



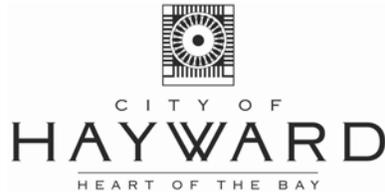
CITY OF
HAYWARD
HEART OF THE BAY

CITY COUNCIL AGENDA
MAY 5, 2015

MAYOR BARBARA HALLIDAY
MAYOR PRO TEMPORE GREG JONES
COUNCIL MEMBER FRANCISCO ZERMEÑO
COUNCIL MEMBER MARVIN PEIXOTO
COUNCIL MEMBER AL MENDALL
COUNCIL MEMBER SARA LAMNIN
COUNCIL MEMBER ELISA MÁRQUEZ

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CITY COUNCIL MEETING FOR MAY 5, 2015
777 B STREET, HAYWARD, CA 94541
WWW.HAYWARD-CA.GOV

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

1. PUBLIC COMMENTS

2. Conference with Property Negotiators
Pursuant to Government Code 54956.8

- Under Negotiation: Municipal Parking Lot #6; “A” Street/Russell Way (APN: 415-0240-038-00)
Lead Negotiators: City Manager David, Assistant City Manager McAdoo, City Attorney Lawson,
Development Services Director Rizk, Assistant City Attorney Brick, Economic Development
Manager Hinkle

3. Conference with Labor Negotiators
Pursuant to Government Code 54957.6

- Lead Negotiators: City Manager David; City Attorney Lawson; Assistant City Manager McAdoo;
Finance Director Vesely; Public Works-Engineering & Transportation Director Fakhrai; Human
Resources Director Collins; Senior Human Resources Analyst Lopez; Assistant City Attorney
Vashi; Community and Media Relations Officer Holland; Jack Hughes, Liebert Cassidy Whitmore
Under Negotiation: All Groups

4. Adjourn to City Council meeting

CITY COUNCIL MEETING
Council Chambers – 7:00 PM

CALL TO ORDER Pledge of Allegiance Council Member Lamnin

ROLL CALL

CLOSED SESSION ANNOUNCEMENT

PRESENTATIONS

- National Police Week in Hayward and Peace Officers’ Memorial Day
- Friends of the Library “What My New Library Will Mean to Me” Student Poetry Scholarship Awards
- Bike to Work and School Day May 14, 2015
- National Salvation Army Week May 11-16, 2015

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 Information 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.

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 any time before the Consent Calendar is voted on by Council if you wish to speak on a Consent Item.)*

CONSENT

1. Approval of Minutes of the Special City Council Meeting on April 18, 2015
[Draft Minutes](#)
2. Approval of Minutes of the City Council Meeting on April 21, 2015
[Draft Minutes](#)
3. Authorization to Execute a Professional Services Agreement for Investment Portfolio Management Services with PFM Asset Management in an Amount not to Exceed \$95,000 Per Year for a Maximum of Three Years
[Staff Report](#)
[Attachment I](#)
4. Authorization to Negotiate and Execute a Professional Services Agreement with Brainchild Creative for FY 2015 Marketing and Advertising Services not to Exceed \$100,000
[Staff Report](#)
[Attachment I](#)
5. Authorization for City Manager to Execute a Master Lease Purchase Agreement with Municipal Financial Corporation for the Lease-Purchase of a Fire Apparatus in the Amount of \$1,276,000
[Staff Report](#)
[Attachment I](#)
6. Filing Nuisance Abatement/Municipal Code Violations with the County Recorder's Office for Non-Abatable Code Violations
(Continued to May 26, 2015)



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

7. Transmittal of the Comprehensive Annual Financial Report for the Year Ended June 30, 2014; and of the Memorandum on Internal Control and Required Communications (Report from Director of Finance Vesely)
- [Staff Report](#)
 - [Attachment I](#)
 - [Attachment II](#)
-

Information items are presented as general information for Council and the public. Should Council wish to take action on any of the “information” items, they will direct the City Manager to bring them back on a future Council agenda as an Action Item.

INFORMATION ITEMS

None

CITY MANAGER’S COMMENTS

An oral report from the City Manager on upcoming activities, events, or other items of general interest to Council and the Public.

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

NEXT REGULAR MEETING – 7:00 PM, Tuesday, May 19, 2015



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 before speaking and are expected to honor the allotted time. Speaker Cards are 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. Written comments submitted to the Council in connection with agenda items will be posted on the City's website. All Council Meetings are broadcast simultaneously on the website and on Cable Channel 15, KHRT. ****

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.

Please visit us on:





**MINUTES OF THE SPECIAL CITY COUNCIL MEETING
OF THE CITY OF HAYWARD
Hayward Executive Airport
20301 Skywest Drive, Hayward, CA 94541
Saturday, April 18, 2015, 9:00 a.m.**

The Special City Council meeting was called to order by Mayor Halliday at 9:00 a.m.

ROLL CALL

Present: COUNCIL MEMBERS Zermeño, Mendall, Jones, Peixoto, Lamnin,
Márquez
MAYOR Halliday
Absent: None

PUBLIC COMMENTS

There were none.

COUNCIL RETREAT

1. Facilitated Council Discussion to Strengthen Council Joint Governance and Improve Operational Processes and Procedures

Ms. Julia Novak of the Novak Consulting Group facilitated the Council retreat. City Manager David, City Attorney Lawson, City Clerk Lens, Assistant City Manager McAdoo, and Administrative Analyst Stefanski were in attendance. A public member, Ms. Cheryl Penick, also attended a portion of the special meeting.

A document entitled Governing Body-Staff Roles Balancing Policy and Administration- Based on the Research and Writing of Dr. John Nalbandian was distributed by Ms. Novak to all in attendance.

The retreat began by Facilitator Novak going over the ground rules for the day. Council members and executive staff in attendance introduced themselves and expressed their expectations for the retreat. Council members took turns in discussing ways to strengthen their joint governance of the City of Hayward and to improve operational processes and procedures by answering the following questions:

- What does good governance look like to you?
- What is important to remember when your position is the prevailing decision of the majority?
- What is important to remember when your position is not the prevailing decision of the majority?
- What type of relationship do you hope to have with your colleagues on the Council?
- What type of relationship do you hope to have with City administration?
- What do you hope this City Council will be known for?

Further discussion ensued among Council members exploring the topics raised and ways that the Council might be more effective which included: revisiting the format and structure of work sessions, exploring opportunities for community listening sessions, and other suggestions for specific procedures the Council might use to be more effective in meetings. There were no specific recommendations or actions suggested or taken.

While the agenda listed Review of Council Handbook as an item to review, there was no discussion or action taken on this item.

Council members and senior staff went through an exercise to explore joint expectations and articulated what they expected of each other and what they were willing to give to each other. This led to further discussion and dialogue about clearly communicating expectations. There was also a discussion about what each member of the team does to help the governing body be more effective and what each member needs to do differently to help the governing body be more effective.

Council members expressed the most important policies and initiatives they wished to pursue to further the City's commitment to Safe, Clean and Green. There was no consensus reached or action taken with respect to the Council's priorities or new initiatives and no formal direction was given to staff. Staff indicated that there would be additional future follow up with the Council on the items discussed during the retreat at a future date.

ADJOURNMENT

Mayor Halliday adjourned the meeting at 2:05 p.m.

APPROVED:

Barbara Halliday
Mayor, City of Hayward

ATTEST:

Miriam Lens
City Clerk, City of Hayward



**MINUTES OF THE CITY COUNCIL MEETING
OF THE CITY OF HAYWARD
City Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, April 21, 2015, 7:00 p.m.**

The City Council meeting was called to order by Mayor Halliday at 7:00 p.m., followed by the Pledge of Allegiance led by Mayor Halliday.

