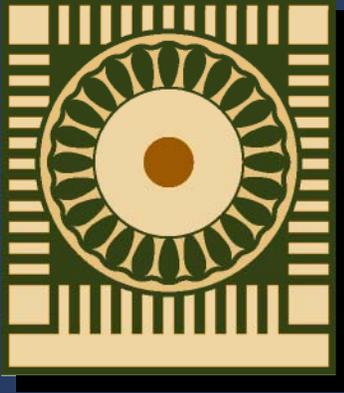


FY2012 Recommended Operating Budget

June 14



**Selected Department(s) Overview &
Department Head Comments**

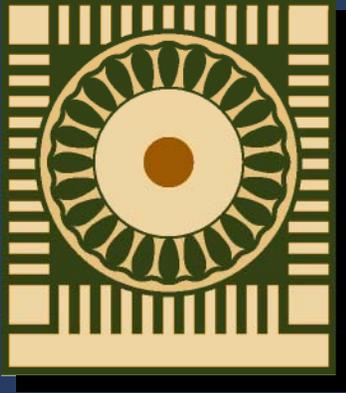
Tentatively Scheduled:

**Maintenance Services
Technology Services
City Attorney
City Manager**

Budget Wrap Up by Interim Finance Director



**FY2012 Recommended
Operating Budget**



Maintenance Services Department
Matt McGrath, Director



Fiscal Year 2012

Maintenance Services

Administration 1.5%

Landscape 14.6%

Landscape and Tree Trimming & Removal

Streets 9%

Maint., Street Patching, Sidewalk Repair, Traffic Ser.

Landscape 4.9% *Water Conservation*

Streets 9.7% *Storm Drain Maint.; Street Cleaning*

Facilities 21.9%

Maint. & Management of City Facilities

Fleet 32.6%

City Fleet Oper. & Maint.; Related Debt Service

Landscape & Lighting Districts 5.8%

Budget by Division

\$15.1m

(amounts stated in millions)



- Administration
- Landscape
- Streets
- Landscape
- Stormwater
- Facilites
- Fleet
- Lighting Districts



FY 2011 Accomplishments

Maintenance Services



Graffiti Abatement



Staff has abated over 287,000 square feet of graffiti.



FY 2011 Accomplishments

Maintenance Services

Illegal Dumping Abatement



Staff has removed over 3,100 cubic yards of debris from the City's right of way.



FY 2011 Accomplishments

Maintenance Services

Corridor Maintenance and Improvement



Completed redesign and landscaping at the corners of Jackson and Meek, and Jackson and Silva.

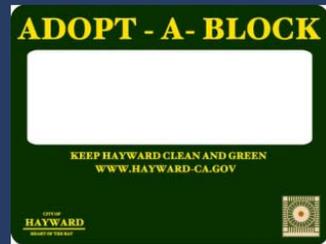
HAYWARD



FY 2011 Accomplishments

Maintenance Services

Support of Community Clean-Up Efforts



- Keep Hayward Clean and Green Task Force
- Adopt-A-Block
- Neighborhood Partnerships
- Annual Clean-Up Day Event
- Other volunteer groups

HAYWARD



FY 2011 Accomplishments

Maintenance Services



Safe

- **Safe:** Installed 30 rubberized speed lumps.
- **Safe:** Road closures for Downtown Street Parties, Blues Festival, and Light Up the Season.
- **Safe:** Replaced emergency generators at Fire Station 2, 3, 4, and 5.
- **Safe:** Installed new card access at City Hall.
- **Safe:** Maintained and repaired 375 pieces of equipment in the fleet. Met all State and Federal mandates.
- Updating police patrol vehicle replacements (Crown Victoria) with Dodge Chargers.



FY 2011 Accomplishments

Maintenance Services



Clean

- **Clean:** Issued 7,700 “No Parking” street sweeping citations.
- **Clean:** Closed 3,371 CRM requests in 2011.
- **Clean:** Added 7 new streets to the posted street sweeping program.
- **Clean:** Supported all KHCG Clean-Up Events.
- **Clean:** Participated in Adopt-A-Block Committee and assisted in implementation of the program.

