The second public hearing is scheduled for May 26, 2020. The Council is scheduled to consider and take action to adopt the FY 2021 Proposed Budget Update on June 30, 2020.

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 for purposes of responding to COVID-19 was issued on March 3, 2020. This event is unprecedented and we have no historical experience to use as a base to pull from or to plan. Developing policies to deal with this event are ongoing.

The most important problem facing the City at the moment is getting the COVID-19 pandemic under control as quickly as possible. But the consequences, when all is said and done, will extend into other government services, as we manage City services with diminished resources.

The City has numerous revenue streams that depend on economic activities and the “Shelter in Place” order practically stopped most economic activity. This has had immediate impact in the current fiscal year, and will continue into FY 2021, as those revenue streams that trail consumer and retail activity feel the brunt of this cessation. Federal direct aid to municipalities for general shortfalls is limited to cities with populations over 500,000, and direct aid to states is not mandated to be distributed to local jurisdictions. There are federal programs to reimburse local jurisdictions for expenditures directly related to addressing COVID-19, but these programs do nothing to offset the loss of revenues caused by the shelter in place order, nor the impacts of a potential general economic downturn.

The Budget & Finance Policy Committee (Policy Committee) met on April 27, 2020, to review and discuss the information in this report.

Legislative Analysts Office

According to the Legislative Analysts Office (LAO), we are facing several immediate challenges. The pace of job losses makes it clear that the economy is in a recession. In California, 12%-15% have lost their jobs. Most impacted are those working in brick and mortar stores like restaurants, bars, leisure services, and retail shops. There are two plausible pathways: a) sharp downturn is followed by a pronounced rebound of economic activity late this year or early next b) recovery is slow with economic output depressed for much longer due to an extended virus or a second virus wave. The economic outcome is largely dependent on the development of the virus itself.

In addition, the LAO indicated that the demand and financing for construction projects will likely also suffer during this economic period. As mentioned earlier, more funding for discretionary aid is needed from the Feds to go through the State out to local governments. The State is also suffering as the outlook points to a \$35 billion State revenue shortfall in the first year, and an additional \$85 billion in subsequent years. The LAO recommends preliminary spending with the idea of a baseline budget in mind, focusing only on existing safety-net programs, necessary additions surrounding COVID-19, and inflation.

Cities such as Santa Monica are already projecting to use up economic stability reserves *in the current fiscal year*, and are looking to reductions in payroll costs to make ends meet. El Cerrito is already planning to cut services by 10% to avoid bankruptcy. While Berkeley's careful planning and fiscal restraint has given us some flexibility to react to the current pandemic, the loss of revenue will still be challenging.

General Fund Revenues

Beyond the short-term impacts of reduced economic activity mandated by the shelter in place order, the City's medium-term finances will be affected by the overall impact of the pandemic on the broader economy. While the length and depth of any recessionary trends due to COVID-19 are unknown at this time, we should prepare for decreased revenues beyond the immediate crisis. We do not know how many jobs will return once movement restrictions are ultimately lifted, but the effects on City revenues could last years. Federal programs to aid small businesses have already been exhausted, and there is still no sure date for when economic activity will return to normal.

As of the close of March, the City collected \$162.5M, or 81% of budgeted revenues for FY 2020. We are projecting total General Fund revenues of \$198.9M for the full fiscal year ending June 30, 2020. This is a 1.3% shortfall from the budgeted amount. While this is a relatively minor adjustment to our original projections, it is important for a couple of reasons not to extrapolate similar effects on future fiscal years.

First, some receipts of revenue by the City lag behind the actual economic activity on which they are based. Since the City accounts for its General Fund revenues on a budgetary basis, Finance doesn't record them until the funds are deposited. For Sales and Soda Taxes, the actual retail economic activity responsible for those revenues precedes our receipt by several months, so the impact on City revenues of any disruptions will be delayed by this same timeframe. Second, certain revenue sources were already outpacing our original projections at mid-year, and so are masking the impacts of the COVID-19.

Details of the General Fund revenues before and after COVID-19 can be found in Attachment A. Below is the FY 2021 General Fund Budget Update. In FY 2021 the General Fund is facing a \$25.5 million shortfall.

**FY 2021
General Fund Budget Update
(dollars in millions)**

FY 2021 Adopted		FY 2021 Updated (COVID-19)	
Revenues	Expenditures	Revenues	Expenditures
\$201.7	\$201.7	\$177.1	\$202.6 ¹

Property Taxes

The greatest share of the City's general revenues comes from Property Taxes, which account for 30% of the total General Fund revenue stream. Ongoing recessionary trends in the overall economy could ultimately lead to reduced assessed values upon which Real Property Tax and Vehicle License Fee Tax is based. There are potential near-term impacts on property tax revenues, due to the inability of property owners to make their April payments and potentially the first payment due in FY 2021. We are revising our standard 5% reserve for uncollectable accounts to 10% to account for this eventuality. In the longer term, the larger economic situation could lead to decreased valuations and a drop in sales that allow valuations to be brought to current market values.

For the same reason, we can expect a decrease in revenues from Property Transfer Taxes. While the real estate market has been immediately impacted by movement restrictions and uncertainty regarding future economic conditions, a recession could see sales reduced from previous expectations for the foreseeable future, both in quantity of sale transactions and in the sale prices for those transactions that do proceed.

