



Office of the City Manager

PUBLIC HEARING
May 20, 2025

To: Honorable Mayor and Members of the City Council
From: Paul Buddenhagen, City Manager
Submitted by: Sharon Friedrichsen, Budget Manager
Subject: FY 2026 Proposed Mid-Biennial Budget Update and Public Hearing #1

RECOMMENDATION

Receive the FY 2026 Proposed Mid-Biennial Budget Update and conduct Public Hearing #1 on the FY 2026 Proposed Mid-Biennial Budget Update.

FISCAL IMPACTS OF RECOMMENDATION

The FY 2026 Proposed Mid-Biennial Budget Update will include updated revenue and expenditure projections regarding the City's fiscal health for the upcoming fiscal year.

CURRENT SITUATION AND ITS EFFECTS

On June 25, 2024, the City Council adopted the Fiscal Years ("FY") 2025 and 2026 Biennial Budget (Adopted Budget) and the FY 2025 and FY 2026 Capital Improvement Program Budget (CIP Budget). This item provides the Council with an update to the FY 2026 Adopted Budget known as the FY 2026 Proposed Mid-Biennial Budget Update.

The Proposed FY 2026 Mid-Biennial Budget Update will include updated information on FY 2026 revenues and expenditure projections; proposed expenditures by City departments; as well as any proposed changes to staffing levels and capital projects.

Following the presentation on the Proposed FY 2026 Mid-Biennial Update, staff requests that the City Council conduct the first public hearing on the budget. Subsequently, the Budget and Finance Policy Committee and City Council will continue discussions regarding the proposed budget prior to adoption on June 24, 2025. The Proposed FY 2026 Mid-Biennial Budget Update is a Strategic Plan Priority Project, advancing our goal to provide an efficient and financially-health City government.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

Actions included in the budget will be developed and implemented in a manner that is consistent with the City's environmental sustainability goals and requirements.

RATIONALE FOR RECOMMENDATION

This recommendation presents the Fiscal Year 2026 Proposed Mid-Biennial Budget Update to City Council and begins the first of several public hearings pertaining to the budget, leading to adoption on June 24, 2025.

- May 15, 2025 – Budget and Finance Policy Committee Meeting
- May 20, 2025 – Public Hearing #1 – Council Meeting
- May 22, 2025 – Budget and Finance Policy Committee Meeting
- June 12, 2025 – Budget and Finance Policy Committee Meeting
- June 17, 2025 – Council Meeting
- June 24, 2025 – Public Hearing #2 – Council Meeting (Budget Adoption)

ALTERNATIVE ACTIONS CONSIDERED

No alternative actions have been considered. The City Council is required to adopt a balanced budget by June 30, 2025.

CONTACT PERSON

Sharon Friedrichsen, Budget Manager, City Manager's Office, 981-7000

Attachments:

1: Public Hearing Notice

**NOTICE OF PUBLIC HEARING
BERKELEY CITY COUNCIL
FY 2026 PROPOSED MID-BIENNIAL BUDGET UPDATE
PUBLIC HEARING #1**

The public may participate in this hearing by remote video or in-person.

The City Manager's Office is proposing a public hearing for the Fiscal Year 2026 Proposed Mid-Biennial Budget Update, which is being presented to the City Council.

The hearing will be held on **Tuesday, May 20, 2025 at 6:00 p.m.** in the School District Board Room, 1231 Addison Street, Berkeley CA 94702

A copy of the agenda material for this hearing will be available on the City's website at www.Berkeleyca.gov as of May 8, 2025. **Once posted, the agenda for this meeting will include a link for public participation using Zoom video technology, as well as any health and safety requirements for in-person attendance.**

For further information, please contact **Sharon Friedrichsen** at (510) 981-7000.

Written comments should be mailed or delivered directly to the City Clerk, 2180 Milvia Street, Berkeley, CA 94704, or e-mailed to council@berkeleyca.gov 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 or in person to the City Clerk. 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 (510) 981-6900 or clerk@berkeleyca.gov for further information.

Posted: May 8, 2025

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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 May 8, 2025.

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Mark Numainville, City Clerk

