



Office of the City Manager

ACTION CALENDAR-Budget  
June 12, 2007

To: Honorable Mayor and  
Members of the City Council

From: *PK* Phil Kamlarz, City Manager

Subject: FY 2008 & FY 2009 Biennial Budget Update: Council Referrals

### RECOMMENDATION

Request that the City Council provide the City Manager with direction regarding the City Manager's FY 2008 & FY 2009 Proposed Biennial Budget and referrals to the budget process.

### FISCAL IMPACTS

Items referred for consideration as part of the budget process currently total \$8.1 million (\$3.3 million in one-time costs and \$4.8 million in recurring costs) – all of which are General Fund impacts. \$1.9 million of these referrals is included in the FY 2008 & FY 2009 Proposed Budget – leaving a balance of \$6.2 million in unfunded referrals.

Proposed funding for streets events and festivals totals \$101,540.

### INTRODUCTION

On May 8, 2007, staff presented Council with the City Manager's FY 2008 & FY 2009 Proposed Budget. Tonight, I would like to provide Council with a brief update on the budget process, receive Council input and respond to any Council questions. Pursuant to the budget calendar adopted by Council, next Tuesday evening, June 19, 2007, Council will host the second public hearing on the budget. Council will adopt the budget on June 26, 2007. On June 26, Council will also adopt the tax rates for the various tax revenue funds (Library, Parks, Paramedic, Emergency Services).

### CURRENT SITUATION AND ITS EFFECTS

Early Council involvement in the biennial budget process began in December 2006 and has continued through a series of budget workshops and council meetings. The biennial budget has been developed with Council's adopted budget policies and Citywide Work Plan, matching the City's resources and priorities, while providing a framework for the Proposed Budget.

### **Adopted Council Budget Policies**

1. Implement a two-year approach to eliminate the City's structural deficit.
2. As one-time revenue becomes available, first consider the use of these funds for City capital improvements and investments to yield future savings.
3. Minimize impact on direct services to the community.
4. Balance reductions to City administrative services so as to not jeopardize fiscal and administrative accountability.

5. Minimize staff layoffs.
6. Maintain the unrestricted General Fund Reserve at a minimum of 6% of revenues.
7. Maintain an adequate balance of funding and risk for the City's unfunded liabilities.
8. No new expenditures without a corresponding reduction or new revenue.

### **Referrals to the Budget Process**

Attached (Attachment A) to this report is an update of all referrals to the budget process that I have received to date. I expect that Council members will submit additional requests and referrals at tonight's meeting. These requests for funding represent the need to find additional funding, either using of one-time revenue or the reducing of other budgeted expenditures.

Included with this attachment are details regarding the referrals on community involved policing for commercial districts and increased staffing in the Police Department (Attachment B); as well as Youth Employment program expansion (Attachment C). The Council adopted a policy stated above that no new expenditures would be implemented without a corresponding expenditure reduction or the identification of new revenue. Recurring funding allocations will require either the reduction of other recurring expenses or the use of new recurring revenue. One-time revenue should only be used for one-time expenses.

I have also attached another copy of the proposed Street Events and Festivals Funding Summary (Attachment D).

### CONTACT PERSON

Tracy Vesely, Budget Manager, 510-981-7000

Attachment A: FY 2008 & FY 2009 Council Referrals Summary

Attachment B: June 6, 2007 staff memo on Youth Employment Program Expansion

Attachment C: June 6, 2007 staff memo on Police Department Budget Referrals

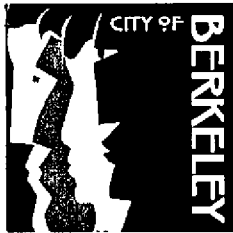
Attachment D: Streets Events and Festivals – Funding Summary