ROLL CALL

Present: COUNCIL MEMBERS Zermeño, Mendall, Jones, Peixoto, Lamnin,
Márquez
MAYOR Halliday
Absent: None

CLOSED SESSION ANNOUNCEMENT

City Attorney Lawson announced that the Council met in closed session regarding two items: (1) conference with labor negotiators pursuant to Government Code 54957.6 regarding all groups; and (2) conference with legal counsel pursuant to Government Code 54956.9 regarding pending litigation of three cases (a) Sangco/City of Hayward, WCAB No. ADJ92273758; b) Torres/City of Hayward, WCAB No. ADJ8524589; and c) Henderson/City of Hayward ADJ9064349, ADJ9064350, ADJ9075329. There were no reportable items.

PRESENTATION

Mayor Halliday, Council Member Mendall and Hayward Chamber of Commerce President Huggett recognized: residents and property managers of multi-family homes for excellent environmental practices; and schools and businesses for implementing energy efficiency and water conservation measures, waste reduction, reuse, recycling programs, and environmental education activities. The 2015 School Awards recognized Cesar Chavez Middle School, Faith-Ringgold School of Arts and Science, and Lea's Christian School. The 2015 Neighborhood Awards recognized single-family and multi-family residents and property managers. The 2015 Business Awards recognized Cannery Café, Way to Be Designs, Sugar Bowl Bakery, Sun Gallery, California State University East Bay, and Hayward Chamber of Commerce. Special recognition was also given to Sun Deep Cosmetics, Latinos and Latinas with a Purpose, AC Transit, and Case Industries and Annabelle Candy Company. The Utilities and Environmental Services Department and members of the Council Sustainability Committee were also recognized for their efforts.

PUBLIC COMMENTS

Mr. Lawrence Danos, Hayward resident, expressed the importance of monitoring air pollution in the surrounding area of the Russell City Energy Center to ensure environmental protection.

Mr. Kim Huggett, Hayward Chamber of Commerce President, announced two events: 1) the Downtown Hayward Bike and Cyclepath Vintage BMX Show and Street Jam on May 16, 2015, and 2) a Workshop for Food Distributors and Manufacturers on May 1, 2015, at Hayward City Hall.

Ms. Wynn Grcich, Hayward resident, suggested that all meetings of the Council be open to the public including closed sessions. Ms. Grcich announced a march against chemtrails and geoengineering on April 25, 2015, in San Francisco, and also spoke about the health effects of chlorine in water.

Mr. Obray Van Buren, Hayward resident and board member of the Cypress Mandela Training Center, shared the Center specialized in job training and had opened a satellite branch at the former Barnard White Middle School in Union City. Mr. Van Buren invited all to an upcoming graduation.

Mr. Charlie Peters, Hayward resident and Clean Air Performance Professionals representative, provided documents regarding ethanol, gasoline price, and global warming.

Ms. Audrey LePell, Citizens Against Pollution (CAP) President, spoke about the Russell City Energy Center (RCEC) and the toxic gases emitted by the Center. Ms. LePell encouraged the Council to appoint a representative to the Bay Area Quality Management District (BAQMD), and she requested air monitoring in the area surrounding the RCEC.

Ms. Joanne Gross, Hayward resident and CAP representative, referred to Resolution 14-030 which requested that the BAAQMD measure air quality in the area surrounding the RCEC, and she urged that the City follow up on the request.

Ms. Laurie Price, Hayward resident and California State University East Bay teacher, requested a follow up on the request in Resolution 14-030. Ms. Price questioned why there was no monitoring Hayward data for major air pollutants on the BAAQMD's website. Ms. Price urged the Council to get an air monitoring station in Hayward, especially within a mile or two of the RCEC to protect residents.

Mr. Jim Drake, Hayward resident, spoke about serious health impacts from chlorine and fluoride in drinking water, especially for children and urged the Council to address this issue.

CONSENT

1. Approval of Minutes of the City Council Meeting on April 7, 2015

It was moved by Council Member Márquez, seconded by Council Member Mendall, and carried unanimously, to approve the minutes of the City Council Meeting on April 7, 2015.

Council Member Lamnin disclosed she had to recuse from discussing and voting on the Public Hearing due to a prior employment with an agency that received funding and left the Council Chambers at 8:06 p.m.

Council Member Jones disclosed he leases property from the Hayward Area Historical Society which acts as a fiscal agent for community organizations requesting funding, but this did not represent a conflict of interest and he could participate in the Public Hearing.



**MINUTES OF THE CITY COUNCIL MEETING
OF THE CITY OF HAYWARD
City Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, April 21, 2015, 7:00 p.m.**

PUBLIC HEARING

2. Approval of FY 2016 Community Agency Funding Recommendations (including Community Development Block Grant (CDBG), Social Services, and Arts/Music); and Alameda County HOME Consortium Five Year Consolidated Plan FY 2015 – FY 2019

Staff report submitted by Administrative Analyst McNamara and Community Services Manager Jaeger, dated April 21, 2015, was filed.

Library and Community Services Director Reinhart acknowledged Community Services Commission (CSC) members in the audience and provided a synopsis of the staff report.

Mayor Halliday opened the public hearing at 8:19 p.m.

Ms. Vera Ciammetti, Ruby's Place representative, thanked the CSC and the City for the funding allocation for the shelter and expressed support for the Consolidated Plan in helping to assess affordable housing.

Ms. Erin Scott, Executive Director of the Family Violence Law Center, thanked the CSC and the City staff for the funding allocation.

Mayor Halliday closed the public hearing at 8:21p.m.

Council Member Zermeño offered a motion per staff and CSC's recommendation for the funding allocations, except for the South Hayward Parish. For the South Hayward Parish funding allocation, he moved to split the awarded amount of \$26,000, with 50% to the Alameda County Food Bank (ear-marked for South Hayward Parish) and 50% to South Hayward Parish for non-consumable expense related to food pick-up, preparation and delivery only.

As there was no second, the motion died for lack of support.

Council Member Márquez, as the CSC Council Liaison, offered a motion per CSC and staff's recommendation and urged the Council to support her in helping South Hayward Parish with its annual fundraising. Ms. Márquez was concerned about jeopardizing future funding, and thought that it was best to get involved in helping South Hayward Parish raise the \$4,000 needed by fundraising.

Council Member Jones seconded the motion.

Council Member Mendall supported the motion noting that there was no miscommunication about the funding recommendation process and also supported the suggestion of helping South Hayward Parish with its annual fundraising.

Council Member Zermeño expressed he favored splitting the awarded amount because it helped South Hayward Parish the most and he thought that the other two alternatives did not provide adequate funding for non-consumable costs.

Mayor Halliday expressed support for the motion and the encouragement for Council to contribute to South Hayward Parish with its annual fundraising.

Council Member Peixoto appreciated the courageous motion by Council Member Márquez, and noted he did not want to jeopardize the funding recommendation process.

Mayor Halliday thanked CSC members and City staff for their efforts.

It was moved by Council Member Márquez, seconded by Council Member Jones, and carried with the following vote, to adopt the resolution:

AYES: Council Member Mendall, Jones, Peixoto, Márquez
MAYOR Halliday
NOES: Council Member Zermeño
ABSENT: Council Member Lamnin
ABSTAINED: None

Resolution 15-057, “Resolution Authorizing an Application for Federal Assistance Under the Community Development Block Grant Program for Fiscal Year 2014-2015 and Approving the Fiscal Year 2015-2016 Action Plan”

Resolution 15-058, “Resolution Adopting the Consolidated Plan for Fiscal Years 2015-2019”

Council Member Lamnin returned to the Council Chambers at 8:33 p.m.

LEGISLATIVE BUSINESS

3. Resolution of Intention to Create Proposed Community Facilities District (CFD No. 3) Intended to Finance Police and Fire Protection Services in the South Hayward BART Area; Resolution of Intention to Annex Identified Properties Into the Existing Community Facilities District No.2 in the Cannery Place Area; and Introduction of Ordinance Levying Special Tax Within the Existing Community Facilities District No. 2 in the Cannery Place Area

Staff report submitted by Finance Director Vesely and Development Services Director Rizk, dated April 21, 2015, was filed.

