



CITY OF  
**HAYWARD**  
HEART OF THE BAY

**DATE:** March 5, 2013  
**TO:** Mayor and City Council  
**FROM:** Director of Finance  
**SUBJECT:** FY 2013 Mid-Year Budget Review & General Fund Ten-Year Plan Update

**RECOMMENDATION**

That the Council reviews and comments on the FY 2013 Mid-Year Budget Review and General Fund Ten-Year Plan Update, and adopts the attached resolution approving the amendment to the City of Hayward Operating and Capital Improvement Budgets for Fiscal Year 2013.

**SUMMARY**

Staff is providing City Council with a mid-year update to the FY 2013 Adopted Budget and an update to the General Fund Ten-Year Plan. The mid-year review consists of three key elements:

1. Operating revenue and expenditure trends – and recommended revisions  
The mid-year review considers revenues and expenditures through the midpoint of the 2013 fiscal year – December 31, 2013 – and projects year-end results based on current trends and data. While staff reviewed the status of all key operating funds, this report focuses on the General Fund.
2. FY 2013 mid-year adjustments pursuant to new program revenues and the carry forward of FY 2012 encumbered expenses  
In addition to expenditure and revenue changes based on performance – the mid-year report also recommends adjustments to the full City budget (all affected revenue funds) from actions that occurred after the adoption of the FY 2013 budget – mostly related to receipt and appropriation of new grant revenues and project expenses and the carry forward of prior year encumbrances.
3. Update of General Fund Ten-Year Plan  
The Ten-Year Plan Update refines the forecast as adopted by City Council on June 26, 2012 as part of the FY 2013 & FY 2014 Biennial Budget.

The overall financial situation for FY 2013 has improved by \$1.6 million, resulting in the need to use less General Fund Reserve by a like amount. However, there still exists a structural General Fund gap of about \$4 million that grows to over \$29 million by FY 2022 (reflects sunset of Utility Users Tax in 2019).

## **BACKGROUND**

*Mid-Year Review* – This mid-year financial report recommends adjustments to the full City budget (all affected revenue funds) based on actions that occurred after the adoption of the FY 2013 budget – mostly related to receipt and appropriation of new grant revenues and project expenses. While staff considers the entire City budget in its mid-year review – this report focuses on the General Fund, providing an overview of FY 2013 General Fund revenues, expenditures, and fund balance projected through the remainder of the fiscal year. The analysis includes adjustments to several General Fund revenue categories based on current trends, resulting in a net increase to revenues of about \$2.5 million (largely attributed to Sales & Use Tax).

Currently, FY 2013 General Fund expenditures are tracking fairly close to budget. However, the report does recommend a number of adjustments to the Adopted Budget based on current spending and revenue trends. As such, the overall financial situation for FY 2013 has improved by \$1.6 million, resulting in the need to use less General Fund Reserve by a like amount. However, there still exists a structural General Fund gap of \$4 million that grows to over \$33.5 million by FY 2022 (reflect sunset of Utility Users Tax in 2019).

*General Fund Ten-Year Plan Update* – The Ten-Year Plan Update refines the forecast as adopted by City Council on June 26, 2012 as part of the FY 2013 & FY 2014 Biennial Budget. The model confirms a structural deficit due to slow economic recovery, increased employee services costs, and deferred capital and maintenance needs (fleet, facilities, public safety and technology). The Plan, as adopted by Council as part of Biennial Budget, is updated to reflect FY 2012 actuals, current benefit rates, revised revenue projections, and FY 2013 mid-year revenue and expenditure adjustments. To provide Council with a range of scenarios, the plan considers optimistic and pessimistic assumptions – detailed later in this report.

*Economic Forecast* – Most economic forecasters are looking at 2013 as being a mediocre year for the economy. The national economic news indicates a slow national economic recovery, and the City of Hayward is just beginning to see glimmers of economic improvement. Sales tax revenues are improving and the real estate market is beginning to see increased activity, albeit at continued reduced valuation levels from previous years. However, the 2008 Great Recession will have long-term impacts on the City's revenues – as it will take time for revenues, particularly property tax, to fully recover. In addition to the economy-driven hits to the City's revenues, the City continues to grapple with a long-term structural deficit.

The City utilizes long-term financial planning to help navigate its fiscal challenges. Critical tools such as the General Fund Ten-Year Plan (and multi-year plans for other revenue funds) provide the framework for sound fiscal planning and decision-making.

