



CITY OF
HAYWARD
HEART OF THE BAY

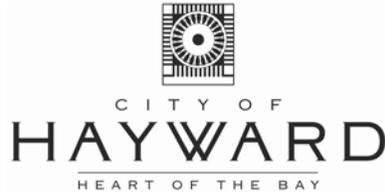
CITY COUNCIL AGENDA

FEBRUARY 22, 2011

**MAYOR MICHAEL SWEENEY
MAYOR PRO TEMPORE FRANCISCO ZERMEÑO
COUNCIL MEMBER BARBARA HALLIDAY
COUNCIL MEMBER OLDEN HENSON
COUNCIL MEMBER BILL QUIRK
COUNCIL MEMBER MARVIN PEIXOTO
COUNCIL MEMBER MARK SALINAS**

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CITY COUNCIL MEETING FOR TUESDAY, FEBRUARY 22, 2011

CLOSED SESSION
Closed Session Room 2B – 5:30 PM

1. **PUBLIC COMMENTS** *(Limited to items agendized for Closed Session)*
 2. Conference with Labor Negotiators
Pursuant to Government Code 54957.6
 - Lead Negotiators: City Manager David, City Attorney Lawson, Assistant City Manager Morariu, Human Resources Director Robustelli, and Interim Finance Director Stark
 - Under Negotiation: All Bargaining Units
 3. Adjournment to Regular Meeting
-

SPECIAL JOINT CITY COUNCIL/REDEVELOPMENT AGENCY MEETING
Council Chambers - 7:00 PM

CALL TO ORDER Pledge of Allegiance Council Member Halliday

ROLL CALL

CLOSED SESSION ANNOUNCEMENT

PRESENTATION Business Recognition Award

PROCLAMATION Black History Month

PUBLIC COMMENTS: *(The Public Comment section provides an opportunity to address the City Council on items not listed on the agenda or Work Session, or Informational Staff Presentation items. The Council welcomes your comments and requests that speakers present their remarks in a respectful manner, within established time limits, and focus on issues which directly affect the City or are within the jurisdiction of the City. As the Council is prohibited by State law from discussing items not listed on the agenda, your item will be taken under consideration and may be referred to staff.)*

NON-ACTION ITEMS: *(Work Session and Informational Staff Presentation items are non-action items. Although the Council may discuss or direct staff to follow up on these items, no formal action will be taken. Any formal action will be placed on the agenda at a subsequent meeting in the action sections of the agenda.)*

HAYWARD CITY COUNCIL, 777 B STREET, HAYWARD, CA 94541
[HTTP://WWW.HAYWARD-CA.GOV](http://www.hayward-ca.gov)

WORK SESSION (60-Minute Limit)

1. Historic Preservation Program – Proposed Program Elements Update and Status of Post-1946 Multi-Family Residential Buildings

[Staff Report](#)

[Attachment I - Historic Preservation Ordinance](#)

[Attachment II - GIS Web Page](#)

ACTION ITEMS: *(The Council will permit comment as each item is called for the Consent Calendar, Public Hearings, and Legislative Business. In the case of the Consent Calendar, a specific item will need to be pulled by a Council member in order for the Council to discuss the item or to permit public comment on the item. Please notify the City Clerk anytime before the Consent Calendar is voted on by Council if you wish to speak on a Consent Item.)*

CONSENT CALENDAR

2. Emergency Wells Supervisory Control and Data Acquisition (SCADA) Installation Project: Approval of Addendum and Rejection of Bids

[Staff Report](#)

[Attachment I - Resolution](#)

[Attachment II - Project Location Map](#)

[Attachment III - Bid Summary](#)

3. Public/Educational/Governmental (PEG) Agreement Renewal

[Staff Report](#)

[Attachment I Resolution](#)

[Attachment II Existing Agreement](#)

4. Resolution Designating February as Black History Month

[Staff Report](#)

[Attachment I - Resolution](#)

The following order of business applies to items considered as part of Public Hearings and Legislative Business:

- *Disclosures*
 - *Staff Presentation*
 - *City Council Questions*
 - *Public Input*
 - *Council Discussion and Action*
-



LEGISLATIVE BUSINESS

5. Mid-Year Review Fiscal Year 2011

[Staff Report](#)

[Attachment I](#)

[Attachment II](#)

[Attachment III](#)

[Attachment IV](#)

6. Recommended Council Priorities for FY 2012

[Staff Report](#)

[Attachment I](#)

[Attachment II](#)

[Attachment III](#)

7. State Budget Update/Governor's Redevelopment Proposal – Discussion of City of Hayward Responses

[Staff Report](#)

COUNCIL REPORTS, REFERRALS, AND FUTURE AGENDA ITEMS

Oral reports from Council Members on their activities, referrals to staff, and suggestions for future agenda items

ADJOURNMENT

PUBLIC COMMENT RULES: The Mayor may, at the beginning of the hearing, limit testimony to three (3) minutes per individual and five (5) minutes per an individual representing a group of citizens or organization. Speakers will be asked for their name and their address before speaking and are expected to honor the allotted time. A Speaker's Card must be completed by each speaker and is available from the City Clerk at the meeting.

PLEASE TAKE NOTICE that if you file a lawsuit challenging any final decision on any public hearing or legislative business item listed in this agenda, the issues in the lawsuit may be limited to the issues that were raised at the City's public hearing or presented in writing to the City Clerk at or before the public hearing. PLEASE TAKE FURTHER NOTICE that the City Council has adopted Resolution No. 87-181 C.S., which imposes the 90 day deadline set forth in Code of Civil Procedure section 1094.6 for filing of any lawsuit challenging final action on an agenda item which is subject to Code of Civil Procedure section 1094.5.

****Materials related to an item on the agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office, City Hall, 777 B Street, 4th Floor, Hayward, during normal business hours. An online version of this agenda and staff reports are available on the City's website. All Council Meetings are broadcast simultaneously on the website and on Cable Channel 15, KHRT. ****

NEXT REGULAR MEETING – 7:00 PM, TUESDAY, MARCH 1, 2011

Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Interested persons must request the accommodation at least 48 hours in advance of the meeting by contacting the City Clerk at (510) 583-4400 or TDD (510) 247-3340.

FEBRUARY 22, 2011



DATE: February 22, 2011

TO: Mayor and City Council

FROM: Development Services Director

SUBJECT: Historic Preservation Program – Proposed Program Elements Update and Status of Post-1946 Multi-Family Residential Buildings

RECOMMENDATION

That the City Council reads and comments on this report.

BACKGROUND

On June 1, 2010, the City Council adopted the [City’s Historic Preservation Program](#). This program includes: documents that provide the City of Hayward with a current and comprehensive inventory of potential and existing historical resources; an understanding as to why and how some of these resources can and do meet local, state, and national criteria; and a well-defined historic preservation ordinance to direct and guide decision-making policies.

The City of Hayward’s newly-adopted Historic Preservation Ordinance (Ordinance) addresses current standards and practices of historic preservation to provide stronger protections for historical resources. The new ordinance, among other issues, addresses the process for determining when historical alteration, demolition, or relocation permits are required. Sections 10-11.050 to 10-11.070 of the ordinance (Attachment I) contain provisions that make it unlawful to alter character-defining features of historical resources without a historical alteration permit, and sets the procedure and standards for making such alterations; provisions and procedures regarding the demolition of a historical resource; and provisions and procedures for the relocation of a historical resource.

The Historic Resources Survey and Inventory Report responds to historical resources built prior to 1946, except within the Focus Survey Area (generally Downtown and immediate vicinity) where 1959 was used, with the aim of including only the areas of early development that preceded the large-scale housing and suburban expansion of the post-World War II boom years. During the May 18 and June 1, 2010 Council hearings, discussion ensued regarding the need to correlate the Ordinance requirements with the 1946 date used for the survey so as not to burden the hundreds of “newer” tract housing with the prospect of needing alteration permits.

In the final evaluation, the City Council exempted single-family residential properties developed pursuant to a tentative tract map after 1946 from obtaining historical permits. Single-family residences within a tract are more appropriately reviewed as far as historic integrity in context with their neighborhood as a whole. For example, should any particular neighborhood be designated a historic district at some future time, such designation would include a list of individual landmarks and structures that contribute to the district; that is, structures that are not landmarks individually, but significant because of their contribution to the character of the district. Without designation of the district, the designation of individual residences as historic sites may be meaningless.

Other than this modification, the Council retained a fifty-year review requirement and directed staff to return with additional information and analysis regarding Ordinance impacts on multi-family structures. The fifty-year threshold is consistent with the national standard as the starting point for determining whether a structure may be historic.

DISCUSSION

Multi-Family Structure Designations Process - Similar to the concerns expressed by the City Council in June regarding single-family tract housing, the Rental Housing Owners Association (Association) has requested that all post-1946 multi-family residential structures be exempt from obtaining historic alteration permits per the provisions of the Historic Preservation Ordinance. The Association feels that the provisions of the Ordinance may prove overly-burdensome for the owners of these properties in that needed property improvements may need excessive review due to the Ordinance provisions related to requirements for alteration, demolition, or relocation permits.

Staff met with the Association on September 22 and November 9, 2010, and January 25, 2011, to discuss concerns regarding the Ordinance processes. In response to the Association's concerns, staff performed a random evaluation of the approximately 250 post-1946 multi-family residential buildings of four units or more that exist in the City and found only 13 of those complexes, all within the Downtown area, would qualify as a "Historical Resource." However, it should be noted that this evaluation was not comprehensive. Also, the Association understands that the incentives provided, including the Mills Act Program and federal tax incentives, may make it desirable for a property owner to seek official designation as a Historical Resource.

Staff is reluctant to recommend the removal of another entire class of structures from potential review under the new Ordinance. As multi-family structures throughout the City age, the criterion of the Ordinance would allow staff to make evaluations of proposed alterations to structures with the intent of protecting newer ranks of historical resources prior to the City conducting an updated survey. The multi-family residences should be evaluated on their own merit rather than as part of a neighborhood, unlike the more comprehensive neighborhood approach suggested above for single-family tract homes: single-family tracts are, by design, neighborhoods. The City's apartment buildings are scattered and, while some may contribute to historic districts, should be evaluated for potential historic resources on their individual merit.

Permit Review for Evaluated Properties - Staff has added a notation regarding integrity to the Historic Resources field in the City's public Geographic Information System (G.I.S.) (see Attachment II). Significant integrity is denoted by either a "M" (Medium) or a "H" (High);

insignificant integrity is denoted by an “N/A” (Not Applicable) or a “L” (Low). A notation of insignificant integrity allows the owners to obtain building permits without historic significance review by the Planning Director or designee. The City’s Planning Manager intends to evaluate the remainder of the multi-family structures by the end of June 2011, after which notations regarding historical significance will be readily available in G.I.S. for all multi-family structures. This will allow for quick processing of all permits eligible for “over-the-counter” treatment. Should a property retain historic integrity, alteration permits would be required per the Ordinance.

Permit Review for Unevaluated Properties - For the properties that have not been evaluated, the Ordinance provisions are flexible enough to allow the Planning Director to waive the requirement for an alteration permit for those structures that have been substantially changed such that they retain no integrity, have no historic significance, or undergo only minor work that doesn’t affect important architectural features. In most cases, the Planning Director/staff will be able to make a quick determination at the counter to waive alteration permits by reviewing the information, including photos, contained in the City’s G.I.S. Review of the photos alone often provides adequate information regarding whether the structure has retained historic architectural integrity. Where the G.I.S. information does not provide adequate information, it is estimated that a determination could be made within one week, using the resources of the Hayward Area Historical Society and the National Register criteria below.

Consideration of historic alteration permits for multi-family residential structures under the City’s Historic Preservation Ordinance requires that they have retained a significant level of integrity according to National Register standards outlined below. In addition, staff feels that very few of these structures will be determined to have a significant level of integrity, given the preliminary investigation mentioned above. Once a property is evaluated for the first time, the proper notation, if appropriate, would be added to G.I.S. and those with insignificant integrity would avoid this process the next time a permit application is submitted.

Official Designation of Historic Resources - In addition, the Association expressed concern with the designation of structures as historic resources without consent of the property owner. The City Council stated that the policy in regard to the official designation of historical resources is that it is to be a voluntary process on the part of the property owner unless the structure is of significant community value. The Ordinance itself permits an application for designation from only the property owner, the Planning Director, the Planning Commission, or the City Council. Therefore, another party would not be able to submit an application to cause the classification of a multi-family structure to be designated as a historic resource. Should an application be submitted by the property owner or the City, the Planning Director would be required to determine the merit of the application prior to sending it to the Planning Commission for hearing based on appropriate documentation. In order to be designated, a property must be a “Historical Resource” as defined by Section 10-11.030k of the Ordinance (Attachment I). A “Historical Resource” would be any building, structure, site, object, historic district, or archaeological resource that has been determined to have: a) age; b) integrity; and c) historical significance.

The National Park Service (National Register) provides guidelines against which to evaluate whether a property is subject to the provisions of the City’s Historic Preservation Ordinance. The National Register criteria are as follows:

- A. Resources associated with events that have made a significant contribution to the broad patterns of history;
- B. Resources associated with the lives of persons significant in our past;
- C. Resources that embody the distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction; or
- D. Resources that have yielded or may likely yield information important in prehistory or history.

When assessing a potential historic resource, one must evaluate and clearly state the significance of that resource to American history, architecture, archaeology, engineering, or culture. A resource may qualify as a historic resource if it meets the criteria for significance *and* possesses historic integrity. Historical resources must meet one of the criteria of significance described above and retain enough of their historic character or appearance to be recognizable as historical resources and to convey the reasons for their significance.

Integrity is the authenticity of a historical resource's physical identity evidenced by the survival of characteristics that existed during the resource's period of significance. The National Register recognizes seven aspects or qualities that define historic integrity:

- Location: The place where the historic property was constructed or the place where the historic event occurred.
- Design: The combination of elements that create the form, plan, space, structure, and style of a property.
- Setting: The physical environment of a historic property.
- Materials: The physical elements that were combined or deposited during a particular period of time and in a particular pattern or configuration to form a historic property.
- Workmanship: The physical evidence of the crafts of a particular culture or people during any given period in history or prehistory.
- Feeling: A property's expression of the aesthetic or historic sense of a particular period of time.
- Association: The direct link between an important historic event or person and a historic property.

Program Updates - When the City Council adopted the documents and ordinance of the Historic Preservation Program on June 1, 2010, staff indicated that the Program would be rounded out by other elements that would go beyond merely identifying the City's potential historic properties. Following is a discussion of the work program identified thus far, along with expected timelines.

Prospect Hill Historic District - While the City's consultant recommended that the Upper B Street neighborhood be the first consideration for an official historic district, staff recommends that the City first consider the Prospect Hill neighborhood. Staff believes that the Prospect Hill neighborhood is receptive to this consideration and that the work toward and the results of historic designation here will be a good model for other neighborhoods to follow. Also, having an

established neighborhood organization will be beneficial to this effort. Staff envisions this work starting in March 2011 with district designation by the City Council anticipated for January 2012. To assist in this effort, staff attended California Preservation Foundation's workshop entitled "Historic District Designations" on January 27, 2011.

Planning and Zoning Incentives - One of the best ways to create buy-in for historic preservation is to provide incentives for those who might participate by preserving historic structures on their property. One of the incentives, adopted by the City Council with the Program, is the Mills Act Property Tax Abatement Program. Others may include: zoning incentives; fee waivers; funding programs; use of the State Historic Building Code; and zoning overlays, among others. Staff envisions developing materials for Mills Act participation and other programs beginning in April 2011 with anticipated enactment by January 2012.

Addition of Properties to Historic Register – As stated previously, the City Council stated that the policy in regard to the official designation of historical resources is that it is to generally be a voluntary process on the part of the property owner. However, the Council also expressed the desire to pursue the designation of structures of significant community value. Such designations could be celebratory, highlighting the community benefit of preserving Hayward's history. Staff envisions that the development of a list of significant properties would begin in March 2011, with first review by the Council in June of 2011.

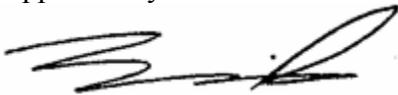
NEXT STEPS

No further action is necessary. If Council agrees with the recommendation to not amend the Ordinance regarding multi-family structures as outlined in this report, staff will continue to develop the program and work with the public on education regarding the new Ordinance provisions. Staff envisions educational programs to include neighborhood meetings and continued development of the webpage devoted to resource information and incentive programs (including the Mills Act) for owners of historical buildings.

Prepared by: Richard E. Patenaude, AICP, Planning Manager

Recommended by: David Rizk, AICP Development Services Director

Approved by:



Fran David, City Manager

Attachments:

- Attachment I Historic Preservation Ordinance
- Attachment II Sample Geographic Information System (GIS) Web Page

ARTICLE 11
HISTORIC PRESERVATION ORDINANCE

Section	Subject Matter
10-11.010	PURPOSE
10-11.020	APPLICABILITY
10-11.030	DEFINITIONS
10-11.040	IDENTIFICATION OF HISTORICAL RESOURCES
10-11.050	REQUIREMENT TO OBTAIN HISTORICAL ALTERATION PERMIT AND/OR HISTORICAL RESOURCE DEMOLITION OR RELOCATION PERMIT
10-11.060	HISTORICAL ALTERATION PERMIT PROCESS
10-11.070	HISTORICAL RESOURCES DEMOLITION OR RELOCATION PERMIT PROCESS
10-11.080	HISTORICAL RESOURCES DESIGNATION CRITERIA
10-11.090	HISTORICAL RESOURCES DESIGNATION PROCESS
10-11.100	INCENTIVES FOR THE PRESERVATION OF DESIGNATED HISTORICAL RESOURCES
10-11.110	ADOPTED SURVEY LIST
10-11.120	APPEALS
10-11.130	ORDINARY MAINTENANCE AND REPAIR
10-11.140	DUTY TO KEEP IN GOOD REPAIR
10-11.150	CONDITIONS OF APPROVAL FOR DEVELOPMENT PROJECTS LOCATED WITHIN ARCHAEOLOGICALLY SENSITIVE AREAS, AND/OR WITHIN OR ADJACENT TO KNOWN ARCHAEOLOGICAL SITES
10-11.160	ENFORCEMENT; ADMINISTRATIVE CITATIONS

ARTICLE 11

HISTORIC PRESERVATION ORDINANCE

SEC. 10-11.010 PURPOSE. The purpose of this Article is to promote the public health, safety and general welfare of the inhabitants of the City by providing for the identification, protection, enhancement, perpetuation and use of historical resources, including buildings, structures, signs, objects, features, sites, historic and prehistoric archaeological sites, places, districts, designed landscapes, cultural landscapes and areas within the City that reflect special elements of the City's architectural, artistic, cultural, engineering, aesthetic, historical, political, social and other heritage. The protection of historical resources will achieve the following objectives:

- a. To safeguard the heritage of the City as embodied and reflected in such resources;
- b. To encourage public knowledge, understanding and appreciation of the City's past;
- c. To foster civic and neighborhood pride and a sense of identity based on community character and the recognition and use of historical resources;
- d. To promote the enjoyment and use of historical resources appropriate for the education and recreation of the inhabitants of the City;
- e. To preserve historic architectural styles and design preferences reflecting phases of the City's history and to encourage complementary contemporary design and construction;
- f. To enhance property values and to increase economic and financial benefits to the City and its inhabitants;
- g. To protect and enhance the City's attraction to tourists and visitors (thereby stimulating business and industry);
- h. To identify as early as possible and resolve conflicts between the preservation of the historical resources and alternative land uses;
- i. To integrate the preservation of historical resources and the extraction of relevant data from such resources into public and private land management and development processes; and
- j. To conserve and recycle valuable community resources by continuing use and maintenance of the historic built environment.

SEC. 10-11.020 APPLICABILITY. This Article shall apply to all historical resources and potentially significant historical resources within the City.

SEC. 10-11.030 DEFINITIONS. Terms used in this Article are defined as follows:

- a. "Adopted Survey List" means a list of resources (e.g., object, building, structure, site, area, place, record, or manuscript), adopted by the City of Hayward, which the City has determined to be historically significant or significant in the architectural, engineering, scientific, economic, agricultural, educational, social, political, military, or cultural annals of Hayward but which have not been officially designated on the local register of historical resources. Resources listed on the adopted survey list shall be considered historical resources, as that term is hereinafter defined.
- b. "Age" means the characteristic of being at least fifty years old.
- c. "Alteration" means exterior change or modification of character-defining features, through public or private action, of any historical resource or any potentially significant historical resource, or of any contributing resource located within an historic district, which may include, but not be limited to, exterior changes to or modification of structure, architectural details or visual characteristics, such as surface texture, grading, surface paving, new structures, cutting or removal of trees and other natural features, disturbance of archeological sites or areas and the placement or removal of any exterior objects such as signs, plaques, light fixtures, street furniture, walls, fences, steps, significant plantings and landscape accessories, to the extent that such would affect the exterior character-defining features of the property containing the resource.
- d. "Association" means the direct link between an important historic event or persons and a historic property for design, engineering or construction value and/or the ability to yield important information about prehistory or history.
- e. "Buildings" means structures created to shelter human activity. Historic buildings are considered in their entirety. A building that has lost its basic structural elements is usually considered a "ruin" and is a site, as that term is hereinafter defined.
- f. "Character-Defining Features" means those physical characteristics of an historical resource or potentially significant historical resource that convey its historical significance and justify its inclusion in, or eligibility for inclusion in, the national, state or local register. Character-defining features of a resource are documented by a qualified professional on a Primary Record survey form and/or a full historic evaluation and also may consist of features mutually agreed upon by a property owner and the Planning Director or designated City staff.
- g. "Design" means the combination of elements that create the form, plan, space, structure and style of a property.
- h. "Designated Historical Resource" means any historical resource that has been designated and placed on a local register of historical resources pursuant to this Article.
- i. "Evaluation" means an intensive survey to determine the historical significance of a resource. An evaluation consists of completed Department of Parks and Recreation (DPR) 523 series survey forms, including: 1) Primary Record (523A); 2) Building,

Structure, Object Record (523B); and 3) any additional survey form appropriate for documentation of the subject resource.

- j. "Feeling" means a property's expression of the aesthetic or historic sense of a particular period of time and results from the presence of physical features that, taken together, convey the property's historic character.
- k. "Historical Resources" means any buildings, structures, sites, objects, historic district and archaeological resources that have been determined to have a) age; b) integrity; and c) historical significance. For the purposes of this Article and of the California Environmental Quality Act (CEQA), the term "historical resources" shall include the following:
 - (1) A resource listed in, or determined to be eligible by the State Historical Resources Commission for listing in, the National Register or the California Register of Historical Resources.
 - (2) A resource designated in a local register of historical resources or identified as historically significant in an adopted survey list.
 - (3) Any object, building, structure, site, area, place, record, or manuscript that the City of Hayward determines to be historically significant or significant in the architectural, engineering, scientific, economic, agricultural, educational, social, political, military, or cultural annals of California or of Hayward.
- l. "Historic Context Statement" means a document adopted by the City Council that describes historic periods and themes in Hayward's history, which is used as a tool to assist with the assessment of a property's historic significance by providing a framework against which to objectively qualify the property's relationship to larger themes and events.
- m. "Historic District" means a geographically-definable area – urban or rural, small or large – possessing a significant concentration, linkage, or continuity of sites, buildings, structures and/or objects united by past events or aesthetically by plan or physical development. An historic district may also comprise individual elements separated geographically but linked by association or history. A contributing resource within an historic district is an historical resource which contributes to the character of a historic district as described in National Register Bulletin 15.
- n. "Historical Significance" means, in national, state or local history, architecture, archaeology, engineering and culture that is present in districts, sites, buildings, structures and objects, which possess age, integrity and association with an important historical context with reference to the following:
 - (1) An association with events that have made a significant contribution to the broad patterns of national, state and/or local history and cultural heritage; or
 - (2) An association with the lives of persons significant in national, state and/or local past; or
 - (3) The embodiment of the distinctive characteristics of a type, period, region, or method of construction, or that represent the work of a master or important creative individual, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction; or

- (4) Details that have yielded, or may be likely to yield, information important in prehistory or history.
- o. "Historic Preservation Officer" means the Planning Director, or his or her designee, when such a designation is relevant for consultation with federal agencies for the purpose of Section 106 procedures. This designation may be used for other consultations affecting community historical resources.
- p. "Integrity" means the ability of a property to convey its historical significance. Evaluation of integrity is grounded in an understanding of a property's physical features and how they relate to its historical significance. There are seven aspects or qualities that, in various combinations, define integrity: location, design, setting, materials, workmanship, feeling and association. To retain historic integrity, a property will possess several, and usually most, of the aspects. Determining which of the seven aspects are most important to a property requires knowing why, where and when the property is significant.
- q. "Interior Architectural Feature" means any portion of the interior of a public space in a publicly-owned building, or of a space in a privately-owned building, designated as an historical resource, where the interior space is generally accessible for use and viewing by the general public. The feature must meet the criteria for historical significance, as that term is defined hereinabove. Proposed changes to designated interior architectural features must follow the same procedures outlined in this Article for alteration to exterior features.
- r. "Local Register" means a list of properties officially designated as historically significant by the City of Hayward pursuant to a local ordinance or resolution adopted by the City Council.
- s. "Location" means the place where the historic property was constructed or the place where the historic event occurred.
- t. "Object" means a material thing of functional, aesthetic, cultural, historical or scientific value that may be, by design or nature, moveable yet related to a specific setting or environment.
- u. "Potentially Significant Historical Resource" means a resource that is identified through a reconnaissance survey and/or by the City to have (a) age and (b) integrity, but historical significance has not yet been evaluated or determined. The fact that a resource is not listed in or determined to be eligible for listing in the California Register, or is not listed in a local register, does not preclude the City from determining that the resource is a potentially significant historical resource, such that further evaluation can be required to evaluate the resource for historic significance.
- v. "Preservation" means the act or process of applying measures necessary to sustain the existing form, integrity and materials of an historical resource. Work including preliminary measures to protect and stabilize the resource generally focuses upon the ongoing maintenance and repair of historic materials and features rather than extensive replacement and new construction.

- w. "Qualified Historic Consultant" means a consultant that meets the Secretary of the Interior's Professional Qualification Standards.
- x. "Reconnaissance Survey" means a preliminary historic survey of a defined geographic area, which identifies resources warranting further evaluation to determine historical significance, and which may also identify geographic areas and/or properties that do not have potential historical resources and will not be subject to historic review, provided the timeframe of the reconnaissance survey remains valid for such determination. A reconnaissance survey will generally include DPR 523 Primary Record survey forms (DPR 523A) or equivalent information for those resources determined to warrant future further evaluation.
- y. "Reconstruction" means the act or process of depicting, by means of new construction, the form, features and detailing of a non-surviving site, landscape, building, structure, or object, for the purpose of replicating its appearance at a specific period of time and in its historic location.
- z. "Rehabilitation" means the act or process of making possible a compatible use for a resource through repair, alterations and additions while preserving those portions or features which convey its historical, cultural, or architectural value.
- aa. "Restoration" means the act or process of accurately depicting the form, features and character of a resource as it appeared at a particular period in time by means of the removal of features from other periods in its history and reconstructing missing features from the restoration period.
- bb. "Setting" means the physical environment of an historical resource. Whereas location refers to the specific place where a property was built or an event occurred, setting refers to the character of the place in which the property played its historical role.
- cc. "Site" means the location of a significant event, a prehistoric or historic occupation or activity, or a building, structure or landscape, whether standing, existing, ruined or vanished, where the location itself possesses historic, cultural, or archaeological value, regardless of the value of any existing structure. A site can possess associative significance or information potential or both, and can be significant under any or all of the four criteria for historical significance identified above.
- dd. "Standards" means the U.S. Secretary of the Interior's Standards for the Treatment of Historic Properties, which is the body of information that provides acceptable approaches for preserving, rehabilitating, restoring and reconstructing historical resources or potentially significant historical resources. A project that follows the Secretary's Standards is considered not to result in a significant impact to the resource under CEQA.
- ee. "Structure" means a man-made feature made of interdependent and interrelated parts in a definite pattern of organization. The term "structure" is distinguished from "buildings," which are constructed primarily for human shelter. If a structure has lost its historic configuration or pattern of organization through deterioration or demolition, it is usually considered a "ruin" and is a site, as that term is defined hereinabove.