HAYWARD



Fiscal Year 2012

Maintenance Services

FY2012 Significant Changes
Reduction of 6 FTEs

Staffing Reductions

- Landscape Maintenance -2*
- Street Maintenance -2*
- Fleet -1*
- Facilities -1*

Impact of Staffing Reductions

Will impact response time to abating graffiti, tree maintenance, debris removal, and landscape maintenance

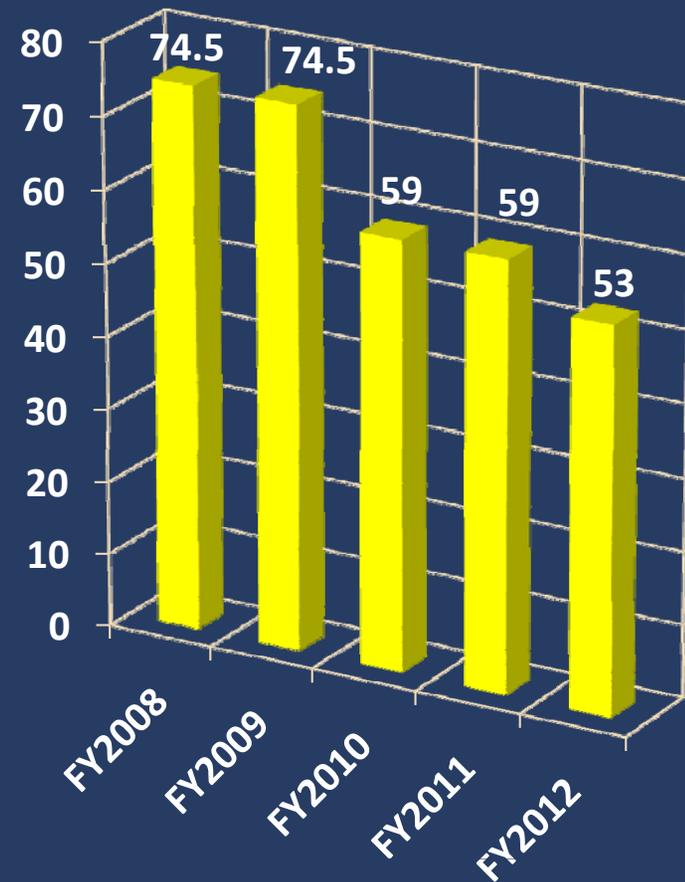
Facilities

Increased both maintenance and utilities expenses

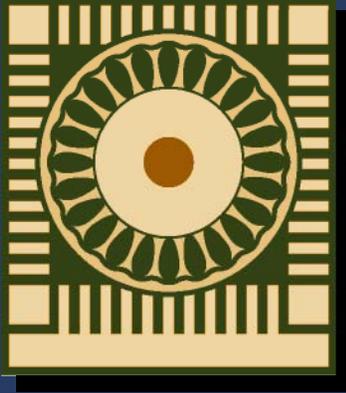
Fleet

Reduced auto parts

Staffing (FTE)



FY2012 Recommended Operating Budget



Technology Services Department
Clancy Priest, Director

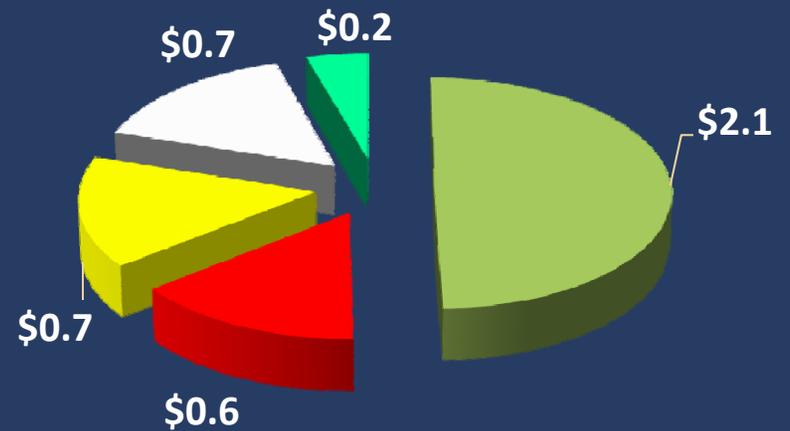


Fiscal Year 2012 Technology Services

Budget by Category

\$4.3m

(amounts stated in millions)



Net Staffing Expense/ 49.7%

Maintenance and Utilities/ 14.7%

Supplies and Services/ 15.6%

Debt Service/ 15.6%

Transfers Out/ 4.4%

- Net Staffing
- Maintenance & Utilities
- Supplies & Services
- Debt Service
- Transfers Out