¹ Includes funding allocations for the following: Solano Avenue Revitalization \$300,000, Wildfire Mitigation (Fire) \$334,000, and Community Service Specialist II (CMO – Communications) \$160,000. In FY 2020 these appropriations were redirected to the EOC for the immediate response to COVID-19.

Sales Taxes

Sales Taxes, for which City receipts trail the underlying consumer economic activity by 3 months, will only have minor impact on revenues in the current fiscal year. FY 2021 will be severely impacted, as the full year's projections may have to be revised down by 15% or more, due to the shelter in place order alone. Any extended impact on the overall economy will also reduce retail sales of goods, including restaurants, and could further impact this revenue stream next year and beyond. Potential action by the State to grant some form of sales tax remittance deferment could decrease revenues even further.

Business License Tax

Business License Tax is another large component of the City's general revenue stream that will be affected by the pandemic, as they are assessed based on the gross receipts of City's businesses. The current required closure of many businesses, as well as the reduction of business activities or complete cessation resulting from current movement restrictions, will certainly reduce their gross receipts for the current fiscal year, and may cause many businesses to close permanently. Many businesses may be facing pressure just to meet payroll and other costs, and those that have not yet paid current taxes may not make them in the near term. Their future business will also be affected by any negative economic conditions, which will affect City revenues for FY 2021 and potentially future years as well.

Transient Occupancy Tax

The travel and movement restrictions put in place have had an immediate and massive effect on hotel and short-term rental occupancies, which drive the Transient Occupancy Tax (Hotel Tax) collected by the City. These tax payments lag one to two months from the collection by the hotels or STRs from guests, so the direct impacts of COVID-19 restrictions will be felt in the current fiscal year. These impacts, however, may outlast the specific timeframes of travel prohibitions, as legal restrictions may be replaced with lingering consumer anxiety about the safety of travel. Future economic conditions may also lead to a decrease in leisure and business travel as consumers and businesses pursue cost-saving measures, further impacting City revenues.

Other General Fund Revenue Streams

Revenues from the base Transfer Tax, Measure P Transfer Tax, and the U1 Supplemental Business License Tax have contributed surpluses in FY 2020 to offset shortfalls in other taxes. Those surpluses cannot be assured in future years, especially if broader economic conditions worsen. We should be conservative in our outlook, so that we can continue to provide essential services to citizens, no matter what economic conditions we face.

FY 2021 Target Deferrals

The City must adopt a balanced budget. As a result of whirlwind declines in the City's General Fund revenue streams, we are facing a \$25.5M General Fund shortfall in FY 2021. In order to resolve this General Fund shortfall, we are requiring departments to provide tiered General Fund expenditure deferrals or 1-time reductions of 10%, 12% and 15%. The chart below translates the target deferrals into dollars.

Department	FY 2021 Revised Baseline Budget	FY 2021 Internal Service Costs	FY 2021 Adjusted Budget*	10% Deferral	12% Deferral	15% Deferral
City Auditor	2,657,863	227,099	2,430,764	243,076	291,692	364,615
City Attorney	3,039,583	218,523	2,821,060	282,106	338,527	423,159
City Clerk	2,849,880	182,225	2,667,655	266,766	320,119	400,148
City Manager	7,481,872	605,555	6,876,317	687,632	825,158	1,031,448
Finance	7,172,555	771,001	6,401,554	640,155	768,186	960,233
Fire	35,795,902	2,841,265	32,954,637	3,295,464	3,954,556	4,943,196
Health, Housing, & Community Services	17,701,995	3,013,721	14,688,274	1,468,827	1,762,593	2,203,241
Human Resources	2,635,819	265,070	2,370,749	237,075	284,490	355,612
Information Technology	580,710	-	580,710			
Office of Economic Development	2,959,800	73,306	2,886,494	288,649	346,379	432,974
Parks Rec & Waterfront	6,943,078	851,031	6,092,047	609,205	731,046	913,807
Planning	2,534,191	400,284	2,133,907	213,391	256,069	320,086
Police	73,986,482	4,135,383	69,851,099	6,985,110	8,382,132	10,477,665
PRC	788,001	161,898	626,103	62,610	75,132	93,915
Public Works	4,408,589	890,461	3,518,128	351,813	422,175	527,719
TOTAL	171,536,320	14,636,822	156,899,498	15,631,879	18,758,255	23,447,818
**FY 2021 Adjusted Budget = FY 2021 Revised Budget - FY 2021 Internal Services						
Internal Service Costs include the following:						
Facilities Maintenance						
IT Cost Allocation						
Mail Services						
Vehicle Maintenance						
Vehicle Replacement						

Not included in the target deferrals in the chart above are the internal services funds, transfers supporting special funds, and allocations to community agencies. These items will be reviewed individually based on funding needs. We asked Department Directors from each City department to provide their proposed General Fund expenditure deferrals by **Thursday, April 30, 2020**.

Budget Strategies Principles

It is important departments develop thoughtful ideas for deferrals that are realistic and result in minimum negative impact to services and operations. Below are the Budget Strategies Principles that staff is using to guide us as we work to right size the FY 2021 Budget.