## **DISCUSSION**

When City Council adopted the FY 2013 Budget in June 2012, it closed a \$15 million projected General Fund gap through \$9.6 million in recurring expenditure reductions, \$.7 million in new revenues and the adopted use of the General Fund Reserve of \$5.6 million. This is on the heels of closing a \$20.6 million General Fund gap in FY 2012 – using about \$12 million in non-recurring balancing measures.

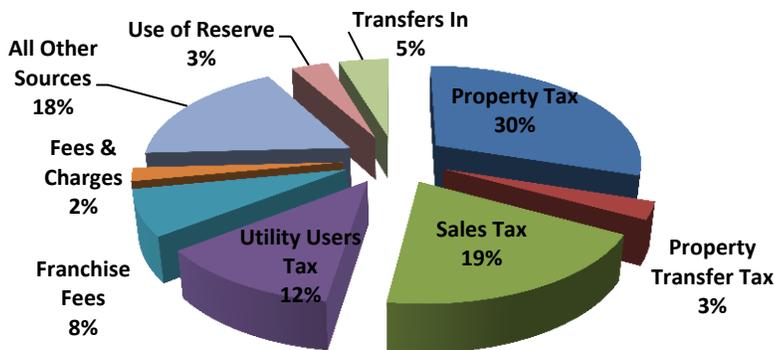
While it is often appropriate to use the General Fund Reserve – or one-time balancing measures – doing so simply continues the structural gap, and eventually will jeopardize the health of the Reserve. The key changes for FY 2013 and influences on the General Fund Ten-Year Plan projections are discussed below.

### General Fund Revenues and Variance Analyses

The FY 2013 Adopted Budget reflects conservative General Fund revenue projections, with minimal growth in most program areas. Projecting the City’s revenues based on mid-year results and seasonal trends, staff is projecting receipt of approximately \$2.5 million or 2.1% more in revenues than originally estimated. Noteworthy variances from the adopted budget include: an increase to sales tax revenue over original projections, an increase to real property transfer tax revenue, and an increase to intergovernmental revenues (due to new grants).

The chart below reflects the components of the total \$122 million General Fund resources originally budgeted for FY 2013. This total includes the assumed use of \$5.6 million of the General Fund Reserve– as reflected in the light pink pie slice in Table 1.

**Table 1 – FY 2013 Adopted Budget Resources (\$122 million)**



Representing fifty percent of the total General Fund revenues, property and sales taxes are the two major revenues that influence the City’s budget – and both have been significantly affected by the economic recession over the past four years. As a point of comparison, when total General Fund revenues are adjusted to remove the Utility User’s Tax revenue, which was not available in FY 2008, total revenue for the FY 2013 Adopted Budget is about \$7 million less than in FY 2008.

Overall (see Table 2), FY 2013 year-end revenues are projected to be 2.1% higher than originally projected. Some of these revised projections will influence the General Fund Ten-Year Plan forecast. The following analysis highlights key revenue variances as they pertain to FY 2013 mid-year projections and the resultant impact on future year projections as included in the General Fund Ten-Year Plan. These are projections based on year-to-date data, and will be closely monitored for the remainder of the fiscal year.

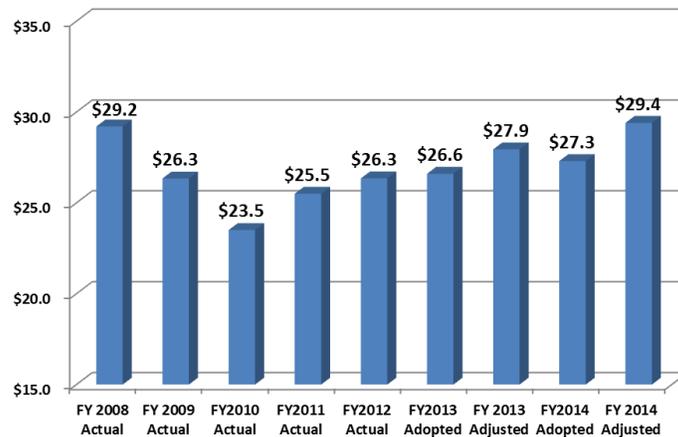
**Table 2 – General Fund Revenue Variance Summary**