**Council Referrals to the Budget Process Summary  
(June 12, 2007)**

**Attachment A**

Date	Referrals	Source	1-Time	Recurring	Total	Included*
6/14/06	Youth Center Feasibility Study	Anderson, Moore	50,000			
6/22/06	Restore full General Fund Funding for the Civic Arts Coordinator	Civic Arts Commission		65,000		
9/16/06	Streets Sweeping Program Improvements	Public Works Commission		380,000		380,000
11/14/06	Purchase a Water Meter for the Berkeley Community Orchard (\$8,000 added in FY 2007, \$20,000 additional needed)	Moore, Worthington	20,000			
2/27/07	Traffic Calming in the Cedar/Rose/Hopkins/Gilman	Maio	200,000			200,000
3/13/07	Public Commons for Everyone Initiative - return May 8, 2007 with plan & recommendations	Bates	50,000	unknown		
3/27/07	Erect Diwali lights in the University Ave. median from 6th St. to San Pablo Ave.	Maio	1,800			
3/27/07	Thermal imaging cameras (7) for Fire Department	Wozniak	77,000			
3/27/07	Youth Employment Program Expansion (50 jobs)	City Manager		136,000		136,000
4/24/07	Measure G Planning		100,000			100,000
4/24/07 4/23/07 6/12/07	Housing Trust Fund Allocation	Worthington, Rent Board, Housing Advisory Commission	1,000,000			1,000,000
4/24/07	Aurora Theatre Company Debt Deferral	Worthington	99,000			99,000
4/24/07	Piedmont Avenue Landscape Rehabilitation Plan	Wozniak	75,000			
4/24/07	Programs at Willard Club House	Worthington		funded		
4/24/07	Crisis Intervention Training for Police Officers (8 hours)	Mental Health Commission	85,000			
5/8/07	Teen Recreation Programs: expand existing programs - report back on June 12	Bates, Moore, Anderson		unknown		
5/8/07	Full youth employment for Youth Works Summer 2009 - develop proposal and cost estimate (estimated at 200 new jobs)	Moore, Bates, Anderson		593,538		
5/8/07	Sex Reassignment Surgery as part of Employee Healthcare Benefits	Moore, Worthington		50,000		
5/8/07	Options' Recovery Services	Moore, Olds, Worthington, Wozniak		200,000		
5/8/07	Community Involved Policing for Commercial Districts (estimated costing)	Worthington		1,200,000		
5/8/07	Restore electricity to Aquatic Park EGRET's Cabin	Moore	15,000			
5/22/07	Public Safety Initiative (estimated costing: FY 2008 = \$1M; FY 2009 = \$2M)	Wozniak	1,000,000	2,000,000		
5/22/07	Housing and Services for Severely Disabled Children in West Berkeley (BUILD)	Spring, Moore		15,000		
5/22/07	Berkeley Boosters Intern	Wozniak, Moore	3,000			
5/22/07	Dorothy Day Food Program/Trinity Church Breakfast	Moore		8,000		
5/22/07	Malcolm X Neighborhood Arts Collaborative	Anderson	10,000			
5/22/07	Panaramic Hill Emergency Access Route Feasibility Study	Wozniak	25,000			
6/12/07	Housing Rights, Inc. for gap services	Moore		6,000		
6/12/07	Landscaped Traffic Barriers: Cedar/Grant/Milvia	Spring	30,000			30,000
6/12/07	Sweatshop-Free Ordinance Implementation	Worthington		35,000		
6/12/07	Restore funding to BOSS (\$49,434), South Berkeley Community Church (\$10,000), Berkeley Drop-in Center (\$13,683), YA YA California (\$25,000)	Anderson		98,117		
6/12/07	Hypertension & Treatment Program	Bates	100,000			
6/12/07	Berkeley Youth Alternative Girls' Twilight Basketball	Moore		45,000		
6/12/07	Berkeley Assessment, Screening, Treatment and Referral (Be A START) Program implementation plan	Bates	50,000			
6/12/07	Prevent proposed cuts to community agencies, fund violence prevention and homeless services captial needs (use transfer tax revenue)	Worthington			unknown	
6/12/07	BOSS Ursula Sherman Village project	Worthington	280,000			
<b>TOTAL:</b>			<b>\$ 3,270,800</b>	<b>\$ 4,831,655</b>	<b>\$ 8,102,455</b>	<b>\$ 1,945,000</b>

\*Included in the City Manager's Proposed Budget



YouthWorks

**Attachment B**

Date: June 4, 2007  
To: Phil Kamlarz, City Manager  
From: Fred Medrano, Director, Health & Human Services  
Subject: Youth Employment Program Expansion

This memo is in response to City Council's request for a proposal and cost estimate for the FY 2008 & 2009 Biennial Budget process, for full youth employment by expanding YouthWorks' capacity to accept all eligible applicants.