1. *Continue serving the community.* Public health and safety functions, as well as essential municipal services will be preserved to the maximum extent possible. In so doing, the City will make every effort to avoid service and workforce reductions.
2. *Live within our means.* Strive for long-term sustainability that aligns available resources with needs and the City's values that embrace a commitment to advancing racial and social equity, serving those who are most in need, and environmental sustainability.
3. *Identify expenditures that can be deferred.* Take a deferment first approach by thoroughly assessing expenditures with a special emphasis on large capital projects, equipment purchases, and new projects.
4. *Pursue other revenue and assistance.* Vigorously pursue cost recovery efforts, secure alternative sources of revenue, and be positioned to capitalize on federal and state assistance.
5. *Manage use of, and replenish, reserves.* In drawing on reserves, the City will adopt a long-term orientation to ensure that funds are available for the duration of the economic downturn. The City will look to its existing policies to ensure that any reserves that are utilized are restored when the economy improves.
6. *Be data-driven and transparent.* Budget decisions will be informed by data and be transparent. Staff will work collaboratively with the Budget & Finance Policy Committee with on-going communication and updates provided to the entire City Council.

In addition, on February 27, 2020, the Policy Committee discussed, reviewed, and approved the following two budget fiscal policies to be submitted to the City Council for approval.

1. Funding the 115 Pension Trust
 - a. Raise the Property Transfer Tax baseline from \$12.5 million to \$15 million. The additional \$2.5 million will be allocated to the 115 Pension Trust.
 - b. Property Transfer Tax in excess of \$15 million will be treated as one-time revenue to be used for the City's capital infrastructure needs. However, revenue generated from Measure P is excluded (exempt) from this transfer.
 - c. Savings generated by pre-funding CalPERS will be contributed to the 115 Pension Trust. On an annual basis, staff will analyze the impact of pre-funding CalPERS. If the analysis determines that pre-funding CalPERS

will result in budgetary savings, the net savings will be contributed to the 115 Pension Trust.

- d. Refer to the City Manager to explore including interest above the baseline budget as an additional revenue source.
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2. Short-Term Rental General Fund Revenue
The Committee discussed and approved for the Council's consideration the following priorities for the short-term rental revenue as part of the budget process.
 - a. Sufficiently fund the implementation and enforcement of the short-term rental program;
 - b. Keep the \$500,000 baseline for the arts grants program.

Both of these fiscal policies were approved by the Policy Committee to be submitted to the Council for adoption and immediate implementation in FY 2021 prior to the COVID-19 pandemic. Now that the fiscal impacts of the pandemic are being revealed the City Council might want to discuss not only adopting these policies but the timing of implementing these policies if adopted. The Council should note that the \$500,000 allocation to the arts grants program is included in the FY 2021 General Fund baseline budget of \$202.6 million.

Hiring Freeze

As a cost-savings measure to efficiently utilize organizational resources, there is a freeze on citywide hiring, effective immediately. During this period, Department Heads are asked to suspend any and all hiring activities. As we begin to assess the pandemic's impact on our community, strategic steps are being made to manage our resources. Recognizing the magnitude of challenges ahead, including the great stress on our limited resources, the City's focus is the continuity of essential functions.

The City recognizes this hiring freeze policy will create hardships across the organization. To minimize this impact, Department Heads may request exceptions, which will be considered on a case-by-case basis by the City Manager. The limited exceptions will focus on preserving critical organizational functions to protect the general welfare and safety of our constituents and employees, remain compliant, and minimize risk exposure. Additional details of the hiring freeze including frequently asked questions can be found in Attachment B: Guidelines for Citywide Hiring Freeze.

We must ensure that we have adequate flexibility to continue to effectively respond to the COVID-19 pandemic, which includes challenges that are unplanned but will continue to be revealed as we move through FY 2021.

General Fund Reserves

The General Fund Reserve is distinctly separate from the General Fund Balance (Excess Equity). On January 24, 2017, the City Council established [Resolution No. 67,821](#) – N.S., a policy for the General Fund Reserves. On February 13, 2018, the City Council adopted Resolution 68,332 -N.S., which established the criteria for the usage of the General Fund Reserves (Attachment C).² The General Fund reserves are comprised of two elements: a Stability Reserve and a Catastrophic Reserve.

The Stability Reserve was established to mitigate the 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. Fifty-five percent of the General Fund Reserve is allocated to the Stability Reserve.

The Catastrophic Reserve was established to sustain the General Fund operations in the case of a public emergency such as a natural disaster or other catastrophic event. The Catastrophic Reserve may be used to respond to extreme onetime events, such as earthquakes, fires, floods, civil unrest, and terrorist attacks. Forty-five percent of the General Fund Reserve is allocated to the Catastrophic Reserve.

When the Council adopted the General Fund Reserve Policy the target level established for the Reserve was a minimum of 13.8% of Adopted General Fund Revenues with an intermediate goal of a minimum of 16.7% by the end of Fiscal Year 2020, if financially feasible. In addition, the Council adopted a long-term goal of 30% of General Fund revenues, to be achieved within no more than 10 years (FY2027). The Council demonstrated their commitment to these goals in the policy by assigning 50% of the General Fund Excess Equity above the first \$1 million to be allocated to the General Fund Reserves. Additional Excess Equity may be allocated to the General Fund Reserves by a majority vote of the Council. The chart below illustrates the FY 2019 allocation of the \$1.16 million distributed to the General Fund Reserves, resulting in a total General Fund Reserves level of 17.43%³.