Finance Director Vesely provided a synopsis of the staff report and noted three minor corrections: on page 82 of the Council packet, under Proposed Special Tax Rates, it should read “residual receipt” as opposed to “residential receipt”; on page 88, Attachment I, Section 9, the public hearing



**MINUTES OF THE CITY COUNCIL MEETING
OF THE CITY OF HAYWARD
City Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, April 21, 2015, 7:00 p.m.**

should read Tuesday, May 26, 2015; and on page 110, Attachment V, Exhibit B, the header should read “City of Hayward” as opposed to “City of Campbell”.

City staff responded to questions posed by Council members related to Community Facilities District (CFD No. 3) for the South Hayward BART area and the existing Community Facilities District (CFD No. 2) in the Cannery Place Area.

There being no public comments Mayor Halliday opened and closed the public hearing at 8:59 p.m.

Council Member Lamnin offered a motion per staff recommendation and Council Member Zermeño seconded the motion.

It was moved by Council Member Lamnin, seconded by Council Member Zermeño, and carried unanimously, to adopt the following:

Resolution 15-059, “Resolution of Intention to Establish Community Facilities District”

Resolution 15-060, “Resolution Approving the Annexation of Property Located in a Future Annexation Area”

Introduction of Ordinance 15-_, “Ordinance of the City of Hayward Levying Special Tax within Community Facilities District”

INFORMATION ITEMS

There were none.

CITY MANAGER’S COMMENTS

City Manager David made three comments: 1) commended the Hayward Police Department (HPD) for the arrest of the individual accused for the three attempted abductions of female high school students; 2) acknowledged the HPD’s participation in a nationwide law enforcement operation that rounded up one thousand suspected gang members, thirteen in Hayward; and 3) announced there were new banners in downtown.

COUNCIL REPORTS, REFERRALS, AND FUTURE AGENDA ITEMS

Council Member Zermeño requested that an update be provided to Council regarding the Citizens Against Pollution inquiry related to the Council’s action related to the Bay Area Air Quality Management District.

Council Member Márquez made three comments: 1) the Keep Hayward Clean and Green Task Force clean up event on April 25, 2015, at the Park Elementary School; 2) commended the Hayward Police Department for the arrest related to the attempted abductions and acknowledged the three brave women; and 3) a fundraiser at San Marcos Restaurant on May 13, 2015, for Wyatt, Karen Norell's grandson.

Council Member Lamnin announced an event focused on discussion of human trafficking in Alameda County on May 4, 2015, at Buon Appetito Restaurant.

Mayor Halliday wished everyone a Happy Earth Day and encouraged continued actions to improve the environment.

ADJOURNMENT

Mayor Halliday adjourned the meeting at 9:08 p.m. in memory of Ms. Betty Huntzinger who passed away on April 15, 2015. It was noted that Ms. Huntzinger was a force in the Fairway Park neighborhood, served as the manager at the Treeview Swimming Club for 37 years, was a charter member of United Church of Hayward, and was a board member at Willow Park Golf Course and Mission Hills Golf Course.

APPROVED:

Barbara Halliday
Mayor, City of Hayward

ATTEST:

Miriam Lens
City Clerk, City of Hayward

DATE: May 5, 2015

TO: Mayor and City Council

FROM: Director of Finance

SUBJECT: Authorization to Execute a Professional Services Agreement for Investment Portfolio Management Services with PFM Asset Management in an amount not to exceed \$95,000 per year for a maximum of three years

RECOMMENDATION

That Council adopts the attached resolution (Attachment I) authorizing the City Manager to execute a two-year contract with PFM Asset Management LLC for investment portfolio management services in an annual amount not to exceed \$95,000 per year, for a period of two years to April 30, 2017, with an option to extend for one additional year to April 30, 2018.

BACKGROUND

The Government Finance Officers Association (GFOA) recognizes that many local governments use the services of investment management firms and the GFOA offers best practice guidelines in the selection and utilization of such firms. The City's external auditor, Maze & Associates, opined as part of their FY 2011 year-end audit of the City's financial statements, that the City at that time did not have a balanced investment portfolio, and recommended that the City consider hiring a third party investment manager to better manage and diversify the City's portfolio. Following recommendations from the City's Investment Advisory Committee (IAC) and Council Budget & Finance Committee, the City Council adopted an update to the City's FY 2012 Statement of Investment Policy for FY 2012 to allow the Director of Finance, upon direction of the City Manager and authorization by the City Council, to engage an external investment management firm to assist with the City's portfolio investments.

In December 2011, the City conducted a competitive Request for Proposals (RFP) process for investment portfolio management services. In April 2012, following a thorough review and interview process of the eight responsive proposers with the City's Investment Advisory Committee, the City awarded a contract for investment portfolio management services to PFM Asset Management LLC.

PFM Asset Management (PFM) focuses on the management of public sector portfolios and has a strong local presence in the Bay Area. PFM has managed public sector assets for more than thirty-one years, and currently manages \$40 billion for public entities, which includes \$24.5 billion of assets in separately-managed portfolios for 423 public entities nationwide. In California, PFM manages over \$8 billion of public agency funds, including \$2 billion for thirty-eight California

cities. The portfolio management team has an average of twenty-nine years of industry experience – with the trading desk focused on government investment needs and requirements.

DISCUSSION

PFM has been actively managing a portion of the City’s investment portfolio since July 1, 2012. While the initial amount managed by PFM was \$40 million, they are now authorized to manage approximately \$120 million of the City’s pooled cash assets (total portfolio of about \$170 million).

PFM Asset Management LLC continues to provide the City with high quality services and there is not a critical need to immediately change the City’s investment portfolio management services relationship. PFM has met or been within one basis point (.01%) of the performance benchmark (1-3 Year U.S. Treasury Index) during this period of time as shown in Table 1 below.

Table 1 – PFM Performance Measures

	Life to Date Yield
PFM Managed Portfolio	0.62%
1-3 Year U.S. Treasury Index	0.63%
Local Agency Investment Fund (LAIF)	0.26%

Before engaging the services of PFM Asset Management LLC, the vast majority of the City’s portfolio was held in the Local Agency Investment Fund (LAIF). The portfolio managed by PFM is currently earning an average of about .8% - 1%, while funds on deposit with LAIF are earning only 0.27%.

While the Director of Finance continues to be the responsible officer of the City regarding the City’s portfolio, PFM Asset Management LLC assists in the investment management and diversification of the City’s portfolio, bringing in the professional expertise needed to balance the City’s investment portfolio within Council investment policies; and to maximize performance while maintaining safety and liquidity.

Due to staff satisfaction with contract performance and the imminent expiration of the current investment portfolio management services agreement, staff is recommending that the City continue its engagement with PFM and authorize an additional two-year contract, with an option for an additional year of the current agreement with PFM Asset Management LLC. At the conclusion of the initial two years, the City will consider conducting a competitive RFP process. The new contract will provide continued service to assist with the City’s active portfolio management.

FISCAL IMPACT

The cost of services is based on the amount of funds being actively managed. PFM charges ten basis points (.10%) per year on the first \$25 million of assets under management, and eight basis points (.08%) per year on assets between \$25 million and \$50 million (with further cost phasing down to six basis points per year for assets over \$100 million).

PFM Asset Management LLC is now authorized to manage \$120 million of the City's investment portfolio (pooled cash), which totaled \$178 million as of March 31, 2015. Based on this cost structure, the annual cost will be approximately \$95,000. An allocation is included in the Finance Department General Fund budget for FY 2016 to cover this annual cost – offset by a like amount of assumed interest revenue growth. As noted above, the more actively managed and well-balanced portfolio maximizes the opportunity for modest interest earnings while maintaining the safety and liquidity of the principal.

