

**BERKELEY CITY COUNCIL BUDGET & FINANCE COMMITTEE
REGULAR MEETING MINUTES**

**Thursday, September 25, 2025
10:00 AM**

Cypress Room – 2180 Milvia Street, 1st Floor, Berkeley, CA 94704

Committee Members:

Mayor Adena Ishii, Councilmembers Rashi Kesarwani and Brent Blackaby

Alternate: Councilmember Igor Tregub

This meeting will be conducted in a hybrid model with both in-person and virtual attendance. Attend this meeting remotely using [Zoom](#). To request to speak, use the “raise hand” function in Zoom. To join by phone: Dial **1-669-254-5252** or **1-833-568-8864 (Toll Free)** and enter **Meeting ID: 161 631 5212**. To provide public comment, Press *9 and wait to be recognized by the Chair. To submit a written communication for the Committee’s consideration and inclusion in the public record, email policycommittee@berkeleyca.gov. All Committee meetings are recorded.

This meeting will be conducted in accordance with the Brown Act, Government Code Section 54953. Any member of the public may attend this meeting, however, if you are feeling sick, please do not attend the meeting in person.

Pursuant to the City Council Rules of Procedure and State Law, the presiding officer may remove, or cause the removal of, an individual for disrupting the meeting. Prior to removing an individual, the presiding officer shall warn the individual that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal. The presiding officer may then remove the individual if they do not promptly cease their disruptive behavior. “Disrupting” means engaging in behavior during a meeting of a legislative body that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting and includes, but is not limited to, a failure to comply with reasonable and lawful regulations adopted by a legislative body, or engaging in behavior that constitutes use of force or a true threat of force.

California Government Code Section 84308 (Levine Act) Parties to a proceeding involving a license, permit, or other entitlement for use are required to disclose if they made contributions over \$500 within the prior 12 months to any City employee or officer. Parties and participants with a financial interest are prohibited from making more than \$500 in contributions to a decisionmaker for the 12 months after the final decision is rendered on the proceeding. The above contribution disclosures and restrictions do not apply when the proceeding is competitively bid, or involves a personnel or labor contract. For more information, see Government Code Section 84308.

MINUTES

Roll Call: 10:03 a.m.

Present: Blackaby, Ishii, Kesarwani

Absent: None

Public Comment on Non-Agenda Matters: 0 Speakers

Minutes for Approval

Draft minutes for the Committee's consideration and approval.

1. **Minutes - September 11, 2025**

Action: M/S/C (Ishii/Blackaby) to approve the minutes of 9/11/2025.

Vote: All Ayes.

Committee Action Items

The public may comment on each item listed on the agenda for action as the item is taken up. The Chair will determine the number of persons interested in speaking on each item. Up to ten (10) speakers may speak for two minutes. If there are more than ten persons interested in speaking, the Chair may limit the public comment for all speakers to one minute per speaker.

Following review and discussion of the items listed below, the Committee may continue an item to a future committee meeting, or refer the item to the City Council.

Committee Action Items

2. Recommendations for the Formulation of Advanced Fiscal Policies to Institutionalize Strategic Bond Issuance, Optimize Municipal Investment Returns, and Leverage Intergovernmental and Philanthropic Capital Funding From: Councilmember Taplin (Author), Councilmember Bartlett (Co-Sponsor) Referred: June 2, 2025

Due: November 9, 2025

Recommendation: 1. Establish a Structured Bond Issuance Framework
Refer to the City Manager development and presentation to the Council of a comprehensive fiscal policy that institutionalizes a regular, predictive schedule for general obligation bond issuance. This policy should be informed by actuarial and capital market analysis of the City's bonding capacity and be modeled on established frameworks utilized in fiscally disciplined jurisdictions such as San Francisco and Santa Monica. The goal is to remediate the City's substantial deferred maintenance liabilities and strategically advance the Capital Improvement Program (CIP).

2. Modernize Investment Policy and Establish a Capital Grant Matching Fund
Refer to the City Manager the enactment of a detailed review and performance benchmarking of the City's current investment policies, ordinances, and resolutions. Based on this review, the City Manager should recommend:

- Amendments to align Berkeley's portfolio management practices with those of peer jurisdictions in the Bay Area;
- Asset strategies that maintain compliance with CA Government Code §53600 et seq. while improving yields through enhanced diversification and duration matching;
- Establishment of a dedicated Capital Grant Matching Fund, capitalized with a designated portion of net investment returns, to maximize Berkeley's competitiveness in securing grants under federal programs such as the Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act (IRA), and state-funded resilience initiatives.