Fiscal Year 2012 Technology Services

FY2012 Significant Changes

Reduction of 1 FTE

Elimination of Network System Specialist

Dedicated to Public Safety

Elimination of charges for and transfer to
Technology Capital Fund

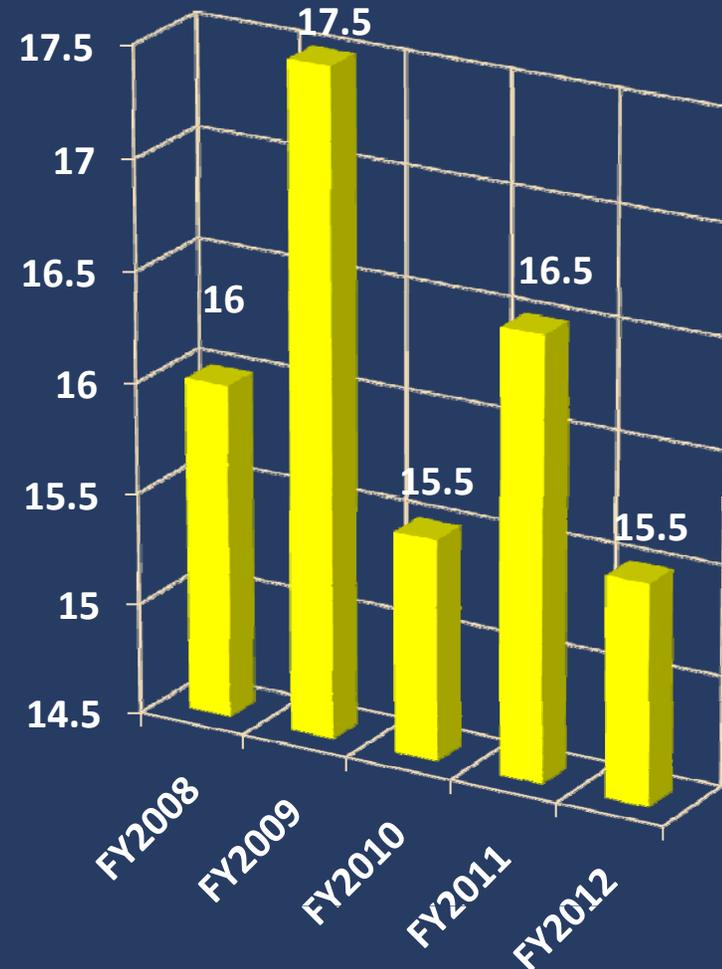
Reduction in Discretionary Budget

*Purchase for technology system failures or to
enhance existing systems (\$52k)*

Elimination of Contract Employees

Two contract employee position (2009)

Staffing (FTE)



Fiscal Year 2012 Technology Services Service Level Impact

- **Loss of Public Safety Network Systems Specialist**
 - » Ability to manage PS technology needs
- **Loss of contract employees**
 - » Resource reduction to support the organization
- **Reduction of discretionary funds**
 - » Hinders the ability to address unplanned needs
- **Project Management resources**
 - » Impacts management of day-to-day operations
- **Programming staff**
 - » Affects support of new and existing systems
- **Desktop support technicians**
 - » Service levels reduced and reaction times increased

In our current environment, Technology Services staff remain dedicated to outstanding customer service and endeavor to deliver cost effective and timely solutions to the enterprise.



Technology Services Staffing Levels vs. Obligations Doing more with less...

- *Technical staffing has declined over the last eight years...*

2004 staffing level was 23.5 (including FTE's and contract labor)

2012 staffing level is at 15.5 FTE's

- *Areas of responsibility have increased over the last eight years...*

Starting in 2004 Technology Service expanded to include:

- Combine, consolidate and expand City networks
- Geographical Information Systems (GIS)
- Public Safety (Fire and Police) IT services
- Website/Webcast services
- Council Chamber Technology
- Audio/Visual systems
- Telephony (VoIP) and Smart Phone Support
- Public/Educational/Government (PEG)
- Access Hayward

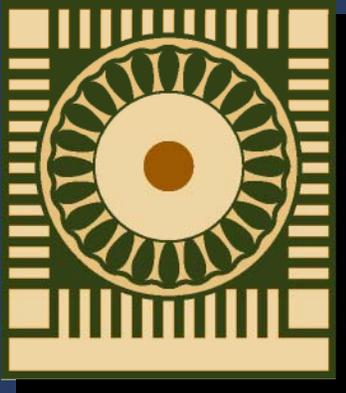


Technology Services Under or Un-funded Future Projects Ten year forecast...