Prepared and Recommended by: Tracy Vesely, Director of Finance

Approved by:



Fran David, City Manager

Attachments:

Attachment I: Resolution

HAYWARD CITY COUNCIL

RESOLUTION NO. 15-_____

Introduced by Council Member _____

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE
CONTRACT WITH PFM ASSET MANAGEMENT LLC FOR INVESTMENT
PORTFOLIO MANAGEMENT SERVICES

BE IT RESOLVED that the City Manager is hereby authorized and directed to execute an agreement with PFM Asset Management in the name of and on behalf of the City of Hayward, for investment portfolio management services in an annual amount not to exceed \$95,000 per year for a period of two years with an option to extend for an additional one year in a form to be approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2015

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

DATE: May 5, 2015

TO: Mayor and City Council

FROM: Community & Media Relations Officer

SUBJECT: Authorization to Negotiate and Execute a Professional Services Agreement with Brainchild Creative for FY 2015 Marketing and Advertising Services not to Exceed \$100,000

RECOMMENDATION

That the City Council adopts the attached resolution (Attachment I) authorizing the City Manager to execute an agreement with Brainchild Creative for continued marketing and advertising services in an amount not to exceed \$100,000 concluding by September 15, 2015.

BACKGROUND AND DISCUSSION

Pursuant to the goals set forth in the City's 2013 Economic Development Strategic Plan, and following a robust competitive RFP selection process, City staff and Brainchild Creative recently completed a rigorous brand assessment and the development of a branded marketing platform to promote the City as a prime Bay Area location to start, grow, or relocate a business.

The adopted marketing direction emerged through a detailed process that identified and leveraged Hayward's existing mix of business, cultural, infrastructural, economic, and social assets in order to craft a unique, compelling narrative for target audiences. As part of this process, Brainchild developed a comprehensive visual system and catalog of graphic assets to unify the City's design language with respect to economic development marketing. Furthermore, the City worked with Brainchild to develop a high-level marketing roadmap, which outlines overarching brand awareness efforts and targeted campaigns for select groups such as developers, businesses, residents, etc.

At this time, staff is proposing to contract with Brainchild Creative to execute a number of critical marketing and advertising activities associated with the brand rollout. As the originators of the marketing direction and the creative engine behind the visual system, Brainchild is uniquely suited to carry out this work. Brainchild's record of success in the marketplace speaks for itself and the firm repeatedly demonstrated professionalism, efficiency, and flexibility in its initial engagement with the City.

FISCAL IMPACT

This contract for continued marketing and advertising services shall not exceed \$100,000. Funds are appropriated in the Economic Development FY 2015 budget (General Fund) and pursuant to the Economic Development Strategic Plan.

NEXT STEPS

If the Council approves the resolution, staff will work with Brainchild Creative to execute the agreement and begin associated marketing activities.

Prepared and Recommended by: Frank Holland, Community & Media Relations Officer

Approved by:



Fran David, City Manager

Attachments:

1. Resolution Approving Agreement

HAYWARD CITY COUNCIL

RESOLUTION NO. 15-

Introduced by Council Member _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HAYWARD
AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A
PROFESSIONAL SERVICES AGREEMENT WITH BRAINCHILD CREATIVE FOR
MARKETING SERVICES

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward
hereby authorizes the City Manager to negotiate and execute a contract with Brainchild Creative
in an amount not to exceed \$100,000 for marketing services, in a form approved by the City
Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2015

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

DATE: May 5, 2015

TO: Mayor and City Council

FROM: Director of Finance

SUBJECT: Authorization for City Manager to Execute a Master Lease Purchase Agreement with Municipal Financial Corporation for the Lease-Purchase of a Fire Apparatus in the Amount of \$1,276,000

RECOMMENDATION

That City Council approves the attached resolution (Attachment I) authorizing the City Manager to execute a Master Equipment Lease Purchase Agreement for a fire apparatus and other documents necessary to procure equipment lease financing for \$1,276,000 from Municipal Finance Corporation.

BACKGROUND

The Maintenance Services Department manages a fleet of over 360 vehicles. As part of the City’s twenty-year vehicle replacement plan, each year certain vehicles are due for scheduled replacement. Funding constraints have caused the City to extend the useful lives of many vehicles beyond best practices. The vehicle to be financed is a Seagrave Tractor Drawn Aerial Ladder, Type 1 Fire Engine.

Over the past several years, the City has taken advantage of low-interest rate leases to spread the cost of large equipment purchases over a portion of their useful lives. Staff recommends using lease financing for the purchase of the ladder truck. The City has been allocating annual funding toward the Vehicle Replacement Fund in order to allow for cash purchases of all equipment and vehicles by FY 2017.

DISCUSSION

Staff is requesting approval for an Equipment Lease Purchase Agreement to finance the purchase of a fire vehicle for a total estimated cost of \$1,267,000 as described in Table 1.

Table 1 – Lease/Purchase Vehicle

	Type	Loan Term	Number/Type of Vehicles	Loan Amount
1	Fire Vehicle	10 years	(1) Type 1 Engine	\$1,276,000

The Fire Truck scheduled for replacement, which is a twenty-year old apparatus (circa 1995), has exceeded its useful life. Fire apparatus generally have a useful life of about ten – fifteen years. The replaced Fire Truck will be retained as a reserve vehicle.

Capital Lease Financing - A Request for Proposals was sent to eight providers of municipal lease financing. Three proposals were received as summarized in Table 2.

Table 2 – Bid Summary

Name of Company	10-Year		
	Rate	Payments	Total Payments
Municipal Financial Corporation	2.95%	\$ 73,615.60	\$ 1,472,312.00
Holman Capital **	2.95%	\$ 73,615.60	\$ 1,472,312.00
BBVA Compass *	N/A	N/A	N/A

* The response received by this financial institution was not specifically responsive to the City's Request for Proposal and provided only general information. The proposal was not considered.

** Includes a \$5,000 documentation fee not included in the financed amount

The lease purchase agreement for the fire vehicle is a planned replacement, with no addition to the operating fleet. The lease term reflects a ten-year rate for the purchase of the fire apparatus (due to the average life span of ten to fifteen years). The lowest cost proposal was submitted by Municipal Financial Corporation. The fire vehicle will be financed over a ten-year term (twenty semi-annual payments of \$73,616) to finance the \$1,276,000 total cost.

ECONOMIC IMPACT

Maintenance of a modern, well-equipped fire and medical response function within the community helps maintain lower insurance rates for residential and commercial structures; and assists in retaining and attracting a variety of businesses.

FISCAL IMPACT

City vehicle purchases are appropriated in the Fleet Capital Fund, which is the fund for all General Fund fleet purchases, and is part of the currently approved FY 2015 Capital Improvement Budget. The FY 2015 budgeted amount in the Fleet Capital Fund for the replacement of the fire apparatus is \$1,185,000.

While direct cash purchase is the preferable mechanism for fleet replacement, this fund does not currently have adequate capital resources to purchase all fleet vehicles out-right. Pursuant to Council policy to strive toward the most economical method of purchasing its fleet vehicles, the General Fund Ten-Year Plan includes increased allocations to the Fleet Capital Fund to fully fund future vehicle purchases starting in FY 2017 and eliminating the need for future lease financing.

Payments on existing and future leases are budgeted in the Fleet Operating Fund. This fund has \$1.21 million budgeted for debt service payments in FY 2015, which will cover the costs for the

existing and new leases. These ongoing debt service payments are funded through charges to departments for replacement and maintenance of vehicles. Lease payments for the next five years for existing vehicle lease acquisitions and the new leases, are listed below.