² <https://www.cityofberkeley.info/recordsonline/export/17153922.pdf>

³ Based on the FY 2020 Adopted General Fund Revenues of \$197.0 million.

General Fund Reserves	Stability Reserve	Catastrophic Reserve	Reserve %
Beginning Cash Balance - Reserves	\$ 20.25	\$ 16.39	
FY 2019 Allocation to Reserves	\$ 0.64	\$ 0.52	
% Allocation	55%	45%	
Reserve Balance	\$ 20.89	\$ 16.91	
Reserved for Camps Fund - Tuolumne Cam	-	\$ (3.30)	
Ending Cash Balance - Reserves	\$ 20.89	\$ 13.61	17.43%

We do not know what long-term impacts of the loss of jobs and reduction in property sales and other business activity will have on the City, but it will be significant and it will be negative. We must be strategic with our use of the General Fund Reserves. The General Fund Reserves is the safety net that might need to sustain the City for years to come.

Special Funds

Staff provided projections for the special funds managed in their department. Most of the funds appear to be sustainable through FY 2021. However, there have been fiscal impacts to some of the special funds that are still unknown. For example, the Parking Meter Fund has experienced a significant revenue decline as the meter rates have been reduced to zero, so we are not generating any on-street revenue from parking. The Off-Street Parking Fund also experienced significant revenue declines. Although street garages are open there is not much demand. Parking fines are down as there continues to be limited enforcement. The Zero Waste fund will also be impacted as we work with businesses to either temporarily suspend or reduce solid waste service. With the adoption of the FY 2020 & FY 2021 Biennial Budget, Council approved a \$1.9 million allocation to the Marina Fund from excess equity generated in FY 2020. However, as excess equity might not be actualized this allocation might need to be reconsidered.

Departments are working diligently to determine fiscal impacts to the various special funds. These challenges along with proposed solutions will be presented to the Policy Committee and the City Council as we move through the FY 2021 budget development process.

FY 2021 Budget Development Process

One of the Budget Strategies Principles noted above is to be data-driven and transparent. Staff will work collaboratively with the Policy Committee and the City Council with on-going communications and updates. This pandemic thrust us into uncharted fiscal territories. We do not know how long the impacts of this pandemic will last. We do not know if this sharp downturn is followed by an immediate rebound of economic activity late this year or early next or, alternatively, the recovery is slow with economic output depressed for much longer due to an extended virus or a second virus

wave. The economy might not get back to normal until a vaccine is developed, and what will the new normal look like?

Our plan is to propose an FY 2021 Updated Budget that is balanced. The proposed budget will focus on the public health and safety functions, as well as preserving essential municipal services to the maximum extent possible. In so doing, the City will make every effort to avoid service and workforce reductions. Council will be challenged to make some very difficult decisions. However, as additional revenue is realized staff will return to the Policy Committee and the City Council regularly to discuss allocating revenues to priorities that were previously deferred in order to balance the FY 2021 budget.

Conclusion:

The effects of this pandemic are unknown but will likely be felt for years to come. Therefore, as a City, we should be conservative in our outlook and approach. As additional revenues are generated, priority operational needs will be reassessed for funding. Our goal is to ensure that the budget continues to demonstrate our commitment to stewarding the public's resources for their benefit and that of future generations.

Attachments:

- A: Historical and Projected General Fund Revenues
- B: Guidelines for Citywide Hiring Freeze (April 27, 2020)
- C: General Fund Reserves Resolutions 67,821-N.S. (Policy) and 68,332-N.S. (Usage Criteria)
- D: Public Hearing Notice