- Network infrastructure replacement
- Telephony system replacement
- Data/File storage system upgrade
- Disaster recovery system (backup/restore)
- Emergency Preparedness Technology (EOC)
- Audio/Visual systems
- Council Chambers technology upgrade
- Fiber Optic infrastructure expansion
- Customer Service 3-1-1 System
- E-mail system upgrade

These future un-funded needs will cause severe impact on our ability to support and provide technology solutions to the organization.





FY2012 Recommended Operating Budget

City Attorney Department
Michael Lawson, City Attorney



Fiscal Year 2012 City Attorney

Budget by Division

\$3.6m

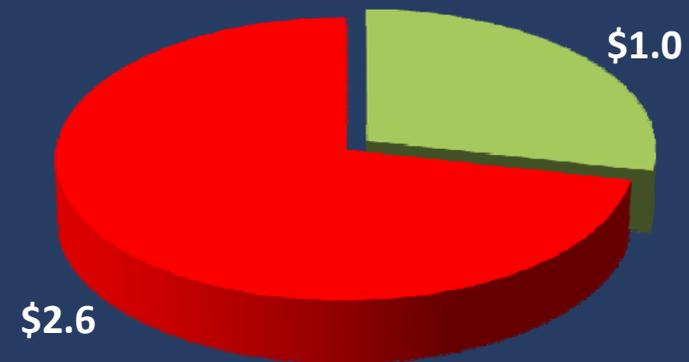
(amounts stated in millions)

Office of the City Attorney / 28.4%

General legal services

Risk Management / 71.6%

Risk Management Services



■ Office of the City Attorney

■ Risk Management



Fiscal Year 2012 City Attorney

FY2012 Significant Changes

Reduction of 1 FTE

Reduction in FTE -1

Elimination of a Legal Secretary I position

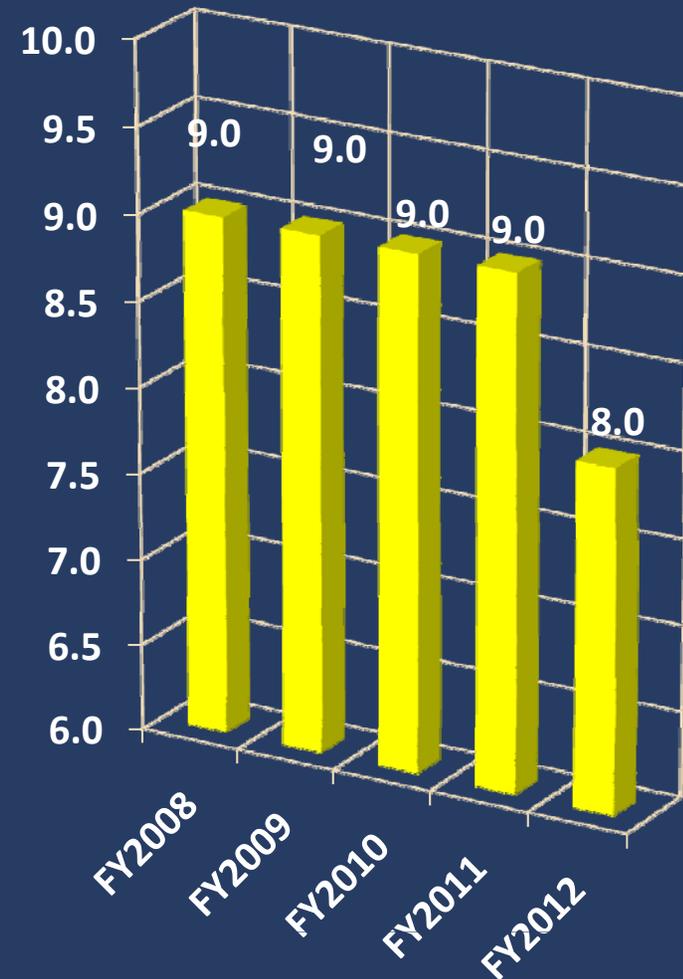
Not anticipated to affect delivery of core services related to litigation

Will negatively affect timeliness of service delivery to internal clients

Other Cost Reduction

Risk Management reduced budget for Claims, Settlements and Outside Counsel Costs

Staffing (FTE)