Revenue (in 1,000's)	Fiscal Year 2013				Fiscal Year 2014			
	Adopted	Projected	\$ Change	% Change	Original Forecast	Revised Forecast	\$ Change	% Change
Property Tax	35,768	35,768	-	0.0%	36,588	36,588	-	0.0%
Sales Tax	26,590	27,940	1,350	5.1%	27,312	29,400	2,088	7.6%
UUT	15,096	15,096	-	0.0%	15,398	15,398	-	0.0%
Franchise Fees	9,686	9,686	-	0.0%	9,917	9,917	-	0.0%
Property Transfer Tax	3,525	4,000	475	13.5%	3,600	4,000	400	11.1%
Other Taxes	5,620	5,620	-	0.0%	5,764	5,764	-	0.0%
Charges for Services	8,190	8,140	(50)	-0.6%	8,259	8,259	-	0.0%
Other Revenue	3,850	3,850	-	0.0%	3,978	3,978	-	0.0%
Intergovernmental	2,713	3,302	589	21.7%	2,728	2,728	-	0.0%
Fines and Forfeitures	2,570	2,770	200	7.8%	2,579	2,779	200	7.8%
Interest and Rents	453	453	-	0.0%	264	264	-	0.0%
Transfers In	3,867	3,836	(31)	-0.8%	3,875	3,844	(31)	-0.8%
<b>Totals</b>	<b>117,928</b>	<b>120,461</b>	<b>2,533</b>	<b>2.1%</b>	<b>120,262</b>	<b>122,919</b>	<b>2,657</b>	<b>2.2%</b>

**Sales Tax**

*FY 2013 Mid-Year +\$1.3M and Ten-Year Plan Impacts:* For FY 2013, staff estimated sales tax revenue to be consistent with what was projected to be received in FY 2012 – which was based on nine months of data at that time. With known FY 2012 results and receipts through December, consideration of economic trends and projections from the City’s sales tax consultant (MuniServices), staff is adjusting Sales Tax projections by \$1.35 million or 5.1% over FY 2013 adopted growth projections and \$2.1 million (7.6%) over adopted FY 2014 projections.

**Table 3 – Sales Tax Revenues**



Hayward’s sales and use tax revenues are showing growth over previous quarters – with growth currently tracking better than the Alameda countywide and statewide average. The most recent four quarters for Hayward of net cash receipts (December 2011-December 2012) indicate a 16.7% increase over the same period last year and a 13.4% increase during the period of January 2012 through December 2012 over 2011. While this does not translate directly to fiscal year revenues – it is indicative of the FY 2013 returns and supports the recommendation to adjust

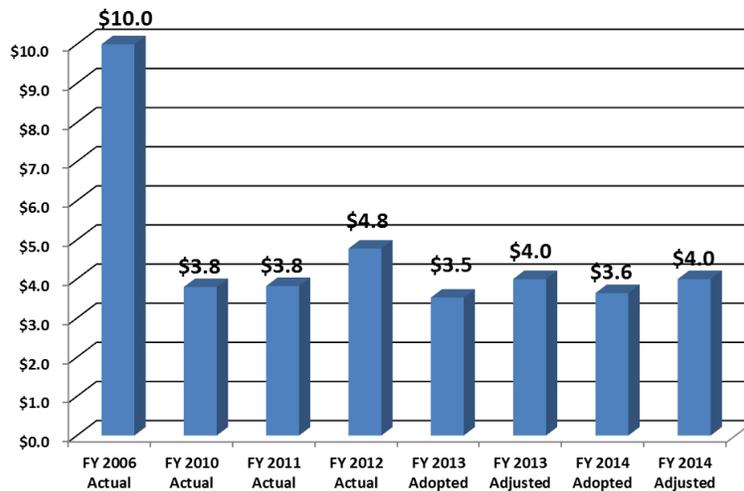
projections. This exceeds the State and county averages of 8% and 8.9% growth for this same time period.

Out-year projections assume a relatively mild economic recovery, with annual growth of 3%. Future years do not maintain the same level of growth as anticipated for FY 2013 and FY 2014 due to the amount of one-time use tax revenue accounted for in these projections. While some of the revenue projected in FY 2013 and FY 2014 is one-time in nature (generated by large equipment purchases as part of the new Russell City Energy Center Power Plant), the Ten-Year Plan reflects an overall increase to recurring revenue projections.