HISTORICAL AND PROJECTED GENERAL FUND REVENUES

					Projected General Fund Revenue FY 2020 through FY 2024											
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	20 YTD MAR	FY 2020 Rev	Chg	%	FY 2021	FY 2021 Rev	Chg	%	FY 2022	FY 2023	FY 2024
Undesignated Revenues																
Secured Property Taxes	48,046,765	51,474,746	56,038,218	59,178,773	63,199,622	40,758,347	56,835,096	(6,364,526)	-10%	65,417,599	58,875,839	(6,541,760)	-10%	60,936,493	63,069,271	65,276,695
Supplemental Taxes	1,469,993	1,874,630	2,237,649	2,174,903	1,400,000	808,127	1,281,625	(118,375)	-8%	1,400,000	1,260,000	(140,000)	-10%	2,000,000	2,000,000	2,000,000
Unsecured Property Taxes	2,661,235	2,568,891	2,687,198	2,878,275	2,500,000	3,189,177	3,189,177	689,177	28%	2,500,000	2,250,000	(250,000)	-10%	2,500,000	2,500,000	2,500,000
Property Transfer Taxes	17,452,190	17,151,793	18,911,368	19,952,981	12,500,000	15,904,620	17,404,620	4,904,620	39%	12,500,000	12,500,000	0	0%	12,500,000	12,500,000	12,500,000
Property Transfer Tax - Measure P				2,932,313	1,509,218	7,429,885	7,929,885	6,420,667	425%	2,716,796	4,747,414	2,030,618	75%	6,000,000	6,000,000	6,000,000
Sales Taxes	15,944,001	20,105,287	17,435,591	18,663,550	18,238,000	14,496,962	15,502,300	(2,735,700)	-15%	18,572,000	15,786,200	(2,785,800)	-15%	15,944,062	16,103,503	16,264,538
Soda Tax	1,712,892	1,550,222	1,457,003	1,547,349	1,459,057	1,097,768	1,329,377	(129,680)	-9%	1,429,876	970,794	(459,082)	-32%	1,401,278	1,373,252	1,345,787
Utility Users Taxes	14,211,318	15,109,305	14,828,120	13,973,744	15,000,000	10,579,868	13,672,814	(1,327,186)	-9%	15,000,000	12,750,000	(2,250,000)	-15%	14,000,000	14,000,000	14,000,000
Transient Occupancy Taxes(TOT)	7,813,366	7,810,884	7,807,273	7,995,188	7,800,000	5,665,433	6,000,000	(1,800,000)	-23%	7,800,000	5,070,000	(2,730,000)	-35%	5,323,500	5,323,500	5,323,500
Short-term Rentals			911,015	1,830,983	1,020,000	1,268,938	1,321,581	301,581	30%	1,040,400	676,260	(364,140)	-35%	689,785	703,581	717,653
Business License Taxes	18,089,403	18,829,739	19,878,912	19,848,803	19,584,000	15,727,782	17,727,782	(1,856,218)	-9%	19,975,680	12,984,192	(6,991,488)	-35%	20,010,523	20,410,734	20,818,949
Recreational Cannabis				1,168,794	510,000	1,363,366	1,563,366	1,053,366	207%	520,200	1,300,000	779,800	150%	1,240,334	1,265,140	1,290,443
Measure U1			5,161,615	5,828,443	1,000,000	3,453,815	3,600,000	2,600,000	260%	1,000,000	2,700,000	1,700,000	170%	5,000,000	5,000,000	5,000,000
Other Taxes				2,278,496	1,785,000	1,685,464	1,885,464	100,464	6%	1,820,700	1,456,560	(364,140)	-20%	1,471,126	1,485,837	1,500,695
Vehicle In Lieu Taxes	10,308,802	10,994,452	11,822,917	12,540,784	13,333,826	6,678,022	12,000,444	(1,333,383)	-10%	13,801,774	12,421,597	(1,380,177)	-10%	12,856,352	13,306,325	13,772,046
Parking Fines - Regular Collections	6,134,785	6,120,474	6,608,001	6,002,211	6,600,000	4,080,123	4,080,123	(2,519,877)	-38%	6,600,000	5,049,000	(1,551,000)	-24%	6,200,000	6,200,000	6,200,000
Parking Fines - Booting Collections				211,913	200,000	8,685	8,685	(191,315)	-96%	190,000	0	(190,000)	-100%	190,000	190,000	190,000
Moving Violations	252,752	232,523	188,443	177,824	190,000	149,210	149,210	(40,790)	-21%	190,000	190,000	0	0%	190,000	190,000	190,000
Ambulance Fees	4,102,074	4,183,673	4,343,453	4,424,808	4,200,000	3,776,353	4,971,889	771,889	18%	4,200,000	5,103,208	903,208	22%	4,200,000	4,200,000	4,200,000
Interest Income	2,465,654	2,385,492	3,636,989	4,334,404	3,500,000	4,669,116	4,669,116	1,169,116	33%	3,500,000	2,800,000	(700,000)	-20%	3,000,000	3,000,000	3,000,000
Franchise Fees	1,916,975	1,988,589	2,009,931	1,821,316	2,068,928	620,888	1,779,320	(289,608)	-14%	2,110,307	1,551,696	(558,610)	-26%	1,582,730	1,614,385	1,646,672
Other Revenues	10,544,787	9,414,370	10,736,326	8,116,908	8,044,544	6,591,941	7,091,941	(952,603)	-12%	8,784,991	7,027,993	(1,756,998)	-20%	8,900,000	8,900,000	8,900,000
Indirect cost reimbursements	4,298,457	4,855,213	6,149,619	5,223,725	6,100,000	4,005,719	5,583,934	(516,066)	-8%	6,100,000	5,490,000	(610,000)	-10%	5,200,000	5,200,000	5,200,000
Transfers	4,515,979	4,562,675	5,792,575	5,356,132	5,266,688	4,039,641	4,819,367	(447,321)	-8%	4,562,675	4,106,408	(456,268)	-10%	4,562,675	4,562,675	4,562,675
Total Undesignated Revenues	171,941,428	181,212,958	198,642,216	208,462,620	197,008,884	158,049,250	194,397,116	(2,611,767)	-1.3%	201,732,998	177,067,160	(24,665,838)	-12%	195,898,859	199,098,202	202,399,653
Designated Revenues																
Prop. Transfer Taxes for capital improvements					4,500,000	4,500,000	4,500,000	0	0%	4,500,000	3,928,465	(571,535)	-13%	3,500,000	3,500,000	3,500,000
Total Designated Revenues					4,500,000	4,500,000	4,500,000	0	0%	4,500,000	3,928,465	(571,535)	-13%	3,500,000	3,500,000	3,500,000
TOTAL REVENUES AND TRANSFERS	171,941,428	181,212,958	198,642,216	208,462,620	201,508,884	162,549,250	198,897,116	-2,611,767	-1.3%	206,232,998	180,995,625	-25,237,373	-12%	199,398,859	202,598,202	205,899,653