Fiscal Year 2012 City Attorney

Safe, Clean and Green -- Aligning Resources with Council Priorities in FY 2011

- Presentation of Gang Injunction initiative
- 6 SMASH operations and 10 mini-SMASH operations
- 19 Neighborhood Partnership meetings
- Presentation of hand cart vendors regulations
- Presentation of noise ordinance update
- Presentation of revised Ordinance regulating commercial vehicle parking in residential neighborhoods
- Legislative support of sustainability programs



Fiscal Year 2012 City Attorney

Other Strategic Activities in FY 2011

- Supporting the Youth Commission's trip to Sacramento
- Implementing Proposition 26 (fees and taxes)
- Staying current with Mobile Park litigation and legislation
- Taking a leadership role in evaluating and selecting new outside legal counsel for RDA/affordable housing projects
- Assisting in the county-wide response to the fall-out resulting from ACAP's demise
- Identifying strategies to assure safe water on rental properties served by well water



Fiscal Year 2012 City Attorney

Core Services – FY 2011 Accomplishments

- There were significant achievements in litigation
 1. City v. CSU Trustees (fire protection)
 2. Simpson v. City (power plant)
 3. La Raza v. Skinner (1971 Route 238 housing dispute)
 4. Award of \$50 million contract for Route 238 improvement project
 5. Several Superior Court decisions favorable to City, particularly related to Community Preservation enforcement orders
 6. RHO v. City (RRIP) remains on appeal, with possible resolution in FY 2012 – outcome will not affect self-certification



Fiscal Year 2012 City Attorney

Notable Positive Trends in Managing Claims

- Declining number of claims filed between 2008-2011
- Declining values related to settlements of claims
- Increasing number of claims that are not litigated



Fiscal Year 2012 City Attorney

Notable Positive Trends in Managing Lawsuits

- City took big hits in FY 2009 and 2010 related to three lawsuits
- 20 lawsuits are typically pending at any given time
- Values for settlements and judgments have declined
- Values for reliance on outside counsel have also declined
- City now relies on staff attorneys to litigate complex lawsuits
- City is using only two outside firms currently (one of which does not impact General Fund/Risk Fund)
- City is aggressive in seeking attorneys fees where appropriate



Fiscal Year 2012 City Attorney

Year to Year Declining Trends



Department Summary City Attorney Department
All Funds Summary - By Category All Funds

All Funds Summary - By Category

Funding:
General Fund and Risk Management Fund.

	FY 2009 Actual	FY 2010 Actual	FY 2011 Estimated	FY 2012 Recommended
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	FY 2009 Actual	FY 2010 Actual	FY 2011 Estimated	FY 2012 Recommended
RESOURCES				
Revenue and Transfers in from Other Funds				
General Fund Revenue	16			
Risk Management Fund	2,563			
Risk Management Fund Balance	1,856			
	<u>4,447</u>			
Fund Subsidy				
General Fund Subsidy	1,304			
	<u>5,751</u>			
Total Resources	5,751			
OUTLAYS				
Expenditures				
Salary				
Regular	1,064			
Overtime				
Vacancy Savings				
FY11 EE Commitment - FY12 Furloughs				
Benefits				
Medical Benefits	108			
Retiree Medical				
Other Benefits	57			
PERS	219,491	196,082	222,691	
Charges (to)/from other programs	(2,115)			
Net Staffing Expense	1,446,401	1,446,786	1,414,161	1,334
Maintenance & Utilities	112	242		1,800
Supplies & Services	3,818,275	2,614,087		1,832,851
Internal Service Fees	83,911	91,338		92,145
Capital				
Net Operating Expense	3,902,298	2,705,667	2,299,448	1,926,796
Transfers out to other funds	401,424	400,126	318,006	327,546
Total Outlays	5,751,823	4,552,579	4,031,615	3,627,676
Net Change	-	-	-	-

	401,124	400,126	318,006	327,546
Total Outlays	5,751,823	4,552,579	4,031,615	3,627,676



Fiscal Year 2012 City Attorney

What is Risk Management/Fund?