- ff. "Substantial Adverse Change" means the demolition, destruction, relocation, or alteration of the character-defining features of an historical resource or its immediate surroundings, such that the significance of an historical resource would be materially impaired. A project that may cause a substantial adverse change to an historical resource is a project that may have a significant effect on the environment under CEQA.

- gg. "Unique Archaeological Resource" means an archaeological artifact, object or site, about which it can be clearly demonstrated that, without merely adding to the current body of knowledge, there is a high probability that it meets any of the following criteria:
 - (1) The resource contains information needed to answer important scientific research questions and that there is a demonstrable public interest in that information.
 - (2) The resource has a special and particular quality, such as being the oldest of its type or the best available example of its type.
 - (3) The resource is directly associated with a scientifically recognized important prehistoric or historic event or person.

- hh. "Workmanship" means the physical evidence of the crafts of a particular culture or people during any given period in history or prehistory.

SEC. 10-11.040 IDENTIFICATION OF HISTORICAL RESOURCES.

- a. The City's 2009 Reconnaissance Survey excludes certain properties from further historic evaluation and identifies those properties requiring a full evaluation, as part of future development proposals, to determine whether a property is an historical resource.

- b. The City of Hayward may periodically update its 2009 Reconnaissance Survey and/or survey additional properties located within the City limits, for the purposes of identifying those properties or geographic areas that are determined not to be or contain potentially significant historical resources, as well as identifying those properties or areas that may contain potentially significant historical resources and will require additional evaluation in order to make determinations of age, integrity and/or significance.

- c. The City of Hayward may require that applicants for development projects and building permits retain qualified historic consultants to prepare evaluations to be used by the City to determine whether a property or site is an historical resource or a potentially significant historical resource, as part of development review and/or environmental review processes. The City may require a peer review of any evaluation report submitted directly by an applicant.

- d. Reconnaissance surveys and evaluations shall use the adopted Hayward Historic Context Statement as a tool for understanding whether and why the property has historical significance.

- e. The City of Hayward shall maintain a comprehensive record of reconnaissance surveys, evaluations and historic reports completed for properties located within the City limits, including those records completed as part of the 2009 Reconnaissance Survey and those records submitted by individual applicants.
- f. The City of Hayward shall maintain a local register of designated historical resources. The local register shall include only those resources formally designated as historical resources in accordance with the processes set forth in this Article. The City of Hayward shall also maintain an adopted survey list identifying resources considered to be historically significant to Hayward but not officially designated on the local register.
- g. The City of Hayward may publish or adopt archaeological sensitivity maps and/or may request the assistance of the Northwest Information Center, the area's historical resources information system located at Sonoma State University, for information about known archaeological sites, or about potential historic or prehistoric resources that may be determined to be significant or unique.

SEC. 10-11.050 REQUIREMENT TO OBTAIN HISTORICAL ALTERATION PERMIT AND/OR HISTORICAL RESOURCE DEMOLITION OR RELOCATION PERMIT.

Development projects and building permit applications involving structures or buildings at least 50 years in age, or located within an historic district, shall include the following steps in the development review process to determine if an historical alteration permit and/or historical resource demolition or relocation permit is required. Building permit applications involving only interior improvements are not subject to the provisions of this Article, unless the building interior is specifically listed, or has the potential to be listed, on the local register as a designated historical resource.

- a. City staff shall consult the comprehensive record of reconnaissance surveys and evaluations on file with the Planning Division to determine whether the subject resource has been previously reviewed, and if so, the status of the resource (i.e., historical resource, potentially significant historical resource, not a significant resource, or requires evaluation).
- b. If the subject resource has not been previously reviewed, or if the Planning Director determines the existing reconnaissance survey and/or evaluation is no longer valid due to the age of the survey or analysis (more than five years old), or as a result of substantial change to the physical condition of the resource or its setting, the applicant, at his or her own expense, may be required to provide an evaluation. Evaluations shall be prepared by a qualified historic consultant and shall use the California Register Criteria for Evaluation and the adopted Hayward Historic Context Statement to determine historical significance.
- c. Resources that are surveyed, and/or evaluated and determined not to have historical significance shall require no further historic review.
- d. Resources that are surveyed, evaluated and determined to be an historical resource or a potentially significant historical resource shall be subject to CEQA review and the discretionary permit requirements established by this Article for any proposed alteration, demolition or relocation of the resource.

- e. The Planning Director may waive the requirement for a discretionary alteration permit if either of the following apply: (1) the resource is located in a geographic area that has been determined by a current, valid reconnaissance survey, or other survey or evaluation conducted by the City or applicant, not to be or contain potentially significant historical resources; or (2) the nature of work is minor and incidental; will not adversely affect the external appearance of the character-defining features of existing significant improvements, buildings and structures on the site; and the proposed project or building permit application is consistent with the Secretary of the Interior's Standards.

SEC. 10-11.060 HISTORICAL ALTERATION PERMIT PROCESS.

- a. Unless waived by the Planning Director pursuant to subsection 10-11.050(e), it shall be unlawful for any person to alter or modify character-defining features of a potentially significant historical resource or an historical resource, a designated historical resource, a resource listed on the City's adopted survey list, or a resource that lies within an historic district, without first obtaining an historical alteration permit as outlined below. Neither the Planning Director nor the Building Official shall grant any permit to carry out such work without the approval of an historical alteration permit.
- b. If an historical alteration permit is required pursuant to Section 10-11.050, the following procedures will be followed in processing the permit application:
 - (1) Historical alteration permit applications shall be submitted to the Planning Division for review and approval. Applications shall be accompanied by materials as required by the Planning Director and reasonably necessary for the proper review of the project, including but not limited to, information regarding the age and construction of a building or structure and building permit records.
 - (2) The Planning Director or designated staff shall determine whether the application will be processed as a "minor" or "major" historical alteration permit.
 - (i) "Minor" historical alteration permits shall apply to alterations with a valuation of less than \$10,000, or as determined to be minor by the Planning Director.
 - (ii) "Major" historical alteration permits shall apply to alterations with a valuation of \$10,000 or greater, unless the proposed alteration is determined to be minor by the Planning Director.
- c. City staff will review applications for compliance with the Secretary of the Interior's Standards and may require that the applicant deposit funds for the City to retain the services of a qualified historic consultant, if necessary.
- d. Environmental review of an historical alteration permit application will be required as follows:
 - (1) If the proposed alteration or modification is in compliance with the Secretary of the Interior's Standards for the Treatment of Historic Properties, the

potential impact on historical resources shall be considered less than significant and the project exempt from CEQA, unless other factors are identified which could cause other potentially significant environmental impacts.

- (2) If the proposed alteration or modification is not in compliance with the Secretary of the Interior's Standards, then CEQA review will be required.
- e. Historical alteration permit applications (both minor and major) require the review and approval of the Planning Director, or designated staff, except as provided below:
- (1) Any application involving preparation of an initial study, negative declaration or environmental impact report shall be referred to the Planning Commission for approval at a duly noticed public hearing.
 - (2) The Planning Director may also require that an historical alteration permit application be reviewed and approved by the Planning Commission, at his/her discretion.
- f. As part of the review process, the Planning Director or Planning Commission may impose conditions on a project to bring the proposed work into compliance with the Secretary of the Interior's standards.
- g. The Planning Director's or Planning Commission's decision to approve, conditionally approve or deny an historical alteration permit may be appealed in accordance with the provisions of this Article.
- h. Reconstruction of potentially significant historical resources and historical resources shall comply with the Secretary of the Interior's Standards and require an historical alteration permit as described above. If all of the conditions of reconstruction as defined in this Article and by the Standards for Reconstruction cannot be met, then reconstruction should not be undertaken until CEQA analysis is completed. Reconstruction, though not encouraged, may be a viable option.

SEC. 10-11.070 HISTORICAL RESOURCES DEMOLITION OR RELOCATION PERMIT PROCESS.

- a. It shall be unlawful for any person to tear down, demolish, remove or relocate an historical resource, a potentially significant historical resource, a designated historical resource, a resource that has been listed on the City's adopted survey list, or a resource that lies within an historic district, without first obtaining an historical resource demolition or relocation permit as outlined below. Neither the Planning Director nor the Building Official shall grant any permit to carry out such work without the prior approval of an historical resources demolition or relocation permit by the Planning Commission.
- b. If an historical resource demolition or relocation permit is required pursuant to Section 10-11.050, the following procedures will be followed in processing the permit application:
 - (1) Applications for an historical resource demolition or relocation permit shall be submitted to the Planning Division for review and consideration by the Planning Commission. Applications shall be accompanied by materials as

- required by the Planning Director and reasonably necessary for the proper review of the project, including but not limited to information regarding the age and construction of a building or structure and building permit records.
- (2) City staff will review applications for compliance with the Secretary of the Interior's Standards and may require that the applicant deposit funds for the City to retain the services of a qualified historic consultant, if necessary.
 - (3) Environmental review of an historical resource demolition or relocation permit application will be conducted as follows:
 - (i) If the proposed demolition or relocation is in compliance with the Secretary of the Interior's Standards for the Treatment of Historic Properties, the potential impact on historical resources shall be considered less than significant and the project exempt from CEQA, unless other factors are identified associated with the proposed project that could cause potentially significant environmental impacts.
 - (ii) If the proposed demolition or relocation is not in compliance with the Secretary of the Interior's Standards, then the project is not exempt and CEQA review will be required.
 - (4) Notice of public hearing for the Planning Commission's consideration of an historical resource demolition or relocation permit application shall be provided in the manner prescribed in Government Code Sections 65090 and 65091, or any successor statute thereto.
 - (5) The Planning Commission shall complete its review and shall render its decision after the conclusion of a public hearing on the application. In reviewing permits sought to wholly or partially relocate or demolish an historical resource, a potentially significant historical resource, or resources within an historical resource site or historic district, the Planning Commission may approve, conditionally approve or disapprove the issuance of the permit or permits. The Planning Commission may condition approval of the permit to bring the proposed work into compliance with the Secretary of the Interior's Standards.
 - (6) The Planning Commission's decision to approve or deny an historical resource demolition or relocation permit may be appealed to the City Council in accordance with the provisions of this Article.
 - (7) In the case of a proposal to relocate a designated historical structure listed on the National Register of Historic Places, the applicant must first obtain written approval from the Keeper of the National Register prior to relocation to ensure that the resource will retain its National Register status.
 - (8) In the case of a proposal to relocate a designated historical structure that is not listed on the National Register of Historic Places but is a locally designated historical resource, the Planning Director shall obtain sufficient information to ensure the new location substantially recreates the original location in terms of siting, setback, ordinal orientation and all other features that marked the original location, in order to retain its local register status.

SEC. 10-11.080 HISTORICAL RESOURCES DESIGNATION CRITERIA. For the purposes of this Article, an object, building, structure, site, area, district, unique archaeological resource, place, record, or manuscript may be classified a designated historical resource and placed on the local register by the Planning Commission pursuant to Section 10-11.090, if the resource is

determined through survey and documentation to be an "Historical Resource" as defined in this Article.

SEC. 10-11.090 HISTORICAL RESOURCES DESIGNATION PROCESS.

Historical resources and historic districts shall be designated and placed on the local register by the Planning Commission in the following manner:

- a. The City of Hayward or any property owner may request the designation of an historical resource or a potentially significant historical resource or the designation of an historic district by submitting an application for such designation to the Planning Division. The Planning Director, Planning Commission or City Council may also initiate such proceedings on their own motion.
- b. The Planning Director will conduct a study of the proposed designation and make a preliminary determination based on such documentation as may be required, as to the appropriateness for designation. If the Planning Director determines the application merits consideration, the Planning Commission shall conduct a public hearing to consider designation of the historical resource or historic district.
- c. No building alteration, demolition or relocation permit for any improvement, building or structure proposed for designation or located within a historic district that is proposed for designation shall be issued while the application for designation, or any appeal related thereto, is pending.
- d. Notice of the date, place, time and purpose of public hearings to consider designation of historical resources and historic districts shall be given in the manner prescribed in Government Code Sections 65090 and 65091, or any successor statute thereto.
- e. At the conclusion of the public hearing for the designation of a proposed historical resource or historic district, the Planning Commission shall approve in whole or in part, or disapprove in whole or in part, the application for designation of the resource as an historical resource on the local register.
- f. The Planning Commission's decision to approve, conditionally approve or deny the formal designation of an historical resource or historic district may be appealed in accordance with the provisions of this Article.

SEC. 10-11.100 INCENTIVES FOR THE PRESERVATION OF DESIGNATED HISTORICAL RESOURCES.

- a. Nothing in this Article shall prevent the City Council from waiving or reducing any processing fees for permits or other procedures for an owner of a designated historical resource undertaking work on the resource. The Planning Director is authorized to accelerate the processing of any required applications involving a designated historical resource.
- b. Nothing in this Article shall prevent the City of Hayward from establishing a funding program and guidelines for use by owners of a designated historical resource, as defined in this Article. Funding subsidies may be available for an owner undertaking work on an historical resource who is prevented by economic constraints from completing work in compliance with the Secretary of the Interior's Standards. The

Planning Director may develop an application for requested subsidies. Evaluation criteria could include the significance of the historical resource, owner need and necessity for the work to be undertaken. All work undertaken shall meet the Secretary of the Interior's Standards for the Treatment of Historic Properties. Emergency measures to ensure the stability of a damaged designated historical resource shall be an allowable cost.

- c. Nothing in this Article shall prevent the City of Hayward from adopting the provisions of the Mills Act, adopted in 1972 by the State of California and amended in 1984, to allow an owner of a designated historical resource to have the property tax amount abated based on the provisions of the Act. The owner and the City shall enter into an agreement which defines the actions to be taken by the owner to ensure the restoration, protection and continued compatible use of the property.
- d. Nothing in this Article shall prevent the City of Hayward from adopting the provisions of the Marks Historical Rehabilitation Act. Under the provisions of this Act, the City of Hayward may issue tax-exempt revenue bonds for the purpose of financing the historical rehabilitation of buildings with significance to the City of Hayward, the State of California, or the United States.
- e. Nothing in this Article shall prevent the City of Hayward from participating in the development of an historic easement for a designated historical resource, including cultural/historic landscapes and all other historical resource types. The purpose of the easement is to protect the City's historical resources for the benefit of the community by allowing the owner to obtain a tax credit for the restoration, protection, or continued compatible use of the historical resource. The value of the revised deed restrictions may be held by the City or appropriate historical society or preservation organization with the expertise to oversee the enforcement of the easement for the current owner and any subsequent property owner.
- f. Historical resources and designated historical resources shall be eligible to use the California Historical Building Code, which can allow for alternate methods of meeting building code requirements.

SEC. 10-11.110 ADOPTED SURVEY LIST. Historical resources may be placed on the adopted survey list by the City Council in the following manner:

- a. The City of Hayward or any property owner may request the inclusion of an historical resource or potentially significant historical resource on the adopted survey list by submitting an application to the Planning Director. The Planning Commission or City Council may also initiate such proceedings on their own motion.
- b. The Planning Director will conduct a study of the proposed application and make a preliminary determination, based on such documentation as may be required, as to the appropriateness of the resource for inclusion on the adopted survey list and shall forward such analysis and recommendation to the Planning Commission and City Council for consideration at a public hearing.
- c. No alteration, demolition or relocation permits shall be issued for the subject resource while an application to include the resource on the adopted survey list, or any appeal related thereto, is pending.

- d. Notice of the date, place, time and purpose of public hearings to consider inclusion of resources onto the adopted survey list shall be given in the manner prescribed in Government Code Sections 65090 and 65091, or any successor statute thereto.

SEC. 10-11.120 APPEALS.

- a. The following actions by the Planning Commission may be appealed by an interested party to the City Council:
 - (1) A determination that an object, site or structure be placed on the local register as a designated historical resource or historic district or not be placed on the local register as a designated historical resource or historic district;
 - (2) A determination that an object site or structure be placed on the adopted survey list or not placed on the adopted survey list;
 - (3) The Planning Commission's decision to approve, conditionally approve or deny an historic alteration permit, an historical resource demolition permit or an historical resource relocation permit; and
 - (4) Any item acted on by the Planning Commission on appeal or referral from the Planning Director.

- b. The following actions by the Planning Director may be appealed by an interested party to the Planning Commission:
 - (1) The Director's decision to approve, conditionally approve or deny an historic alteration permit for a potentially historical resource or an historical resource or site.

- c. In the event that the applicant, any interested person or any member of the City Council is aggrieved by a decision of the Planning Commission or Planning Director, the aggrieved party may, within ten days of an action by the Planning Commission or fifteen days of an action by the Planning Director, appeal in writing to the appropriate body as outlined above. Notice of appeal shall be in the manner prescribed in Section 10-1.2820 of the City's Zoning Ordinance. The appellate body may affirm, modify or reverse the original decision. Action by the appellate body shall be final, unless there is a further appeal to the City Council, in which case, the City Council action shall be final.

SEC. 10-11.130 ORDINARY MAINTENANCE AND REPAIR. Nothing in this Article shall be construed to prevent the ordinary maintenance or repair of any exterior architectural feature, or interior feature identified as a resource, in or on any property covered by this Article that does not involve a change in design, material or external appearance thereof; nor does this Article prevent the construction, reconstruction, alteration, restoration, demolition or relocation of any such feature when the Building Official certifies to the Planning Director that such action is required for the public safety due to an unsafe or dangerous condition which cannot be rectified through the use of the California Historical Building Code.

SEC. 10-11.140 DUTY TO KEEP IN GOOD REPAIR. The owner, occupant or other person in actual charge of a historical resource, or an improvement, building or structure in an historic district shall keep in good repair all of the exterior portions of such improvement, building or structure as necessary to prevent deterioration and decay of any exterior architectural feature.

SEC. 10-11.150 CONDITIONS OF APPROVAL FOR DEVELOPMENT PROJECTS LOCATED WITHIN ARCHAEOLOGICALLY SENSITIVE AREAS, AND/OR WITHIN OR ADJACENT TO KNOWN ARCHAEOLOGICAL SITES. Proposals for the development or redevelopment of a site identified as archaeologically sensitive by any archaeological sensitivity map adopted by the City shall be subject to the following review process and conditions of project approval:

- a. City staff will consult with the Northwest Information Center for information about whether the project is located within or adjacent to a known archaeological site, and if it is determined that it is so located, then a historical alteration permit shall be required for the project. CEQA review of the project shall consider potentially significant impacts on archaeological resources and identify appropriate mitigation measures to be imposed as conditions of approval, in addition to the conditions identified below.
- b. If the project is not located within or adjacent to a known archaeological site, then the project applicant has the option to either have an archaeological survey be completed for the site to determine what, if any, conditions of approval will be required as mitigation measures or agree to comply with the following conditions of approval, which shall be conclusively deemed to reduce potentially significant impacts on archaeological resources to a less-than-significant level. No archaeological resources report is required as part of any CEQA review of the project, provided the applicant accepts the following conditions and incorporates them into the project:
 - (1) An archaeologist shall be present on-site to monitor all ground-disturbing activities. Where historical or archaeological artifacts are found, work in areas where remains or artifacts are found will be restricted or stopped until proper protocols are met, as described below:
 - (i) Work at the location of the find will halt immediately within thirty feet of the find. If an archaeologist is not present at the time of the discovery, the applicant shall contact an archaeologist for evaluation of the find to determine whether it qualifies as a unique archaeological resource as defined hereinabove.
 - (ii) If the find is determined not to be a unique archaeological resource, construction can continue. The archaeologist will prepare a brief informal memorandum/letter that describes and assesses the significance of the resource, including a discussion of the methods used to determine significance for the find.
 - (iii) If the find appears to be significant and to qualify as a unique archaeological resource, the archaeologist will determine if the resource can be avoided and will detail avoidance procedures in a formal memorandum/letter.
 - (iv) If the resource cannot be avoided, the archaeologist shall develop an action plan to avoid or minimize impacts. The field crew shall not proceed until the action plan is approved by the Planning Director. The action plan shall be in conformance with California Public Resources Code 21083.2.

- (2) In addition to the conditions listed above, all development projects located within an archaeological sensitivity area and/or containing known archaeological resources on-site shall also be subject to the following measures as conditions of project approval:
- (i) This project may adversely impact undocumented human remains or result in the discovery of significant historic or archaeological materials. The following policies and procedures for treatment and disposition of inadvertently discovered human remains or archaeological materials shall apply.
 - a. If human remains are encountered, they shall be treated with dignity and respect as due to them. Information about such a discovery shall be held in confidence by all project personnel and shared only on a need-to-know basis. The rights of Native Americans to practice ceremonial observances on sites, in labs and around artifacts shall be upheld.
 - b. Remains shall not be held by human hands. Surgical gloves shall be worn if remains need to be handled.
 - c. Surgical masks shall also be worn to minimize exposure to pathogens that may be associated with the remains.
 - (ii) In the event that known or suspected Native American remains are encountered or significant historic or archaeological materials are discovered, ground-disturbing activities shall be immediately stopped. Examples of significant historic or archaeological materials include, but are not limited to, concentrations of historic artifacts (e.g., bottles, ceramics) or prehistoric artifacts (chipped chert or obsidian, arrow points, groundstone mortars and pestles), culturally altered ash-stained midden soils associated with pre-contact Native American habitation sites, concentrations of fire-altered rock and/or burned or charred organic materials and historic structure remains, such as stone-lined building foundations, wells or privy pits. Ground-disturbing project activities may continue in other areas that are outside the exclusion zone as defined below.
 - (iii) An "exclusion zone" where unauthorized equipment and personnel are not permitted shall be established (e.g., taped off) around the discovery area, plus a reasonable buffer zone, by the contractor foreman or authorized representative, or party who made the discovery and initiated these protocols, or if on site at the time of discovery, by the monitoring archaeologist (typically 25 to 50 feet for single burial or archaeological find).
 - (iv) The exclusion zone shall be secured (e.g., 24-hour surveillance) as directed by City or Alameda County representatives, if considered prudent to avoid further disturbances.
 - (v) The contractor foreman or authorized representative, or party who made the discovery and initiated these protocols shall be responsible for immediately contacting by telephone the parties listed below to report the find and initiate the consultation process for treatment and disposition:

- a. The City of Hayward Planning Director;
 - b. The contractor's point(s) of contact;
 - c. The Coroner of the County of Alameda (if human remains found);
 - d. The Native American Heritage Commission (NAHC) in Sacramento; and
 - e. The Yrgin band of Ohlones.
- (vi) The Coroner shall examine the remains after being notified of the discovery. If the remains are Native American, the Coroner shall notify the NAHC within 24 hours.
 - (vii) The NAHC shall be responsible for identifying and immediately notifying the Most Likely Descendant (MLD) from the Yrgin band of Ohlones. (Note: NAHC policy holds that the Native American Monitor will not be designated the MLD.)
 - (viii) Within 24 hours of notification by the NAHC, the MLD will be granted permission to inspect the discovery site.
 - (ix) Within 24 hours of notification by the NAHC, the MLD may recommend to the City's Planning Director the recommended means for treating or disposing, with appropriate dignity, the human remains and any associated grave goods. The recommendation may include the scientific removal and non-destructive or destructive analysis of human remains and items associated with Native American burials. Only those osteological analyses or DNA analyses recommended by the Amah Mutsun Tribal Band may be considered and carried out.
 - (x) If the MLD recommendation is rejected by the City, the parties shall attempt to mediate the disagreement with the NAHC. If mediation fails then the remains and all associated grave offerings shall be reburied with appropriate dignity on the property in a location not subject to further subsurface disturbance.

SEC. 10-11.160 ENFORCEMENT; ADMINISTRATIVE CITATIONS.

- a. The City Manager, or his or her designee, shall have the authority to enforce the provisions of this Article.
- b. Any person who violates a provision of this Article is guilty of a separate offense for each day or part of a day during which the violation is committed, continued, or permitted. In addition to all other remedies or penalties provided by law, a violation of any of the sections contained in this Article is punishable by administrative penalties as set forth in Chapter 1, Article 7 of the Hayward Municipal Code. Any person subject to administrative penalties pursuant to this Article shall have the right to request an administrative hearing in accordance with Hayward Municipal Code 1-7.07 through 1-7.10, inclusive. The administrative penalties imposed by this Article do not preclude other potential civil actions or criminal prosecution under any other provision of law
- c. In addition to any of the foregoing remedies, the City Attorney may maintain an action for injunctive relief to restrain or enjoin or to cause correction or removal of any violation of this Article.

- d. Any person who demolishes, alters, relocates or constructs a building or structure in violation of this Article shall be required to restore the building or structure and its site to its appearance prior to the violation. Any action to enforce this subsection shall be brought by the City Attorney. This civil remedy shall be in addition to and not in lieu of any criminal prosecution and penalty.



News: 12/10/10
New 2009 Air Photos are now loaded into the map.

[County Records](#) [Comments](#) [Help](#) [Print](#)



The City of Hayward does not guarantee that the information on this site is accurate or complete. The City provides this information on an "as is" basis and disclaims all warranties, express or implied, including but not limited to warranties of merchantability, fitness for a particular purpose and non-infringement. The City is not responsible for any damages arising from the use of information on this site. Access to this website, or to any links on this site, is at user's risk. Users should verify the information before making project commitments.
APPLICATION CREATED BY GIS PLANNING

New Search

Site Report

Assessor Info and Map
Extended Property Report
Property Tax Information

[Jump to Measure Tool App.](#)

APN:	428006604500
Acres:	2.03
Site Address:	22737 MAIN ST
Mailing Address:	777 B ST, HAYWARD, CA, 94541
All Parcel Addresses:	22737 MAIN ST 22730 MISSION BLVD 22738 MISSION BLVD 22732 MISSION BLVD 22734 MISSION BLVD
Owner:	CITY OF HAYWARD
Zoning:	CC-C: Central City Commercial
General Plan:	CC-ROC: City Center - Retail and Office Commercial
Historic Resources:	H
Neighborhood:	No Designated Neighborhood
Redevelopment:	Original Redevelopment Area
Census Tract:	4354
Jurisdiction:	City of Hayward
Sidewalk Repair:	1 - Downtown
Reporting District:	BV0830
School Attendance Areas	
Elementary Attendance:	East Avenue
Middle School Attendance:	Bret Harte
High School Attendance:	Hayward
Hazards	
Flood Zone:	X - (more info)
Flood Panel:	06001C0287G
Seismic Landslide Hazard:	No
Seismic Liquefaction Hazard:	Yes
Within Fault Zone:	Yes

[Notification](#)

[Demographics](#)

[Business](#)

[Layer Control](#)

[Legend](#)

Historic Resources Field

This field indicates whether the parcel contains any historic resources with an H, M, or L (for high, medium or low level of integrity) indicator and any specific notes about the resources surveyed. The field is blank if no known historic resources are present.

DATE: February 22, 2011

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Emergency Wells Supervisory Control and Data Acquisition (SCADA)
Installation Project: Approval of Addendum and Rejection of Bids

RECOMMENDATION

That Council adopts the attached resolution:

1. Approving Addendum No. 1, providing minor revisions to the Plans and Specifications;
and
2. Rejecting all bids.

SUMMARY

With the costs of all the elements of this project bringing the project total to over \$700,000 (see Fiscal Impact section below), staff believes the benefits of remote well operation are not worth the high costs of the project at this time. Staff recommends rejecting all bids for the Emergency Wells SCADA Installation Project and not pursuing the project further at this time. Staff will proceed with a separate well maintenance and sounding tube installation purchase order contract for \$128,679 to be performed by Kirby Pump and Mechanical, Inc. The scope of work includes replacing water level sounding tubes at three well sites and inspections and routine maintenance of all five wells to keep them in good running order.

BACKGROUND

On December 7, 2010, Council approved the plans and specifications for the Emergency Wells SCADA Installation Project and called for bids to be received on January 18, 2011. Staff issued Addendum No. 1 to answer questions from the pre-bid meeting and to make minor revisions to the plans and specifications.

Hayward's five emergency wells are an important component of the City's water system and will be relied upon to provide about half the City's water supply in an emergency such as an earthquake.

The wells currently are operated manually by a worker visiting the site. A SCADA system at each well was recommended to improve efficiency and increase data collection and transmission capabilities. The heart of a typical SCADA system is a computer that monitors measurable parameters such as pressure, temperature, flow rates, and the like; and performs operations such as turning pumps on or off, and opening and closing valves.