The FY 2008 Budget now includes funding for 50 additional youth jobs at a total additional cost of \$135,719. In addition to the 50 slots for this summer, we have added a temporary Youth Services Advisor to prepare for and provide support to the additional youth workers and their worksites. This temporary staff person is scheduled to begin June 11, 2007 and will work until August 31, 2007. There are currently two Youth Services Advisors and one Program Manager who work year-round. Because the summer program begins two weeks before the end of the fiscal year, the Department of Health & Human Services will absorb the costs of the program's first pay period (including the temporary Youth Services Advisor) of this current summer program. The attached budget describes the need to allocate funds to begin the summer program for FY09, which actually begins in June of FY08.

Per council's request, the attached spreadsheet describes the costs of program expansion, adding funding for up to 200 additional slots for youth employment at a total cost of \$593,538. This would bring the total of youth slots to 350. While the May 8, 2007 report requests funding for all eligible youth applicants, it would be very difficult to ascertain the numbers of youth that will apply each summer, hence, we are providing cost estimates for up to 200 additional slots. This is in addition to the 50 added for the FY 08 summer program.

Other possible uses for additional funds are: 1) job development for private sector employment and/or, 2) subsidized on-the-job training for private sector jobs (i.e., 50/50 match of wages). This could be accomplished in combination with the public sector and community-based organization placements by allocating a portion of the funds to those jobs and another portion to the hiring of an employment specialist who can develop the jobs, work with the business community and place youth into the jobs. Funds could also be set aside to subsidize the private sector jobs in order to incentivize participation by the private sector. Budget information regarding these scenarios is yet to be developed.

Other costs associated with program expansion, which are the responsibility of the individual worksites to which the youth are assigned and therefore not included in the proposed budget (for both city and non-city work sites), are:

- Ensuring adequate supervision, which may mean hiring additional staff or adding supervisory responsibilities to existing staff,
- Costs associated with fingerprinting and TB testing for those adult workers assigned to work with children,
- Costs associated with fingerprinting and TB testing for youth workers assigned to worksites that specialize in children’s programming (i.e., day care centers)

The Alameda County Workforce Investment Board currently allocates external workforce development funds for youth to Berkeley Youth Alternatives (BYA) in order to serve northern Alameda County. The funds in FY08, in the amount of \$228,160, target low-income, at-risk in-school and out-of-school youth, and services may include case management, training, academic and social support services, and work experience opportunities. YouthWorks makes referrals to BYA as appropriate and BYA will also refer potential participants to YouthWorks.

Please note that graffiti, private sector and other city department employment forecasts are approximate.

<u>YouthWorks Expansion</u>	<u>FY08</u>	<u>FY09</u>
Summer	150	350
After School (also called year-round)	100	100
UC Berkeley summer program	22	22
Graffiti	6	6
Bio-tech	3	3
Private sector employment	22	22
<u>Other City departments</u>	<u>110</u>	<u>110</u>
<b>Total</b>	<b>413</b>	<b>613</b>

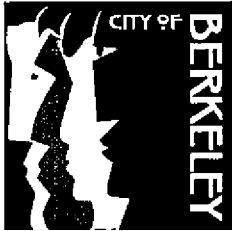
CONTACT PERSONS

Delfina Geiken, Employment Programs Administrator, 981-7551  
 Juanita McMullen, YouthWorks Program Manager, 981-4972

Attachments: Budget description

**Cost of Additional 200 Youths  
YOUTH EMPLOYMENT  
FY 08 & 09**

Cost Description	FY 2008	FY 2009	Total
<b>Add 200 youths</b>			
\$7.50/hr x 30he/wk x 2wks	90,000		90,000
\$8/hr x 30/hr x 8wks		384,000	384,000
<b>4 Temp hourly Youth Services Advisor</b>			
(for 1 month in FY 08) \$3,660/mo	14,640		14,640
(for 2 months in FY 09) \$3,843/mo		30,744	30,744
<b>1 Temp OSII</b>			
(for 2 mos FY 08)	7,430		7,430
(for 3 mos FY 09)		11,145	11,145
<b>Sub Total - Salaries</b>	<b>112,070</b>	<b>425,889</b>	<b>537,959</b>
Fringe Benefits 9%	10,086	38,330	48,416
<b>Total Sal &amp; FB</b>	<b>122,156</b>	<b>464,219</b>	<b>586,375</b>
<b>Operating Costs</b>	<b>2,388</b>	<b>4,775</b>	<b>7,163</b>
<b>Total Budget</b>	<b>124,544</b>	<b>468,994</b>	<b>593,538</b>
<b>Average cost per youth worker</b>			<b>2,968</b>



## Attachment C

Police Department

Date: June 4, 2007  
To: Phil Kamlarz, City Manager  
From: Douglas N. Hambleton, Chief of Police  
Subject: Police Department Budget Referrals

There have been two recent referrals to the budget process concerning the Police Department. This report is intended to provide various options that council may want to consider in response to these two different proposals.