Table 3: Uses of Debt Service Payments

Type of Obligation	Vehicles	Term (years)	Issue Date	Interest Rate	Total Lease Purchase	Annual Debt Service				
						FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Lease/purchase	1 fire apparatus	10	June-2015	2.95%	\$ 1,267,000	\$ 73,616	\$ 73,616	\$ 73,616	\$ 73,616	\$ 73,616
Lease/purchase	1 fire apparatus	10	Jan-2014	3.05%	\$ 962,257	\$ 96,226	\$ 96,226	\$ 96,226	\$ 96,226	\$ 96,226
Lease/purchase	12 vehicles	4	Jan-2014	2.46%	\$ 535,000	\$ 141,259	\$ 141,259	\$ 141,259	\$ 141,259	\$ -
Lease/purchase	13 vehicles	4	Oct-2012	1.30%	\$ 520,000	\$ 133,826	\$ 133,826	\$ 66,913	\$ -	\$ -
Lease/purchase	18 vehicles	4	Oct-2011	2.05%	\$ 815,000	\$ 213,260	\$ 106,630	\$ -	\$ -	\$ -
Lease/purchase	3 fire apparatus	10	Sept-2011	3.24%	\$ 1,991,524	\$ 234,749	\$ 234,749	\$ 234,749	\$ 234,749	\$ 234,749
Lease/purchase	6 vehicles	7	Sept-2010	2.88%	\$ 818,558	\$ 129,957	\$ 129,957	\$ 129,957	\$ 64,978	\$ -
Lease/purchase	4 vehicles	4	Sept-2010	2.28%	\$ 360,000	\$ 46,870	\$ -	\$ -	\$ -	\$ -
Loan from Sewer Fund	utility vehicles	7	Oct-2009	2.00%	\$ 1,000,000	\$ 148,690	\$ 145,833	\$ 71,845	\$ -	\$ -
TOTAL					\$ 8,269,339	\$ 1,218,452	\$ 1,062,096	\$ 814,565	\$ 610,828	\$ 404,590

NEXT STEPS

Once the lease/purchase agreement is finalized, City staff will complete the purchase of the vehicle from Seagrave Fire Apparatus LLC, the current provider of all major apparatus for Hayward Fire.

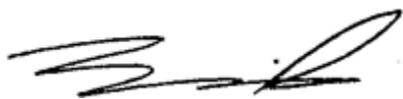
PUBLIC CONTACT

The Lease Financing RFP was opened on April 7, 2015. The lease documents are on file and available for review with the City Clerk and Finance Department.

Prepared by: Dustin Claussen, Deputy Director of Finance

Recommended by: Tracy Vesely, Director of Finance
 Todd Rullman, Acting Director of Maintenance Services

Approved by:



Fran David, City Manager

Attachments: I - Resolution

HAYWARD CITY COUNCIL

RESOLUTION NO. 15-

Introduced by Council Member _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HAYWARD, AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AN EQUIPMENT LEASE-PURCHASE AGREEMENT AND AN ESCROW AGREEMENT FOR THE ACQUISITION OF NEW FIRE APPARATUS.

WHEREAS, the City of Hayward (the "City"), is authorized by the laws of the State of California to purchase, acquire, and lease personal property for the benefit of the City and its inhabitants and to enter into contracts with respect thereto; and

WHEREAS, it is necessary for the City to acquire one new fire apparatus to replace an apparatus that has been extended beyond its useful life; and

WHEREAS, the City issued a Request for Proposals for lease/purchase financing and the successful bidder was Municipal Financial Corporation; and

WHEREAS, in order to acquire such equipment, the City proposes to enter into an Equipment Lease-Purchase Agreement with Municipal Financial Corporation;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward, that the City Manager is hereby authorized to negotiate and execute an Equipment Lease-Purchase Agreement with Municipal Financial Corporation, and to process any other documents necessary to complete the transaction, in a form to be approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA MAY 5, 2015

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



CITY OF
HAYWARD
HEART OF THE BAY

__7__

DATE: May 5, 2015

TO: Mayor and City Council

FROM: Director of Finance

SUBJECT: Transmittal of the Comprehensive Annual Financial Report for the Year Ended June 30, 2014; and of the Memorandum on Internal Control and Required Communications

RECOMMENDATION

That the Council adopts the attached Resolution (Attachment I) to receive and file the City's Comprehensive Annual Financial Report (CAFR) and the Memorandum on Internal Control and Required Communications for the fiscal year ended June 30, 2014.

BACKGROUND

The City's independent external auditor, Maze and Associates, has completed its audit of the City's financial records for the fiscal year ended June 30, 2014. Maze was selected as the City's independent external audit firm in early 2011 after a thorough proposal review process. Fiscal year 2014 marks year four of a five-year contract. Maze and Associates has over twenty-seven years of municipal auditing experience with more than 200 government agencies. In addition to the audited financial statements, the auditors have completed and provided the required *Memorandum on Internal Control and Required Communications* (Attachment II). The City's Comprehensive Annual Financial Report (CAFR) (Attachment III) represents all funds of the City, including the General Fund, Water, Sewer, Airport, and all other enterprise and special revenue funds.

Auditing standards require auditors to formally communicate the results directly to the governing body. The purpose being to establish direct and effective two-way communication with the Council and staff, to convey audit matters, the scope of work, difficulties, adjustments to financial statements, or any possible disagreements with management.

DISCUSSION

Comprehensive Annual Financial Report – Staff is pleased to report that, as in previous years, the auditor's opinion on the financial statements for fiscal year 2014 is without exception and is unmodified (formerly referred to as "unqualified"). That is, the auditor's report is not restricted (modified) in any manner, nor does it take exception with any of the information contained in the City's financial statements. While a modification (known before as a qualification) or exception is not necessarily detrimental, the ability to report that the City's financial statements continue to earn a "clean opinion" is a positive statement about the City's financial management and oversight.

Staff has submitted the fiscal year 2014 CAFR to the Government Finance Officers Association (GFOA) award program, which is a prestigious national award recognizing conformance with the highest standards for preparation of local government financial reports. The City of Hayward has received this award for the last twenty-seven consecutive years.

Fiscal Year 2014 Year-end Status of the General Fund – On December 16, 2014, staff presented City Council with a preliminary year-end summary for the General Fund and conveyed to Council that the year ended with a slightly negative balance of \$143,000. For fiscal year 2014, the final net change to General Fund balance is a larger negative balance of \$546,741, which will deplete the General Fund reserve by a like amount. This change resulted from the final year-end close process and now includes all FY2014 year-end adjustments.

Communication Letters from Auditors – The *Required Communications* letter is intended to identify any communication issues and present new accounting standards pronouncements that may affect the audit. The auditor did not report any difficulties in performing the audit or any disagreements with management.

The second letter presented to management is the *Memorandum on Internal Control*. This letter has two major objectives: (1) to advise the governing body or City Council of any significant deficiencies or material weaknesses in the City's systems of internal financial controls; and (2) to communicate to the Council any opportunities for improved controls or efficiencies that the auditors noted during the course of their audit. This letter may also advise the Council of upcoming accounting regulations, which may affect the City's financial records. Staff's responses to the auditor's comments and recommendations are noted in the Letter within Attachment II.

The audit identified four items the City should consider to improve its internal controls. Three of these items are considered material weaknesses and one is an 'other matter' recommendation. A material weakness is a deficiency, or a combination of deficiencies, in internal control that results in a reasonable possibility that a material misstatement of the City's financial statements may not be prevented or detected in a timely manner. No such misstatement occurred.

In addition, the auditor identified one item in the Schedule of Other Matters for City consideration (a recommendation for improvement – but not considered a deficiency or weakness). City staff has addressed each of these items and included responses in Attachment II. As part of the audit protocol, the auditor includes findings from the previous fiscal year (FY 2013) to allow for a final management response and, if cleared, to confirm that the findings are no longer valid. Below is a brief summary of the four items identified for fiscal year 2014 and the City's responses.

FY 2014 Findings

2014-01 Timeliness and Accuracy of Year-End Close: The auditor identified that the fiscal year 2014 year-end close was adversely affected by the implementation of the City's new financial system and key staffing turnover in the Finance Department. This is a known challenge that staff actively worked to overcome in fiscal year 2014.

- a. The City concurs that the implementation of the new financial system contributed greatly to a difficult year-end closing for fiscal year 2014. Staff has developed new procedures and is updating policies to ensure that future fiscal years will not experience the same challenges. The increased number of post-closing journal entries were largely driven by fiscal year 2014 being the first year the City transacted in the new financial system. Staff does not expect this to be repeated in future years.
- b. The City has also worked to fill key vacancies in the Finance Department during fiscal years 2014 and 2015.