1. Secured Property Taxes- Assumes an additional 10% of uncollectable amounts due (on top of 5% previous reserve) for FY 2020 and FY 2021, due to concerns over property owners ability to remit. FY 2021 valuations assumed to increase by 3.5%
2. Supplemental Taxes- Historical revenues have been flat for several years, and were expected to remain so. For FY 2020, we expect to collect only 80% of remaining budgeted amount, as of March 2020.
3. Unsecured Property Taxes- FY 2020 actuals as of March 2020 are presumed to be the full amount that will be received for all of FY 2020. FY 2021 expected to drop back to original \$2.5M, less an additional 10% reserve for uncollectable accounts.
4. Property Transfer Taxes- FY 2020 based on actual collected amount through March 2020, plus an additional \$1.5M expected during the final quarter. Measure P included \$1.6M from one-time, exceptional property sale in FY 2020. FY 2021 expected to be down 25% from FY 2020 level.
5. Sales Taxes- Projections are "the most likely outcome" each year, as provided by MuniServices, the City's Sales Tax consultant that maintains the City's Sales Tax data base. FY 2020 lowered 15% based on shelter-in-place closures. For FY 2021 -15% due to shelter-in-place reductions in business activity in Q1 (three month lag in remittances), and possible lingering economic effects through the remainder of FY 2021.
6. Soda Taxes- This revenue source was always expected to decline, as the decline in sweet drinks decline. Original projections assumed a dip in FY 2020 and then 2% decline each year until the tax sunsets on 12/31/2026. Revised 2020 down 10% and 2021 down 30% due to shelter-in-place closings (lag in remittance to City of 3 mos).
7. Utility Users Tax- Were expected to remain flat, but expect final 3 months of FY 2020 to have decrease of 25%. Expect FY 2021 to be down 35%.
8. Transient Occupancy Taxes- FY 2020 based on actuals as of March 2020, plus an additional \$0.3M for the final quarter, due to travel restrictions associated with COVID-19. FY 2021 reduced by 35% due to potentially deteriorating economic conditions. Short-term Rentals- FY 2020 actuals were trending more than 150% of original projection, but sharp decline predicted due to COVID-19 movement restrictions. FY 2021 revised to 30% below 19/20 average due to expectation of depressed demand.
9. Business License Taxes (excluding Cannabis Recreational)- FY 2020 projection revised based on actuals received through March 2020, plus an additional \$2.0M in expected collections for the final quarter, due to potential collection concerns for currently due taxes. FY 2021 revised to drop 35% from original projections due to potential decrease in gross receipts due to businesses being temporarily shuttered or permanently closed due to COVID-19.
10. Business License Taxes- Cannabis Recreational- Assumes a 2% annual growth rate.
11. Enhanced Business License Taxes (Measure U1)-
12. Vehicle In Lieu Taxes- Based on real property valuations. Assumes an additional 5% of uncollectable amounts due (on top of 5% previous reserve) for FY 2020 and FY 2021, due to concerns over property owners ability to remit. FY 2021 valuations assumed to increase by 3.5%.
13. Parking Fines- Ticket writing has been in a downward spiral for many years; the projections assume flat revenue each year through FY 2029. Revised FY 2020 reduced by 80% of remaining unrealized budgeted revenue amount as of the end of Feb 20, due to decreased auto usage. FY 2021 revised to -25% from 2020 original projection.
14. Ambulance Fees- Based on projections from Fire Department
15. Interest Income-The Fed initially started moving short-term rates up slightly after keeping them near zero for about 10 years. However, it reversed course in July 2019 and started lowering rates again. Projection assumes flat growth through FY 2029. Revised 2020 projection based on higher actuals through Feb 2020. 2021 revised down 10% because of continued lowering of rates, combined with City's hesitancy to buy longer-term investments, due to uncertainty regarding liquidity needs in addressing COVID-19.
16. Franchise Fees- Initial projections of 2% annual growth revised down 20% for FY 2020, and 25% for FY 2021.
17. Indirect Cost Reimbursements-Reimbursement increases result from increases in the indirect cost allocation base (i.e., total direct salaries and wages in the fund), an increase in the indirect cost rate or both. Revised FY 2020 down 8% and FY 2021 down 10%.



Guidelines for Citywide Hiring Freeze

April 27, 2020

As a cost-savings measure to efficiently utilize organizational resources, there is a freeze on citywide hiring, effective immediately. During this period, Department Heads are asked to suspend any and all hiring activities.

BACKGROUND

The City of Berkeley is assessing impacts of the COVID-19 pandemic. As we begin to assess the pandemic's impact on our community, strategic steps are being made to manage our resources. Recognizing the magnitude of challenges ahead, including the great stress on our limited resources, the City's focus is the continuity of essential functions.

The City recognizes this hiring freeze policy will create hardships across the organization. To minimize this impact, Department Heads may request exceptions, which will be considered on a case-by-case basis by the City Manager. The limited exceptions will focus on preserving critical organizational functions to protect the general welfare and safety of our constituents and employees, remain compliant, and minimize risk exposure.