In March 2010, the City entered into a professional service agreement with consultant Carollo Engineers for \$73,000, which was for the design and construction administration services for this project. The design adds the necessary equipment for remotely operating each of the five well sites from the City's SCADA Operations Room at the Utilities Center on Soto Road. The equipment to be added to each well site generally consists of a programmable logic controller (PLC), a radio, an antenna, wiring, new water level sensors and a motorized operator for the valve that isolates each well from the distribution system.

The project is categorically exempt from environmental review under the California Environmental Quality Act (CEQA). The Public Resources Code states that CEQA does not apply to any project involving the maintenance, repair, restoration, reconditioning, replacement, removal, or demolition of an existing pipeline or drinking water facility.

DISCUSSION

During bidding, staff issued one addendum. Bid Addendum No. 1 addressed minor questions raised during the pre-bid meeting, such as if the City had restrictions on the sequence of which wells could be out of service (there are no sequencing restrictions) and provided more legible copies of three tables from the specifications, which were not legible enough due to problems in reproduction.

On January 18, 2011, staff received three bids for the project. D. W. Nicholson Corp. of Hayward, CA submitted the low bid in the amount of \$421,137, which is approximately 12% above the engineer's estimate of \$377,000. The next highest bids were \$442,000 from Anderson Pacific and \$486,746 from Central Sierra Electric.

The bids came in higher than anticipated. This was most likely due to the design consultant Carollo Engineers, underestimating the overall project cost as well as the low number of bidders. A fourth bidder submitted its bid one minute after the bid due time and was disqualified. The low bid of \$421,137 is also quite a bit higher than the original construction cost estimate of \$262,000 when the project was first planned for in the CIP in 2009. The FY 2011 Water System Capital Improvement Fund includes a total of \$425,000 for the Emergency Wells SCADA Installation Project.

Field investigations during the design phase indicated that in order to install new water level sensors in the wells, three of the wells (Wells A, C and D) need to have new sounding tubes installed, because their sounding tubes are clogged or broken and unusable. Installing a new sounding tube requires that the pump and pump columns be completely removed from the well. Because it takes great effort to remove a pump from a well, it made sense to take advantage of

this to also perform routine well maintenance on these three wells, such as making a video of the well condition, inspect the pump column and bowls, and perform repairs and preventative maintenance, as needed.

After a competitive Request for Proposals (RFP) process to hire a firm to pull the pumps, install new sounding tubes, and perform routine well maintenance, Kirby Pump and Mechanical, Inc. was the low bidder with a bid of \$128,679. Staff has since determined that the bid format of the RFP does not provide the flexibility to make changes in the scope as needed depending on what is encountered in the field, and so the well maintenance and sounding tube installation project is being rebid. The RFP is being revised to incorporate the flexibility needed into the scope and bid sheet. The total cost of the project is not expected to change with the revised work scope.

The SCADA interface in the Operations Room would also need to be reprogrammed to show the wells' operations. In June 2010, the City entered into a professional services agreement with SCADA Support Group (SSG), to perform the SCADA programming for this project, with a budget of \$59,200. SSG is the firm that has done all the SCADA programming for the water and wastewater systems over the last 10 years.

With the costs of all the elements of this project bringing the project total to over \$700,000 (see Fiscal Impact section below), staff believes the benefits of remote well operation are not worth the high costs of the project at this time. Staff recommends rejecting all bids for the Emergency Wells SCADA Installation Project and not pursuing the project further at this time.

The Carollo design contract has about \$46,000 spent to date and can be cancelled. The contract with SSG would no longer be needed and can be cancelled. Approximately \$7,000 of the \$59,200 budget has been spent.

Staff will proceed with a separate well maintenance and sounding tube installation purchase order contract for \$128,679 to be performed by Kirby Pump and Mechanical, Inc. The scope of work includes replacing water level sounding tubes at three well sites and inspections and routine maintenance of all five wells to keep them in good running order. City staff will also purchase and install water level sensors for the five well sites and add relays to the pump controllers so the wells will shut off based on low water levels. This needed maintenance work will allow staff to safely and more conveniently run the wells in an emergency, to prevent dewatering of the pump bowls, and to facilitate water level monitoring for groundwater basin management.

In the future, it is possible that the City may decide to undertake the process to modify the permitted uses of the wells from emergency use to daily municipal use of some kind. In that case, remote operation of the wells and some form of treatment to reduce levels of naturally-occurring iron and manganese in the groundwater (either with water treatment equipment or through a blending scheme) will be needed. Staff would consider recommending implementation of a project for remote operation and monitoring of the well system at that time.

FISCAL IMPACT

The estimated project costs were as follows:

Design and Construction Administration Services – Consultant	\$ 73,000
SCADA Programming (SSG)	59,200
Well Maintenance and Sounding Tube Installation (TBD)	128,679
Design Administration – City Staff	20,000
Construction Contract	421,137
Inspection and Testing	<u>22,000</u>
Total	\$724,016

Following the rejection of all bids for the Emergency Wells SCADA Installation Project, the revised budget is as follows:

Design and Construction Administration Services – Consultant	\$ 46,000
SCADA Programming (SSG)	7,000
Well Maintenance and Sounding Tube Installation (TBD)	128,679
Design Administration – City Staff	10,000
Electrical Installation – City Staff	<u>60,000</u>
Total	\$251,679

Per an agreement between the City of Hayward and the East Bay Municipal Utility District (EBMUD), related to EBMUD’s development of their Bayside well field in San Lorenzo, EBMUD has contributed \$50,000 for mitigation of potential impacts on the City’s emergency wells from its project. These funds, which have been deposited in this project fund, will be used for some elements of this project.

PUBLIC CONTACT

No additional public contact is planned for the project. All work will be done inside Utilities facilities, located in industrial or commercial areas. There will be no impact on the neighbors or the public.

Prepared by: Alex Ameri, Deputy Director of Public Works

Recommended by: Robert A. Bauman, Director of Public Works

Approved by:



Fran David, City Manager

Attachments:

- Attachment I- Draft Resolution
- Attachment II- Project Location Map
- Attachment III- Bid Summary

HAYWARD CITY COUNCIL

RESOLUTION NO. 11-

Introduced by Council Member _____

RESOLUTION APPROVING ADDENDUM NO. 1 AND REJECTING ALL BIDS FOR THE EMERGENCY WELLS SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) INSTALLATION PROJECT, PROJECT NO. 7171;

WHEREAS, by resolution on December 7, 2010, the City Council approved the plans and specifications for the Emergency Wells SCADA Installation Project, Project No. 7171, and called for bids to be received on January 18, 2011; and

WHEREAS, on January 18, 2011, three bids were received ranging from \$421,137 to \$486,746, all well above the original construction budget of \$262,000; and

WHEREAS, Addendum Nos. 1 was issued to provide minor revisions to the plans and specifications; and

WHEREAS, the low bid for this project is 12% over the Engineer's Estimate, which estimate was in turn 44% over the City's approved construction budget for this installation.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that Addenda No. 1 is hereby approved and adopted as part of the plans and specifications for the project.

BE IT FURTHER RESOLVED that all the bids are hereby rejected for the Emergency Wells SCADA Installation Project, Project No. 7171, since the City has determined that it is not cost effective to move forward with this project at this time.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2011

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

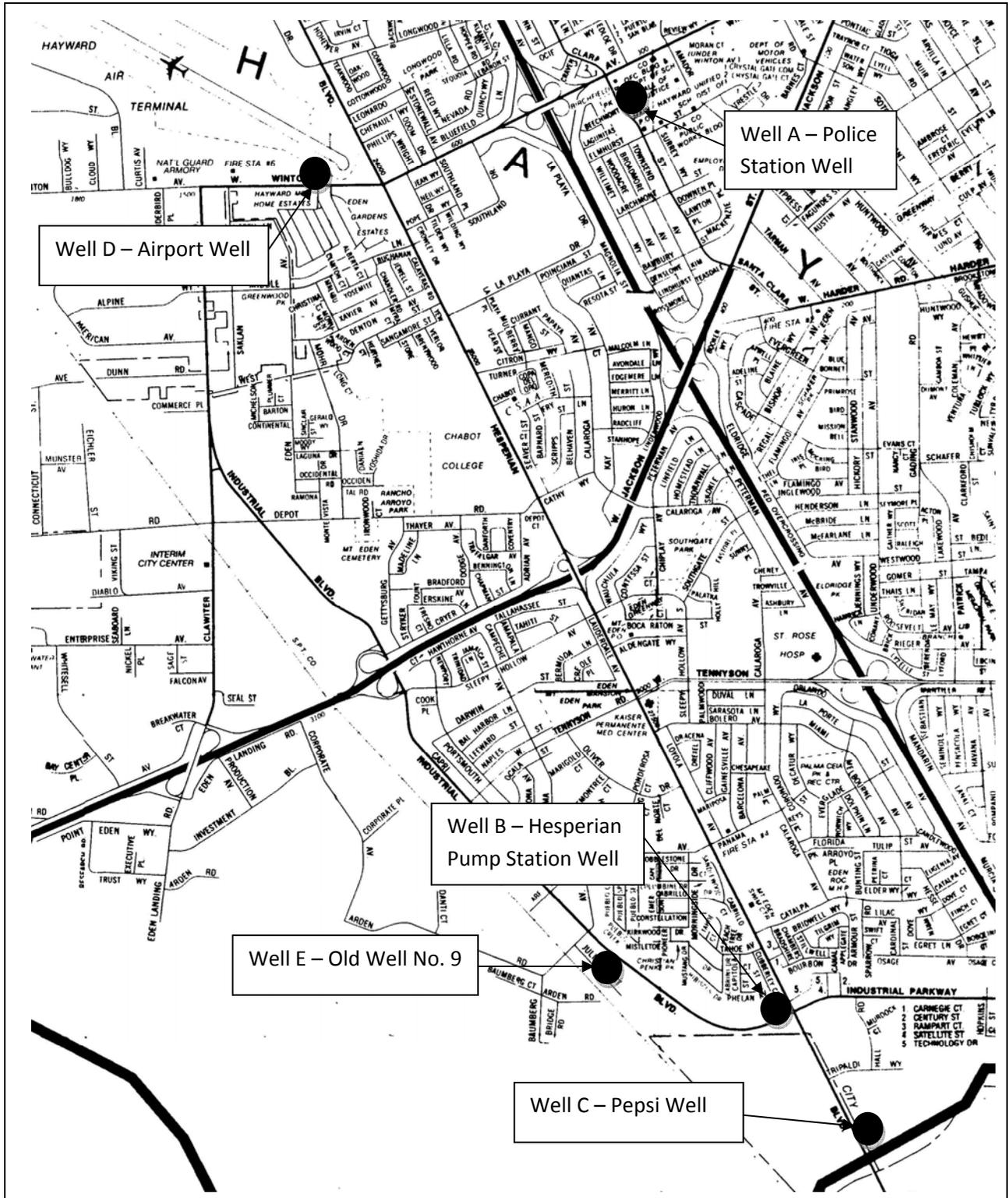
ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward



**EMERGENCY WELL SCADA IMPROVEMENTS - PROJECT NO. 622-7171
LOCATION MAP**

CITY OF HAYWARD
 CONSTRUCTION OF EMERGENCY WELLS SCADA IMPROVEMENTS
 PROJECT NO. 622-7171
 BIDS OPENED: JANUARY 18, 2011
 (NUMBER OF BIDS RECEIVED - 3)

BID SUMMARY					ENGINEER'S ESTIMATE		D.W. Nicholson Corporation	
							24747 Clawiter Rd	
							Hayward, CA 94545	
							(510) 887-0900	
							(510) 783-9948 Fax	
ITEM	SPEC SECTION	QTY.	UNIT	DESCRIPTION	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	10-1.10	1	LS	MOBILIZATION/ DEMOBILIZATION	10,000.00	10,000.00	10,000.00	10,000.00
2	9	1	LS	PLCS, PLC/REMOTE CONTROL PANELS, GRAPHIC HMI PANELS AND APPURTENANCES	88,000.00	88,000.00	161,137.00	161,137.00
3	9	1	LS	INPUT/OUTPUT MODULES AND SIGNAL TERMINATION	49,000.00	49,000.00	10,000.00	10,000.00
4	9	1	LS	RADIOS, ANTENNAS, SUPPORT POLES, GROUNDING, AND SURGE PROTECTORS	35,000.00	35,000.00	20,000.00	20,000.00
5	9	1	LS	DEVICENET, ETHERNET SWITCHES, POWER SUPPLIES, AND OTHER PANEL APPURTENANCES	25,000.00	25,000.00	10,000.00	10,000.00
6	9	1	LS	BUTTERFLY VALVES, ELECTRIC MOTOR OPERATORS, AND APPURTENANCES	59,000.00	59,000.00	65,000.00	65,000.00
7	9	1	LS	LEVEL PROBES, PRESSURE TRANSMITTERS, AND OTHER FIELD INSTRUMENTATION AND APPURTENANCES	13,000.00	13,000.00	25,000.00	25,000.00
8	9	1	LS	CABLE, CONDUIT, AND OTHER EQUIPMENT AND INSTALLATION SHOWN ON DRAWINGS OR DESCRIBED IN SPECIFICATIONS	28,000.00	28,000.00	50,000.00	50,000.00
9	10-1.32	1	LS	ADMINISTRATIVE CHANGE ORDERS	70,000.00	70,000.00	70,000.00	70,000.00
				TOTAL		377,000.00		421,137.00

CITY OF HAYWARD
 CONSTRUCTION OF EMERGENCY WELLS SCADA IMPROVEMENTS
 PROJECT NO. 622-7171
 BIDS OPENED: JANUARY 18, 2011
 (NUMBER OF BIDS RECEIVED - 3)

BID SUMMARY					ENGINEER'S ESTIMATE		Anderson Pacific Engineering Construction Inc.	
							1390 Norman Ave	
							Santa Clara, CA 95054	
							(408) 970-9900	
							(408) 970-9975 Fax	
ITEM	SPEC SECTION	QTY.	UNIT	DESCRIPTION	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	10-1.10	1	LS	MOBILIZATION/ DEMOBILIZATION	10,000.00	10,000.00	15,000.00	15,000.00
2	9	1	LS	PLCS, PLC/REMOTE CONTROL PANELS, GRAPHIC HMI PANELS AND APPURTENANCES	88,000.00	88,000.00	87,000.00	87,000.00
3	9	1	LS	INPUT/OUTPUT MODULES AND SIGNAL TERMINATION	49,000.00	49,000.00	39,000.00	39,000.00
4	9	1	LS	RADIOS, ANTENNAS, SUPPORT POLES, GROUNDING, AND SURGE PROTECTORS	35,000.00	35,000.00	33,000.00	33,000.00
5	9	1	LS	DEVICENET, ETHERNET SWITCHES, POWER SUPPLIES, AND OTHER PANEL APPURTENANCES	25,000.00	25,000.00	11,000.00	11,000.00
6	9	1	LS	BUTTERFLY VALVES, ELECTRIC MOTOR OPERATORS, AND APPURTENANCES	59,000.00	59,000.00	70,000.00	70,000.00
7	9	1	LS	LEVEL PROBES, PRESSURE TRANSMITTERS, AND OTHER FIELD INSTRUMENTATION AND APPURTENANCES	13,000.00	13,000.00	39,000.00	39,000.00
8	9	1	LS	CABLE, CONDUIT, AND OTHER EQUIPMENT AND INSTALLATION SHOWN ON DRAWINGS OR DESCRIBED IN SPECIFICATIONS	28,000.00	28,000.00	78,000.00	78,000.00
9	10-1.32	1	LS	ADMINISTRATIVE CHANGE ORDERS	70,000.00	70,000.00	70,000.00	70,000.00
				TOTAL		377,000.00		442,000.00

CITY OF HAYWARD
 CONSTRUCTION OF EMERGENCY WELLS SCADA IMPROVEMENTS
 PROJECT NO. 622-7171
 BIDS OPENED: JANUARY 18, 2011
 (NUMBER OF BIDS RECEIVED - 3)

BID SUMMARY					ENGINEER'S ESTIMATE		Central Sierra Electric Company Inc.	
							11049 Hwy 88 PO Box 698	
							Jackson, CA 95642	
							(209) 223-3363	
							(209) 223-3391 Fax	
ITEM	SPEC SECTION	QTY.	UNIT	DESCRIPTION	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	10-1.10	1	LS	MOBILIZATION/ DEMOBILIZATION	10,000.00	10,000.00	24,000.00	24,000.00
2	9	1	LS	PLCS, PLC/REMOTE CONTROL PANELS, GRAPHIC HMI PANELS AND APPURTENANCES	88,000.00	88,000.00	124,000.00	124,000.00
3	9	1	LS	INPUT/OUTPUT MODULES AND SIGNAL TERMINATION	49,000.00	49,000.00	28,400.00	28,400.00
4	9	1	LS	RADIOS, ANTENNAS, SUPPORT POLES, GROUNDING, AND SURGE PROTECTORS	35,000.00	35,000.00	32,400.00	32,400.00
5	9	1	LS	DEVICENET, ETHERNET SWITCHES, POWER SUPPLIES, AND OTHER PANEL APPURTENANCES	25,000.00	25,000.00	6,100.00	6,100.00
6	9	1	LS	BUTTERFLY VALVES, ELECTRIC MOTOR OPERATORS, AND APPURTENANCES	59,000.00	59,000.00	94,500.00	94,500.00
7	9	1	LS	LEVEL PROBES, PRESSURE TRANSMITTERS, AND OTHER FIELD INSTRUMENTATION AND APPURTENANCES	13,000.00	13,000.00	50,000.00	50,000.00
8	9	1	LS	CABLE, CONDUIT, AND OTHER EQUIPMENT AND INSTALLATION SHOWN ON DRAWINGS OR DESCRIBED IN SPECIFICATIONS	28,000.00	28,000.00	57,346.00	57,346.00
9	10-1.32	1	LS	ADMINISTRATIVE CHANGE ORDERS	70,000.00	70,000.00	70,000.00	70,000.00
				TOTAL		377,000.00		486,746.00

DATE: February 22, 2011

TO: Mayor and City Council

FROM: Technology Services Director

SUBJECT: Public/Educational/Governmental (PEG) Agreement Renewal

RECOMMENDATION

That Council adopts the attached resolution authorizing the City Manager to extend an existing agreement with Chabot Community College to provide interim cable services to the Hayward government, education, and public broadcast communities until March 2012.

BACKGROUND

For many years, Comcast Communications (and its predecessors) provided community members the ability to create and cablecast public programs utilizing cable-provided community studios. All local programming on the cable system was broadcast pursuant to the terms and conditions of the local cable franchise agreement with the City to provide public access on the airwaves. In 2006, with the State's passage of the Digital Infrastructure and Video Competition Act (DIVCA), the authority of local governments in California to grant a local cable franchise was eliminated. The California Public Utilities Commission now issues cable/video franchises.

As a result of the franchise transition, Comcast no longer has the responsibility for managing the public access channel and providing public access services. As of September 30, 2009, the local Hayward studio at Comcast is no longer available for public access productions and Comcast no longer cablecasts programs on Public Access Channel 28 in Hayward.

Under the new DIVCA law, the City of Hayward has the ability to broadcast on three separate channels in our area. The Government channel is KHRT Channel 15 (Government) and broadcasts the City's revolving bulletin board as well as Council meetings, Planning Commission meetings, Hayward Unified School District meetings, and other meetings of interest to the Hayward community. The channel designated for education, Channel 27 KGTH (Education), is controlled by Chabot College and is used to broadcast educational content. Channel 28 (Public/community) has traditionally been controlled by Comcast, or its predecessors, and is the designated Public access

channel. Together, these channels make up what is known as Public, Education, and Government (PEG) cable access in Hayward.

In 2008, the City passed an ordinance that activated certain rights of the City under DIVCA. This ordinance allows the City to impose time, place, and manner restrictions on the use of City public rights-of-way; apply penalties, although limited under DIVCA, for violations of DIVCA-prescribed customer service standards; provide a process for State franchise holders to appeal encroachment permit denials; clarify the City's role in the collection of franchise fees, and obtain funds for public, educational and government (PEG) broadcast purposes in an amount equal to 1% of a State franchise holder's gross revenues, to be used for PEG access purposes.

DISCUSSION

In many other cities, PEG access channels and resources have been most successfully and cost-efficiently managed by non-profit, tax exempt organizations established specifically for that purpose. These are typically known as Community Media Centers (CMCs). There are many successful examples of these access organizations in northern California in communities such as Berkeley, Gilroy, Monterey, Santa Rosa, Palo Alto, San Jose, Davis, and Sacramento.

Chabot College has been working collaboratively, under the City's existing agreement to address the interim loss of service while the City and other interested agencies explore establishing a nonprofit organization that would coordinate access to PEG channels and operate a Community Media Center (CMC) on a permanent basis. More specifically, Chabot is interested in providing the facility space for the CMC that would be established as a result of the creation of the nonprofit organization.

Several of Hayward's neighboring cities that have also sustained the loss of public access services and facilities have indicated an interest in collaborating on a process to develop a local Community Media Center. Over the past year, staff members from Hayward, several neighboring cities, and the County of Alameda have discussed these matters. These meetings have included representatives from Chabot College, San Leandro, Fremont, the City of Alameda, and Alameda County.

In order to address the immediate loss of public access service and to guide the process of transitioning from the current PEG access environment to a nonprofit CMC, the City and Chabot have created a Transition Task Force or Board of Conveners to develop a model for implementing a CMC. The work of the Task Force/Board of Conveners is being guided by The Buske Group, a consulting firm with extensive experience in the creation and development of nonprofit community media centers, community access management corporations, and cable and telecommunication policy and law.

A short-term, interim agreement with Chabot has been implemented. Under this agreement, the College broadcasts existing Public content and makes its studio available for public and government access purposes until such time as a more permanent relationship has been established among the CMC, Chabot, and the cities. This short-term agreement was for a one year period with the ability to extend for one year. This recommended action would extend the agreement for the additional year

while staff works with the other surrounding jurisdictions on a longer term and sustainable solution to the provision of PEG access.

FISCAL IMPACT

The existing agreement between Chabot Community College and the City of Hayward has a term of one year, ending in March 2011, with an option to extend for one year. The annual cost of the agreement is \$117,000 for PEG services to the community. This agreement is funded by the 1 % of gross revenue collected through the City's existing DIVCA ordinance. These funds are in excess of \$220,000 per annum and can only be expended for PEG services as dictated by the State Franchise Agreement. The City has been collecting these revenues from current cable providers (e.g., Comcast and AT&T). The funds have been placed in a designated fund for PEG purposes.

PUBLIC CONTACT

Technology Services has met with representatives from Fremont, San Leandro, the City of Alameda, and has also had discussions with Alameda County, Union City and Newark to include them in any regional solution. Hayward hosted a general meeting of governmental agencies in August of 2009. This meeting was an open discussion of various issues and what initiatives entities were undertaking to address PEG.

Technology Services has been working with area community producers of public video content to inform them of the City's progress with the City's PEG initiative. Staff held a general informational meeting in the City Council Chambers in November of 2009 to receive feedback from producers and the Council Technology Applications Committee met in November of 2009 to discuss the issue.

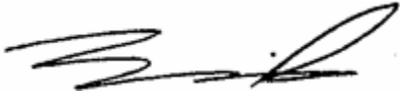
If the City proceeds with a regional CMC concept in partnership with Chabot College and surrounding agencies, there will be additional outreach to the public and interested parties during the development of any agreements necessary to implement this concept.

NEXT STEPS

During the next 12 months, Technology Services will be working with the public stakeholders, the community at large and with representatives from Fremont, San Leandro, City of Alameda, Alameda County, Union City and Newark as well as the City's consultant to further address the creation of a Community Media Center. The extension of the existing agreement with Chabot will temporarily address the issue of broadcasting existing content. The larger issue of production facilities for public use would be discussed and resolved with a more permanent agreement and the establishment of a Community Media Center. If this concept presents insurmountable obstacles, staff will need to evaluate other options for long term provision of PEG access.

Prepared and Recommended by: Clancy Priest, Technology Services Director

Approved by:



Fran David, City Manager

Attachments: Attachment I: Resolution

Attachment II: PEG Agreement from 2010

HAYWARD CITY COUNCIL

RESOLUTION NO. 11-

Introduced by Council Member

RESOLUTION AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A ONE YEAR EXTENSION TO THE EXISTING AGREEMENT WITH THE CHABOT-LAS POSITAS COLLEGE COMMUNITY DISTRICT FOR INTERIM PUBLIC/EDUCATION/GOVERNMENT (PEG) SERVICES

WHEREAS, as a result of the changes in state law regarding cable franchises and the recent closure of the Comcast facility that previously provided public channel access and services, City staff recommend that the City Council approve a one year extension of the existing agreement with Chabot-Las Positas College Community District for interim Public/Education/Government (PEG) services, pending the establishment of an entity to deliver PEG services on a permanent basis; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward hereby authorizes the City Manager to negotiate and execute a one year extension of the existing agreement with Chabot- Las Positas College Community District to provide PEG services to the community on an interim basis, in an amount not to exceed \$117,000, in a form approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2010

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST:
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

ORIGINAL**INTERIM COMMUNITY MEDIA CENTER FACILITY USE AGREEMENT**

This Community Media Center Use Agreement (the "Agreement"), effective March 1, 2010 through February 28, 2011, is entered into by and between the City of Hayward ("City"), a municipal corporation of the State of California, and Chabot-Las Positas College Community District ("Chabot"), a California community college district, who agree as follows:

RECITALS

WHEREAS, Comcast and AT&T ("State Franchisees") have each been granted a state franchise to provide video services in the City of Hayward pursuant to the California Digital Infrastructure and Video Competition Act ("DIVCA"). In the past, pursuant to obligations contained in the now-expired local franchise agreement between the City and Comcast, public access equipment, facilities, and services were provided by Comcast or its predecessors-in-interest that owned the cable system serving Hayward. Pursuant to state and federal law, a government access channel is and has been managed by the City of Hayward, and an educational access channel is and has been managed by Chabot.

WHEREAS, as a result of DIVCA, Comcast no longer has the direct responsibility for providing public access equipment, facilities, and services. However, DIVCA provides that certain channel capacity and funding shall be provided by State Franchisees for public, educational, and government ("PEG") access.

WHEREAS, the City and Chabot are collaborating to establish a nonprofit community access organization ("CAO") that will manage PEG access channels and operate a Community Media Center ("CMC") to be located on the Chabot College campus in Hayward, California. Until such time that the CAO is established and funded and in an effort to create a more stable interim environment for public and government access, the City and Chabot are entering into a one-year agreement, pursuant to which Chabot will make its studio and other facilities available for public and government access purposes.

WHEREAS, Chabot controls that certain real property commonly known as the Television Studio, located at 25555 Hesperian Boulevard, Building 100, Rooms 124A, 124B, and 124D, Hayward, CA. 94545 (referred to herein as the "Property").

WHEREAS, Chabot wishes to enter into this Agreement with the City, pursuant to which a portion of the Property (see Exhibit A) will serve as an Interim CMC for PEG access production and programming.

NOW THEREFORE, Chabot and the City agree as follows:

AGREEMENT

1) Term of Agreement. Chabot hereby grants to the City the right to occupy and use the Interim CMC for PEG access production and programming for a period of one year, commencing upon the effective date of this Agreement.

2) Rent. The City shall pay Chabot monthly rent ("Rent") for the Interim CMC in the amount of \$9,750.00 (\$117,000.00 per annum).

The Rent shall be inclusive of utilities, janitorial services, maintenance services, telephone, Internet, video and equipment use, and PEG services.

The initial Rent shall be due and payable upon the effective date of this Agreement and shall thereafter be due and payable on the first day of each month. If this Agreement is terminated, the monthly rent shall be pro-rated to the date City surrenders possession of the Property to Chabot.