2014-02 Accurate and Timely Reconciliation of Bank, Investment and Escrow Accounts: The auditor recommends that the City reconciles all bank and investment accounts in a timely and accurate manner regardless of staffing challenges.

- a. The City concurs that timely reconciliation of all bank and investment accounts is of great importance. Staff has implemented changes in its procedures to ensure that reconciliation of bank and investment accounts occurs in a timely and accurate manner in response to “best practices” in our industry.

2014-03 Accounts Receivable and Payable Detail Reports and Reconciliation: The auditor recommends that the City should reconcile the accounts payable and accounts receivable sub-ledgers and develop reports to support the balances of both.

- a. During fieldwork, staff was not able to provide the auditors support schedules directly from the system to support the City’s Accounts Payable and Accounts Receivable balances in total. Staff was able to support these balances by other means; however, the information did not come directly from the City’s system. Staff uncovered the lack of availability of reports when closing fiscal year 2014, which was the first year of transactions in the City’s new financial system. Staff is working with its system vendor to create the appropriate reports.

2014 – 04 Proper Recording of Capital Assets: The auditor recommends that the City review all capital outlay expenditures to identify items for proper capitalization and classification.

- a. The City concurs with this recommendation and has implemented procedures in its year-end closing process to ensure that this condition no longer exists.

Fiscal Year 2013 Findings

The City resolved two of three findings from fiscal year 2013 during fiscal year 2014. Findings (2013-02 Funding Retiree Healthcare Liabilities (OPEB) and 2013-03 Compliance with California Government Code 53646) will not require further action and will be removed from future audit transmittals. Finding 2013-01 remains and is noted above as part of fiscal year 2014 finding 2014-01.

PUBLIC CONTACT

On July 30, 2014, Maze & Associates presented to the Council Budget & Finance Committee and overview of the fiscal year 2014 audit process and role of the external auditor; staff presented a preliminary, unaudited fiscal year 2014 General Fund summary to the Council Budget and Finance Committee on November 17, 2014 and to City Council on December 16, 2014. Staff presented the final audit findings and CAFR to the Council Budget & Finance Committee on April 16, 2015.

Prepared by: Dustin Claussen, Deputy Director of Finance

Recommended by: Tracy Vesely, Director of Finance

Approved by:



Fran David, City Manager

Attachments: I. Resolution
II. Memorandum on Internal Control and Required Communications
III. Comprehensive Annual Financial Report (CAFR) located on the City website
http://www.hayward-ca.gov/CITY-GOVERNMENT/DEPARTMENTS/FINANCE/documents/2014/FY2014_Hayward_CAFR.pdf

HAYWARD CITY COUNCIL

RESOLUTION NO. 15-

Introduced by Council Member _____

RESOLUTION ACCEPTING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2014; AND THE MEMORANDUM OF INTERNAL CONTROLS AND REQUIRED COMMUNICATIONS

WHEREAS, the required audit of the financial statements and internal controls of the City of Hayward has been completed for the year ended June 30, 2014 by the City's independent auditors, Maze & Associates.

BE IT RESOLVED by the City Council of the City of Hayward that the City Council accepts and files the Comprehensive Annual Financial Report for the Year Ended June 30, 2014; and the accompanying Memorandum of Internal Controls and Required Communications letters.

HAYWARD, CALIFORNIA _____, 2015

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

**CITY OF HAYWARD
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS
FOR THE YEAR ENDED
JUNE 30, 2014**

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**CITY OF HAYWARD
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS**

For the Year Ended June 30, 2014

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MEMORANDUM ON INTERNAL CONTROL

To the City Council of
the City of Hayward, California

In planning and performing our audit of the basic financial statements of the City of Hayward for the year ended June 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist and that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies in internal control included on the Schedule of Material Weaknesses to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control included on the Schedule of Significant Deficiencies to be significant deficiencies.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe to be of potential benefit to the City.

Management responses included in this report have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, City Council, others within the organization, and agencies and pass-through entities requiring compliance with *Government Auditing Standards*, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'Maze & Associates' in a cursive, script font.

Pleasant Hill, California
March 19, 2015

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CITY OF HAYWARD

MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF MATERIAL WEAKNESSES

2014-01: Timeliness and Accuracy of Year-End Close

Criteria: The City should strive to limit the amounts and numbers of adjusting journal entries (AJEs) after year end closing. It is crucial that control procedures be maintained in order to produce accurate and timely financial data.

Condition: The City began a conversion of its financial system in June 2013 and completed the implementation in fiscal year 2014. With vacancies in key accounting positions, the resources of the Finance Department in fiscal year 2014 were consumed by the system conversion and the closing of fiscal year 2013. As a result, this had a significant impact on the fiscal year 2014 year-end audit in spite of staff's diligence and providing full cooperation to our audit.

During the audit, City staff had difficulty providing closing balances for capital assets, long-term liabilities, claims liabilities, various revenue and expenditure accruals and transactions in the Successor Agency to the Redevelopment Agency Private Purpose Trust Fund. These areas affected the year-end close and most of the City's funds. In addition, the City did not post all prior year audit adjustments to its books, causing adjustments to the beginning fund balances or net positions of thirteen funds. As a result, sixty-two post-closing entries (forty-five prepared by City staff and seventeen proposed by us) were posted to the City's financial statements.

Furthermore, due to staff shortages, we found that two Finance staff members had system permission to initiate and post journal entries during part of the fiscal year. Also, nineteen journal entries out of the forty that we tested were posted to the general ledger more than thirty days after they were prepared.

Effect: The above condition delayed the completion of the close which increases the risk that errors may go undetected by staff and corrections may not be made in a timely manner. Audit effort was substantially increased in response to these increased risks.

Cause: As mentioned above, the condition was caused by the financial system conversion, and staffing shortages and changes.

Recommendation: With the conclusion of the system implementation and recent issues in filling the key accounting positions, the City should review and redesign its accounting procedures in order to achieve a more timely and accurate close of its books in fiscal year 2015.

In addition, as part of year-end closing, the City should compare beginning fund balances and net positions of all funds to the ending balances stated on the prior year audited financial statements to ensure that all audit adjustments have been booked.

Management Response: The City agrees with this finding. The two-year financial system conversion/implementation and staffing changes certainly impacted some of the City's accounting operations. The implementation is now substantially complete and the City has hired experienced and skilled staff. The Finance Department has developed new procedures to ensure that the conditions above do not recur. Upon learning of the control weaknesses, the City immediately updated a number of internal control procedures, including: establishing the appropriate creation/approval process for journal entries; establishing procedures to ensure beginning fund balances match audited balances after the posting of audit entries; and implementing procedures to ensure a timely and accurate fiscal year close in future years.

CITY OF HAYWARD

MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF MATERIAL WEAKNESSES

2014 – 02: Accurately and Timely Reconciliations of Bank, Investment, and Escrow Accounts

Criteria: Bank account reconciliations are an important element of the City's internal control structure. Bank reconciliations should be completed after each month-end and usually within 30-45 days of receipt of the bank statements, and subsequently reviewed in a timely manner for accuracy. The investments and trustee accounts should also be reconciled to statements and the general ledger on a monthly basis in order to maintain effective controls.

In addition, for monitoring purposes, both the preparer and the reviewer of the reconciliation should sign the date the document to leave a proper audit trail.

Condition: During the year, many of the City's bank, investment, and trustee accounts were not reconciled to the monthly statements in a timely manner. In addition, reviews of the reconciliations were not timely. In testing of the reconciliation items, the City could not provide supporting documents to some of the items. Also, there were reconciliation items that have been outstanding since 2013 that should have been booked by the City into its general ledger. In addition, we found that the City's Investment Report for the quarter ending March 31, 2014 did not agree to the City's general ledger.

Effect: The City's book balances of the above accounts did not reflect the correct balances during the year. Errors, mistakes and unauthorized transactions in these accounts would not be detected and remedied in a timely fashion.

Cause: The City encountered a combination of difficulties in the past few years, including the financial system conversion, staff changes, and shortages. The City is currently in the process of training new staff to take over the reconciliation duties.