- Risk Management/Fund is a combination of fixed costs (staff and insurance premiums) and projected costs related to claims and litigation
- Includes 3 staff members
- Insurance premiums for Employment Practices Liability, General Liability, Property loss coverages and miscellaneous coverages -Claims, Settlements and related expenses -Outside counsel
- Projections are based on historical trends and analysis of pending claims and litigation
- Risk Management is an Internal Service Fund, not an Enterprise Fund -- Risk Fund is derived from the General Fund and does not have an independent source of funding such as ratepayers (e.g., Water Fund)



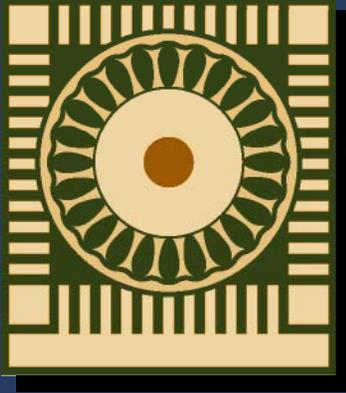
Fiscal Year 2012 City Attorney

Deploying Resources in FY 2012

- Filing Gang Injunction(s)
- Continuing support for SMASH and mini-SMASH operations
- Litigating hard-core nuisances
- Monitoring of Green Shutter Hotel developments
- Updating internal operations relating to purchasing and contracting policies



FY2012 Recommended Operating Budget



City Manager's Office

Kelly Morariu, Assistant City Manager



Fiscal Year 2012

City Manager's Office

The City Manager's Office organizationally encompasses several different operations and funds. The General Fund operations total approx. 19% or \$2.8M of the total department budget.

Office of the City Manager (General Fund)/19.4%

Includes Economic Development, Neighborhood Services, and Community Preservation

Housing Mortgage Revenue Bond Program Fund/1.4%

Collects fees for issuance of tax-exempt revenue bonds, and for the monitoring of bond-financed affordable rental housing

Home Loan Program Fund/4.1%

Annual allocation through the Alameda County HOME Consortium for housing assistance to low-income households

Downtown Business Improvement Fund/0.8%

RDA - Operating Fund/57.2%

Housing Authority Operating Fund/13%

Low-Moderate Income Housing Assistance

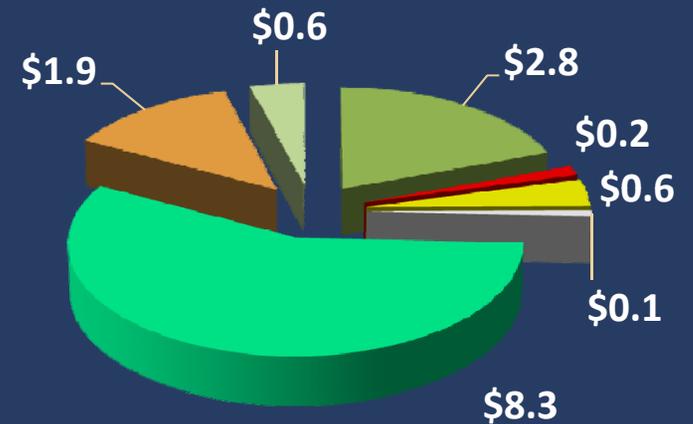
Home Ownership Loan Program Fund/4.1%

First time homebuyer assistance loans

Budget by Fund

\$14.5m

(amounts stated in millions)



- Office of the City Manager
- Housing Mortgage Rev Bond Prog
- Home Loan Program
- Downtown Business Improvements
- RDA Operating
- Housing Authority
- Home Ownership Loan Prog



City Manager's Office/Redevelopment Agency 2011 Accomplishments

CLEAN:

- **Implemented two Corridor Improvement Projects (Downtown: A St. – D. St. and Foothill Blvd. – Grand Ave., Tennyson Area: Harder from Santa Clara to Soto, Grand and Jackson St.) investigating over 600 properties**
- **Estimated 4,700+ Access Hayward Code Enforcement cases will be completed for FY2011**
- **Approval of final groundwater remediation plan for the Cinema Place project**
- **Completed rehabilitation of Tennyson Gardens, a 96-unit rental apartment complex for low-income families**
- **Rehabilitated five properties under Federal Neighborhood Stabilization Program (NSP)**
- **Designs completed and loan agreements executed for Foothill Boulevard Façade Initiative**



City Manager's Office/Redevelopment Agency 2011 Accomplishments

SAFE:

- **Revised Noise Ordinance approved by Council**
- **Conducted seventeen Phase I Neighborhood Partnership meetings in eight additional Hayward neighborhoods**

FISCAL STABILITY:

- **Provided assistance to over 160 businesses, 50 commercial brokers, and 34 small business loan clients looking at City of Hayward business opportunities**
- **Held four free, Investor Roundtable Series forums with the Northern Silicon Valley Partnership**
- **Proactively responded to State proposal to eliminate redevelopment agencies so as to protect the Agency's assets and best interests**
- **Placed 1,039 volunteers in City Departments through Volunteer Hayward Program**
- **Made 22 First Time Homebuyer loans totaling \$750,000**



City Manager's Office/Redevelopment Agency 2011 Accomplishments

LAND USE:

- **Finalized revised phasing plan for South Hayward BART project in 2011. Finalized and approved loan agreement with Eden Housing for balance of City's funding commitment to the project (anticipated by June 2011)**
- **Recommended interim relief Inclusionary Housing Ordinance adopted by City Council in December 2010**
- **Worked with Eden Housing to obtain entitlements for twenty-two low to moderate income senior housing units at the corner of "B" and Grand Streets**
- **Finalized negotiations for development of the Residual Burbank School site and executed Purchase Agreement for the property (anticipated by June 2011)**



Fiscal Year 2012

City Manager's Office

FY2012 Significant Changes

Reduction of 2 FTE

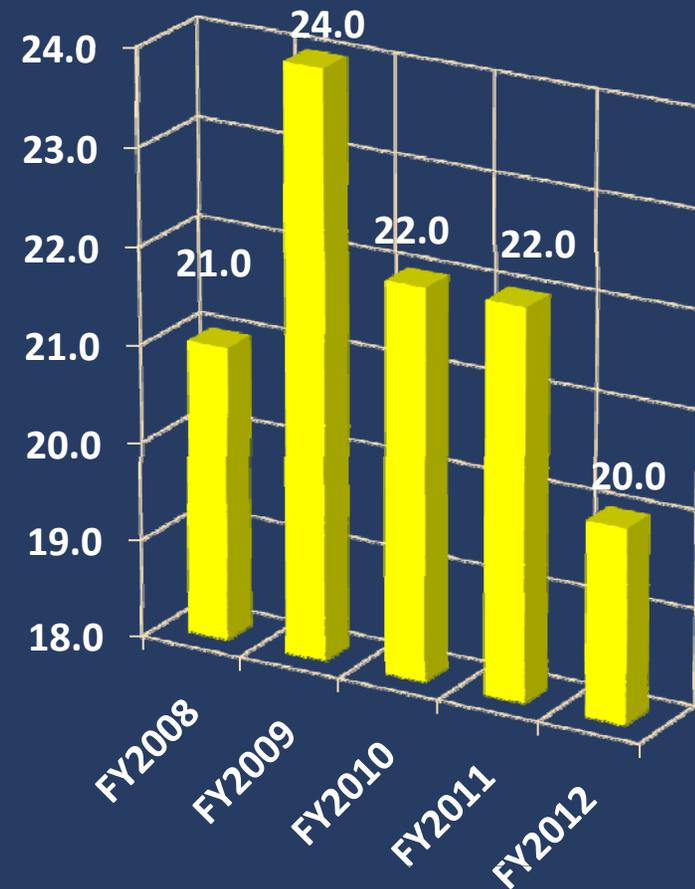
Reduction in FTE -2

Redevelopment Project Manager and
Community Preservation Inspector

Other Changes

- Reduction of auto allowance
- Transfer of Eden I&R Funding
- Fairview District weed abatement program transferred to the Fire Department

Staffing (FTE)



Fiscal Year 2012

City Manager's Office

Impacts of Budget Reductions

- **Reduced Community Preservation response times and longer case closure times**
- **Partial reduction of Community Preservation Fees due to loss of inspector position**
- **Transfer funding for Eden Information & Referral Program (211)**



Fiscal Year 2012 City Manager's Office Community Promotions Program

- Historical Funding (see handout for organization specific details):

FY2009 Grant Award	FY2010 Grant Award	FY2011 Grant Award	FY2012 Grant Recommendation
\$139,800	\$118,351	\$118,351	\$50,000 (+ \$68,851 RDA) = \$118,851

- Staff Recommendation: Return at 6/21 Council Meeting to appropriate funding for Community Promotion, BIA, and Public Art from FY2011 RDA funds.