3) Use: The Property shall be used as an Interim CMC for operating and conducting therein a PEG access production and programming facility. The Interim CMC shall be equipped with video and electronic media production equipment consistent with that identified in Exhibit B for use by and the benefit of the residents of the City of Hayward, the students and staff served by Chabot and other educational institutions in the City of Hayward, representatives of local governmental agencies that serve Hayward and other eligible users as defined by the City (collectively the "Eligible Interim CMC Users"). Chabot shall not be liable for an interruption or failure of the above facilities which occur for reasons other than the gross negligence or willful misconduct of Chabot, its agents or employees. Neither Chabot nor City shall not use or allow the Interim CMC to be used in violation of any law or ordinance. The Interim CMC shall be maintained by Chabot in a clean and sanitary manner and in compliance with all applicable laws, ordinances, rules, and regulations.

4) Access to Interim CMC. The Interim CMC shall be used for both PEG access, as set forth in Paragraph 3 above, and Chabot teaching purposes. If City personnel are assigned to the Interim CMC, they shall have 24-hour access to the Property and the Interim CMC except during campus closures related to safety and/or emergency. The Interim CMC shall remain closed to Eligible Interim CMC Users on holidays, but designated City personnel shall have access to the Property and the Interim CMC on holidays if necessary to the operation of the Interim CMC. City personnel and all users of the Interim CMC shall follow and be subject to the security procedures and other rules for use of the Property as set forth in Exhibit C.

5) Hours of Operation. Eligible Interim CMC Users shall be permitted access to the Property approximately 30 hours per week, Monday through Saturday (excluding holidays), with specific hours to be determined. Some Sunday access may be scheduled for eligible interim CMC users by Chabot in consultation with the City. Chabot personnel shall be present at all times the Interim CMC is open to Eligible Interim CMC Users. Nothing in this Agreement requires the City to assign personnel to staff the Interim CMC.

6) Utilities. Chabot shall provide and be responsible for all utility charges including gas, electricity, telephone, garbage, janitorial services, and other public utilities for the Interim CMC during the term of this Agreement. Access to utilities (e.g. telephone, etc.) may be limited by Television Station personnel and/or other Chabot officials.

7) Security System. The parties agree to cooperate and coordinate with each other regarding the use of the Property's security system within the Interim CMC.

8) Repairs, Maintenance and Upkeep. During the term of this Agreement and any renewal or extension thereof, Chabot shall keep the exterior roof, interior and exterior painting and cosmetic appearance, electrical system, plumbing, heating, ventilating, air conditioning, structural supports, and foundation of the building of the Property and the Interim CMC in good repair at its own cost and expense. City agrees, however, that its personnel shall:

- a. Place all waste in the waste receptacles provided by Chabot for removal from the premises;
- b. Use in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air conditioning and other facilities and appliances, including elevators in the premises;
- c. Not deliberately or negligently destroy, deface, damage, impair or remove any part of the Property, Interim CMC, or other premises of Chabot, or knowingly permit any person to do so;
- d. Conduct itself in a manner that will not disturb Chabot, its students, faculty, staff and their business invitees of peaceful enjoyment of the Chabot premises;

- e. Make no alterations, changes, repairs or replacements in the buildings of the Property and the Interim CMC, or the furniture or furnishings contained therein, without obtaining the prior written consent of Chabot; and
- f. Enforce Chabot's no smoking policy within the building(s) subject to this Agreement.

Should City unreasonably fail to comply with any or all of the foregoing conditions, Chabot may immediately terminate this Agreement.

9) Surrender. On termination of this Agreement as hereinafter provided, the City shall promptly surrender occupation of that portion of the Property designated for the Interim CMC in as good condition as it was on the date of this Agreement, reasonable wear and tear and damage by the elements or fire or any casualty beyond the control of the City excepted.

10) Parking. Eligible Interim CMC Users will comply with all Chabot College parking regulations and fees.

11) Accessibility. The Interim CMC shall be accessible to Eligible Interim CMC Users at all times during which the Interim CMC is open for operation pursuant to Paragraph 8 above.

12) Signs: Chabot shall erect and maintain signage which clearly identifies the Interim CMC location to Eligible Interim CMC Users.

13) Liability and Indemnification. Governmental Code Section 895.2 imposes certain tort liability jointly upon public agencies solely by reason of such public agencies being parties to an agreement as defined in Government Code Section 895. Therefore, the parties hereto, as between themselves, pursuant to the authorization contained in Government Code Sections 895.4 and 895.6, each assumes the full liability imposed upon it or any of its officers, agents, representatives or employees by law for injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement, to the same extent that such liability would be imposed in the absence of Government Code Section 895.2. To achieve this purpose, each party shall be responsible for any and all claims, demands, loss or liability as a result of or arising out of the negligence of that party, its officers, agents, employees, or guests. In the event that any claim, demand, loss or liability arises out of the negligence of both parties; each party shall be responsible based upon its proportionate share of negligence. The City shall defend, indemnify, and hold harmless Chabot, its officers, employees and agents from and against all claims, damages, losses and expenses, including attorney fees and costs arising out of the use of the Interim CMC which may be caused in whole or in part by any act or omission of the City, or which otherwise may be incurred by Chabot solely by virtue of Governmental Code Section 895.2. Chabot shall likewise defend, indemnify, and hold harmless the City, its officers, employees and agents from and against all claims, damages, losses and expenses, including attorney fees and costs arising out of the use of the Interim CMC which may be caused in whole or in part by any act or omission of the Chabot, or which otherwise may be incurred by City solely by virtue of Governmental Code Section 895.2.

14) Insurance. Without limiting the above indemnification provision and during the term of this Agreement, the parties shall obtain and maintain, and shall require any subcontractors to obtain and maintain, liability insurance coverage as provided for below. During the term of this Agreement, each party shall list the other party as additional named insured on its respective comprehensive liability insurance policy insuring the City and Chabot against claims and liabilities arising out of the operation, condition, use, or occupancy of the Property for the purposes of the Interim CMC and all areas appurtenant thereto, including parking areas. Each party shall list the Interim CMC as a sponsored activity of that party under its respective insurance coverage.

- a. Such insurance shall be in an amount of not less than one million dollars (\$1,000,000) for bodily injury or death and property damage as a result of any one occurrence and a two million dollar (\$2,000,000) general aggregate policy. Upon the effective date of this Agreement, each party shall deliver to the other party a certificate of insurance evidencing the existence of the policy required hereunder and stating that such policy shall:
 - i. State the coverage is primary to and not contributing with any other insurance or self-insurance programs maintained by the other party, and shall be provided and maintained at the party's own expense.
 - ii. Contain a cross liability endorsement; including a separate endorsement naming the other party as an additional insured.
 - iii. At least thirty (30) days prior to the expiration of such certificate, and every such subsequent certificate, each party shall deliver to the other a new certificate of insurance consistent with all of the terms and conditions required in connection with the original certificate of insurance as described in this paragraph.
- b. Not be canceled or altered without thirty (30) days prior written notice to the other;
 - i. State the coverage is primary to and not contributing with any other insurance or self-insurance programs maintained by the other party, and shall be provided and maintained at the party's own expense.
 - ii. Contain a cross liability endorsement; including a separate endorsement naming the other party as an additional insured.
 - iii. At least thirty (30) days prior to the expiration of such certificate, and every such subsequent certificate, each party shall deliver to the other a new certificate of insurance consistent with all of the terms and conditions required in connection with the original certificate of insurance as described in this paragraph.
- c. The parties mutually agree to notify one another of any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against any of the parties, and, of any actual third party claim or lawsuit arising from or related to services under this Agreement.
- d. Each party shall obtain and maintain Workers Compensation Insurance for its respective employees and agents during the coverage term of this Agreement in conformance with the laws of the State of California and applicable federal laws. Both parties agree to provide one another a workers compensation certificate of insurance upon request.

15) Property Insurance. At its own cost and expense during the term of this Agreement, Chabot shall keep its property located in the Interim CMC insured for its full replacement cost against loss or destruction by fire and the perils, including special causes of loss, commonly covered under the standard special form policy in the county where the Property is located. Upon the effective date of this Agreement, Chabot shall provide the City with a certificate of insurance indicating the existence of insurance as described herein. Further, should any of the subject policies be canceled before the expiration date of said certificate, Chabot shall require its insurer to mail written notice to the City; provided, however, failure to mail such notice shall impose no obligation or liability of any kind upon the insurer, its agents or representatives.

16) Destruction. Should the Interim CMC area of the Property be damaged or destroyed during the term of this Agreement, the party responsible for same shall promptly repair or replace the damaged or destroyed portions to the extent not covered by proceeds of any applicable insurance of the responsible party. Should any equipment be destroyed, either party shall replace the equipment to the extent not covered by proceeds of any applicable insurance of the responsible party.

17) Licenses and Permits. City represents and warrants to Chabot that, to the extent it is required to do so, City and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to conduct the activities contemplated in this Agreement. City represents and warrants to Chabot that City and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to conduct the activities contemplated in this Agreement.

18) Compliance with Law. Each party agrees that it will meet all Federal, State, County and City laws and regulations so far as applicable to its obligations under this Agreement. Each party further agrees that it will comply with all reasonable orders and directives of appropriate agencies and to satisfy any such directives from such agencies to meet obligations under this Agreement.

19) Independent Contractor Status. The parties hereby acknowledge that they are independent contractors. As such, each party shall be liable for any debts, obligations, acts and omissions relating to its own agents, representatives, students or employees, including the deduction of all federal, state and local income taxes, social security, FICA and other charges, if any, to be deducted from the compensation of its employees. Furthermore, in no event shall this Agreement be construed as establishing the relationship of agent, servant, employee, partnership, joint venture, association or any similar relationship between the parties hereto. As independent contractors, each party will be solely responsible for determining the means and methods for performing the services described herein. Each party understands and agrees that other party is engaged in an independent business or enterprise and the party shall have no right to direct or control in any way or to any degree the manner of other party's performance hereunder. Each party further understands that it is not authorized and shall not make any agreement, contract or representation on behalf of the other party or create any obligation, express or implied, on the part of the other party.

Neither Chabot nor any of its agents, representatives, students or employees shall be considered agents, representatives, or employees of City as a result of this Agreement. Furthermore, each and every person employed by Chabot who is providing services to City under this Agreement shall, at all times, remain an employee of Chabot. Chabot employees shall not, at any time, or in any way, be entitled to sick leave, vacations, retirement, or other fringe benefits from City, nor shall they be entitled to overtime pay from the City. City will make no State or Federal unemployment insurance or disability insurance contributions on behalf of Chabot and/or its agents or employees. Neither Chabot nor its employees shall be included in any bargaining unit or have any property rights to any position, or have any of the rights that an employee of the City may otherwise have in the event of termination of this Agreement.

Neither City nor any of its agents, representatives, or employees shall be considered agents, representatives, or employees of Chabot as a result of this Agreement. Furthermore, each and every person employed by City who is providing services to Chabot under this Agreement shall, at all times, remain an employee of City. City employees shall not, at any time, or in any way, be entitled to sick leave, vacations, retirement, or other fringe benefits from Chabot, nor shall they be entitled to overtime pay from the Chabot. Chabot will make no State or Federal unemployment insurance or disability insurance contributions on behalf of City and/or its agents or employees. Neither City nor its employees shall be included in the classified or faculty service; have any property rights to any position, or have any of the rights that an employee of the Chabot may otherwise have in the event of termination of this Agreement.

- 20) Default. Upon any default by any party in the performance of any of its duties and obligations contained herein and as may otherwise be required by law, the other party shall have all of the rights and remedies which may be provided by law.
- 21) Non-Waiver. No delay or omission to exercise any right, power, or remedy accruing to a party upon any breach or default by the other party to this Agreement shall impair such right, power, or remedy of the non-defaulting party; nor shall such delay or omission be construed as a waiver of any such breach or default, or of any similar breach or default thereafter occurring; nor shall any waiver of a single breach or default be deemed a waiver of any subsequent breach or default. All waivers under this Agreement must be in writing. All remedies either under this Agreement or by law afforded to any party hereto shall be cumulative and not alternative or exclusive.
- 22) Amendment. This Agreement may be amended or modified only by a writing executed by each of the parties hereto.
- 23) Attorneys Fees. The prevailing party in any dispute under this Agreement is entitled to recover reasonable attorney's fees and costs.
- 24) Termination. This Agreement may be terminated as follows: (a) by mutual written agreement of the parties; (b) the conclusion of the initial term, or any extension thereof; (c) the termination of the Agreement without cause upon 10 days' written notice; or (d) immediately upon the breach or default by either party of any of the terms, obligations or covenants of this Agreement, which is not waived in writing by the non-defaulting party.
- 25) Successors. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the successors and assigns of the City and Chabot, respectively.
- 26) Time of Essence. Time is expressly declared to be of the essence in this Agreement.
- 27) Entire Agreement. This instrument constitutes the entire Agreement between the City and Chabot regarding the Interim CMC.
- 28) Notice. For the purposes of this Agreement, any notices required to be given to the parties hereto shall be given in writing and by personal service or by first class mail, postage prepaid, at the addresses hereinafter set forth after the signature of each party, or to such other addresses as each party may substitute by notice to the other. Notice shall be deemed complete upon personal service or, if by mail, five (5) days after the date of the postmark thereon.
- 29) Non-Assignment. No party shall assign this Agreement or any right or privilege any party might have under this Agreement without the prior mutual written consent of all parties hereto, which consent shall not be unreasonably withheld, provided that the assignee agrees in a written notice to all parties to carry out and observe each applicable party's agreements hereunder.
- 30) Non-Liability of Officials. No officer, member, employee, agent, or representative of either party shall be personally liable for any amounts due hereunder, and no judgment or execution thereon entered in any action hereon, shall be personally enforced against any such officer, official, member, employee, agent, or representative.
- 31) Third Party Beneficiaries. Nothing in this Agreement shall be construed to confer any rights upon any party not signatory to this Agreement.
- 32) Captions. The captions contained herein are used solely for convenience and shall not be deemed to define or limit the provisions of this Agreement.

Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same instrument. Any photocopy of this executed Agreement may be used as if it were the original.

Notices shall be addressed as follows:

TO City:
District:

ATTN:

District

TO Chabot-Las Positas Community College

ATTN:

Lorenzo Legaspi
Vice Chancellor, Business Services
Chabot-Las Positas Community College

5020 Franklin Drive
Pleasanton, CA 94588
Tel: (925) 485-5203
Fax: (925) 485-5255

Hayward, California

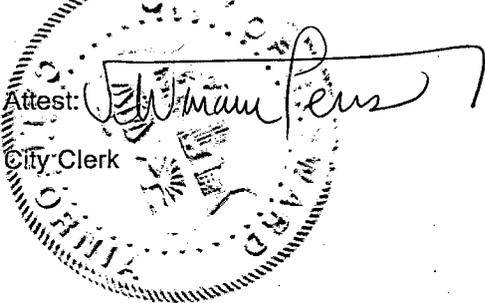
IN WITNESS WHEREOF, the parties, through their authorized representatives, affix their signatures to this Agreement.

~~THE CITY OF HAYWARD~~
~~COLLEGE DISTRICT~~
CITY OF HAYWARD

By: Greg Jones, City Mgr.
APPROVED AS TO FORM:
MICHAEL S. LAWSON
City Attorney

Maureen A. Conneely
Assistant City Attorney

Attest:
City Clerk



CHABOT-LAS POSITAS COMMUNITY

A handwritten signature in black ink, which appears to be "L. Legaspi", written over the printed name.

APPROVED AS TO FORM:

Attorneys for Chabot-Las Positas
Community College District

REX RANDALL ERICKSON
Law Firm of Zampi, Determan & Erickson LLP

A large, handwritten signature in black ink, which appears to be "Rex Randall Erickson", written over the printed name.

EXHIBIT A

Community Media Center ("CMC") Floor Plan

Community Relations

Administrative Rules and Procedures

1112 Use of District Facilities

1. Use of Chabot College Facilities

Priorities for Use of Facilities

The following guidelines and procedures will be issued to assist the public with access to the District's facilities and to ensure that both the needs of the community and College may be reasonably met whenever economic and space availability permit.

To provide for maximum use of College facilities by the community and to minimize the potential for conflict, the following priorities are established:

- a. First priority is reserved for the College's educational program and for College-sponsored events.
- b. Second priority will be given to local public agencies and schools and colleges when the purpose of the use is educational.
- c. Third priority will be given to youth groups, civic and service groups, and other groups organized for cultural, educational or recreational activities.
- d. The priorities for the use of the auditorium shall be those prescribed in the Agreement with the Hayward Area Recreation and Park District.
- e. Organizations within the District will have priority over those from outside the District.
- f. Priorities shall be maintained in such a way that no group will monopolize a facility.
- g. Groups which are not generally recognized as "non-profit" or "not for profit" will receive the lowest priority when requesting use of the facilities.

Community Relations

Administrative Rules and Procedures

1112 Use of District Facilities

- h. While space availability will be confirmed upon receipt of application, the application may be approved when appropriate signatures and deposits are received within the time frame identified. Once an application has been approved, the use shall not be preempted by another applicant with a higher priority.

Applications for Use of College Facilities

- a. Applications for use of College facilities may be obtained from the Chabot College Office of Facility Reservations.
- b. The Office of Facilities Reservations will approve the dates and times the facilities are to be used upon compliance with application requirements. Events will subsequently be posted on the master calendar and the permit issued.
- c. Applications for use of College facilities should be filed at least two weeks in advance of the time the use of the premises is desired. Permits shall not be issued for a period exceeding two years.
- d. The College may limit or deny applications that require scheduling a series of dates for facility use.
- e. When a rental or service fee is to be charged, the date of payment established on the permit shall be honored by the applicant. Except in cases of extenuating circumstances, the fee must be paid in advance.
- f. The application and the Technical Check Lists must include a description of all requested facilities and equipment. The Office of Facility Reservations will make arrangements for personnel to operate equipment requiring skilled operators. Changes in the application for facilities equipment and services will not be accepted less than 48 hours in advance of use.

Community Relations

Administrative Rules and Procedures

1112 Use of District Facilities

- g. Permits to use District facilities are for the dates and times specified. The District assumes no obligation in the event that a change of either dates or times is requested.

Special Requirements and Conditions

- a. In accordance with the agreement between the Chabot-Las Positas Community College District and the Hayward Area Recreation and Park District, the following requirements and conditions apply:
 - 1) The auditorium shall be available for use for recreational purposes when such use is not inconsistent with the use of the buildings or grounds for school purposes, and will not interfere with its use for school purposes.
 - 2) In granting the use of said auditorium, requests for its use by the Recreation District shall be given first preference over similar requests by other parties or groups.
 - 3) The Chabot-Las Positas Community College District will make the auditorium available for use by the Recreation District and by civic or other public groups for public recreational and for civic center purposes as much as possible but no less than twenty percent (20%) of the total auditorium schedule.
- b. Applications shall be accepted only from established and responsible organizations. Groups not qualifying as community organizations but making an application for non-commercial purposes may also qualify for use of facilities.
- c. The laws of the State contain certain restrictions against the use of school property for sectarian purposes. Also, State law specifies that no entertainment shall be permitted which reflects in any way upon persons because of race, color, national origin, religion, sex, age or handicap.
- d. Whenever a College facility is being used, a District employee shall be on duty and shall be fully in charge of the facility being used.

Community Relations

Administrative Rules and Procedures

1112 Use of District Facilities

- e. The possession or use of alcoholic beverages or illegal drugs is not permitted on College property except for restricted use of alcoholic beverage, per Board Policy 1113. Any person under the influence of intoxicating liquor or illegal drugs shall be denied opportunity to participate in any way.
- f. Groups or organizations using College facilities shall conform to all city and county ordinances and fire regulations.
- g. Decorations must be flame-proof and shall be erected and taken down in a manner not destructive to property. The use of any material or device which constitutes a hazard is expressly prohibited.
- h. Announcements which community organizations may wish to display on campus must be approved and posted as directed by the Office of Facility Reservations.
- i. Restrictions regarding smoking, eating, drinking and use of photographic or sound reproduction equipment in particular rooms and buildings must be observed.
- j. Groups with minors in attendance shall provide their own chaperones. The number required may be determined by the District.
- k. The District may require, as a condition for approval of an application, that the applicant provide for the cost of security officers as is determined necessary by the District.
- l. The lessee is liable for the care and protection of College property and facilities and will be charged for any damages sustained to the premises, furniture or equipment because of the occupancy of the College premises by the lessee.
- m. The lessee shall be held responsible for any and all loss, accident, negligence, injury or damage to person, life or property which may be the result of, or may be caused by, the lessee's occupancy of the facilities or premises.

Community Relations

Administrative Rules and Procedures

1112 Use of District Facilities

The lessee shall protect and indemnify the District, the Board, and/or any officer, agent, or employee of the District and save them harmless in every way from all suits or actions at law that may arise or be occasioned in any way because of the occupancy of the facilities or premises, regardless of responsibility or negligence.

The District may require, at its discretion except when the use is as defined in Sections 82537-82548 of the Education Code, and as related to the intended use of facilities or premises, the furnishing of a certificate of liability insurance by the lessee in an amount appropriate to the intended use.

- n. The statement of Rules and Regulations accompanying each Technical Check List shall be a part of these special requirements and conditions.

Fees

The use of all Chabot College facilities requires payment of fees in an amount sufficient to cover all the costs to the District (Education Code Sections 82537-82548). The Fee Schedule will be approved by the Board of Trustees.

Swimming Pool charges will be by lane and by entire pool use. When by lane, more than one user group may have access to the pool at the same time. This will make the pool accessible to various size groups at affordable prices. Schools only will receive a group rate for a season.

Public tax-supported agencies, schools and colleges may use College facilities with payment of all direct costs, unless admission fees, tuition or course fees, or contributions, are collected for other than educational, cultural or recreational activities, or they shall be subject to a percent of gross profit assessment and facility fees.

When admission fees, tuition or contributions are collected for other than educational, cultural or recreational purposes (for example: profit-making,

Community Relations

Administrative Rules and Procedures

1112 Use of District Facilities

political, and private purposes), the organization will pay rental costs plus actual costs and a percent of gross receipts.

The actual sum to be paid is to be determined in accordance with a fee use schedule which has been established after review of actual cost related to the use of a specific room or other facility. These fees may be revised and approved by the Board of Trustees as evaluation of the college's costs to operate them changes.

2. Use of Las Positas College Facilities

(Procedures to be developed.)

PEG Agreement Exhibit A

TV Studio Floor Plan,

(Rooms 124A, 124B, and 124D - first floor - building 100 - Chabot College)

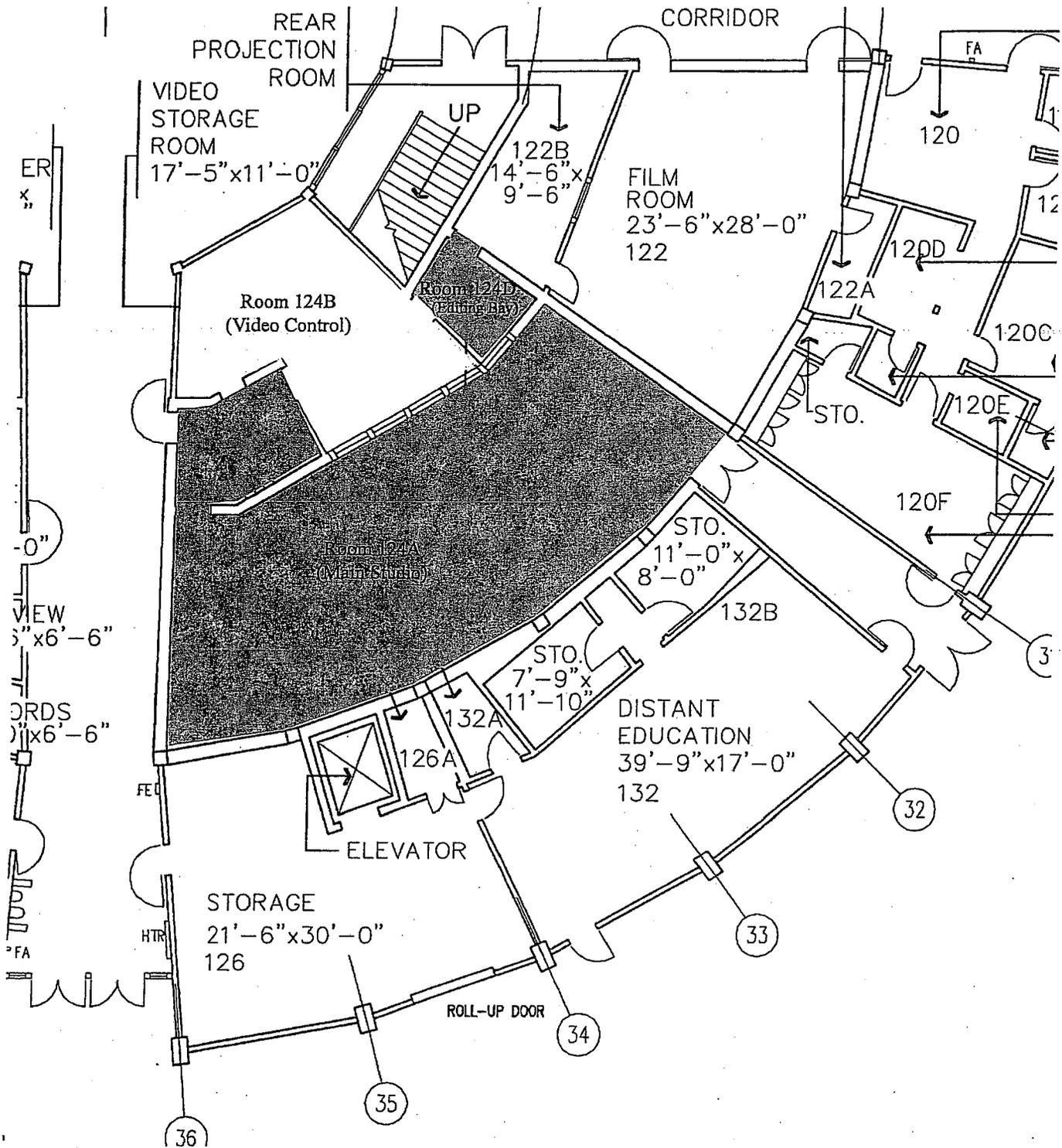


EXHIBIT B

Video and Media Production Equipment List

PEG Agreement Exhibit B

Item#	Description	Qty	Location
1	JVC KY-19 3-CCD Camera	3	Studio
2	Misc. Filter screens, Scrims, Lighting Cutouts; Various Sizes/Colors)	various	Studio
3	Listec Teleprompters with LCD Monitors	2	Studio
4	Gateway Teleprompter Computer with Joystick	1	Studio
5	Vinessence Florescent Studio Lights with Stands	4	Studio
6	Libec Matthews Pedistal Tripods (P-100)	2	Studio
7	Studio Ceiling Lighting Grid	1	Studio
8	Multi-purpose C-Stands	6	Studio
9	Studio Monitor Speaker	2	Studio
10	Custom Semicircular Green Screen Cyclorama	1	Studio
11	Sony ECM 44B Lavelear Microphones	4	Studio
12	Sony ECM 50 and 55PS Lavelear Microphones	3	Studio
13	Senhausser Boom Microphones (Long)	4	Studio
14	Senhausser Boom Microphone (Short)	1	Studio
15	ClearCom Wireless Headsets & Receivers	5	Studio
16	Clearcom Wireless Headset Battery Packs	5	Studio
17	Misc Furniture for Sets	various	Studio
18	Shure Condenser Microphone (SM56)	1	Studio
19	Audio Technica Condenser Microphone (ATK66)	1	Studio
20	Mobile Production Switcher & Monitor System	1	Studio
21	Sony 1000 HD Studio Video Camera	1	Studio
22	APC Battery Backup Unit	1	Production Control
23	Broadcast Pix Graphics/Effects/Character-Generator	1	Production Control
24	Broadcast Pix Video Switcher (Model 5000)	1	Production Control
25	Clear Com Studio Intercom Camera-toCamera Communication system (IF-4B)	1	Production Control
26	ClearCom Wireless Intercom Receiving System (WBS 670)	1	Production Control
27	Denon Professional Quality CD Player (CN-C630; with Auto-Cue)	1	Production Control
28	Inscriber Graphics/Effects/Character-Generator Software	1	Production Control

PEG Agreement Exhibit B

29	JBL Contrl Room Monitors (Control 5; with amplifier)	2	Production Control
30	JVC Camera Control Units (RM-P200)	3	Production Control
31	Mackie 16-Channel Audio Mixer (CR1604-VLZ)	1	Production Control
32	Monochrome Preview Monitors (WV-BM 990)	2	Production Control
33	Nady Six-Channel Microphone/Line Mixer (RMX-6)	1	Production Control
34	Panasonic VHS Player/Recorder (AG-7350)	1	Production Control
35	Pioneer Professional DVD Player (V7400)	1	Production Control
36	Sharp 47" HDMI Monitors (LC-46265U)	2	Production Control
37	Sony 1000 Camera Control Unit	1	Production Control
38	Sony Digital Video Camera Playback Unit (DSR-1800)	1	Production Control
39	Video Editing Systems (Apple Macintosh; Final Cut Pro)	3 Stations	Production Control
40	Sony 14" Monitors (PVM-14M2U)	2	Master Control
41	Gateway Editing Computer & Monitor (w/ Adobe Production Suite)	1	Master Control
42	APC Power Back-Up Control Unit (SU-24XLBP2U)	1	Master Control
43	APC Power Backup System Slaves (SU-24XLBP2U)	3	Master Control
44	Sony 3/4" Recorder/Player (Dubbing; VO9600)	1	Master Control
45	Alesis Audio Compressor (3630)	1	Master Control
46	Leightronics Server Controller/Channel Scheduling System (TCD-V3)	1	Master Control
47	360 Max Three-Channel Video Server (MAXX 400)	1	Master Control
48	Leaming Industries Stereo Generator (MTS-2B BTSC)	2	Master Control
49	Optimod-TV Multiband Compressor (8182A)	1	Master Control
50	Dorrogh Audio/Video Signal Stength/VU Monitor (1800)	1	Master Control
51	Power-Vu Sattelite Receiver (Community College Satelite Network; D9834)	1	Master Control
52	General Instrument Satelite Receiver/Decoder (PBS; 650I)	1	Master Control
53	Cisco Router (AT&T U-Verse System; 2821)	1	Master Control
54	Inlet Technologies Decoder/Encoder (AT&T U-Verse)	1	Master Control
55	Panasonic VHS Recorder/Player (AG-2550P)	2	Master Control

EXHIBIT C

Chabot College Policies and Procedures

(C1: *Facilities Rental Policy* and C2: *Facilities Rental Procedures*)

Community Relations

A. Access and Use of Property and Facilities

1112 Use of District Facilities *

General Policy

The Board of Trustees of the Chabot-Las Positas Community College District recognizes that the availability of its facilities is an important service to the residents of the District's communities. While it is the policy of the Board to encourage full use of College facilities by community groups at such times as they are not required for educational programs, it is also the policy of the Board that such usage must be on a cost-reimbursement basis.