Recommendation: The following changes are recommended:

- Implement procedures to ensure all cash, investment, trustee and escrow account reconciliations are prepared and reviewed in timely manner with proper sign off.
- Cross-train employees to perform and review the reconciliations.
- Ensure proper maintenance of supporting documents for all financial transactions and establish standard procedures to investigate reconciliation discrepancies in a timely manner.

Management Response: The City agrees with this finding. The City reconciled its June 30, 2014 bank statements and future periods. The City now has multiple members on staff with knowledge and skill to complete bank reconciliations and has established an internal protocol (including procedures to more easily catalog and reference cash receipts to automate the process) to ensure timely completion. Additionally, the Finance Department requires oversight staff to review and sign off on the reconciliations prepared other Finance staff.

CITY OF HAYWARD
MEMORANDUM ON INTERNAL CONTROL
SCHEDULE OF MATERIAL WEAKNESSES

2014 – 03: Accounts Receivable and Payable Detail Reports and Reconciliation

Criteria: The City should have the capability to generate accounts receivable (A/R) and payable (A/P) detail reports from the accounting system. Additionally, A/R and A/P balances from the sub-ledgers should be reconciled to the general ledger on a monthly basis.

Condition: City staff was unable to generate either A/R or A/P detailed reports from the new financial system. In addition, no reconciliation of sub-ledgers to general ledger of A/R or A/P was performed in fiscal year 2014. Specifically, we noted the following issues:

- At June 30, 2014, the City could not allocate \$1,093,642 of revenue deposited to the City's general checking account to the appropriate revenue accounts due to the inability of the City's system to generate supporting records and lack of reconciliation between the revenue and accounts receivable module to the City's general ledger.
- A journal entry in the amount of \$2,234,276, which was intended to reverse A/P for the fiscal year 2015, was posted to the fiscal year 2014 period erroneously, causing negative A/P balances in fiscal year 2014 prior to audit adjustments.

Effect: Without regular reconciliation, the A/R and A/P balances in the general ledger may not be accurate. Fraud or errors cannot be detected with lack of reconciliation in these areas.

Cause: According to the City staff, the new accounting system does not allow the City to generate A/R or A/P detail reports. With the shortfall of staffing level, the duty of reconciliations between sub-ledgers and general ledger was not fulfilled.

Recommendation: We recommend the City work with the programmers of the accounting system to determine a method of generating the A/R and A/P detail reports. The City should adopt a standard procedure to perform the reconciliations as well as designate a senior staff to review the reconciliation on monthly basis to ensure the accuracy of the A/R and A/P balances.

Management Response: The City agrees with this finding. The City is working with its financial software provider to establish the appropriate A/R and A/P detail reports. The City is also updating its reconciliation and review procedures to ensure reconciliation is timelier and reviewed by senior staff to quickly identify and investigate any possible discrepancies.

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CITY OF HAYWARD

MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

2014 – 04: Proper Recording of Capital Assets

Criteria: Capital assets should be capitalized in the fiscal year they are acquired. In addition, construction in process (CIP) balance should only be transferred to the appropriate capital asset categories once the projects are complete.

Condition: During current year, the City capitalized certain capital assets amounted to \$2,038,052 that were acquired in fiscal year 2013. In addition, the City capitalized capital assets amounted to \$1,503,695 which were acquired in fiscal year 2015. Furthermore, the City transferred capital projects amounted \$113,386 from CIP to their associated capital asset categories despite the fact the projects were not completed in fiscal year 2014.

Effect: While the balances of the above transactions are immaterial to the financial statements, the capital assets balances were understated in fiscal year 2013 and overstated in fiscal year 2014.

Cause: The above condition was due to staff oversight.

Recommendation: During the year-end close, the City should review all capital outlay expenditures to determine whether items represent assets that should be capitalized. In addition the City should review the capital asset details to ensure the proper classification.

Management Response: The City agrees with the recommendation and has subsequently reassigned the task of reviewing capital assets and implemented procedures to ensure accurate recording of assets to the appropriate fiscal year.

CITY OF HAYWARD

MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE

The following comment represents new pronouncements taking affect in fiscal year 2015. We have cited them here to keep you abreast of developments:

EFFECTIVE FISCAL YEAR 2015:

GASB 68 - Accounting and Financial Reporting for Pensions (an amendment of GASB 27)

This Statement will have material impact on the City's financial statements. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

In financial statements prepared using the economic resources measurement focus and accrual basis of accounting, a single or agent employer that does not have a special funding situation is required to recognize a liability equal to the net pension liability. The net pension liability is required to be measured as of a date no earlier than the end of the employer's prior fiscal year (the measurement date), consistently applied from period to period.

Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employees whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared.

The following are the major impacts:

- This Statement requires the liability of employers and non-employer contributing entities to employees for defined benefit pensions (**net pension liability**) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (**total pension liability**), less the amount of the pension plan's **fiduciary net position**.

CITY OF HAYWARD

MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

**GASB 68 - Accounting and Financial Reporting for Pensions (an amendment of GASB 27)
(Continued)**

- Actuarial valuations of the total pension liability are required to be performed at least every two years, with more frequent valuations encouraged. If a valuation is not performed as of the measurement date, the total pension liability is required to be based on update procedures to roll forward amounts from an earlier actuarial valuation (performed as of a date no more than 30 months and 1 day prior to the employer's most recent year-end).
- The actuarial present value of projected benefit payments is required to be attributed to periods of employee service using the entry age actuarial cost method with each period's service cost determined as a level percentage of pay. The actuarial present value is required to be attributed for each employee individually, from the period when the employee first accrues pensions through the period when the employee retires.

Management's Response:

Management is reviewing the implementation of this statement and will comply with the requirements for fiscal year 2015 as applicable.

GASB 69 – Government Combinations and Disposals of Government Operations

This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

Management's Response:

Management is reviewing the implementation of this statement and will comply with the requirements for fiscal year 2015 as applicable.

GASB 71 - Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68

The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Management's Response:

Management is reviewing the implementation of this statement and will comply with the requirements for fiscal year 2015 as applicable.

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CITY OF HAYWARD

MEMORANDUM ON INTERNAL CONTROL

STATUS OF PRIOR YEAR SIGNIFICANT DEFICIENCIES AND OTHER MATTERS

2013 – 01: Timeliness of Year-End Close

Criteria: When implementing a new financial system, it is crucial that control procedures be maintained in order to produce accurate and timely financial data.

Condition: The City converted to a new financial system in 2013. The system implementation was given top priority during the months of July to September 2013, which are usually the months that the City focuses on closing its books of the prior fiscal year. The condition was exacerbated by the departure of the Accounting Manager and other vacancies in the department. The year-end audit was adversely affected as a result of the system conversion and staffing shortages. Staff has worked diligently during the implementation and has provided full cooperation to our audit. However, while the new financial system is expected to contribute to efficiency improvements and ease the year end closing pressures in future years, the first year close under the new system proved challenging. During the audit, staff proposed thirty-seven post-closing entries, an increase over prior year. Staff had difficulty completing bank reconciliations, and the closing balances for capital assets, grant revenues, claims liabilities, transactions in the Successor Agency to the Redevelopment Agency Private Purpose Trust Fund, and various revenue and expenditure accruals. These areas affected the year-end close and most of the City's funds.

Effect: The above condition delayed the completion of the close which increases the risk that errors may go undetected by staff and corrections may not be made in a timely manner. Audit effort was substantially increased in response to these increased risks.

Cause: As mentioned above, the condition was caused by system conversion, and staffing shortages and changes.

Recommendation: The City has made substantial progress in the system implementation and the effects felt this year is not expected to staff to be a major problem in future years. However, the City should address its staffing needs as soon as possible to ensure resources are available as needed for operations and to provide continuity. In addition, continued refinement of the system should be ongoing to ensure that the timeliness of critical closing procedures improves so that required reporting can be completed in a timely fashion.

Current Status: See Current Year Material Weakness item 2014-01.