Being able to fill any additional police sworn positions will be an issue. Currently the Police Department has eight vacancies, another eleven officers in training, five sworn members who are off work on long-term medical leave related to on-the-job injuries and one sergeant on extended military leave, for a total of twenty five unavailable positions out of the total 186 sworn. Three retirements are projected by mid-July, four retirements are expected by the end of 2007 and there will be at least three more retirements in early 2008. The Department is processing officer applicants and expects to be at or near full staffing by the end of July, however; most of the new officers that are being hired will not finish training until May of 2008.

Any proposal to increase police staffing must take into account the time delay to recruit, test, select, and train new officers. Considering the projected retirements, if council were to authorize an increase in staffing anytime soon, it would likely take at least 18 months before most the new officers would be working as fully functional officers.

### **Community Involved Policing For Commercial Districts**

The first referral was from the council meeting of May 8, 2007 when council approved a recommendation for the evaluation of funding and organizational changes needed to implement community-involved policing in all commercial areas including:

1. Creation of foot patrols
2. Opportunities for assigned officers to initiate contact with business and residents
3. Designation of a cell phone or pager to provide prompt response from on-duty officers in the area
4. An estimate of any additional funding needed to implement community-involved policing

Currently the Police Department is budgeted for one sergeant and eight officers assigned to bicycle patrol. Two of the bike officer positions are not filled due to staffing issues. There are two bike officers assigned to South Berkeley – Adeline and Sacramento Streets, two bike officers assigned to Downtown Berkeley – Shattuck Avenue, and two bike officers assigned to Telegraph Avenue. The BPD Telegraph Avenue officers are partnered with two UCPD officers for a total of four officers assigned to that district. Bike beats on 4th Street and College Avenue commercial districts have been left vacant due to the sworn staffing issue described above.

Police commanders have already instructed the remaining bike officers to walk their beats for up to two hours during each 10 hour shift, making contact with merchants and citizens on their beats. The officers will continue riding their bicycles for the rest of their shifts because this allows them greater mobility and enables them to respond quickly to incidents.

Three cell phones have been purchased for use in the commercial areas that have bike officers. The phone numbers will be distributed to the merchants in the area with instructions on using the phones to get in touch with the bike officers to discuss beat problems. These phones are not intended as an alternative to reporting crimes or other in-progress incidents via police dispatch. The best way to achieve a prompt police response to calls for service is for those calls to be handled through the communications center. Dispatchers can then send the closest available officer, including the bike officers when they are on-duty and available.

Staff have developed several options which, taken either separately or together, would expand policing in commercial districts. The first option is to increase the bicycle patrols by up to seven officers for a total of fifteen officers and one sergeant in the unit. This would involve filling the two vacant positions and then hiring seven additional officers. The bike officers could be assigned as follows:

<b>Current Budget</b>			
Area	Work Hours	Number of Officers	Comment
Telegraph	Day Shift	2	W/2 UCPD Partners
Downtown – Shattuck	Day Shift	2	
South – Adeline & Sac.	Day Shift	2	
College Ave	Day Shift	1	Vacant
4 <sup>th</sup> Street	Day Shift	1	Vacant
		Subtotal 8	
<b>Potential Future Positions</b>			
Telegraph	Swing Shift	2	
Downtown Shattuck	Swing Shift	2	
North Shattuck/Solano	Day Shift	1	
University/San Pablo	Day Shift	1	Priority – Univ. Ave
University/San Pablo	Day Shift	1	Priority – S.P. Ave
		Total 15	

The additional unbudgeted cost for this option, using the current top step pay rates plus fringe benefits would be approximately \$1,200,000.

A second option is to create a four person Special Response Team (SRT) consisting of a sergeant and three officers. This team could be assigned to a flexible schedule and they could focus their attention on commercial districts throughout the city providing high visibility foot and bike patrols as well as working on surveillance programs, crime prevention and problem solving projects. Due to the nature of this work a SRT would require an overtime budget of at least \$100,000 in order to extend their hours and bring in addition officers for some of their operations as needed. The additional unbudgeted costs for a SRT using the current top step pay rates plus fringe benefits and overtime would be approximately \$825,000.