***Real Property Transfer Tax (RPTT)***

*FY 2013 Mid-Year (+ \$475K) and Ten-Year Plan Impacts:* The FY 2013 Adopted Budget reflects a projection of \$3.5 million in annual revenue from Real Property Transfer Tax, down by almost 50% since the \$7.1 million received in FY 2007. Although revenues received on FY 2012 totaled \$4.8 million, about \$800,000 of that was attributed to a large commercial transaction – a rare, one-time occurrence. Through the end of December 2012, the City has received over \$2 million, with the spring sales season still to come. It is reasonable to expect that the City will receive another \$2 million by year-end. Therefore, staff is recommending that projections are increased. Given the mild economic recovery, staff is recommending this increase continue through FY 2014 – with future year’s growth at a conservative 2% growth each year.

**Table 5 – Real Property Transfer Tax Revenues**



***RPTT Volatility and Base Annual Revenues***

Real Property Transfer Tax is volatile revenue – and is totally connected to Hayward’s real estate market conditions, both value and rate of churn. While it is reasonable to assume that Hayward will receive an annual base of revenues due to normal property turnover – given the unpredictability of this revenue, it is also reasonable to assume that spikes to this revenue are one-time in nature. The difficulty is establishing the annual threshold of recurring and non-recurring revenues. Looking back over the last ten years – and projecting the next ten years – staff is considering an annual base of \$5 million. Meaning, revenues received in excess of \$5 million per year should be considered non-recurring and used toward one-time expenses such as capital improvements and reduction of

benefit liabilities. Establishing this prudent fiscal approach helps avoid the mistake of budgeting recurring costs against one-time spikes in revenue – thereby exacerbating the City’s structural gap. Staff will return to Council during the FY 2014 budget process with a recommended policy related to the use of RPPT revenue.

### ***Intergovernmental Revenue***

***FY 2012 Mid-Year +\$589K and Ten-Year Plan Impacts:*** This component of the revenue stream is comprised of five revenue categories. The largest category is police grants/reimbursements, representing over 67% of the budgeted amount. This category is projected to collect a net of \$589,000 more this year than what was originally projected as well as carry forward of grants received in FY 2012. Attachment III itemizes these new grants.

### ***Fines and Forfeitures***

***FY 2013 Mid-Year +\$200K:*** Consisting of eight subcategories, the majority of revenue stream is comprised of in-house parking citations, criminal fines, and the photo red light program<sup>1</sup>. In total, program revenues are projected to increase over what was budgeted in FY 2013 due to a projected increase of \$200,000 to in-house parking citations; based on program improvements and the number of citations issued during the first half of the year.

### **General Fund Expenditures and Variance Analyses**

Overall, the FY 2013 General Fund expenditure budget is tracking \$920,000 (0.7%) over the Adopted Budget, inclusive of mid-year adjustments. The key driver of the projected overage is the mid-year expenditure adjustments totaling \$1 million. These are primarily related to new grants and are largely offset with new revenues.

**Table 6 – General Fund Expenditures**

General Fund Expenditures (in 1,000's)	FY 2013 Adopted	FY 2013 Projected	\$ Variance	% Variance
<b>Staffing Expense</b>				
Salary	64,680	63,215	(1,465)	-2.3%
Overtime	5,384	6,513	1,129	21.0%
Vacancy Savings	(1,500)	(1,270)	230	-15.3%
Medical Benefits	9,854	9,854	0	0.0%
Retiree Medical	2,321	2,586	265	11.4%
Other Benefits	7,294	7,294	0	0.0%
PERS	15,317	15,193	(124)	-0.8%
Interdepartmental (ID) Charges	(5,113)	(5,300)	(187)	3.7%
<b>Net Staffing Expense</b>	<b>98,237</b>	<b>98,085</b>	<b>(152)</b>	<b>-0.2%</b>
<b>Operating Expense</b>				
Maintenance & Utilities	1,018	1,018	0	0.0%
Supplies & Services	6,374	6,374	0	0.0%
Internal Service Fees	9,294	9,294	0	0.0%
Capital	-	-	0	0.0%
Transfers Out	8,600	8,600	0	0.0%
FY 2013 Mid-Year Adjustments	-	1,072	1,072	-
<b>Net Operating Expense</b>	<b>25,286</b>	<b>26,358</b>	<b>1,072</b>	<b>4.2%</b>
<b>Total Expenditures</b>	<b>123,523</b>	<b>124,443</b>	<b>920</b>	<b>0.7%</b>

<sup>1</sup> There is an offsetting adjustment between the Photo Red Light program and the Vehicle Code payments. Due to administrative and reporting changes made by Alameda County during the last fiscal year, revenues previously designated as Photo Red Light fees are no longer being itemized out of the County’s monthly report and payment. Only a small portion of the Photo Red Light fees are identified on the County’s report, while the remainder of the fee is being grouped in with the Vehicle Code payments. Between the two revenue sources, we are on track to reach the combined budgeted amount.