The Fee Schedule must be approved by the Board of Trustees and is included in the Administrative Rules and Procedures.

The use of District facilities by community and college groups shall be granted under the provisions of the Education Code, Sections 82537-82548 in accordance with Administrative Rules and Procedures which implement this policy.

DATE: February 22, 2011

TO: City Council

FROM: Mayor Michael Sweeney
Council Member Olden Henson

SUBJECT: Resolution Designating February as Black History Month

RECOMMENDATION

That Council adopts the attached resolution designating February as Black History Month.

BACKGROUND

The City began celebrating Black History during the month of February in 1975, when Mayor Ilene Weinreb presented a proclamation to Dolores Giles of the National Association for the Advancement of Colored People, declaring February 9th through February 16th Black History Week. In 1993, the observance was expanded to Black History Month, when Mayor Michael Sweeney presented a proclamation to members of the Hayward Public Library Celebrating Cultures in Harmony Committee, and dedicated that action to the memory of Carlton Saunders, who was a teacher with the Hayward Unified School District and a prominent member of the City's African American community.

DISCUSSION

The City of Hayward has celebrated Black History during the month of February in some form since 1975. The City should continue its proud tradition of celebrating Black History by formally designating February Black History Month in the City of Hayward as a matter of policy going forward.

Many cities throughout the nation have designated February Black History Month. President Barack Obama, the country's first African American president, proclaimed February 2010 National African American History Month. The month of February marks the birthdays of two men who greatly impacted the American black population, Abraham Lincoln and Frederick Douglass.

February also holds great significance for the many milestones it contains: on February 23, 1868, the co-founder of the National Association for the Advancement of Colored People (NAACP), W.E.B. DuBois, was born; on February 3, 1870, the 15th Amendment to the U.S. Constitution was

passed, granting African Americans the right to vote; on February 25, 1870, the first African American U.S. Senator, Hiram R. Revels, took the oath of office; on February 12, 1909, the NAACP was founded in New York; and on February 1, 1960, the civil rights movement was launched when four black students sat at the “whites only” section at a Woolworth’s counter. All of these events and visionary leaders, such as Frederick Douglass, Thurgood Marshall, and Martin Luther King, Jr., advanced the cause of freedom, equality, and opportunity for African Americans and symbolize the importance of celebrating Black History Month.

Locally, the City has honored the contributions of African American musicians through its sponsorship of the Russell City Blues Festival each July, an event which commemorates the Russell City area and the unique character of what was predominantly an African American neighborhood. The City has also recognized the contributions of its African American military heroes. Mayor Sweeney recognized the outstanding contributions that Captain Leon "Woodie" Spears, a former Hayward resident, made as a Tuskegee Airman. In addition, the Bay Area Black Pilots Association, along with the Tuskegee Airmen, has maintained an active presence at the Hayward Executive Airport for many years. Future development plans for the reuse of the California Air National Guard site at the Airport include space for a proposed Tuskegee Airmen museum.

As a society, it is vitally important to recognize and celebrate culture and history, especially in a City as rich in diversity as Hayward. The African American population is an important segment of the City’s cultural fabric that continues to grow in number and influence.

ECONOMIC IMPACT None

FISCAL IMPACT None

PUBLIC CONTACT

In terms of community outreach, staff has communicated with the Hayward South Alameda County NAACP to inform Ms. Freddye Davis of this proposed action.

NEXT STEPS

If approved, the City of Hayward will annually recognize February as Black History Month.

Prepared and Recommended by:



Michael Sweeney, Mayor



For/Olden Henson, Council Member

Attachment: Attachment I Resolution establishing February as Black History Month.

HAYWARD CITY COUNCIL

RESOLUTION NO. 11-

Introduced by Council Member _____

RESOLUTION DESIGNATING FEBRUARY AS BLACK HISTORY MONTH FOR FEBRUARY 2011 AND EACH FEBRUARY HEREAFTER

WHEREAS, the City of Hayward honors the heritage of African Americans and acknowledges their many contributions both on a local and national level; and

WHEREAS, in February 1926, historian and educator, Carter G. Woodson, launched a weeklong celebration to commemorate the achievements of African Americans, which was expanded into a month long celebration, "Afro-American History Month," in 1976; and

WHEREAS, the United States celebrates the work of historic, visionary leaders, including Frederick Douglass, Thurgood Marshall, and Martin Luther King, Jr., who blazed a trail for freedom, equality, and opportunity and who symbolize the importance of Black History Month; and

WHEREAS, Mayor Ilene Weinreb presented a proclamation, declaring February 9th through February 16th as Black History Week in the City of Hayward, to Dolores Giles of the National Association for the Advancement of Colored People on February 11, 1975; and

WHEREAS, in 1993, the observance was expanded to Black History Month when Mayor Michael Sweeney presented a proclamation designating the month of February Black History Month to members of the Hayward Public Library Celebrating Cultures in Harmony Committee, a program of the Hayward Public Library designed to recognize and celebrate the many cultures reflected in the Hayward community; and

WHEREAS, the City has recognized the contributions of its African American community through events and activities during each year and would like to continue recognizing and honoring the contributions of its African American population; and

WHEREAS, African American history is an essential thread of the American narrative that traces the country=s enduring struggle for equality, and throughout the nation=s history, African Americans have shown great courage and determination in overcoming the educational, economic, social, political, and legal systems of segregation.



DATE: February 22, 2011
TO: Mayor and City Council
FROM: Interim Director of Finance
SUBJECT: Mid-Year Review Fiscal Year 2011

RECOMMENDATION

That the Council reviews and comments on the General Fund Mid-Year Review and Ten-Year Plan Update, and adopts the attached resolution approving the amendment to the City of Hayward Operating Budget for Fiscal Year 2011.

SUMMARY

Mid-Year Review – This Mid-Year Financial Report provides an overview of Fiscal Year (FY) 2011 General Fund revenues, expenditures, and fund balances projected through the remainder of the fiscal year. The result of this analysis reflects a nominal increase of \$1.8 million in revenues, mainly due to an increase in sales tax. However, additional appropriations approved during the first half of the year, including a recommended \$110,000 budget adjustment for a position necessary to process photo red-light citations, has increased the appropriations budget since adoption by \$1.7 million. As such, the overall financial situation remains flat at best. .

Ten-Year Plan Update – This Ten-Year Plan Update refines the forecast staff presented in October 2010. Staff has also developed a second model that attempts to adjust the first model by reducing or spreading costs to minimize the deficit in FY 2012 and beyond. Both ten-year plan models confirm a structural deficit due to slow economic recovery and increased costs in employee services, additional personnel liabilities, and unfunded future replacement needs for fleet, facilities, public safety, and technology.

DISCUSSION

FY 2011 General Fund Mid-Year Review Summary
(as of December 2010 and Projected Through June 2011)

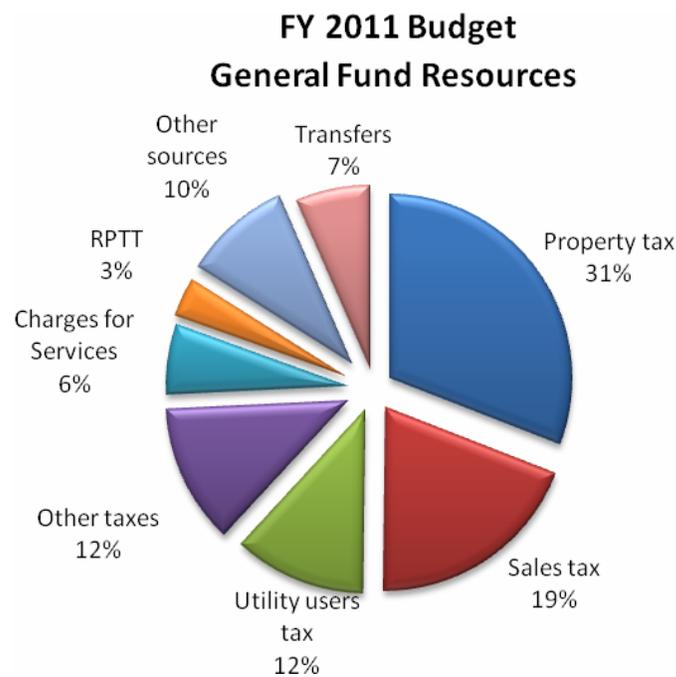
Adopted Budget – The organization has been proactive in its efforts to stay financially solvent. Since early 2008, the City has implemented numerous cost saving measures that include: use of reserves; salary concessions and/or furloughs from all bargaining units; the elimination of General

Fund, non-sworn positions; the implementation of a new Master Fee Schedule; improved efficiency through reorganization; and across-the-board expenditure reductions.

For FY 2011, staff was understandably conservative in the revenue projections, expecting minimal growth in most revenue areas. As FY 2011 progressed, the overall economy has not recovered, but there are areas in which revenues are doing better than expected, as outlined below.

General Fund Revenue - Annualizing the City's revenues based on mid-year results, staff is projecting receipt of approximately \$1.8 million more than estimated. This increase is due primarily to a one-time uptick in sales tax related to the "triple flip,"¹ and small increases in utility users tax, construction related revenues, and service charges. These increases were partially offset by declines in franchise fees, and licenses and permits.

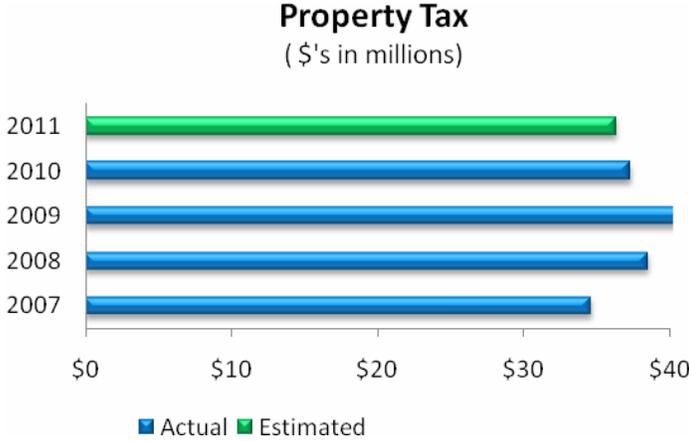
The chart below reflects the components of the \$117.5 million General Fund resources originally budgeted for FY 2011.



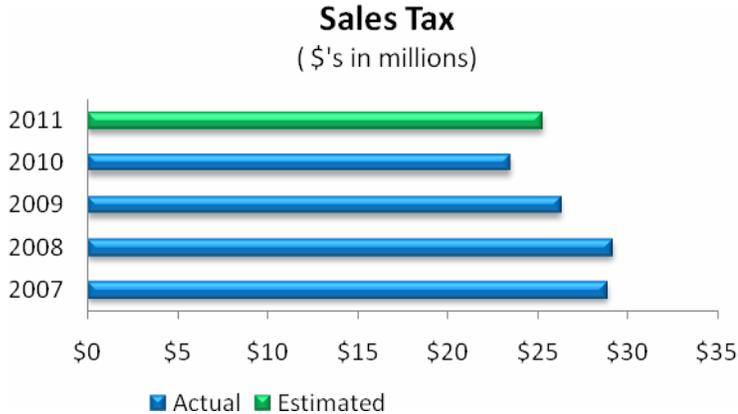
Property tax and sales tax are two major revenues directly affected by the economic recession over the past three years. These two revenues make up fifty percent of total General Fund resources. The total General Fund revenue in the Adopted FY 2011 Budget is \$109.8 million with an additional \$7.7 million in transfers to the General Fund. As a point of comparison, the FY 2011 Adopted Budget is still \$2.0 million less than the FY 2008 budget, and includes \$13.8 million of utility users tax revenue, which was not available in FY 2008. The City's major revenue sources are discussed below.

¹ In March, voters approved Proposition 57, the California Economic Recovery Bond Act, which allowed the State to purchase bonds to reduce the State budget deficit. The legislature enacted provisions that will change how sales, use taxes, and other revenues are distributed to schools and local governments on and after July 1, 2004. These changes will remain in effect until the State Director of Finance notifies the Board of Equalization that the state's bond obligations have been satisfied. This activity is commonly referred to as the "triple flip."

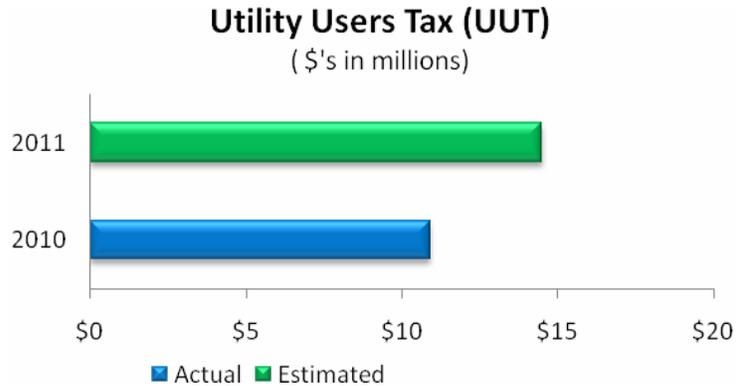
- Property Tax** –For FY 2011, staff’s estimates were based on an expected decline of property tax revenue of approximately 2.5%. Staff is closely monitoring this revenue and expects to meet the \$36.3 million budget estimate by year end. **Recommended action: No action required.**



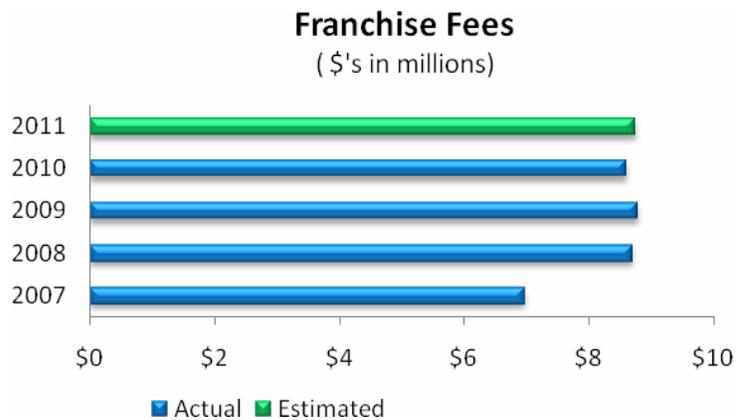
- Sales Tax** – For FY 2011, staff estimated sales tax revenue to increase 4% from the FY 2010 year-end estimate. Based on receipts through December and projections from the City’s sales tax consultant, MuniServices, staff is projecting sales tax revenue this fiscal year will be above target, or \$2.0 million above the \$23.3 million budget estimate. **Recommended Action: Increase revenue estimate by \$2.0 million for a year-end estimate of \$25.3 million.**



- Utility Users Tax (UUT)** –FY 2010 was the first fiscal year the City received UUT, with FY 2011 being the first full twelve month period of this revenue stream. The FY 2011 adopted budget estimated \$13.8 million; however, based on the analysis of revenue received to date, staff expects to receive \$14.5 million by year end. **Recommended Action: Increase revenue estimate by \$700,000 for a year end estimate of \$14.5 million.**

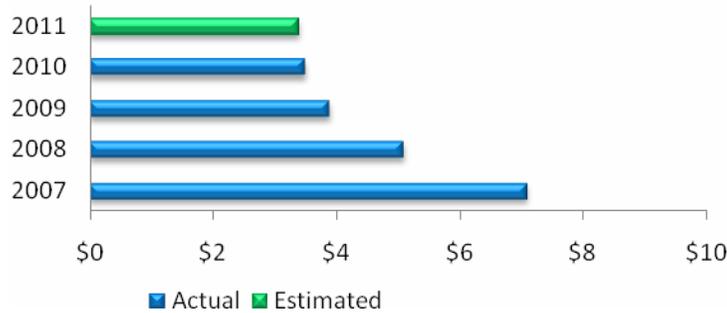


- Franchise Fees** – Revenues for the City’s Waste Management franchise have slowed and the expected shortfall in this revenue is \$130,000 from budgeted projections this fiscal year. The estimated decline in revenue is compounded by decreased estimates in the revenue from sewer, PG&E, and the Comcast Cable franchise for combined revenue decline \$255,000. The total estimated decrease to the budget is \$385,000. **Recommended Action: Reduce the revenue estimate by \$385,000 for a year-end estimate of \$8.75 million.**



- Real Property Transfer Tax** – The FY 2011 Adopted Budget includes \$4.1 million in annual revenue. Based on the revenue received last year (\$3.8 million) and sales activity so far this year, staff expects to receive approximately \$3.4 million by year end. The chart below shows that over the past eight years, real property transfer tax has had significant growth and is now experiencing continuing substantial declines due to the depressed housing market, demonstrating the volatility of this revenue source. **Recommended Action: Decrease revenue estimate by \$650,000 for a year-end estimate of \$3.4 million.**

Real Property Transfer Tax
(\$'s in millions)



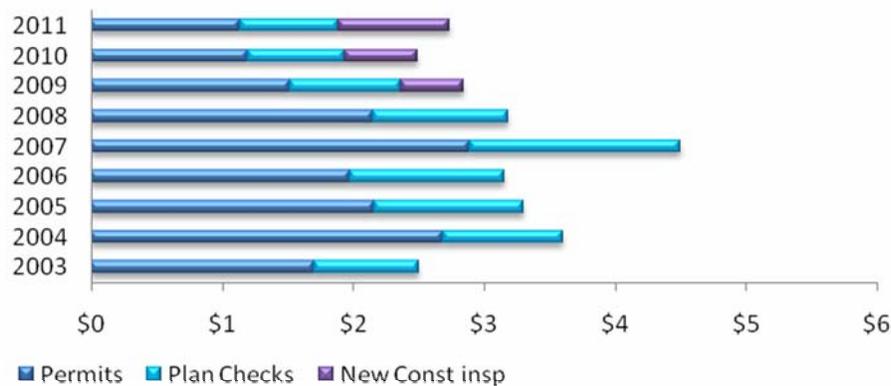
- ***Construction Related Revenue*** – Construction related revenues have been moderately rebounding, with increases in new construction permits offsetting some continued decrease in overall construction permits. **Recommended Action: Increase the estimated revenue for construction related fees by \$200,000 for a year-end estimate of \$2.735 million.**

The following chart summarizes the Adopted Budget, staff’s year-end estimates and the proposed adjustments to the Construction Related Fees Budget.

Construction Related Revenue	Adopted Budget	Estimated Revenue	Proposed Adjustment
Construction Permits	1,240,000	1,140,000	<100,000>
Plan Checking Fees	745,410	745,410	<0>
New Construction Inspections	550,000	850,000	300,000
Total	\$2,535,410	\$2,735,410	\$200,000

Construction Related Revenue received through December is 37%, or \$490,436, greater than the same period last year. As can be seen in the chart below, this increase over the prior year is due to increased New Construction Inspection fees. The chart also reflects the pattern of Construction Related revenue over the past nine years.

Construction Related Revenue ((\$'s in millions)



Summary of Recommended Revenue Adjustments

The following budget amendments are recommended for General Fund revenues:

Recommended Action: Increase General Fund revenue by net \$1,857,100.

1. Sales Tax	\$2,000,000
2. Utility Users' Tax	700,000
3. Franchise Fees	<385,000>
4. Real Property Transfer Tax	<650,000>
Total Taxes	1,665,000
Other:	
5. Construction Related	200,000
6. Fees & Service Charges	273,000
7. Licenses & Permits	<80,900>
8. Fire Mutual Aid Reimbursement	<150,000>
9. Fines & Forfeitures	50,000
10. Interest Earned	<100,000>
	192,100
 TOTAL PROPOSED ADJUSTMENT	 \$1,857,100

Expenditures –The FY 2011 budget was formulated based on all bargaining units agreeing to a 5% concession/furlough and an additional salary savings of approximately 3.4% accomplished by vacancies in budgeted positions. Net staffing expense is on target at approximately 50% of the adjusted budget spent at mid-year.

Other expenses, including maintenance, utilities, supplies, and services are under budget with mid-year expenses reflecting approximately 42% of the adjusted budget, which is not unusual at this time of year.

Transfers out has increased by \$810,000 for the deconstruction of Centennial Hall. This amount is funded by the \$1 million set aside for the Hotel/Conference Center Reserve.

Overall, the total General Fund outlays are on target with approximately 50% of the adjusted budget spent for the year, and as such, staff expects to meet the expenditure budget by year-end.

There is a recommendation to increase Employee Services line to fund the Community Services Officer position responsible for managing the photo red light vehicle fines program. This program has generated enough revenue to cover the necessary position. **Recommended action: Increase General Fund expenditure appropriation by \$110,000.**

Summary of FY 2011 Adopted Expenditure Budget v. FY 2011 Adjusted Expenditure Budget

FY 2011 Adopted General Fund Budget		
Total Expense		\$ 114,071,407
Total Transfer To Other Funds		<u>5,609,609</u>
		\$ 119,681,016
Changes to the Adopted General Fund Budget		
Purchase Order/Encumbrances Carried Over	\$ 286,109	
Grants	<u>513,552</u>	
Subtotal / Changes to Expenses	799,661	
Recommended New Appropriation	110,000	
Increased Transfer Out (Centennial Hall Deconstruction)	<u>810,000</u>	
Total Changes to the Adopted General Fund Budget		<u>\$ 1,719,661</u>
FY 2011 Adjusted General Fund Expenditure Budget		<u>\$ 121,400,677</u>

General Fund Ten-Year Plan Update

The City of Hayward has a long history of responsible fiscal management. Without implementing a long-range planning process and implementing spending cuts over the past three years, the City would have depleted its General Fund reserves.

To anticipate and attempt to stay ahead of severe declines in revenues and steep increases in employee-related expenses, the City has taken multiple cost-cutting measures including position reductions, restrictions on expenditures, selective hiring, re-organization, and elimination of non-minimum staffing required overtime; and has taken actions to utilize one-time available funds such

as inter-fund transfers into the General Fund. Despite the enormous efforts by staff and savings commitments from all employees and elected officials, it is clear these short-term measures and bridge-use of one-time resources are not enough to address, resolve, and survive through the projected future structural deficit. It was recognized during the last budget process that even if financial recovery occurred, it would not be enough to address the structural deficit, and more permanent, long-term solutions for the City's financial sustainability would need to be implemented.

Development of the Ten-Year Plan - A Revenue and an Expenditure Team, each consisting of City executive staff from all departments, have researched and compiled data from numerous sources over the last several months. This work resulted in initial updates and refinements to the General Fund Ten-Year Financial Plan. Assumptions have been made for revenue, expenditures, and fund transfers. The model was initially built with the ability to illustrate the cost of three different staffing scenarios, which included (1) Existing Staffing Model - no additional staff added; (2) Conservative Staffing Model - modest addition of staff to support desired City initiatives; and (3) Best Practices Model - adequate staffing to support a "best in class" organization.

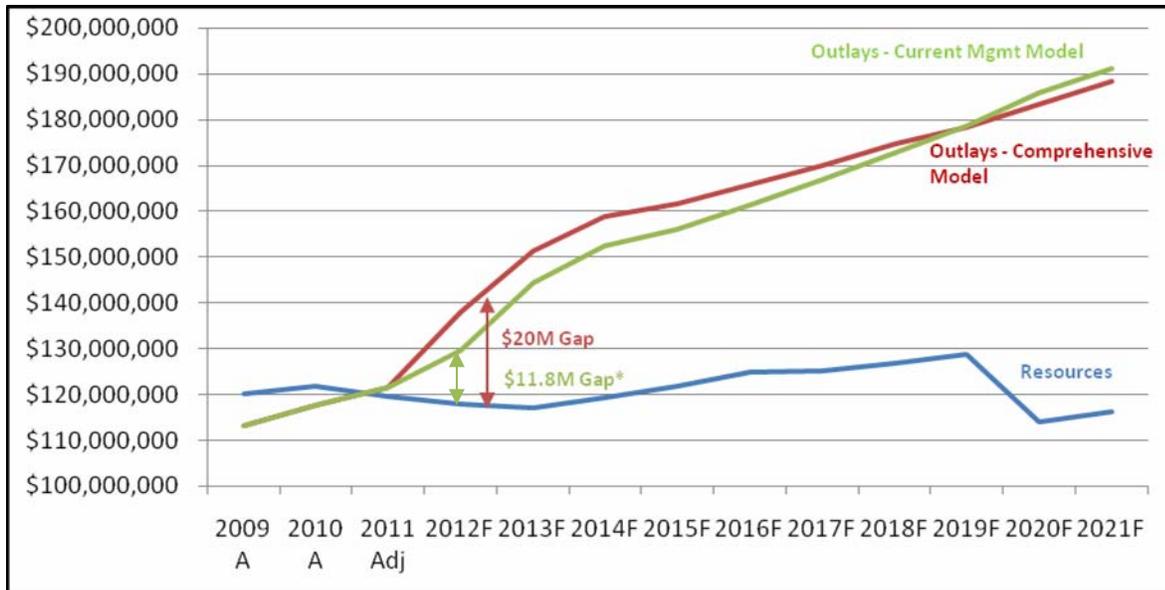
Since October 2010, staff has gathered more information and refined and adopted the Existing Staffing Model as a baseline. From this baseline, staff developed and evaluated two additional models: one that captured all identified needs of the organization over the ten-year period employing a "best practices" and "comprehensive financial planning" perspective (Comprehensive Model); and another derived from the Comprehensive Model that identified minimum needs, sound financial planning, and recognition of realistic resources (Management Model). Staff then reviewed and further refined and updated the assumptions in the Management Model, and that model is the one presented in this report.