EXCEPTION PROCESS

A Supervisor or Manager must use NeoGov's requisition process to initiate an exception request. The request must include the following:

1) Rationale

Request must demonstrate this position fills essential functions. Factors include:

- The position is necessary to protect public health and safety
- The position performs a mandated function or essential municipal service
- The position is necessary to respond to the COVID-19 pandemic
- The position is the only classification that performs a particular function and there is no other way to perform the function

2) Funding Source

Request must detail the specific funding / budget for the position, such as:

- General Fund
- Special Fund or Enterprise Fund such as:
 - Gas Tax
 - Marina
 - Parking (Off Street and/or On Street)
 - Permit Service Center
 - Sewer
 - Zero Waste
- Grant Fund

3) Impact

Request must document the impact to the general welfare and safety of the City and any organizational risk if left unfilled; including, but not limited to essential service disruption, compliance hazards, potential incurred liability, and/or financial impacts.

FREQUENTLY ASKED QUESTIONS

Q: How does the Hiring Freeze work?

A: The Hiring Freeze means that, except for limited exceptions as listed above, no new positions may be posted and no offers may be made for existing approved requisitions or positions that are currently posted, without an exception approved by the City Manager.

Q: Can I request an exception to the Hiring Freeze?

A: Yes. There may be some circumstances where a position must be filled. The Hiring Freeze will be overseen by the City Manager and exceptions will be granted on a case-by-case basis, when it can be demonstrated that:

- Not filling the position would result in a significant impact on public health and safety, business disruption, significant compliance risk, result in liability being incurred, or significant loss in revenue; or
- The job is mission-critical, essential to business operations, or necessary to respond to the COVID-19 pandemic; and no qualified current staff is available to take on additional duties on an interim basis.

Q: What is the process to request an exception to the hiring freeze?

A: To request an exception using a NEW requisition, the Hiring Manager / Department must use the existing NeoGov requisition process as outlined below.

To request an exception using an EXISTING requisition, exception criteria as listed above, must be included in the documentation. For current recruitments or positions in which conditional offers have been extended, Hiring Freeze exception requests must be submitted to a Deputy City Manager or City Manager. Departments will continue to follow the existing requisition process.

At any step of the approval process, the requisition can be approved, placed on hold, or denied. Requisitions containing insufficient information or denied in the Budget Approval Queue or Step 4 will not move forward. There are five steps in the existing requisition process:

Step	Owner	Action Needed	Important Notes
1	Hiring Manager	Initiates request	Must include rationale, funding, and impact as outlined above.
2	Department Head	Approves the requisition	
3	HR Transactions	Confirms if vacancy exists; and reviews requisition for key criteria	Returns to Department if incomplete or no vacancy.
4	Budget	Confirms funding; and Approve or Deny the requisition	Approves or Denies the exception request
5	HR Director	Moves the approved requisition forward	

Q: I have work that needs to be done, but it does not qualify for an exception. What are my options?

A: If you have a vacant position, you can conduct an “internal only” recruitment if you obtain approval from the City Manager. Departments will continue to follow the standard recruitment processes, including postings that should be listed in Berkeley Matters. There is no guarantee that an exception will be granted.

Q: What about active hiring processes?

A: All open positions currently in recruitment that do not have an offer extended or accepted are currently suspended and subject to review. Any previously scheduled interviews prior to April 27, 2020 can continue while an exception is being requested. However, there is no guarantee that an exception will be granted.

Q: Does this Hiring Freeze apply to temporary, provisional or part-time hires?

A: Yes. All temporary, provisional or part-time hires (renewals, extensions, and new positions) requested on April 27, 2020 or later must go through the exceptions process previously outlined. If using an existing requisition, it must be updated to include required rationale and budget information or it will be denied.

Q: What if an offer has already been extended?

A: Conditional offers may be rescinded and will be assessed on a case-by-case basis. All confirmed employment offers extended to and accepted by candidates will be honored and the candidate will be hired; however, start dates can be negotiated.

RESOLUTION NO. 67,821-N.S.

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

WHEREAS, the General Fund Reserves ensure 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, and floods; and

WHEREAS, the prior General Fund Reserve level of 8% is not consistent with GFOA's best practice recommended minimum General Fund Reserve level of 16.7%; and

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

WHEREAS, the use and replenishment of the General Fund Reserves should be defined.

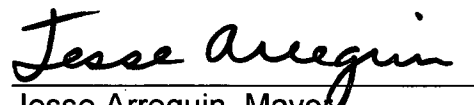
NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the attached exhibit titled General Fund Reserve Policy is hereby adopted.

The foregoing Resolution was adopted by the Berkeley City Council on January 24, 2017 by the following vote:

Ayes: Bartlett, Davila, Droste, Hahn, Maio, Wengraf, Worthington and Arreguin.

Noes: None.

Absent: None.



Jesse Arreguin, Mayor

Attest: 

Mark Numainville, City Clerk

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, 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, and terrorist attacks. 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.