**Increased Staffing - \$1 Million in FY 2008 and \$2 Million in FY 2009**

The second proposal was from the meeting of May 22, 2007 when council approved a referral for increased police staffing by \$1 million for FY 2008 and \$2 million for FY 2009 over the current fiscal year baseline. The council report and the discussion during the meeting was that this additional staffing should be focused on addressing crime problems, particularly violent crime. The police command staff has developed the following options in response to this proposal. These alternatives total much more than \$2 million and are intended as options that could be implemented depending on council priorities. Costs shown are based on top step salary plus fringe benefits.

- ◆ Eliminate the “Target Savings” from the police budget. These savings come from vacant positions. Eliminating the savings will help the department stay closer to full staffing and provide for the ability to selectively hire above authorized levels in anticipation of known retirements vacancies. (\$414,000 – FY 2008, \$422,000 – FY 2009)
- ◆ Create a four person Violence Suppression Team or Crime Suppression Team consisting of one sergeant and 3 officers plus \$100,000 in overtime similar to the SRT above, but focused on violent crime rather than focused on commercial areas. (\$825,000)
- ◆ Restore one officer to each of the two Drug Task Force teams to work on drug enforcement, impacting the violent crime that is associated with drug trafficking. (\$340,000)
- ◆ Increase staffing by one officer on each of the seven patrol teams for higher minimum staffing levels resulting in more police presence, reduced response time and most importantly increased uncommitted time so that beat officers can spend time on problem solving projects and proactive enforcement. (\$1,200,000)
- ◆ Add two detective positions for investigations of violent crime and property crime. One property crime detective was reduced in the last series of budget cuts. (\$340,000)
- ◆ Add two traffic officers to work on enforcement and traffic complaints with a goal of reducing injury collisions. Although this does not address violent or property crimes, the impacts of traffic collisions (injuries and property damage) can be much more significant than the impacts from crimes. (\$340,000)

If the police budget were to be increased by \$1 million for FY 2008 it would be difficult to spend all of this money on hiring new officers before the end of the fiscal year. Some of this money could be spent on new technology to be used for fighting crime. This could include surveillance camera systems for use in combating drug trafficking and vehicle license plate readers that are effective for faster recovery of stolen cars.

**Street Events and Festivals - Funding Summary**

Attachment D

<b>EVENT NAME</b>	<b>Approved FY 2006</b>	<b>Approved FY 2007</b>	<b>Proposed FY 2008</b>	<b>Proposed FY 2009</b>
<b>Recurring Cash Grants</b>				
Berkeley Arts Festival	10,000	10,000	10,000	10,000
Cesar Chavez Commemoration	4,500	4,500	4,500	4,500
Cinco de Mayo	4,050	4,050	4,050	4,050
Earth Day	4,050	4,050	4,050	4,050
Elmwood Festival	2,700	2,700	2,700	2,700
How Berkeley Can You Be?	8,100	8,100	8,100	8,100
Indigenous Peoples' Day	4,050	4,050	4,050	4,050
Juneteenth Festival	4,050	4,050	4,050	4,050
Poetry Festival	3,240	3,240	3,240	3,240
Solano Stroll	5,000	5,000	5,000	5,000
Stonewall Festival	5,400	5,400	5,400	5,400
TAA World Music Festival	4,500	4,500	4,500	4,500
Telegraph Avenue Holiday Fair	2,025	2,025	2,025	2,025
International Food Festival	1,000			
SF Mine Troupe	900	950	950	950
Miscellaneous/Unallocated	2,425	5,100	3,375	3,375
Subtotal:	65,990	67,715	65,990	65,990
<b>Recurring Expenses</b>				
Personnel Overtime	16,200	16,200	16,200	16,200
Portable Toilets	9,000	9,000	9,000	9,000
Insurance	10,350	10,350	10,350	10,350
Subtotal:	35,550	35,550	35,550	35,550
<b>Total Recurring Funding:</b>	<b>101,540</b>	<b>103,265</b>	<b>101,540</b>	<b>101,540</b>
<b>One-Time Cash Grants</b>				
Maudelle Shirek Event	5,000			
International Food Festival		6,000		
San Pablo Neighborhood Group		15,000		
Shotgun Players		1,275		
Berkeley World Music Festival		5,500		
Spice of Life		2,000		
Subtotal:	5,000	29,775	-	-
<b>Total Recurring &amp; 1-Time:</b>	<b>106,540</b>	<b>133,040</b>	<b>101,540</b>	<b>101,540</b>