3. Develop a Comparative Bond Issuance Analysis and Timeline

Refer the City Manager to conduct a comprehensive analysis of historical general obligation bond issuance and debt service rates in Berkeley and comparable jurisdictions. The analysis should:

- Examine 30 years of municipal bond trends, showing the consistency of low interest rates during fiscally disciplined cycles;
- Compare Berkeley's historical borrowing costs with those of San Francisco, Santa Monica, and Palo Alto;
- Demonstrate the efficacy of maintaining a regular issuance schedule every 6–10 years to preserve low borrowing rates and steady bond ratings;
- Present a 30-year fiscal projection showing that with prudent debt layering and consistent retirement of obligations, Berkeley can issue up to \$250–\$300 million in bonds in successive tranches while maintaining fiscal health and AAA-quality debt service coverage ratios.

The City Manager is requested to return with a projected 25–30 year financing timeline that identifies capital milestones, projected issuances, debt service loads, and cost-saving thresholds compared to inflation-driven delays. This timeline shall be paired with policy recommendations to ensure adherence to long-range financial planning objectives.

Financial Implications: See report

Contact: Terry Taplin, Councilmember, District 2, (510) 981-7120

Committee Action Items

Action: 1 speaker. Presentation made and discussion held. M/S/C (Kesarwani/Blackaby) to send the item to Council with a Qualified Positive Recommendation with the changes as proposed by Councilmember Taplin as follows:

RECOMMENDATION

1. Structured Bond Issuance Framework

Refer to the City Manager ~~assessment, analysis, and development and~~ presentation to the Council ~~of a potential of a~~ comprehensive fiscal policy ~~every two years~~ that institutionalizes, ~~codifies, and makes publicly accessible, codifies current practices,~~ a regular, predictive schedule for general obligation bond issuance. This ~~potential~~ policy, ~~in addition to and alongside existing practices, smayhould~~ be informed by actuarial and capital market analysis of the City's bonding capacity and be modeled on established frameworks utilized in fiscally disciplined jurisdictions such as San Francisco, ~~and~~ Santa Monica, ~~and others~~. The goal is to remediate the City's substantial deferred maintenance liabilities and strategically advance the Capital Improvement Program (CIP).

2. Modernize Investment Policy. ~~and Establish a Capital Grant Matching Fund~~

Refer to the City Manager the enactment of a detailed review and performance benchmarking of the City's current investment policies, ordinances, and resolutions. Based on this review, the City Manager ~~may~~ ~~considershould recommend:~~

- Amendments to align Berkeley's portfolio management practices with those of peer jurisdictions in the Bay Area;
- Asset strategies that maintain compliance with CA Government Code §53600 et seq. while improving yields through enhanced diversification and duration matching;

~~Establishment of a dedicated Capital Grant Matching Fund, capitalized with a designated portion of net investment returns, to maximize Berkeley's competitiveness in securing grants under federal programs such as the Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act (IRA), and state-funded resilience initiatives.~~

3. ~~Develop a~~ Comparative Bond Issuance Analysis and Timeline

Refer the City Manager to conduct a comprehensive analysis of historical general obligation bond issuance and debt service rates in Berkeley and comparable jurisdictions. The analysis ~~may consider the following should:~~

- Examine 30 years of municipal bond trends, showing the consistency of low interest rates during fiscally disciplined cycles;
- Compare Berkeley's historical borrowing costs with those of San Francisco, Santa Monica, ~~and~~ Palo Alto, ~~and other cities~~;

Committee Action Items

- Demonstrate the efficacy of maintaining a regular issuance schedule every 6–10 years to preserve low borrowing rates and steady bond ratings;
- Present a 30-year fiscal projection showing that with prudent debt layering and consistent retirement of obligations, Berkeley can issue up to \$250–\$300 million in bonds in successive tranches while maintaining fiscal health and AAA-quality debt service coverage ratios, [and examine the impact on deferred infrastructure liabilities.-](#)

Vote: All Ayes.

Unscheduled Items

These items are not scheduled for discussion or action at this meeting. The Committee may schedule these items to the Action Calendar of a future Committee meeting.

- None

Items for Future Agendas

- Discussion Item: HHCS presentation

Action: M/S/C (Kesarwani/Ishii) to add a discussion item for a Health, Housing, and Community Services Department (HHCS) presentation to the agenda for the November 6, 2025 meeting.

Vote: All Ayes

Adjournment

Action: M/S/C (Ishii/Kesarwani) to adjourn the meeting.

Vote: All Ayes.

Adjourned at 11:26 a.m.

I hereby certify that the foregoing is a true and correct record of the Budget & Finance Committee meeting held on September 25, 2025.

Neetu Salwan, Assistant City Clerk

Communications

Communications submitted to City Council Policy Committees are on file in the City Clerk Department at 2180 Milvia Street, 1st Floor, Berkeley, CA, and are available upon request by contacting the City Clerk Department at (510) 981-6908 or policycommittee@berkeleyca.gov.