The primary difference between the two is not fully funding the Retiree Medical obligation (OPEB) and continuing to delay (or stretch out) the maintenance or timely replacement of essential resources throughout the organization: technology equipment and systems; facilities repair and maintenance; public safety operational equipment replacement; and fleet replacement. In the Management Model, the Fleet assumption is reduced from \$31 million to \$18.1 million over the ten-year period, reflected in Transfers Out (Outlays). Best practices would lead the City to fund all fleet purchases with cash on a much more realistic operational replacement schedule. However, the Management Model continues the current practice of leasing needed fleet vehicles on a much less aggressive schedule and utilizing vehicles well beyond an efficient useful life. Leasing increases the overall cost of the vehicles and adds to the City's debt burden. Other changes between the models lie in Technology needs. In the Comprehensive Model, the assumption was for \$4.16 million in outlays, while in the Management Model, Technology outlays drop to \$3.05 million.

It is evident that the organization could not realistically fund the Comprehensive Model and still be at any reasonable level of service delivery. At the same time, the organization has put off repair and replacement of essential resources for so long, that some replacements are no longer optional and must occur in the near term; and contractual obligations such as OPEB can no longer legally be ignored. The Management Model attempts to find a responsible balance between the comprehensive but unrealistic approach of the Comprehensive Model and the irrational and fiscally irresponsible approach of not planning for the maintenance of essential resources and not identifying the path to address or modify our contractual obligations. The graph below displays the impact of the

assumptions made in the Comprehensive Model vs. those made in the Management Model.

General Fund Resources vs. Outlays – Management Model v. Comprehensive Model



* FY2012 gap is approx. \$17M w/o 5% employee commitments (Current Mgmt Model)

How Did We Get Here – One of the questions that have to be asked and answered is “Why were we OK last year but in deep trouble this year: what happened?” The answer is relatively simple: the organization was not in fiscally sound shape last year or in the immediate preceding years. In reviewing historical data even back to 2004, it is clear that the City had a structural deficit which averaged between \$8-\$9 million a year.

For each of the years, no money was set aside for technology, facilities, fleet, or long-term liabilities such as OPEB; all focus was on closing the structural gap. And, in almost every year, the General Fund was subsidized by one-time takings from other funds (e.g., \$5 million in each of two years from the 238 Bypass Fund); freezing positions (e.g., nineteen frozen positions in 2004); employee give backs and furloughs; inter-fund loans from enterprise funds; creative use of transportation funds; Golden Handshakes; and use of reserves. This was all done with the thought that the problem was a short-term budget gap, rather than recognizing that it was a growing, long-term structural deficit

The problem now is that the gap has grown larger and the options for creatively plugging the gap have disappeared: there are no other funds to borrow. The question is often asked, “But what about UUT? Doesn’t that make up for the other funds?” Unfortunately, the \$18 million dollar gap in FY 2010 was closed by partially depending on UUT. The \$17.3 million gap projected for FY 2012 is on top of that, just as each projected deficit in the coming years is compounded by the gaps of the previous years.

Revenue has certainly decreased in the period discussed herein, and it is only ever so slowly returning. The real issue is that costs are escalating at an accelerated rate...much faster than anyone

anticipated back in 2004; and much faster than revenues are or will recover. The answer lies in realigning expenses with revenue, defining a new financial structure, and coming to terms with the reality that we have a long-term problem that can only be addressed with long-term solutions implemented over a relatively short period of time.

Resource Summary - As part of the process, the Revenue Team has continued to perform revenue reviews to obtain accurate pictures of past and present revenue, and has developed a revenue forecast based on the most up-to-date information. Although most economists agree that an economic recovery is underway, it remains anticipated that the rate of economic growth will be either slow or modest. The UCLA Anderson Forecast (one of the leading independent economic forecasters) calls for “very sluggish growth” for the foreseeable future in the United States, particularly in California, as the State attempts to recover from 1.3 million jobs lost during the recession.

Below is a discussion of the additional major revenue assumptions made in the Comprehensive Model and how they have changed in the current Management Model:

1. General Approach: The City’s forecast takes a realistic approach based on slow economic growth for FY 2012, FY 2013, and FY 2014; followed by an estimated economic recovery with modest growth in FY 2015 and FY 2016, which may be sooner than some economists predict. A slight technical contraction of revenues is expected in FY 2017 and less than 1.5% growth per year is projected through FY 2021.
2. Property Tax
 - a. *Comprehensive Model*: Property tax revenue was projected to decline by 2% this year, and then grow by less than 2% in FY 2012 and FY 2013. The Russell City Energy Center is expected to be on line in FY 2014 and therefore a conservative \$800,000 increase in property tax revenue is projected in that year. The expectation of some economic recovery in 2015 and 2016 supports 3% growth and then 2% is projected from FY 2017 through FY 2021.
 - b. *Management Model*: For FY 2012, the assumption was changed from 2% growth to .753% based on the December 16th recommendation of the State Board of Equalization (SBOE). The Property and Special Taxes Department of the SBOE has instructed county assessors to use this reduced growth rate based on California Consumer Price Index of All Items for the month of October. The SBOE goes on to say this low rate is a result of the lagging economy and its negative effects on property tax collections due to lower property values and a weak construction sector. In light of the SBOE’s update, the forecast for FY 2013 was changed from 2% to 0% growth, and FY 2014 and FY 2015 were each reduced by 2%.
3. Sales Tax:
 - a. *Comprehensive Model*: Sales tax revenue is projected to grow slowly and have up and down trends to mirror consumer spending during a time of high unemployment. The average growth over the ten-year plan is about 2%, except for the decline of 2.3% in FY 2017 due to an anticipated loss of all new car dealers, and an uncertainty of potential retail sales in other sectors or from other sources to offset the loss.

- b. *Management Model:* The same assumptions were used. However, for FY 2011, there is a recommended \$2 million Mid-Year increase to the budget because the “triple flip” amount received December 14, 2010, was more than expected. For FY 2012, the forecast was increased by \$425,000 to reflect changes in FY 2011 estimates.

- 4. Utility Users Tax:
 - a. *Comprehensive Model:* The new utility users’ tax is expected to generate \$14.7 million in FY 2012, and grow between 1% and 3% over the ten-year period, with a sunset in FY 2019².
 - b. *Management Model:* The same assumptions were used. However, for FY 2011, there is a recommended \$700,000 Mid-Year increase to the budget due to year-to-date receipts reflecting better than expected revenue.

- 5. Real Property Transfer Tax:
 - a. *Comprehensive Model:* Real Property Transfer Tax is expected to generate \$3.9 million and increase an average of 1.8% over the ten-year period.
 - b. *Management Model:* The same assumptions were used. However, for FY 2011, there is a recommended \$650,000 Mid-Year decrease to adopted budget due to December results and housing market data.

- 6. Franchise Fees:
 - a. *Comprehensive Model:* Franchise Fees are expected to generate \$8.7 million in revenue and to average a 9% annual drop over the ten-year period, as sewer and water fees are modeled to sunset by the end of FY 2019.
 - b. *Management Model:* The same assumptions were used. However, for FY 2011, there is a recommended \$385,000 Mid-Year decrease to budget based on December results and industry trends.

- 7. Interest
 - a. *Comprehensive Model:* The interest revenue forecast is dependent on positive Fund Balance to generate interest and as such shows no interest after FY 2014 when Fund Balance is depleted.
 - b. *Management Model:* For FY 2011, there is a recommended \$100,000 Mid-Year decrease to budget based on December results and current yield rates. The interest revenue forecast is dependent on positive Fund Balance to generate interest and as such shows no interest after FY 2014 when Fund Balance is depleted.

² This is based on the assumption that none of the attempts at the State and federal levels to erode local government’s ability to apply and collect a UUT are successful. These efforts are made each year and grow in strength each time they are attempted.

8. Redevelopment Loan Repayment

Both Models: For each year of the forecast, Transfers In includes the \$800,000 in loan repayment from the Redevelopment Agency. At June 30, 2010, the balance of the repayment agreement was \$9.1 million. As per the agreement, the RDA makes annual installments of \$800,000 and interest is accrued on the unpaid principal balance equal to the average rate earned by the City on monies invested in LAIF for the applicable fiscal year. Interest is accrued and added to the principal balance. Assuming annual payments are met and a two percent per annum interest, this agreement would be paid around Fiscal Year 2023.

Outlay Summary – The Expenditure Team conducted extensive research related to major anticipated cost increases, as well as additional personnel liabilities and unfunded needs throughout the City. Expenditures for the General Fund consist largely of employee services, which comprise eighty-four percent of expenses. The majority of expenditure increases reflected in the ten year models are related to wages, retirement, and health care costs, as well as unfunded liabilities for retiree medical (OPEB) and workers compensation.

Below is a discussion of the additional major outlay assumptions made in the Comprehensive Model and how they have changed in the current Management Model:

1. Employee Contracts: A two percent consumer price index (CPI) was applied to current employee agreements from FY 2013 and beyond in both plans.
2. Current Employee Retirement Expense: Future pension costs are escalating due to: 1) market losses experienced by CalPERS; 2) new actuarial studies that change demographic assumptions; and 3) reduction in the City’s payroll.
 - a. Comprehensive Model: Rates are estimated to significantly increase in FY 2012 through FY 2014, and then to increase very modestly, rising a total of 1.5% through FY 2021.
 - b. Management Model: The updated PERS rates listed in the table below are reflected in the Management Model.³ Slight adjustments in forecasted years were made to reflect that PERS rates vary over time, and that, in the event of economic recovery, it is projected that PERS rates will slightly decrease. As such, staff estimates that the average projected annual rates over the span of FY 2015 to FY 2021 are 22.3%, 42.1%, and 39.1% for Miscellaneous, Police, and Fire, respectively.

PERS Rates used in Comprehensive Model	2012	2013	2014
PERS Employer Rates Misc	18.0%	18.0%	18.0%
PERS Employer Rates Police	36.5%	37.0%	37.4%
PERS Employer Rates Fire	32.4%	36.1%	36.5%

³ The actual rates for FY 2012 and estimated rates for FY 2013 and FY 2014 were received from CalPERS in December 2010.

Updated PERS Rates, Management Model	2012	2013	2014
PERS Employer Rates Misc	18.0%	19.2%	22.6%
PERS Employer Rates Police	36.5%	38.0%	42.4%
PERS Employer Rates Fire	32.4%	34.3%	39.4%

NOTE: Each one percent increase in all three CalPERS rates equates roughly to an additional annual General Fund cost of \$710,000.

3. Health Care Expense: Staff expects double digit increases for medical premiums well into the future, due to the increasing costs of medical care and anticipated impact from the Health Care Reform Bill. The forecast of a 10% per year increase is consistent in both models and reflects an approximate \$950,000 increase for FY 2013 and another almost \$1.1 million increase for FY 2014.

4. OPEB Liability: The thirty-year unfunded Other Post-Employment Benefits (OPEB) liability for retiree healthcare is estimated at \$62.4 million. Best practices and projections from the City's actuarial study for retiree medical costs indicate that the City should contribute an annual amount of nine percent of wages to fund this liability in FY 2010 and seven percent per annum thereafter. Based on the estimate provided by the actuary, these percentages equate to an annual contribution in FY 2012 of \$5.2 million; and ranges between \$4.1 million and \$4.9 million annually thereafter.
 - a. Comprehensive Model: The immediate outlay assumption for fully funding the OPEB liability used in the October model generates total outlays of \$42.6 million beginning in FY 2012 and assumed fully funding the liability at the Actuarial estimate of nine percent of wages per year.

 - b. Management Model: The assumptions for this model are that outlays begin in 2015 and total \$25.8 million through FY 2021. The funding level in FY 2015 is one percent of wages and increases incrementally between one and two percent each year until the recommended fully funded level of nine percent is reached. This is still well below the unfunded liability of \$62.4M. This is in addition to the contractual obligation of a one percent contribution by the City for the firefighters and police (safety) employees to the OPEB Trust. As of June 30, 2010, the OPEB Trust account balance was \$220,414.

5. Worker's Compensation Liability: Workers Comp contributions are the same in both models. The current total unfunded liability for the City's Worker's Compensation Fund is estimated at approximately \$4.4 million. Recently completed actuarial recommendations indicate the reserve balance should be 70% of the estimated liability, or \$3.1 million. In order to build to that recommended reserve balance, an annual contribution of \$310,000 is needed over the ten year period.

Additional Critical Unfunded Needs

In addition to the operational expenditures and additional personnel liabilities, there is a laundry list

of unfunded capital needs throughout the City, of which the General Fund portion is estimated at \$3.2 million over a ten-year period. This does not include the \$100-\$150 million necessary for major facility replacements. Critical unfunded needs include: GIS improvements; regular upgrade and replacement of mobile data units for public safety; server replacements; future participation in East Bay Regional Communications System Authority (EBRCSA) for interoperability; and certain safety improvements to City facilities.

Of these, two meet the threshold of “critical need”:

1. Fire Station No. 7: Replacement of the temporary facility continues to be a top priority as a critical infrastructure liability for the City. The estimated expense for this facility is \$6.7 million. In both plans, estimated annual debt service payments of \$590,000 are included.
2. ERP: The selection of an Enterprise Resource Planning (ERP) system is in progress. Continuation of this project is vital to support the administrative infrastructure for prudent City management and will create a variety of operational efficiencies. The total cost for the first phase of this project is estimated at \$3.5 million, of which \$2.5 million is currently reserved. One million additional dollars are needed to fully fund this project. The total Cost of the project, if all modules are purchased and implemented, could reach \$4-\$5 million or more.

Additional unfunded capital needs continue to drive the need for long-term planning and restructuring of the City’s finances:

3. Fleet: As mentioned earlier, the City has historically ignored budgeting for reasonable fleet replacement. In order to meet immediate demands, and out of cash-poor necessity, the City has moved over the years from paying cash for fleet replacement to on-going leasing, which is more expensive and adds to the overall debt burden of the City. The Management Model assumes a gradual decrease in the use of leasing for fleet vehicles. Starting with a \$500,000 cash infusion into the Fleet Replacement fund in FY 2013, the model increases these infusions annually to reach an estimated required annual funding level of \$3.5 million in FY 2020 and thereafter.
4. Facility Maintenance - The Management Model includes funding for minimum maintenance requirements such as roof, flooring, paint, and heating/cooling system replacements.
 - a. *Comprehensive Model*: There are several other facility unfunded needs totaling over \$3.0 million spread over the ten-year period. Included in this list of unfunded needs are many improvements to public safety facilities and employee safety improvements at other facilities.
 - b. *Management Model*: The total forecast estimate was reduced by \$1.5 million as, upon careful examination, it was found that several projects should be classified as Major Facility Replacements and may be included in any future financing measure such as a facilities bond.
5. Public Safety:

- a. *Comprehensive Model:* Public safety unfunded needs were estimated at \$3.2 million over the ten year period. Included in this list of unfunded needs are the replacement of fire breathing apparatus, all police and fire inter operability emergency radio equipment and related infrastructure.
 - b. *Management Model:* This estimate was reduced to \$1.9 million for the operating budget as some items, upon further examination, were reclassified as major items and may be included in any future financing measure.
6. Technology Services:
- a. *Comprehensive Model:* The forecast includes funding for minimum upgrades to desktop computers and software. There are several other technology needs, in addition to the City-wide ERP system, that total over \$4.1 million, for General Fund only. Included in this list of unfunded needs are replacement of public safety mobile data units; emergency radios; network systems and infrastructure; GIS improvements; wireless systems; expansion of document management (paperless) systems; specialized printers; audio visual equipment; and the VOIP phone system.
 - b. *Management Model:* This estimate was reduced to \$3.1 million for the operating budget as some items were reclassified as major improvements and may be included in any future financing measure.
7. Major Facility Replacements :
- a. *Comprehensive Model:* In addition to Fire Station 7, there are several City facilities that require replacement or major renovation including the police facility and other fire stations. The cost for replacement of these major facilities is estimated to be between \$100 and \$150 million. As these items are capital in nature, the cost is not reflected in the 10-Year Plan for operations.
 - b. *Management Model:* These costs are not included in either model because of the aforementioned possible facilities bond.

In summary, the Comprehensive Model discussed in October has been updated and refined. The Management Model attempts to balance resources with need in a realistic fashion that does not drain the organization of all resources, and which allows us to wend our way responsibly between service delivery/operations, sound financial management, and organizational health.

Table 1 reflects all the changes in assumptions above.

Table 1: Management Model – Minimize Impact on Fund Balance in FY 2012

\$'s in 1,000's	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast	FY 2021 Forecast
Resources	117,796	117,261	119,353	121,852	124,912	116,360
Outlays	(126,879)	(142,658)	(150,156)	(153,808)	(158,311)	(183,150)
Net Operating Cost	(9,083)	(25,397)	(30,803)	(31,956)	(33,398)	(66,791)
Additional Liabilities	(310)	(310)	(310)	(1,053)	(1,825)	(7,001)

\$'s in 1,000's	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast	FY 2021 Forecast
Critical Unfunded Needs	(1,000)	(590)	(590)	(590)	(590)	(590)
Unfunded Needs	(1,426)	(910)	(1,283)	(585)	(778)	(320)
Net Additional Needs	(2,736)	(1,810)	(2,183)	(2,228)	(3,193)	(7,911)
Total Deficit	(11,819)	(27,207)	(32,986)	(34,184)	(36,592)	(74,702)
Beginning Fund Balance	35,105	23,285	(3,922)	(36,909)	(71,092)	(317,183)
Reduction	(11,819)	(27,207)	(32,986)	(34,184)	(36,592)	(74,702)
Ending Fund Balance	23,285	(3,922)	(36,909)	(71,092)	(107,684)	(391,885)

Ten-Year Plan Update Comparison of Models and Conclusion

There is an \$8.3 million difference in the impact on ending Fund Balance in FY 2012 between the Comprehensive Model and the current Management Model. Though efforts were made to mitigate the initial impact in FY 2012, there is still a significant deficit in FY 2012 as reflected in the Management Model. The FY 2012 deficit of \$11.8 million reflected in Table 1 includes the 5% employee “givebacks” previously committed: the deficit in FY 2012 would total approximately \$17 million without these commitments. While the adjustments made in the Management Model mitigate the deficit in the early years, the fact that the deficit is an ongoing structural problem that will require difficult decisions in the near term to ensure longer term financial sustainability has not changed.

Again, the planning process is dynamic and updates to the model occur frequently to capture changes in revenues, budget adjustments, and updated information related to expenditures for employee services and the economy. Staff has been conducting employee presentations, inclusive of labor representatives and the management team, to ensure employees are informed about the fiscal situation.

The City Manager, Executive Team, and Bargaining Units will be working closely over the next few months to identify opportunities to address the short-term short fall and close the long-term structural deficit, including but not limited to the following actions:

1. Identify opportunities to address the structural deficit through discussions with employee groups regarding employee salary and benefit costs.
2. Continue to identify what little operational savings may be found in the organization without service level cuts or employee reductions.
3. Develop a plan to restore and build General Fund reserves consistent with the City’s Reserve Policy.
4. Continue to develop any recommendations to Council regarding the prudent use of reserves if warranted.

5. Development of contingency plans for reduced service levels and corresponding employee reductions in various departments.
6. Plan. Prioritize funding of unfunded needs over the life of the 10-year Plan.
7. Determine recommendations for funding levels and/or mitigations of current additional liabilities, such as OPEB.

FISCAL IMPACT

The FY 2011 year end estimates for the General Fund reserve balances are summarized below. The overall fiscal impact of the proposed budget revenue adjustments and changes to appropriations results in an increase to fund balance of \$435,435 over the Adopted Budget fund balance.

The most significant change to the FY 2011 General Fund is due to the 2010 fiscal year ending better than expected. As reported to Council in December 2010, the General Fund increased by \$4.2 million, for an ending fund balance of \$36.8 million as of June 30, 2010. This will allow the City to restore General Fund reserves to policy recommended levels in FY 2011 as noted in the Table below.

General Fund Mid-Year Projections Estimated Fund Balances as of June 30, 2011				
Reserves		Designations		
(legally obligated)		(specific use set by Council policy)		
Encumbrance/ Purchase Obligations	\$256,170	Economic Uncertainty	\$ 11,498,000	10% of FY 2011 Mid-Year Operating Budget = \$11,498,000
Advance from Redevelopment Agency	9,144,570	Liquidity	5,749,000	5% of FY 2011 Mid-Year Operating Budget = \$5,749,000
Inventory	18,946	Emergencies	3,000,000	\$1M per annum for ten years, FY 2011 = \$3,000,000
Prepaid Items	14,893	Hotel Conference Center	190,000	\$1M set-aside, Used \$810,000 FY2011, Bal = \$190,000
		Retirement	-	n/a
		Public Safety	1,000,000	Reserve established for public safety = \$1,000,000
		Contingency	42,333,657	
Total Reserved Fund Balance	\$9,434,579	Total Designated Fund Balance	\$ 25,670,657.00	

Looking forward to FY 2012, the ten-year Management Model reveals significant challenges. The model currently reflects an \$11.8 million gap and already includes a 5% employee savings commitment and 3.4% in vacancy savings. Management is having continuous discussions with elected officials and employee bargaining groups about the City's financial situation and is working towards a plan to close the deficit. The City has worked together as a team to weather this economic tidal wave so far and it is believed we can do it again.

NEXT STEPS

Upon approval by Council of the recommendations contained herein, staff will post the budget amendments per the approved resolution.

Prepared by: Debra Auker, Director of Finance
Fran Robustelli, Human Resources Director
Susan Stark, Interim Director of Finance

Approved by:



Fran David, City Manager

Attachments:

- Attachment I: Resolution (Amending Operating Budget Resolution)
- Attachment II: FY 2011 Mid-year General Fund Summary
- Attachment III: FY 2011 Mid-year General Fund Revenue
- Attachment IV: FY 2011 Mid-year General Fund Expenditures

HAYWARD CITY COUNCIL

RESOLUTION NO. 11-

Introduced by Council Member _____

RESOLUTION AMENDING RESOLUTION 10-013, AS AMENDED, THE BUDGET RESOLUTION FOR THE CITY OF HAYWARD OPERATING BUDGET FOR FISCAL YEAR 2011, RELATING TO AN APPROPRIATION OF FUNDS,

BE IT RESOLVED by the City Council of the City of Hayward that Resolution No. 10-013, as amended, the Budget Resolution for the City of Hayward Operating Budget for Fiscal Year 2011, is hereby amended by approving the General Fund changes indicated below.

BE IT FURTHER RESOLVED by the City Council of the City of Hayward that the following revenue estimate amounts are hereby amended:

I. CHANGE OF REVENUE ESTIMATE TO THE GENERAL FUND

<u>Fund</u>	<u>Revenue</u>	<u>Amendment</u>
100	Sales Tax	2,000,000
100	Utility Users Tax	700,000
100	Franchise Fees	(385,000)
100	Real Property Transfer Tax	(650,000)
100	Construction Related	200,000
100	Fees & Service Charges	273,000
100	Licenses & Permits	(80,900)
100	Fire Mutual Aid Reimbursement	(150,000)
100	Fines & Forfeitures	50,000
100	Interest Earned	(100,000)
	Net Change to Revenue Estimate	(1,857,100)

BE IT FURTHER RESOLVED by the City Council of the City of Hayward that the following expenditure estimate amounts are hereby amended:

II. CHANGE OF EXPENDITURE ESTIMATE TO THE GENERAL FUND

<u>Fund</u>	<u>Expenditure</u>	<u>Amendment</u>
100	Salaries & Benefits	110,000

Net Change to Expenditure Estimate

110,000

The Interim Director of Finance is hereby authorized and directed to distribute the above revised revenue estimates and revised expenditure estimates to the various accounts of the City in accordance with generally accepted accounting principles and consistent with the purposes and objectives as outlined in the approved budget.

IN COUNCIL, HAYWARD, CALIFORNIA _____

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS: None

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

FY 2011 - General Fund Summary
Dec 31, 2010 - Unaudited
50% of the Year Complete

	FY 2011 Adopted Budget	FY 2011 Adjusted Budget	Dec 2010 Actual	% of adjusted budget	Dec 2010 vs. 50% of Budget (Prorate)	Mid-Year FY 2011 EOY Estimate	Difference	Last Year Comparison				
								Dec 2009 Actual	Dec 2010 vs Dec 2009 More (Less)			
RESOURCES												
Revenue												
1	33%	36,261,000	36,261,000	18,503,538	51%	373,038	36,261,000	0	19,807,220	(1,303,682)	1	
2	21%	23,258,000	23,258,000	11,221,674	48%	(407,326)	25,258,000	2,000,000	10,294,501	927,173	2	
3	13%	13,810,000	13,810,000	5,584,532	40%	(1,320,468)	14,510,000	700,000	1,587,421	3,997,111	3	
4	8%	9,135,000	9,135,000	3,104,959	34%	(1,462,541)	8,750,000	(385,000)	2,983,491	121,468	4	
5	9%	9,443,000	9,443,000	2,542,241	27%	(2,179,259)	8,793,000	(650,000)	2,475,375	66,866	5	
6	7%	7,238,361	7,238,361	4,291,250	59%	672,070	7,630,461	392,100	4,311,828	(20,578)	6	
7	3%	3,825,509	3,825,509	1,725,974	45%	(186,781)	3,825,509	0	1,218,744	507,230	7	
8	4%	3,931,728	4,322,070	1,817,664	42%	(343,371)	4,172,070	(150,000)	1,419,538	398,126	8	
9	3%	2,870,555	2,870,555	1,351,657	47%	(83,621)	2,820,555	(50,000)	822,106	529,551	9	
10	100%	Total Revenue	109,773,153	110,163,495	50,143,489	46%	(4,938,259)	112,020,595	1,857,100	44,920,224	5,223,265	10
11		Transfers in	7,745,885	7,745,885	3,593,092	46%	(279,851)	7,745,885	0	8,077,504	(4,484,412)	11
12		TOTAL RESOURCES	117,519,038	117,909,380	53,736,581	46%	(5,218,109)	119,766,480	1,857,100	52,997,728	738,853	12
OUTLAYS												
Expenditures												
Employee Services												
13	82%	93,995,129	94,074,129	47,488,982	50%	451,918	94,184,129	110,000	43,163,232	4,325,750	13	
14	6%	6,409,922	6,632,140	2,649,514	40%	(666,556)	6,632,140	0	2,954,860	(305,346)	14	
15	-4%	(4,924,292)	(4,924,292)	(2,505,008)	51%	(42,862)	(4,924,292)	0	(2,106,509)	(398,499)	15	
16	83%	95,480,759	95,781,977	47,633,488	50%	(257,501)	95,891,977	110,000	44,011,583	(3,621,905)	16	
Operational Expense												
17	2%	2,231,136	2,239,325	802,799	36%	(316,864)	2,239,325	0	850,757	(47,958)	17	
18	6%	6,625,796	7,084,990	2,403,344	34%	(1,139,151)	7,084,990	0	2,419,497	(16,153)	18	
19	8%	9,719,783	9,719,783	4,860,922	50%	1,031	9,719,783	0	4,507,136	353,786	19	
20	0%	13,933	44,993	19,640	44%	(2,857)	44,993	0	112,082	(92,442)	20	
21	17%	18,590,648	19,089,091	8,086,705	42%	(1,457,841)	19,089,091	0	7,889,472	197,233	21	
22	100%	Total Expense	114,071,407	114,871,068	55,720,193	49%	(1,715,341)	114,981,068	110,000	51,901,055	3,819,138	22
23		Transfers out	5,609,609	6,419,609	4,419,478	69%	1,209,674	6,419,609	0	8,296,451	(3,876,973)	23
24		Transfers to reserves	0	0	0	0	0	0	0	0	24	
25		TOTAL OUTLAYS	119,681,016	121,290,677	60,139,671	50%	(505,668)	121,400,677	110,000	60,197,506	(57,835)	25
26		Gain (loss) to reserve	(2,161,978)	(3,381,297)	(6,403,090)		(4,712,442)	(1,634,197)	(7,199,778)			26

* Note: CAFR and the draft report to Finance and Budget Ctte include Suppl Improvement Tax in Other Taxes; this report reflects the tax in Charges for Services to align with the Adopted Budget.