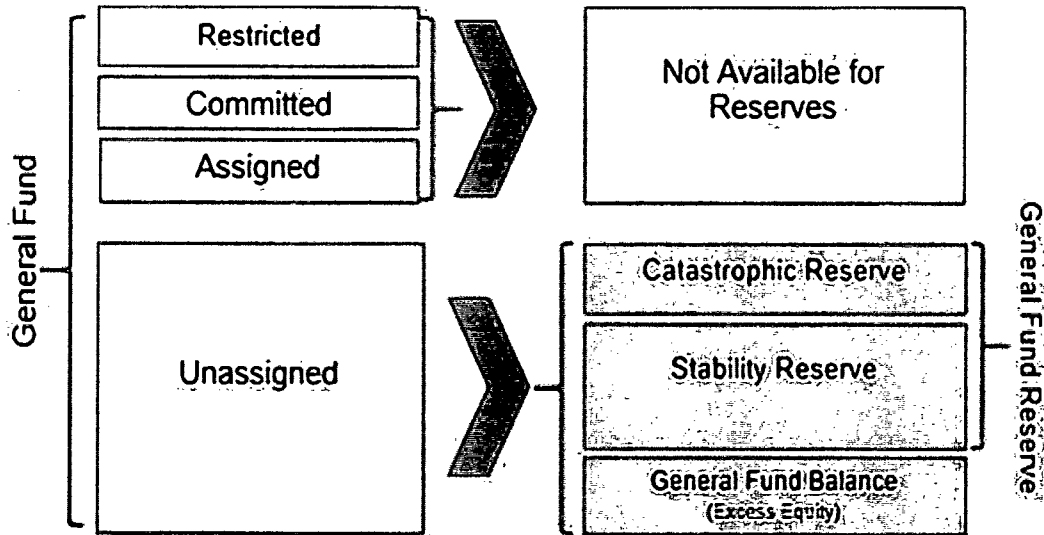
The Council hereby adopts a Long Term Goal of a Reserve of a minimum of 30% of General Fund Revenues, to be achieved within no more than 10 years. Based on a risk assessment (according to best practices), to be updated at least every five years, the Council may consider increasing or lowering the General 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 \$1M 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. The following graphic shows the relation between these funds as well as other restricted, committed, and assigned general fund monies.



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

Attaining the Long Term Goal of 30% Reserves 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.

RESOLUTION NO. 68,332–N.S.

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

WHEREAS, the General Fund Reserves ensure 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, and floods; and

WHEREAS, the current General Fund Reserve level of 13.8% is not consistent with GFOA's best practice recommended minimum General Fund Reserve level of 16.7%; and

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

WHEREAS, the use and replenishment of the General Fund Reserves should be defined.

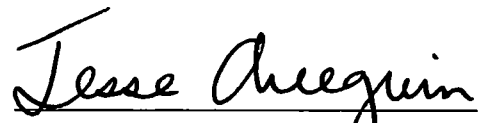
NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the attached exhibit titled General Fund Reserve Policy is hereby adopted.

The foregoing Resolution was adopted by the Berkeley City Council on February 13, 2018 by the following vote:

Ayes: Bartlett, Davila, Droste, Hahn, Harrison, Maio, Wengraf, Worthington and Arreguin.

Noes: None.

Absent: None.


Jesse Arreguin, Mayor

Attest: 
Mark Numairville, City Clerk

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.

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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, and terrorist attacks. 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.
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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. The following graphic shows the relation between these funds as well as other restricted, committed, and assigned general fund monies.

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

Attaining the Long Term Goal of 30% Reserves 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 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 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.

**NOTICE OF PUBLIC HEARING
BERKELEY CITY COUNCIL**

**FISCAL YEAR 2021 PROPOSED BUDGET UPDATE
PUBLIC HEARING #1**

The Berkeley City Council will conduct a public hearing to discuss the FY 2021 Proposed Budget Update.

The hearing will be held on **May 12, 2020** at 6:00 p.m.

A copy of the agenda material for this hearing will be available on the City's website at www.CityofBerkeley.info as of **April 30, 2020**.

For further information, please contact Teresa Berkeley-Simmons at (510) 981-7000.

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

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, this meeting of the City Council will be conducted exclusively through teleconference and Zoom videoconference. Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, there will not be a physical meeting location 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/85809429003>. 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** and Enter Meeting ID: **858 0942 9003**. If you wish to comment during the public comment portion of the agenda, press *9 and wait to be recognized by the Chair.

Written comments should be mailed directly to the City Clerk, 2180 Milvia Street, Berkeley, CA 94704, or emailed to council@cityofberkeley.info in order to ensure delivery to all Councilmembers and inclusion in the agenda packet.

Communications to the Berkeley City Council are public record and will become part of the City's electronic records, which are accessible through the City's website. **Please note: e-mail addresses, names, addresses, and other contact information are not required, but if included in any communication to the City Council, will become part of the public record.** If you do not want your e-mail address or any other contact

information to be made public, you may deliver communications via U.S. Postal Service. If you do not want your contact information included in the public record, please do not include that information in your communication. Please contact the City Clerk at 981-6900 or clerk@cityofberkeley.info for further information.

Posted: April 30, 2020

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I hereby certify that the Notice for this Public Hearing of the Berkeley City Council was posted at the display case located near the walkway in front of the Maudelle Shirek Building, 2134 Martin Luther King Jr. Way, as well as on the City's website, on April 30, 2020.

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Mark Numainville, City Clerk