Fiscal Year 2012 City Manager's Office Redevelopment Agency and Housing Authority

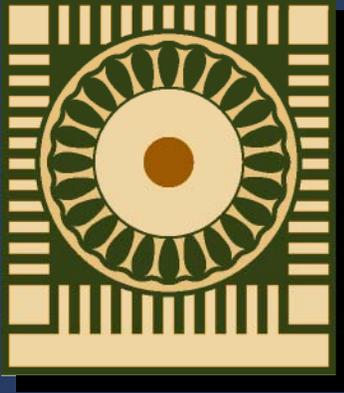
- **Legislative update**

- **Major items for FY2012:**
 - **Elimination of RDA project manager position**
 - **Continued repayment of General Fund loan**
 - **No project related budgets (except Retail Attraction) and no capital project transfers**
 - **Preparation of first Housing Authority operating budget**
 - **Minor Home Repair funding (\$250K) to offset CDBG funding reduction**
 - **South Hayward capital project funding in Housing Authority**

- **Staff to return with revised budget recommendations pending outcome of State actions**



FY2012 Recommended Operating Budget



Budget Wrap Up

Susan Stark, Interim Director of Finance



Fiscal Year 2012 Operating Budget Wrap Up

Open Items & Resolutions

May 31, 2011 Budget Work Session

> Social Services Program

Managed by Library & Community Services Department

City Manager's Staff Report of June 14

Council Direction Needed re Funding Recommendation

> Community Promotions

Managed by City Manager's Office; Program Presented to Council June 14

Resolution for Action to be Presented to Council June 21

> 211 Eden I&R

City Manager's Office Budget Presentation; Presented to Council June 14

Council Direction Needed

> General Fund Reserves & Designations

Possible Reallocation among Designations; GASB 54 Update to be Presented to Council Budget & Finance Committee in July



Open Items & Resolutions (continued)

June 7, 2011 Budget Work Session

- > Fire Department Staffing & Alternative to Keeping CUPA
*City Manager & Fire Chief assigned to analyze
Response included in June 14th Public Hearing Staff Report*

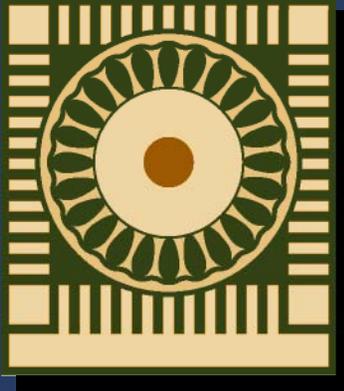
Next Steps

- > Public Hearing June 14, 2011
- > Budget Adoption June 21, 2011



PUBLIC HEARING

June 14, 2011



Fiscal Year 2012 Recommended Budget

Susan Stark, Interim Director of Finance

HAYWARD



Fiscal Year 2012

PUBLIC HEARING

General Fund Operating Budget - \$20 Million Gap

(amounts stated in millions)

Reduction in Resources \$ 1.8 m

Increase in Expenditures

Primarily Staffing Related

End of Employee Commitments from Prior Year 4.8

Estimated Salary, PERS, and Other Benefits Increase 5.2

Vacancies 3.6

Addition of Critical Unfunded Needs 2.7

Use of Fund Balance / Reserves 2.5

TOTAL BUDGET GAP: **\$ 20.6 m**

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Fiscal Year 2012

PUBLIC HEARING

General Fund Operating Budget - CLOSING THE GAP

(amounts stated in millions)

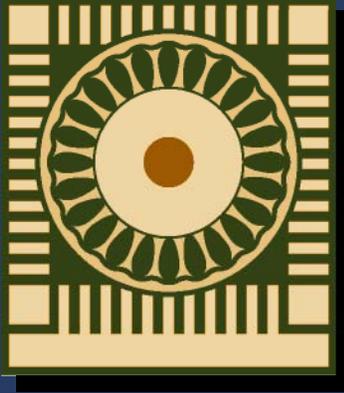
Staffing Cost Reduced – Due to Reduction in FTEs	\$ 5.2 m
Staffing Cost Reduced – Due to Bargaining Unit Concessions	8.7
Reduction to Overtime – Various Departments	0.4
Departmental Reduction to Various Operating Cost	1.2
Reduction to Fleet Services (Critical Unfunded Needs)	<u>0.4</u>
Total Expenditure Reductions:	\$ 15.9 m
Credit / Savings Due to Vacancies	\$ 1.0
Use of Fund Balance / Reserves	<u>3.7</u>
TOTAL BUDGET REDUCTIONS & USE OF FUNDS	\$ 20.6 m

=====



PUBLIC HEARING

June 14, 2011



Fiscal Year 2012 Recommended Budget

Susan Stark, Interim Director of Finance

HAYWARD