FY 2011 - General Fund - Revenue

Dec 31, 2010 - Unaudited

50% of the Year Complete

		FY 2011	FY 2011	Dec 2010	% of	Dec 2010 vs.	Mid-Year	Last Year Comparison				
		Adopted	Adjusted	Actual	adjusted	50% of Budget	FY 2011	Difference	Dec 2009	Dec 2010 v		
		Budget	Budget		budget	(Prorate)	EOY		Actual	Dec 2009		
							Estimate			More (Less)		
MAJOR REVENUES												
1	24%	Property Tax	26,098,000	26,098,000	13,438,082	51.5%	389,082	26,130,088	32,088	14,627,288	(1,189,206)	1
2	0%	PT - Prop 1A Takeaway	-	-	-		-	-	-	-	-	2
3	9%	PT - VLF	10,163,000	10,163,000	5,065,456	49.8%	(16,044)	10,130,912	(32,088)	5,179,932	(114,476)	3
4	33%	PROPERTY TAX	36,261,000	36,261,000	18,503,538	51.0%	373,038	36,261,000	-	19,807,220	(1,303,682)	4
5	16%	Sales Tax	17,702,000	16,054,665	7,655,463	47.7%	(371,870)	18,054,665	2,000,000	7,736,440	(80,977)	5
6	1%	Public Safety Sales Tax	574,000	574,000	251,543	43.8%	(35,457)	574,000	-	199,148	52,395	6
7	5%	ST - Triple Flip	4,982,000	6,629,335	3,314,668	50.0%	1	6,629,335	-	2,358,913	955,755	7
8	21%	SALES TAX	23,258,000	23,258,000	11,221,674	48.2%	(407,326)	25,258,000	2,000,000	10,294,501	927,173	8
9	13%	UTILITY USER TAX	13,810,000	13,810,000	5,584,532	40.4%	(1,320,468)	14,510,000	700,000	1,587,421	3,997,111	9
10	3%	Waste Mgmt	3,766,000	3,766,000	1,443,876	38.3%	(439,124)	3,636,000	(130,000)	1,486,224	(42,348)	10
11	2%	Water	1,875,000	1,875,000	842,327	44.9%	(95,173)	1,875,000	-	696,952	145,375	11
12	1%	Sewer	1,320,000	1,320,000	533,394	40.4%	(126,606)	1,275,000	(45,000)	485,489	47,905	12
13	1%	PG&E	1,063,000	1,063,000	0	0.0%	(531,500)	918,000	(145,000)	-	-	13
14	1%	Cable TV	1,111,000	1,111,000	285,362	25.7%	(270,138)	1,046,000	(65,000)	314,826	(29,464)	14
15	8%	FRANCHISE FEE TAXES	9,135,000	9,135,000	3,104,959	34.0%	(1,462,541)	8,750,000	(385,000)	2,983,491	121,468	15
16	4%	Real Prop Trsfr Tax	4,073,000	4,073,000	1,255,622	30.8%	(780,878)	3,423,000	(650,000)	1,282,661	(27,039)	16
17	2%	Business Tax	2,400,000	2,400,000	179,771	7.5%	(1,020,229)	2,400,000	-	144,325	35,446	17
18	1%	Emerg Fac Tax	1,720,000	1,720,000	776,042	62.1%	151,042	1,720,000	-	770,852	5,190	18
19	2%	Transient Occ Tax	1,250,000	1,250,000	330,806	19.2%	(529,194)	1,250,000	-	277,537	53,269	19
20	9%	OTHER TAXES - GENERAL	9,443,000	9,443,000	2,542,241	26.9%	(2,179,259)	8,793,000	(650,000)	2,475,375	66,866	20
21	9%	TOTAL OTHER TAXES	9,443,000	9,443,000	2,542,241	26.9%	(2,179,259)	8,793,000	(650,000)	2,475,375	66,866	21
22	84%	TOTAL TAXES	91,907,000	91,907,000	40,956,944	44.6%	(5,292,056)	93,572,000	1,665,000	37,148,008	3,808,936	22

FY 2011 - General Fund - Revenue												
Dec 31, 2010 - Unaudited												
50% of the Year Complete												
		FY 2011	FY 2011			Dec 2010 vs.	Mid-Year	Last Year Comparison				
		Adopted	Adjusted	Dec 2010	% of	50% of Budget	FY 2011		Dec 2009	Dec 2010 v		
		Budget	Budget	Actual	adjusted	(Prorate)	EOY	Difference	Actual	Dec 2009		
					budget		Estimate		More (Less)			
CHARGES FOR SERVICE (combined subtotals)												
CONSTRUCTION RELATED												
23	1%	Construction Permits	1,240,000	1,240,000	775,650	62.6%	155,650	1,140,000	(100,000)	669,176	106,474	23
24	1%	Plan Checking Fees	745,410	745,410	409,949	55.0%	37,244	745,410	-	346,069	63,880	24
25	1%	Supplemental Improvement Tax	591,000	591,000	99,840	16.9%	(195,660)	591,000	-	516,811	(416,971)	25
26	1%	New Construction Insp	550,000	550,000	627,599	114.1%	352,599	850,000	300,000	307,517	320,082	26
27	3%	Total	3,126,410	3,126,410	1,913,038	61.2%	349,833	3,326,410	200,000	1,839,573	73,465	27
FEES & SERVICE CHARGES												
28	1%	Police Services	1,104,131	1,104,131	524,794	47.5%	(27,272)	1,104,131	-	538,279	(13,485)	28
29	0%	Fire Services	460,413	460,413	470,801	102.3%	240,595	660,413	200,000	356,357	114,444	29
30	0%	Res Rental Inspec	395,079	395,079	68,296	17.3%	(129,244)	468,079	73,000	315,421	(247,125)	30
31	0%	Other Fees/Charges	239,955	239,955	149,854	62.5%	29,877	239,955	-	158,002	(8,148)	31
32	0%	Vehicle Reimbursement move	80,386	80,386	19,819	24.7%	(20,374)	80,386	-	-	19,819	32
33	2%	Total	2,279,964	2,279,964	1,233,564	54.1%	93,582	2,552,964	273,000	1,368,059	(134,495)	33
LICENSE AND PERMITS												
34	1%	Fire Related	1,328,809	1,328,809	963,308	72.5%	298,904	1,252,909	(75,900)	925,642	37,666	34
35	0%	Police Related	287,383	287,383	143,000	49.8%	(692)	282,383	(5,000)	120,429	22,571	35
36	0%	Other	215,795	215,795	38,340	17.8%	(69,558)	215,795	-	58,125	(19,785)	36
37	2%	Total	1,831,987	1,831,987	1,144,648	62.5%	228,655	1,751,087	(80,900)	1,104,196	40,452	37
38	7%	TOTAL CHARGES FOR SERVICE	7,238,361	7,238,361	4,291,250	59.3%	672,070	7,630,461	392,100	4,311,828	(20,578)	38
OTHER REVENUE												
39	2%	Fairview Fire Prot Dist.	2,332,890	2,332,890	1,169,606	50.1%	3,161	2,332,890	-	583,134	586,472	39
40	1%	WC Salary Reimb	1,200,000	1,200,000	497,311	41.4%	(102,689)	1,200,000	-	618,643	(121,332)	40
41	0%	Close out of accounts	-	-	5,592		5,592	-	-	124	5,468	41
42	0%	Damage to City Vehicles	-	-	0		-	-	-	19,875	(19,875)	42
43	0%	Account Closure (one time)	200,000	200,000	0	0.0%	(100,000)	200,000	-	-	-	43
44	0%	Other	92,619	92,619	53,465	57.7%	7,156	92,619	-	(3,032)	3,032	44
45	3%	OTHER REVENUE	3,825,509	3,825,509	1,725,974	45.1%	(186,781)	3,825,509	-	1,218,744	507,230	45

FY 2011 - General Fund - Revenue												
Dec 31, 2010 - Unaudited												
50% of the Year Complete												
								Last Year Comparison				
			% of		Dec 2010 vs.	Mid-Year		Dec 2009	Dec 2010 v			
			adjusted		50% of Budget	FY 2011	Difference	Actual	Dec 2009	More (Less)		
			budget		(Prorate)	EOY						
			Actual			Estimate						
INTERGOVERNMENTAL												
46	2%	Police Grants/Reimb	2,687,000	3,147,023	1,176,381	37.4%	(397,131)	3,147,023	-	721,207	455,174	46
47	0%	Vehicle License Fee (VLF)	293,000	293,000	140,459	47.9%	(6,041)	293,000	-	100,954	39,505	47
48	0%	Fire County EMS Reimb	471,825	471,825	235,907	50.0%	(6)	471,825	-	117,951	117,956	48
49	0%	State Mandate Reimb	-	-	114,807		114,807	-	-	150,359	(35,552)	49
50	0%	Fire Mutual Aid Reimb	200,000	200,000	71,327	35.7%	(28,673)	50,000	(150,000)	260,203	(188,876)	50
51	0%	Library Grants	221,000	177,422	78,513	44.3%	(10,198)	115,077	(62,345)	53,961	24,552	51
52	0%	Miscellaneous	30,903	4,800	270	5.6%	(2,130)	4,800	-	14,903	(14,633)	52
53	0%	Move of Highway Streetsweeping	28,000	28,000	0	0.0%	(14,000)	28,000	-	-	-	53
54	4%	INTERGOVERNMENTAL	3,931,728	4,322,070	1,817,664	42.1%	(343,371)	4,109,725	(212,345)	1,419,538	398,126	54
FINES & FORFEITURES, INTEREST & RENTS												
FINES & FORFEITURES												
55	0%	Vehicle Fines	325,000	325,000	19,699	6.1%	(142,801)	325,000	-	98,749	(79,050)	55
56	0%	Parking Citations - In House	410,000	410,000	255,331	62.3%	50,331	460,000	50,000	192,964	62,367	56
57	0%	Parking Citations - DMV	100,000	100,000	54,550	54.6%	4,550	100,000	-	47,700	6,850	57
58	0%	Franchise Tax Board Parking Tax Offset	4,000	4,000	3,308	82.7%	1,308	4,000	-	2,378	930	58
59	1%	Photo Red Light	1,085,000	1,085,000	681,433	62.8%	138,933	1,085,000	-	290,272	391,161	59
60	0%	Criminal Fines	160,000	160,000	105,680	66.1%	25,680	160,000	-	81,649	24,031	60
61	0%	Library Fines	106,555	106,555	43,714	41.0%	(9,564)	106,555	-	29,419	14,295	61
62	0%	Misc Fines	-	-	0		-	-	-	-	-	62
63	0%	Administrative Citations	90,000	90,000	22,687	25.2%	(22,313)	90,000	-	-	22,687	63
64	2%	Total	2,280,555	2,280,555	1,186,402	52.0%	46,125	2,330,555	50,000	743,131	443,271	64
INTEREST & RENTS												
65	0%	Interest Earned	240,000	240,000	46,240	19.3%	(73,760)	140,000	(100,000)	61,419	(15,179)	65
66	0%	Laydown Area Lease Revenue	350,000	350,000	118,218	33.8%	(56,782)	350,000	-	-	-	66
67	0%	Other rents/interest	-	-	797		797	-	-	5	(5)	67
68	0%	Miscellaneous Interest Income	-	-	0		-	-	-	-	-	68
69	0%	Vehicle Use Reimb (moved to Fees)	-	-	0		-	-	-	17,551	(17,551)	69
70	1%	Total	590,000	590,000	165,255	28.0%	(129,745)	490,000	(100,000)	78,975	86,280	70
71	100%	Grand Total	109,773,153	110,163,495	50,143,489	45.5%	(4,938,259)	111,958,250	1,794,755	44,920,224	5,223,265	71

FY 2011 - General Fund - Expenditures

Dec 31, 2010 - Unaudited

50% of the Year Complete

Attachment IV

					Last Year Comparison							
					Dec 31, 2010	% of	Dec 2010 vs.		Dec 2009	Dec 2010 vs		
					Actual	Adjusted	FY 2010 Budget	over/	Actual	Dec 2009	More (Less)	
					YTD	budget	Prorate	(under)				
By Category												
1	Salary & Benefits	93,995,129	79,000	94,074,129	47,037,065	47,488,982	50.5%	451,918	1.0%	43,163,232	4,325,750	110%
2	Overtime	6,409,922	222,218	6,632,140	3,316,070	2,649,514	39.9%	(666,556)	-20.1%	2,954,860	(305,346)	90%
3	<u>Charge/(Credit) from others</u>	<u>(4,924,292)</u>	<u>0</u>	<u>(4,924,292)</u>	<u>(2,462,146)</u>	<u>(2,505,008)</u>	<u>50.9%</u>	<u>(42,862)</u>	<u>1.7%</u>	<u>(2,106,509)</u>	<u>(398,499)</u>	<u>119%</u>
4	83% Net Staffing Expense	95,480,759	301,218	95,781,977	47,890,989	47,633,488	49.7%	(257,501)	-0.5%	44,011,583	3,621,905	108%
5	2% Maintenance & Utilities	2,231,136	8,189	2,239,325	1,119,663	802,799	35.9%	(316,864)	-28.3%	850,757	(47,958)	94%
6	6% Supplies & Services	6,625,796	459,194	7,084,990	3,542,495	2,403,344	33.9%	(1,139,151)	-32.2%	2,419,497	(16,153)	99%
7	8% Internal Service Fee	9,719,783	0	9,719,783	4,859,892	4,860,922	50.0%	1,031	0.0%	4,507,136	353,786	108%
8	0% <u>Capital Expense</u>	<u>13,933</u>	<u>31,060</u>	<u>44,993</u>	<u>22,497</u>	<u>19,640</u>	<u>43.7%</u>	<u>(2,857)</u>	<u>-12.7%</u>	<u>112,082</u>	<u>(92,442)</u>	<u>18%</u>
9	17% Net Operating Expense	18,590,648	498,443	19,089,091	9,544,546	8,086,705	42.4%	(1,457,841)	-15.3%	7,889,472	197,233	102%
10	Total Expenditure	114,071,407	799,661	114,871,068	57,435,534	55,720,193	48.5%	(1,715,341)	-3.0%	51,901,055	3,819,138	107%
By Department												
11	1% City Attorney	1,078,136	18,735	1,096,871	548,436	540,229	49.3%	(8,207)	-1.5%	495,215	45,014	109%
12	0% City Clerk	532,706	0	532,706	266,353	250,037	46.9%	(16,316)	-6.1%	228,320	21,717	110%
13	2% City Manager	2,796,865	34,422	2,831,287	1,415,644	1,109,143	39.2%	(306,501)	-21.7%	1,146,745	(37,602)	97%
14	5% Development Services	5,397,797	90,004	5,487,801	2,743,901	2,557,459	46.6%	(186,442)	-6.8%	2,415,245	142,214	106%
15	3% Finance	2,832,736	105,641	2,938,377	1,469,189	1,330,031	45.3%	(139,158)	-9.5%	1,273,314	56,717	104%
16	25% Fire	29,181,785	20,000	29,201,785	14,600,893	14,713,837	50.4%	112,945	0.8%	13,956,945	756,892	105%
17	1% Human Resources	1,459,140	2,800	1,461,940	730,970	589,520	40.3%	(141,450)	-19.4%	563,758	25,762	105%
18	5% Library & Neighborhood Svc	5,142,534	95,833	5,238,367	2,619,184	2,356,761	45.0%	(262,423)	-10.0%	2,213,780	142,981	106%
19	4% Maintenance Services	4,039,975	0	4,039,975	2,019,988	1,821,068	45.1%	(198,920)	-9.8%	1,929,095	(108,027)	94%
20	0% Mayor and Council	504,769	0	504,769	252,385	243,563	48.3%	(8,822)	-3.5%	214,122	29,441	114%
21	51% Police	58,070,887	432,226	58,503,113	29,251,557	29,116,037	49.8%	(135,520)	-0.5%	26,336,539	2,779,498	111%
22	3% Public Works	3,034,077	0	3,034,077	1,517,039	1,092,508	36.0%	(424,531)	-28.0%	1,084,059	8,449	101%
23	0% Technology Services	0	0	0	0	0		0		43,918	(43,918)	0%
24	Total Expenditure	114,071,407	799,661	114,871,068	57,435,534	55,720,193	48.5%	(1,715,341)	-3.0%	51,901,055	3,819,138	107%

FY 2011 - General Fund - Expenditures
Dec 31, 2010 - Unaudited
50% of the Year Complete

		FY 2011 Adopted Budget	FY 2011 Budget Adjustments	FY 2011 Adjusted Budget	Adj Budget Prorate 6 mo's/13 PPs	Dec 31, 2010 Actual	% of Adjusted budget	Dec 2010 vs.		Last Year Comparison			
								FY 2010 Budget Prorate	over/ (under)	Dec 2009 Actual	Dec 2010 vs Dec 2009 More (Less)		
City Attorney													
25	Salary & Benefits	928,993	0	928,993	464,497	473,641	51.0%	9,145	2.0%	439,402	34,239	108%	25
26	Overtime	0	0	0	0	0		0		-	0		26
27	Charge/(Credit) from others	0	0	0	0	(6,994)		(6,994)	100.0%	-	(6,994)	-699400%	27
28	Net Staffing Expense	928,993	0	928,993	464,497	466,647	50.2%	2,151	0.5%	439,402	27,245	106%	28
29	Maintenance & Utilities	1,500	0	1,500	750	138	9.2%	(612)	-81.6%	-	138		29
30	Supplies & Services	83,551	18,735	102,286	51,143	40,381	39.5%	(10,762)	-21.0%	24,409	15,972	165%	30
31	Internal Service Fee	64,092	0	64,092	32,046	33,063	51.6%	1,017	3.2%	31,404	1,659	105%	31
32	Capital Expense	0	0	0	0	0	N/A	0		-	0		32
33	Net Operating Expense	149,143	18,735	167,878	83,939	73,582	43.8%	(10,357)	-12.3%	55,813	17,769	132%	33
34	Total	1,078,136	18,735	1,096,871	548,436	540,229	49.3%	(8,207)	-1.5%	495,215	45,014	109%	34
City Clerk													
35	Salary & Benefits	413,621	0	413,621	206,811	187,574	45.3%	(19,237)	-9.3%	177,441	10,133	106%	35
36	Overtime	0	0	0	0	0		0		-	0		36
37	Charge/(Credit) from others	0	0	0	0	6,601		6,601		-	6,601		37
38	Net Staffing Expense	413,621	0	413,621	206,811	194,175	46.9%	(12,636)	-6.1%	177,441	16,734	109%	38
39	Maintenance & Utilities	800	0	800	400	331	41.4%	(69)	-17.3%	257	74	129%	39
40	Supplies & Services	42,280	0	42,280	21,140	17,528	41.5%	(3,612)	-17.1%	13,620	3,908	129%	40
41	Internal Service Fee	76,005	0	76,005	38,003	38,003	50.0%	1	0.0%	37,002	1,001	103%	41
42	Capital Expense	0	0	0	0	0		0		-	0		42
43	Net Operating Expense	119,085	0	119,085	59,543	55,862	46.9%	(3,681)	-6.2%	50,879	4,983	110%	43
44	Total	532,706	0	532,706	266,353	250,037	46.9%	(16,316)	-6.1%	228,320	21,717	110%	44
City Manager													
45	Salary & Benefits	1,848,046	0	1,848,046	924,023	897,260	48.6%	(26,763)	-2.9%	916,817	(19,557)	98%	45
46	Overtime	22,000	0	22,000	11,000	4,207	19.1%	(6,793)	-61.8%	7,640	(3,433)	55%	46
47	Charge/(Credit) from others	(255,780)	0	(255,780)	(127,890)	(130,370)	51.0%	(2,480)	1.9%	(116,246)	(14,124)	112%	47
48	Net Staffing Expense	1,614,266	0	1,614,266	807,133	771,097	47.8%	(36,036)	-4.5%	808,211	(37,114)	95%	48
49	Maintenance & Utilities	9,165	0	9,165	4,583	3,486	38.0%	(1,097)	-23.9%	2,847	639	122%	49
50	Supplies & Services	981,440	22,862	1,004,302	502,151	238,563	23.8%	(263,588)	-52.5%	242,051	(3,488)	99%	50
51	Internal Service Fee	191,994	0	191,994	95,997	95,997	50.0%	0	0.0%	93,636	2,361	103%	51
52	Capital Expense	0	11,560	11,560	5,780	0	N/A	(5,780)	-100.0%	-	0		52
53	Net Operating Expense	1,182,599	34,422	1,217,021	608,511	338,046	27.8%	(270,465)	-44.4%	338,534	(488)	100%	53
54	Total	2,796,865	34,422	2,831,287	1,415,644	1,109,143	39.2%	(306,501)	-21.7%	1,146,745	(37,602)	97%	54

FY 2011 - General Fund - Expenditures

Dec 31, 2010 - Unaudited

50% of the Year Complete

											Last Year Comparison	
	FY 2011 Adopted Budget	FY 2011 Budget Adjustments	FY 2011 Adjusted Budget	Adj Budget Prorate 6 mo's/13 PPs	Dec 31, 2010 Actual	% of Adjusted budget	Dec 2010 vs. FY 2010 Budget Prorate	over/ (under)	Dec 2009 Actual	Dec 2010 vs Dec 2009 More (Less)		
Development Services												
55	Salary & Benefits	4,698,938	0	4,698,938	2,349,469	48.9%	(53,227)	-2.3%	2,082,169	214,073	110%	55
56	Overtime	2,700	0	2,700	1,350	96.2%	1,248	92.4%	2,692	(94)	97%	56
57	Charge/(Credit) from others	(354,742)	0	(354,742)	(177,371)	62.9%	(45,702)	25.8%	(109,597)	(113,476)	204%	57
58	Net Staffing Expense	4,346,896	0	4,346,896	2,173,448	47.8%	(97,681)	-4.5%	1,975,264	100,503	105%	58
59	Maintenance & Utilities	13,791	0	13,791	6,896	36.9%	(1,810)	-26.2%	3,781	1,305	135%	59
60	Supplies & Services	276,841	70,504	347,345	173,673	23.0%	(93,702)	-54.0%	110,659	(30,688)	72%	60
61	Internal Service Fee	760,269	0	760,269	380,135	50.0%	1	0.0%	325,541	54,594	117%	61
62	Capital Expense	0	19,500	19,500	9,750	84.6%	6,750	69.2%	-	16,500		62
63	Net Operating Expense	1,050,901	90,004	1,140,905	570,453	42.2%	(88,761)	-15.6%	439,981	41,711	109%	63
64	Total	5,397,797	90,004	5,487,801	2,743,901	46.6%	(186,442)	-6.8%	2,415,245	142,214	106%	64
Finance												
65	Salary & Benefits	2,218,574	0	2,218,574	1,109,287	47.7%	(51,159)	-4.6%	1,030,293	27,835	103%	65
66	Overtime	2,000	0	2,000	1,000	21.3%	(574)	-57.4%	259	167	164%	66
67	Charge/(Credit) from others	(144,923)	0	(144,923)	(72,462)	36.5%	19,502	-26.9%	(75,704)	22,744	70%	67
68	Net Staffing Expense	2,075,651	0	2,075,651	1,037,826	48.4%	(32,232)	-3.1%	954,848	50,746	105%	68
69	Maintenance & Utilities	2,200	0	2,200	1,100	983.0%	20,525	1865.9%	36,496	(14,871)	59%	69
70	Supplies & Services	417,345	105,641	522,986	261,493	25.6%	(127,452)	-48.7%	117,602	16,439	114%	70
71	Internal Service Fee	337,540	0	337,540	168,770	50.0%	1	0.0%	164,368	4,403	103%	71
72	Capital Expense	0	0	0	0		0		-	0		72
73	Net Operating Expense	757,085	105,641	862,726	431,363	37.6%	(106,926)	-24.8%	318,466	5,971	102%	73
74	Total	2,832,736	105,641	2,938,377	1,469,189	45.3%	(139,158)	-9.5%	1,273,314	56,717	104%	74
Fire												
75	Salary & Benefits	24,156,868	0	24,156,868	12,078,434	51.2%	278,336	2.3%	11,427,673	929,097	108%	75
76	Overtime	2,636,961	0	2,636,961	1,318,481	48.7%	(34,564)	-2.6%	1,424,281	(140,364)	90%	76
77	Charge/(Credit) from others	48,000	0	48,000	24,000	7.2%	(20,527)	-85.5%	28,218	(24,745)	12%	77
78	Net Staffing Expense	26,841,829	0	26,841,829	13,420,915	50.8%	223,246	1.7%	12,880,172	763,988	106%	78
79	Maintenance & Utilities	59,000	6,000	65,000	32,500	51.9%	1,266	3.9%	35,134	(1,368)	96%	79
80	Supplies & Services	600,657	14,000	614,657	307,329	31.3%	(114,711)	-37.3%	239,398	(46,780)	80%	80
81	Internal Service Fee	1,680,299	0	1,680,299	840,150	50.0%	4	0.0%	802,241	37,912	105%	81
82	Capital Expense	0	0	0	0		3,140		-	3,140		82
83	Net Operating Expense	2,339,956	20,000	2,359,956	1,179,978	45.3%	(110,301)	-9.3%	1,076,773	(7,096)	99%	83
84	Total	29,181,785	20,000	29,201,785	14,600,893	50.4%	112,945	0.8%	13,956,945	756,892	105%	84

FY 2011 - General Fund - Expenditures
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						Last Year Comparison						
		FY 2011	FY 2011	FY 2011	Adj Budget	Dec 31, 2010	% of	Dec 2010 vs.		Dec 2009	Dec 2010 vs	
		Adopted	Budget	Adjusted	Prorate	Actual	Adjusted	FY 2010 Budget	over/	Actual	Dec 2009	More (Less)
		Budget	Adjustments	Budget	6 mo's/13 PPs		budget	Prorate	(under)			
Human Resources												
85	Salary & Benefits	887,376	0	887,376	443,688	418,170	47.1%	(25,518)	-5.8%	288,675	129,495	145%
86	Overtime	0	0	0	0	0		0		364	(364)	0%
87	Charge/(Credit) from others	(87,098)	0	(87,098)	(43,549)	(55,213)	63.4%	(11,664)	26.8%	37,250	(92,463)	-148%
88	Net Staffing Expense	800,278	0	800,278	400,139	362,957	45.4%	(37,182)	-9.3%	326,289	36,668	111%
89	Maintenance & Utilities	500	0	500	250	280	56.0%	30	12.0%	-	280	
90	Supplies & Services	567,838	2,800	570,638	285,319	181,021	31.7%	(104,298)	-36.6%	193,309	(12,288)	94%
91	Internal Service Fee	90,524	0	90,524	45,262	45,262	50.0%	0	0.0%	44,160	1,102	102%
92	Capital Expense	0	0	0	0	0		0		-	0	
93	Net Operating Expense	658,862	2,800	661,662	330,831	226,563	34.2%	(104,268)	-31.5%	237,469	(10,906)	95%
94	Total	1,459,140	2,800	1,461,940	730,970	589,520	40.3%	(141,450)	-19.4%	563,758	25,762	105%
Library & Community Services												
95	Salary & Benefits	3,231,595	0	3,231,595	1,615,798	1,534,287	47.5%	(81,511)	-5.0%	1,388,695	145,592	110%
96	Overtime	0	0	0	0	2,100		2,100		1,488	612	141%
97	Charge/(Credit) from others	51,048	0	51,048	25,524	18,087	35.4%	(7,437)	-29.1%	20,854	(2,767)	87%
98	Net Staffing Expense	3,282,643	0	3,282,643	1,641,322	1,554,474	47.4%	(86,848)	-5.3%	1,411,037	143,437	110%
99	Maintenance & Utilities	177,627	575	178,202	89,101	47,605	26.7%	(41,496)	-46.6%	40,827	6,778	117%
100	Supplies & Services	993,980	95,258	1,089,238	544,619	417,504	38.3%	(127,115)	-23.3%	431,677	(14,173)	97%
101	Internal Service Fee	674,351	0	674,351	337,176	337,178	50.0%	3	0.0%	330,239	6,939	102%
102	Capital Expense	13,933	0	13,933	6,967	0	0.0%	(6,967)	-100.0%	-	0	
103	Net Operating Expense	1,859,891	95,833	1,955,724	977,862	802,287	41.0%	(175,575)	-18.0%	802,743	(456)	100%
104	Total	5,142,534	95,833	5,238,367	2,619,184	2,356,761	45.0%	(262,423)	-10.0%	2,213,780	142,981	106%
Maintenance Services												
105	Salary & Benefits	3,134,215	0	3,134,215	1,567,108	1,441,649	46.0%	(125,459)	-8.0%	1,387,175	54,474	104%
106	Overtime	145,500	0	145,500	72,750	61,696	42.4%	(11,054)	-15.2%	61,469	227	100%
107	Charge/(Credit) from others	(668,173)	0	(668,173)	(334,087)	(320,934)	48.0%	13,153	-3.9%	(195,622)	(125,312)	164%
108	Net Staffing Expense	2,611,542	0	2,611,542	1,305,771	1,182,411	45.3%	(123,360)	-9.4%	1,253,022	(70,611)	94%
109	Maintenance & Utilities	258,362	0	258,362	129,181	85,729	33.2%	(43,452)	-33.6%	119,007	(33,278)	72%
110	Supplies & Services	240,846	0	240,846	120,423	88,314	36.7%	(32,109)	-26.7%	101,834	(13,520)	87%
111	Internal Service Fee	929,225	0	929,225	464,613	464,614	50.0%	2	0.0%	455,232	9,382	102%
112	Capital Expense	0	0	0	0	0		0		-	0	
113	Net Operating Expense	1,428,433	0	1,428,433	714,217	638,657	44.7%	(75,560)	-10.6%	676,073	(37,416)	94%
114	Total	4,039,975	0	4,039,975	2,019,988	1,821,068	45.1%	(198,920)	-9.8%	1,929,095	(108,027)	94%