CITY OF HAYWARD

MEMORANDUM ON INTERNAL CONTROL

STATUS OF PRIOR YEAR SIGNIFICANT DEFICIENCIES AND OTHER MATTERS

2013 – 02: Funding Retiree Healthcare Liabilities (OPEB)

Criteria: To maintain long-term financial sustainability, the City should develop a plan to fund its other-post-employment benefits (OPEB).

Condition: As disclosed in the Note 14 to the financial statements, the City had unfunded retiree healthcare liabilities as discussed below:

- The actuarial valuation while the unfunded actuarial accrued liability (UAAL) amounted to \$68 million, with a funded ratio of only 1%.
- The City's net OPEB liability for retiree healthcare, representing total unfunded annual required contributions to date, amounted to \$19 million as of June 30, 2013.

The unfunded liabilities are long-term liabilities that are expected to come due over an extended period. While budgets for fiscal 2013 included provisions for contributions at existing rates, the above trends indicate that contribution rates in future years will increase, creating a greater drain of resources and decreasing resources available for operation.

Effect: There is an increased risk that retiree medical and pension liabilities will grow to unsustainable levels unless sound funding strategies are adopted.

Cause: Due to continued General Fund deficits and competing priorities for funding, the City has not been able to adequately fund its future retiree medical benefit liability (OPEB). The City does fully fund payments to current retirees ("pay go"), but has been fiscally unable to contribute to its OPEB liabilities. While the City Council has recognized the need for increased funding toward this benefit liability, budget shortfalls have precluded the Council from even funding the retiree medical annual required contribution (ARC) minimum annual funding.

Recommendation: Sound fiscal policy should be established to fund long-term liabilities and that funding should be incorporated into the City's annual budgets and operations as well as financial projections and forecasts.

Current Status: The City Council has been actively reviewing its long-term benefit liabilities and has built the funding of the retiree medical ARC into the General Fund Ten-Year Plan. City Council has requested and will consider a funding policy and funding plan for its benefit liabilities as part of the fiscal year 2015 budget process.

CITY OF HAYWARD

MEMORANDUM ON INTERNAL CONTROL

STATUS OF PRIOR YEAR SIGNIFICANT DEFICIENCIES AND OTHER MATTERS

2013 – 03: Compliance with Government Code 53646

Criteria: California Government Code 53646 states that Investment Reports shall include a statement denoting the ability of the local agency to meet its pool's expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

Condition: The City's investment advisor prepares a monthly Account Statement for the City. This Statement is submitted to the City Council as the City's Investment Report. Per review of the Account Statement for the month ended June 30, 2013, it was noted that the report did not include the clause mentioned above as required by the California Government Code 53646.

Effect: The City is not in compliance with California Government Code 53646.

Cause: The City – while striving to be in full compliance with all California Government Code provisions – was unaware of the specific provision in section 53646 regarding a statement denoting the ability of the local agency to meet its pool's expenditure requirements for the next six months.

Recommendation: We recommend that the City prepare a written statement which includes the required clauses stated in Code 53646 as discussed above in the Investment Report package submitted to Council.

Current Status: The City has since implemented the appropriate language in its investment reports – and is now in compliance with the provisions of Government Code 53646.

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REQUIRED COMMUNICATIONS

To the City Council of
the City of Hayward, California

We have audited the basic financial statements of the City of Hayward for the year ended June 30, 2014. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards and, *Government Auditing Standards* and OMB Circular A-133.

Significant Audit Findings

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Hayward are described in Note 1 to the financial statements. The following pronouncements became effective, but did not have a material effect on the financial statements:

GASB 65 – *Items Previously Reported as Assets and Liabilities*

GASB 67 – *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*

GASB 70 – *Accounting and Financial Reporting for Non-exchange Financial Guarantees*

Unusual Transactions, Controversial, or Emerging Areas

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the City's financial statements were:

Estimated Fair Value of Investments: The City's cash and investments are measured by fair value as disclosed in Note 2 to the Financial Statements. Fair value is essentially market pricing in effect as of June 30, 2014. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2014.

Estimate of Depreciation: Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 5 to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Estimate of Compensated Absences: Accrued compensated absences which are comprised of accrued vacation, holiday, compensating time and sick leave is estimated using accumulated unpaid leave hours and hourly pay rates in effect at the end of the fiscal year as disclosed in Note 1 to the financial statements. We evaluated the key factors and assumptions used to develop the accrued compensated absences in determining that it is reasonable in relation to the financial statements taken as a whole.

Estimated Net OPEB Obligation: Management's estimate of the net OPEB obligation is disclosed in Note 14 to the financial statements and is based on an actuarial study determined by a consultant, which is based on the health care benefits experience of the City. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the disclosure of Redevelopment Agency dissolution and Successor Agency activities in Note 19 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Except for the misstatements discussed in Material Weaknesses 2014-01, 2014-02 and 2014-03, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

The attached 3400.03-PAJE Report summarizes uncorrected misstatements we found during our audit. Management has concluded that these misstatements do not have a material effect individually or in total to the financial statements as a whole. We concur with management's conclusion, but are required by professional standards to report these unposted entries to you.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the City Council.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in a management representation letter dated March 19, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information Accompanying the Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

With respect to the required supplementary information accompanying the financial statements, we applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not express an opinion nor provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Introductory and Statistical Sections included as part of the Comprehensive Annual Financial Report have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we did not express an opinion nor provide any assurance on them.

This information is intended solely for the use of City Council/the Board and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Maze & Associates

Pleasant Hill, CA
March 19, 2015

Client: **Hayward - City of Hayward**
 Engagement: **14 AUD - 6/30/14 Audit Hayward**
 Period Ending: **6/30/2014**
 Trial Balance: **GASB TB**
 Workpaper: **3400.03 - PJE Report**

Account	Description	W/P Ref	Debit	Credit
Proposed JE # 83		4110.20		
Maze AJE: To record cash and revenue in General Fund, Water Fund, and Sewer Fund for revenue collected during Fiscal Year 2014.				
100-00-0000-00000-10100-	GEN FUND-CASH IN BANK		134,384.00	
603-00-0000-00000-10110-	WATER-CASH		311,526.00	
610-00-0000-00000-10110-	SEWER-CASH		164,925.00	
100-00-0000-00000-46110-	GEN FUND-OTH REV			134,384.00
603-55-0000-00000-46110-07034	OTHER REVENUE			311,526.00
610-00-0000-00000-46110-	SEWER-OTH REV			164,925.00
Total			610,835.00	610,835.00
Proposed JE # 88		5710.10		
Maze AJE: To record the increase in the claims liability based on loss run.				
710-03-0320-13120-62275-	RISK MANAGEMENT-LITIGATE		75,755.00	
710-00-0000-00000-25110-	GEN LIAB-ACC CLAIM			75,755.00
Total			75,755.00	75,755.00
Proposed JE # 93		5100.00		
Maze AJE: To reverse accounts payable in General Fund carried forward from Fiscal Year 2013.				
100-00-0000-00000-21210-	GEN FUND-ACCURED AP		37,047.00	
100-00-0000-00000-21351-	DUE TO OTHER GOVT AGENCIES		14,279.00	
100-00-0000-00000-62265-	MISCELLANEOUS EXPENSE			51,326.00
Total			51,326.00	51,326.00
Proposed JE # 94		4310.20		
Maze AJE: To increase property tax revenue in Fiscal Year 2014.				
100-00-0000-00000-12240-	GEN FUND-AR MISC		27,741.00	
100-15-0001-10001-41110-	ADMIN-PROP T SEC			14,696.00
100-15-0001-10001-41120-	ADMIN-PROP T UNS			13,045.00
Total			27,741.00	27,741.00
Proposed JE # 96		4100.05		
Maze AJE: To increase cash by amount in reconciliation.				
100-00-0000-00000-10110-	GEN FUND-CASH		180,949.00	
100-00-0000-00000-46110-	GEN FUND-OTH REV			180,949.00
Total			180,949.00	180,949.00

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