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		FY 2011 Adopted Budget	FY 2011 Budget Adjustments	FY 2011 Adjusted Budget	Adj Budget Prorate 6 mo's/13 PPs	Dec 31, 2010 Actual	% of Adjusted budget	Dec 2010 vs.		Last Year Comparison			
								FY 2010 Budget Prorate	over/ (under)	Dec 2009 Actual	Dec 2010 vs Dec 2009 More (Less)		
Mayor & Council													
115	Salary & Benefits	409,908	0	409,908	204,954	211,649	51.6%	6,695	3.3%	187,067	24,582	113%	115
116	Overtime	0	0	0	0	0		0		-	0		116
117	Charge/(Credit) from others	0	0	0	0	0		0		-	0		117
118	Net Staffing Expense	409,908	0	409,908	204,954	211,649	51.6%	6,695	3.3%	187,067	24,582	113%	118
119	Maintenance & Utilities	0	0	0	0	0		0		-	0		119
120	Supplies & Services	58,628	0	58,628	29,314	13,797	23.5%	(15,517)	-52.9%	9,401	4,396	147%	120
121	Internal Service Fee	36,233	0	36,233	18,117	18,117	50.0%	1	0.0%	17,654	463	103%	121
122	Capital Expense	0	0	0	0	0		0		-	0		122
123	Net Operating Expense	94,861	0	94,861	47,431	31,914	33.6%	(15,517)	-32.7%	27,055	4,859	118%	123
124	Total	504,769	0	504,769	252,385	243,563	48.3%	(8,822)	-3.5%	214,122	29,441	114%	124
Non-Departmental													
125	Salary & Benefits	0	0	0	0					-	0	N/A	125
126													126
127	Charge/(Credit) from others	0	0	0	0					-	0	N/A	127
128	Net Staffing Expense	0	0	0	0	0				-	0	N/A	128
129	Maintenance & Utilities	0	0	0	0					-	0	N/A	129
130	Supplies & Services	0	0	0	0					-	0	N/A	130
131	Internal Service Fee	0	0	0	0					-	0	N/A	131
132	Capital Expense	0	0	0	0					-	0	N/A	132
133	Net Operating Expense	0	0	0	0	0				-	0	N/A	133
134	Total	0	0	0	0	0				-	0	N/A	134
Police													
135	Salary & Benefits	47,399,792	79,000	47,478,792	23,739,396	24,538,769	51.7%	799,373	3.4%	21,817,884	2,720,885	112%	135
136	Overtime	3,594,361	222,218	3,816,579	1,908,290	1,272,202	33.3%	(636,088)	-33.3%	1,437,135	(164,933)	89%	136
137	Charge/(Credit) from others	0	0	0	0	5,507		5,507		10,775	(5,268)	51%	137
138	Net Staffing Expense	50,994,153	301,218	51,295,371	25,647,686	25,816,478	50.3%	168,793	0.7%	23,265,794	2,550,684	111%	138
139	Maintenance & Utilities	512,718	1,224	513,942	256,971	173,612	33.8%	(83,359)	-32.4%	181,305	(7,693)	96%	139
140	Supplies & Services	2,279,383	129,784	2,409,167	1,204,584	983,630	40.8%	(220,954)	-18.3%	916,573	67,057	107%	140
141	Internal Service Fee	4,284,633	0	4,284,633	2,142,317	2,142,317	50.0%	1	0.0%	1,904,703	237,614	112%	141
142	Capital Expense	0	0	0	0	0		0		68,164	(68,164)	0%	142
143	Net Operating Expense	7,076,734	131,008	7,207,742	3,603,871	3,299,559	45.8%	(304,312)	-8.4%	3,070,745	228,814	107%	143
144	Total	58,070,887	432,226	58,503,113	29,251,557	29,116,037	49.8%	(135,520)	-0.5%	26,336,539	2,779,498	111%	144

FY 2011 - General Fund - Expenditures
Dec 31, 2010 - Unaudited
50% of the Year Complete

		FY 2011 Adopted Budget	FY 2011 Budget Adjustments	FY 2011 Adjusted Budget	Adj Budget Prorate 6 mo's/13 PPs	Dec 31, 2010 Actual	% of Adjusted budget	Dec 2010 vs.		Last Year Comparison			
								FY 2010 Budget Prorate	over/ (under)	Dec 2009 Actual	Dec 2010 vs Dec 2009 More (Less)		
Public Works													
145	Salary & Benefits	4,667,203	0	4,667,203	2,333,602	2,074,843	44.5%	(258,759)	-11.1%	2,019,941	54,902	103%	145
146	Overtime	6,400	0	6,400	3,200	22,368	349.5%	19,168	599.0%	19,532	2,836	115%	146
147	Charge/(Credit) from others	(3,512,624)	0	(3,512,624)	(1,756,312)	(1,749,132)	49.8%	7,180	-0.4%	(1,706,437)	(42,695)	103%	147
148	Net Staffing Expense	1,160,979	0	1,160,979	580,490	348,079	30.0%	(232,411)	-40.0%	333,036	15,043	105%	148
149	Maintenance & Utilities	1,195,473	390	1,195,863	597,932	431,141	36.1%	(166,791)	-27.9%	431,103	38	100%	149
150	Supplies & Services	83,007	(390)	82,617	41,309	15,976	19.3%	(25,333)	-61.3%	18,964	(2,988)	84%	150
151	Internal Service Fee	594,618	0	594,618	297,309	297,312	50.0%	3	0.0%	300,956	(3,644)	99%	151
152	Capital Expense	0	0	0	0	0		0		-	0		152
153	Net Operating Expense	1,873,098	0	1,873,098	936,549	744,429	39.7%	(192,120)	-20.5%	751,023	(6,594)	99%	153
154	Total	3,034,077	0	3,034,077	1,517,039	1,092,508	36.0%	(424,531)	-28.0%	1,084,059	8,449	101%	154
Technology Services -													
155	Salary & Benefits	0	0	0	0		N/A	0		-	0		155
156													156
157	Charge/(Credit) from others	0	0	0	0		N/A	0		-	0		157
158	Net Staffing Expense	0	0	0	0	0	N/A	0		-	0		158
159	Maintenance & Utilities	0	0	0	0		N/A	0		-	0		159
160	Supplies & Services	0	0	0	0		N/A	0		-	0		160
161	Internal Service Fee	0	0	0	0		N/A	0		-	0		161
162	Capital Expense	0	0	0	0		N/A	0		43,918	(43,918)	0%	162
163	Net Operating Expense	0	0	0	0	0	N/A	0		43,918	(43,918)	0%	163
164	Total	0	0	0	0	0	N/A	0		43,918	(43,918)	0%	164

DATE: February 22, 2011
TO: Mayor and City Council
FROM: City Manager
SUBJECT: Recommended Council Priorities for FY 2012

RECOMMENDATION

That Council reviews the attached Recommended Council Priorities for FY 2012 (Attachment III), and, after discussion adopts the attached resolution, approves prioritized Council Priorities for FY 2012. These priorities will form the construct for the FY 2012 budget and organizational work plan to be brought to Council for recommendation in May 2011.

BACKGROUND

Since FY 2008, Council has developed and approved annual priorities to guide staff in budget development and provide direction to staff regarding how and where to focus organizational resources throughout the year. During that time period, the Council's annual priorities have consisted of two main priorities (Crime & Public Safety and Cleanliness), and three supporting priorities or organizational initiatives (Organizational Health, Land Use & Sustainability, and Fiscal Stability.)

Council held a work session to discuss the annual priorities on January 25, 2011 (<http://www.hayward-ca.gov/citygov/meetings/cca/2011/CCA11PDF/cca012511full.pdf>). The report for that work session also contained a listing of organizational accomplishments from FY 2010 and to date in FY 2011; a list of grants applied for and secured; and the draft priorities for FY 2012. This discussion allowed Council to review the priorities and to add or delete specific activities from the list. This was then shared with staff, who also discussed and modified the draft list. Attachment III reflects the results of those various discussions and is presented here and recommended for adoption by Council.

DISCUSSION

Both Council and the organization remain committed to these focused priorities. While some refinements are suggested herein for FY 2012, staff in no way is recommending moving away from this focused path, which has been very successful for the organization. Attachment II identifies the

current Council Priorities as approved for FY 2011. Attachment III is a presentation of the recommended Council Priorities for FY 2012.

Priority Structure: The following changes/refinements to the Council Priority structure are recommended for Council's consideration:

1. Simplify the existing priority categories to "Safe" and "Clean."
2. Recognize the resources and efforts being expended on sustainability efforts across the organization by adding a third "major" priority, "Green."
3. Assuming number two above, retitle the existing "Land Use & Sustainability" supporting priority or initiative simply as "Land Use."

Priority Details: In each major priority and within each supporting priority/initiative, there is a list of specific items on which staff will focus resources and attention in FY 2012. These are presented here for Council's consideration in a rough priority order, which was discerned from both Council and staff discussions. Staff is asking that Council review these six lists and within each: (a) accept or change and affirm specific projects/activities; and (b) accept or change and affirm the rough priority ranking of the projects/activities.

The priority ranking of the projects/activities under each heading is a new aspect of the Council priority discussion this year. This ranking will provide staff with guidance on how these special projects and initiatives might be scaled back in the face of budget and potential staffing reductions. Although each initiative and project identified is important and will add significant value to the community and the organization, the City must focus on maintaining the core work of the organization in times of economic crisis. Core work is that which justifies the existence of staff and the organization and includes such things as collecting revenue and processing utility bills, patrolling the streets, delivering water, putting out fires, picking up garbage, maintaining the streets, processing payroll, etc. The core work in all departments generally has the ultimate priority over special projects or activities and remains at the heart of municipal government.

Council will note that, in some limited places, staff has attempted to identify broad categories of focus and then to include specific projects/activities under them that support the larger objective. This is particularly evident in "Safe," "Land Use," and "Fiscal Stability."

Challenges in FY 2012 – These are, without a doubt, challenging times... more so than in recent history. Certainly, fiscal solvency and budget management have taken more time and attention from both Council and staff over the last four to five years than at almost any other time in the past. FY 2012 will be different only in the fact that it will be more intense – the organization no longer has one-time resources to rely on and must now close the short-term budget gap and the long-term structural deficit in a fundamental and lasting manner. This will occupy Council and City Manager attention and staff and time resources well into the upcoming fiscal year and perhaps beyond.

Communication with our community is appropriately taking more time and staff energy. At a time when staff resources are stretched thin, it is imperative that we reach out more to our community, seek their input, and inform them of our issues and our successes. An effective internet presence, utilization of social media tools, and development of a positive community image are critical

elements of the City's economic development strategy as well as vital to the City's ability to engage with its citizens.

To ensure that we are effectively engaging with our community and other key Hayward stakeholders, the organization must:

- Make maximum use of electronic social media such as Facebook, Twitter, blogs, electronic surveys, etc. While the City is ahead of many other municipalities by having these features already in place, we need to develop an overarching communications policy with respect to these tools and train staff to effectively utilize the tools as part of their day to day interactions with citizens.
- Develop a print newsletter: over 17% of our community is not connected regularly to the internet.
- Continue Neighborhood Partnership meetings and other mechanisms to listen to the community. To date, we have conducted over sixty-five Neighborhood Partnership meetings, and need to continue that progress. As other demands increase and resources shrink, this will become increasingly difficult, yet perhaps even more essential.
- Properly market our community to existing residents and businesses, prospective businesses, and other jurisdictions.

Outdated systems and municipal ordinances remain a challenge. If we had the staff and other resources, a comprehensive review of the Municipal Code to meet the issues and concerns of a modern city would be a key focus area. Since we do not have the capacity to conduct a wholesale update of the Municipal Code, we must remain diligent to identify ordinances in need of updating as issues arise. This often inserts a major project into staff's work plan when least expected, forcing other "priority" items to slow down or pause for a period.

A prime example is the City's Business License Ordinance, which could and should be a more valuable revenue source. However, it is extremely outdated and still lists "tool sharpener," "truck or wagon delivery," and "card writing stand" along with other outdated occupations in separate sections of the Code. To update the ordinance will be a major effort, will necessitate new technology, and require an election – an overwhelming task given staff resources at the moment. However, in its current state, the Ordinance requires excessive and inefficient use of staff time in interpretation and implementation, misses opportunities to generate revenue, and is a source of frustration for businesses trying to comply.

As staff has gone through the priority-setting process, other issues within the organization have been identified that warrant discussion with Council:

Organizational Burnout – The organization has been working very hard and in a focused manner for several years during which budget pressures were paramount and staffing less than optimal. The commitment of employees to continue moving forward on the priority path is strong. However, their ability to keep the pace of the last few years is marginal. Should staff reductions become a necessary part of meeting the short-term financial shortfall and/or closing the long-term structural deficit, the organization will have to revisit these priorities and pare them down to the most important on which to focus the remaining resources.

Escalating Community Expectations – In some ways, it could be said that our success over the last few years is our worst enemy. As staff has improved efficiency and effectiveness while focusing on clear community priorities, the community we serve expresses appreciation, and also approaches life in Hayward with increased expectations as to what needs to be and can be done. This is a wonderful reaction and helps motivate staff. However, those expectations may reach a level of unreasonableness if and when resources diminish and may need to be managed at both Council and staff levels.

Daily Work – As the “priority work” continues to grow, so does the basic or core work of the respective departments. It cannot be overlooked or minimized that each department continues to conduct their core activities in addition to working on the unique projects identified in Attachment III. And, as staff performs better on a daily basis, community expectations increase in association with the core work just as they do with the priority activities. It is important to acknowledge that the core work in all departments generally has the ultimate priority over special projects or activities and remains at the heart of municipal government.

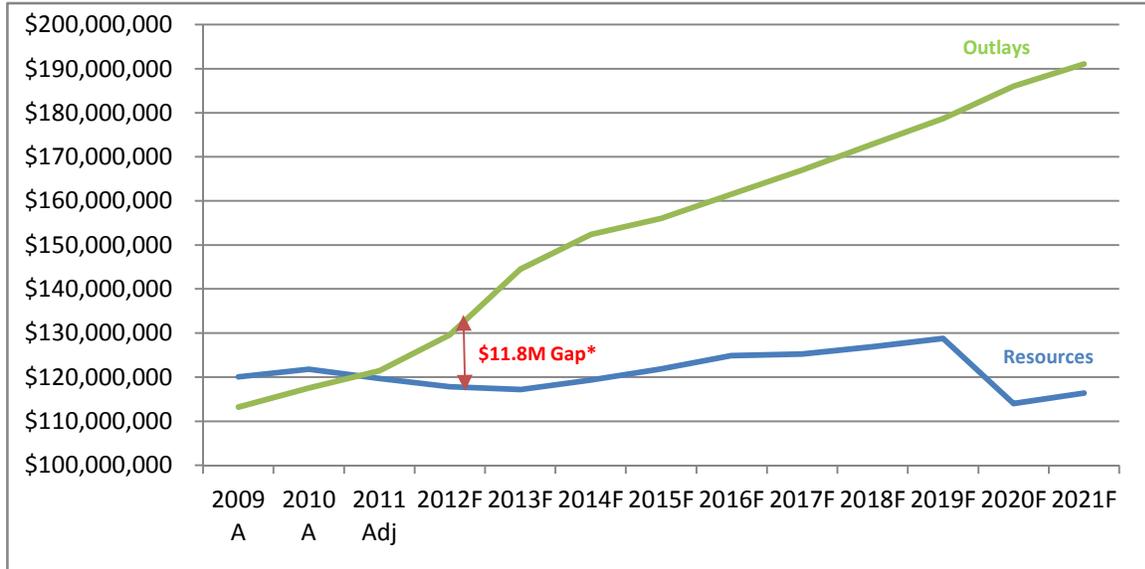
ECONOMIC IMPACT

Both the core work of the organization and the projects and activities listed in Attachment III bring economic benefit to the community. Clearly, if we could in fact work with Hayward Unified School District to improve and sustain the safety of our school campuses and the academic performance of our students, property values in Hayward would increase, even in this economy. If we could reduce gang violence and eliminate graffiti in our community, property values would increase and economic development activities would expand. If we can attract more businesses to Hayward, revenues like sales tax and property tax will increase. And the list goes on – many of our activities, when completed successfully, work to improve the economic wellbeing of the entire community.

FISCAL IMPACT

All of the work defined herein utilizes and is supported by the fiscal resources of the organization. The General Fund budget for FY 2012 is projected at this point to be about \$130 million with an approximate \$17 million dollar gap between available resources and currently planned outlays, not counting current five percent “givebacks” commitment from employees. With the five percent employee commitment accounted for, a gap still remains totaling \$11.8 million.

Table 1: General Fund Resources vs. Outlays



* FY2012 gap is approx. \$17M w/o 5% employee commitments

How and when this gap is closed in the next few months will determine what resources are available to conduct the work identified herein. The availability of resources will determine what and how much work gets accomplished.

SCHEDULE

Upon adoption by Council of the FY 2012 priorities, staff will continue to develop the FY 2012 recommended budget and will return to Council in May 2011 for discussion of the recommendations.

Approved by:

Fran David, City Manager

- Attachments:
- Attachment I Resolution
 - Attachment II FY 2011 Existing Priorities
 - Attachment III FY 2012 Recommended Priorities

HAYWARD CITY COUNCIL

RESOLUTION NO. 11-

Introduced by Council Member _____

RESOLUTION APPROVING RECOMMENDED COUNCIL PRIORITIES FOR FY 2012

WHEREAS, since FY 2008, Council has developed and approved annual priorities to guide staff in budget development and provide direction to staff regarding how and where to focus organizational resources throughout the year; and

WHEREAS, since FY 2008, Council’s two main priorities have consisted of Crime & Public Safety and Cleanliness, with three supporting priorities consisting of Organizational Health, Land Use & Sustainability, and Fiscal Stability; and

WHEREAS, on January 25, 2011, Council held a work session to discuss the annual priorities, add or delete specific activities from the list, and provide staff with direction to modify the list of Council priorities for FY 2012, which priorities are set forth in Attachment III to the staff report.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward hereby approves the Recommended Council Priorities for FY 2012 as set forth in Attachment III to the staff report.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2011

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ATTEST:
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward



Hayward City Council's Priorities

Crime and Public Safety

BART Station Safety
 School Safety Partnerships & Youth Master Plan
 Disaster Preparedness
 SMASH Program
 Strengthened Enforcement of Codes
 Implement Gang Injunction Program
 Strengthen Multi-Housing Program
 Police Department Accreditation
 Curfew & Truancy Ordinance Enhancements
 Evaluate Housing Authority Participation & Alternatives

Cleanliness

Neighborhood Partnership Program
 Blight Elimination through RDA
 Public Art Program
 Ban of Car Sales in Public ROW
 Support KHCG Task Force
 Homeless Encampment & Related Issues
 Rental Inspection Program Overhaul

Organizational Health

Boards, Commissions and Council
 Committee Review
 Use of Technology for Community
 Relations Programming
 Computer Aided Dispatch & Records
 Management System Implementation
 Finance Department Strategic Plan
 Adoption

Land Use and Sustainability

Historic Preservation Ordinance
 South Hayward BART Form-Based Code Adoption
 City Center Project
 Residential Solar Funding &
 Commercial Solar Program
 Facilities Planning: Arts & Cultural Center,
 Animal Control, Station 7, PD, Library
 Mission Corridor Specific Plan
 Recycled Water Use Evaluation & Conservation
 Housing Element Update
 Seniors-Only Mobile Home Park Ordinance
 Industrial Zoning & General Plan Review
 Possible Annexation Areas Evaluation
 South Hayward BART TOD Project

Fiscal Stability

Targeted Economic Development
 Fiscal Crisis Management
 Shop Hayward Program
 Chamber & Business Community
 Partnerships
 Review UUT Implementation
 & Ordinance Language
 Explore Possible Public Facilities
 Bond Measure
 Academic Excellence
 Local Government Advocacy &
 Protection of Local Revenues
 2010 Census Participation

<u>SAFE</u>	<u>CLEAN</u>	<u>GREEN</u>
<ul style="list-style-type: none"> ⊕ Improve public safety in targeted areas <ul style="list-style-type: none"> - Downtown - Neighborhoods (SMASH) - Entertainment areas - Retail areas - Schools - BART Stations ⊕ Reduce gang violence in Hayward <ul style="list-style-type: none"> - Develop and implement an improved gang enforcement strategy, including a gang injunction program - Enhance Curfew & Truancy Ordinances - Support gang prevention and intervention programs ⊕ Develop School Partnerships ⊕ Improve Disaster Preparedness and disaster response in the organization and within the neighborhoods ⊕ Complete and Adopt Multi-Jurisdictional Local Hazard Mitigation Plan 	<ul style="list-style-type: none"> ⊕ Prevention and rapid abatement of graffiti ⊕ Decrease illegal dumping ⊕ Strengthen code enforcement citywide (SMASH) ⊕ Eliminate blight throughout RDA ⊕ Decrease litter in the city ⊕ Improve graffiti prevention through increased use of public art in retail and commercial areas ⊕ Strengthen and expand KHCG Task Force into neighborhoods organizations and promote the Adopt A Block program ⊕ Implement Neighborhood Partnership Program beyond Phase I ⊕ Control car sales in the Public ROW ⊕ Reduce and clean up homeless encampments and address related issues 	<ul style="list-style-type: none"> ⊕ Continue implementation of the Climate Action Plan ⊕ Increase Hayward's sustainability as a community ⊕ Fund and implement residential and commercial energy efficiency, photovoltaic, and hot water solar programs ⊕ Continue development of residential and commercial energy conservation programs ⊕ Position Hayward and gain recognition as a "Healthy City" under the national and state program ⊕ Increase use of clean and green energy such as solar photovoltaic and bio-gas to energy production at utility facilities ⊕ Increase use of recycled water

<u>Organizational Health</u>	<u>Land Use</u>	<u>Fiscal Stability</u>
<ul style="list-style-type: none"> • Ensure a safe and healthy work environment • Complete implementation of the Computer Aided Dispatch & Records Management System • Select Financial Enterprise/Enterprise Resource Planning (ERP) system and begin implementation • Improve the organization’s ability to apply business process analysis in decision-making • Redesign the City’s WEB page • Continued staff development and succession planning • Develop an employee attraction and retention program • Develop and adopt an organizational strategic plan 	<ul style="list-style-type: none"> • Continue implementation of the 238 Settlement Agreement • Resolve all zoning and related issues in the Corridor and develop a 238 Corridor land disposition strategy • Adopt and implement South Hayward BART Form-Based Code • Adopt and implement Mission Boulevard Corridor Specific Plan/Form-Based Code • Improve gateways and corridors • Continue implementation of South Hayward BART TOD Project <ul style="list-style-type: none"> - Secure a lifestyle grocery store for South Hayward - Identify financing/funding strategies and sources • Revise the City’s Sign Ordinance • Update Downtown Plan • Plan for update of the General Plan • Continue implementation of Airport development projects including CA Air National Guard reuse • Continue to implement Historic Preservation Program elements • Develop a housing strategy and implementation plan • Pursue and support City Center Project 	<ul style="list-style-type: none"> • Implement programs to resolve long-term structural deficit • Protect local revenues • Increase community property values <ul style="list-style-type: none"> - Increase academic performance in Hayward schools in partnership with HUSD and the community - Brand, market, and promote the community of Hayward • Explore Public Facilities Bond Measure; develop supporting data • Strengthen and protect Hayward’s business community <ul style="list-style-type: none"> - Engage in and succeed at aggressive economic development - Protect and promote Hayward's industrial base - Strengthen Chamber & business/industrial partnerships • Seek and secure outside funding <ul style="list-style-type: none"> - Grants - Appropriations - Federal & State programs



DATE: February 22, 2011

TO: City Council
Redevelopment Agency Board Members

FROM: Assistant City Manager/Interim Redevelopment Director

SUBJECT: State Budget Update/Governor's Redevelopment Proposal – Discussion of City of Hayward Responses

RECOMMENDATION

That the City Council and Agency Board consider options and provide preliminary direction to staff on options to protect Redevelopment Agency assets and revenues from potential State actions.

DISCUSSION

On Tuesday evening, staff will present information to the Council and Agency Board on the Governor's current proposal to eliminate redevelopment agencies throughout the State. Staff will also provide options that the City might consider to protect the assets and revenues of the City's Redevelopment Agency.

On Friday, February 18, staff and the City's financial advisor presented information to the Council Budget & Finance Committee about the Redevelopment Agency's current financial resources, obligations and assets. These resources may be at risk under the Governor's current proposal to eliminate redevelopment agencies throughout the State. Based on initial feedback from the Committee, staff will be preparing a variety of options for the Council to consider.

As a point of reference for the Council and Agency Board, below is a presentation of current Agency obligations, assets and resources currently at risk. Staff will go through this information in more detail on Tuesday evening.

Outstanding Bond Obligations:

- 2004 bonds - \$44,790,000 (matures 2027)
 - Annual debt service: \$3.7M in FY2010
- 2006 bonds - \$11,800,000 (matures 2036)
 - Annual debt service: \$559,000 in FY2010

Other Outstanding Agency Loans:

- Water Enterprise Fund: \$1,041,075 outstanding balance
- Sewer Enterprise Fund: \$831,877 outstanding balance
- General Fund: \$9,144,570 outstanding balance; \$800,000 annual payment
- Low/Moderate Income Housing Fund: \$4,421,374 (for required Supplemental ERAF payments to State)

Current Agency Land Holdings:

Land Held for Resale & Redevelopment:

- Russell Way
- 24311 Mission Blvd
- 24491 Mission Blvd
- Burbank School Residual Site
- 123-197 A Street (Low/Mod Housing)

Estimated Value: \$10.3 Million (as of 6/30/2010)

Other Agency Property:

- City Hall Parking Structure (land and building)
- Muni Lot #2 (land and imps)
- City Hall Plaza Park
- Cinema Place Parking (land and building)

Estimated Value: \$20.9 Million (as of 6/30/2010)

Programs Supported by Redevelopment:

- BIA Support: \$55,000
 - Community Promotions Support: \$75,000
 - Public Art: \$90,000
 - Planning reimbursement for project review: \$50,000
 - Economic Development staff support: \$169,517
 - Finance staff support: \$37,733
 - General Fund administrative support to RDA: \$448,545
- Total Program Support: \$925,795

Annual Tax Increment at Risk:

- Redevelopment Funds = \$2.3 million annually
 - Low/Moderate Income Housing Funds = \$1.6 million annually
- Total Funds at Risk: \$3.9 million annually

FISCAL IMPACT

If the State Legislature eliminates redevelopment agencies, the City of Hayward stands to lose valuable tax dollars that fund economic, redevelopment, and affordable housing activities. In addition, the Redevelopment Agency has significant outstanding loans with the City's General Fund, Sewer Fund, and Water Fund that may be nullified in the event of State action.

ENVIRONMENTAL REVIEW

The Agency's action to provide direction on potential financing options does not constitute a project requiring under the California Environmental Quality Act (CEQA).

Prepared by:

Kelly McAdoo Morariu, Assistant City Manager/Interim Redevelopment Director

Approved by:



Fran David, City Manager