Staffing Expense Variances (-\$152K): While the overall change to the staffing expense budget is minimal (-.2%), there are some significant changes within the various categories:

- ❑ Given the volume of vacancies in departments, particularly in the Police Department, staff projects \$1.5 million in salary savings.
- ❑ Projected salary savings almost entirely offset by increases in overtime of about \$1.1 million due to the need to backfill vacancies – particularly in the police and fire departments – due to minimum staffing requirements.
- ❑ Budgeted vacancy savings (\$1.5 million) have been reduced by \$230,000 to account for a Fire Academy in FY 2013. This was not a budgeted expense in the Fire Department budget – but is critical to address staffing needs.
- ❑ Retiree Medical benefits are expected to exceed budget projections by \$265,000 due to the increasing costs of medical benefits. Projections are adjusted based on prior year actual costs and known benefit cost increases

Operating Expense Variances (+\$1.07 million): Within the Operating Expense category is the FY 2013 Mid-Year Adjustments which total \$1.07 million (+4.2%). After reviewing programmatic expenditures with each department, there are several adjustments needed prior to the end of FY 2013 in order to appropriate new grant revenues received during the fiscal year and necessary and/or unexpected expenditures (\$911,627). In addition, these adjustments include prior year encumbrances (contractually obligated expenses) that have carried forward into FY 2013 (\$129,056). These encumbrance carry overs increase the FY 2013 budget accordingly. Below is a summary of adjustments and Attachment III provides detail of all recommended budget adjustments.

#### ***Mid-Year Adjustments Summary – General Fund***

City Manager, Code Enforcement +\$30,000: Additional funds are needed to pay for abatements in the second half of FY2013. An unusually large abatement in the first half of the year reduced available funds. Staff recommends making this adjustment now in order to fund additional abatements in the second half of the fiscal year.

Development Services +\$80,000: In order to accommodate an increase of anticipated complex projects for the remainder of the fiscal year, increased funding for outside plan check assistance is needed. Given current staffing levels, review in-house would not be feasible at this time. There is no impact to the General Fund as all such costs will be borne by applicants (direct revenue offset).

Non Departmental +\$200,000: This represents a transfer to Fund 295 for the South Hayward B.A.R.T. JPA to cover initial start-up expense for the Parking District. The General Fund will be reimbursed from Fund 295 by future revenues from the JPA.

Maintenance Services +\$75,441: A part of the operational improvements in the Street Sweeping Citation Program, one Laborer position is recommended to provide program support. The cost of this position will be offset by an increase in the Street Sweeping Citation Revenue (\$200,000).

Police: With the influx of several new grants, several of which were authorized during the first half of FY 2013, additional budget appropriations are required. These appropriations are offset by a like amount of grant revenue.

- 1) Office of Traffic Safety Avoid DUI Campaign Grant (\$275,000) – This grant, which provides for DUI Traffic Safety services countywide which Hayward coordinates, was authorized in October for this fiscal year.
- 2) Office of Traffic Safety Selective Traffic Enforcement Grant (\$55,000) – This grant, which provides for City of Hayward Operations focused traffic enforcement services including DUI Saturation Patrols and Distracted Driver Patrols, was authorized in October for this fiscal year.
- 3) Grant for Bullet-Proof Vests (\$3,391) – Funds pertaining to this grant will pay for half of the cost for the number of vests requested by the Police Department.
- 4) Our Kids Contract (\$4,677) – Monies secured as part of this grant provide funding for youth diversion and anti-gang programs.

### **Ten-Year General Fund Plan Update**

The updated Ten-Year Plan projects about a \$4 million General Fund gap in FY 2013, which is a reduction of \$1.6 million from the original projection adopted by City Council as part of the FY 2013 & FY 2014 Biennial budget. Attachment II reflects the Baseline Plan and includes the assumptions contained in the FY 2013 & FY 2014 Biennial budget – and updated with mid-year expenditure and revenue projections, as described below.<sup>2</sup>

In considering the various assumptions, staff also provides two additional Ten-Year Plan perspectives (optimistic & pessimistic) to provide a range of General Fund impacts. Unfortunately, even the “optimistic” set of assumptions leaves the City with a continued structural gap.

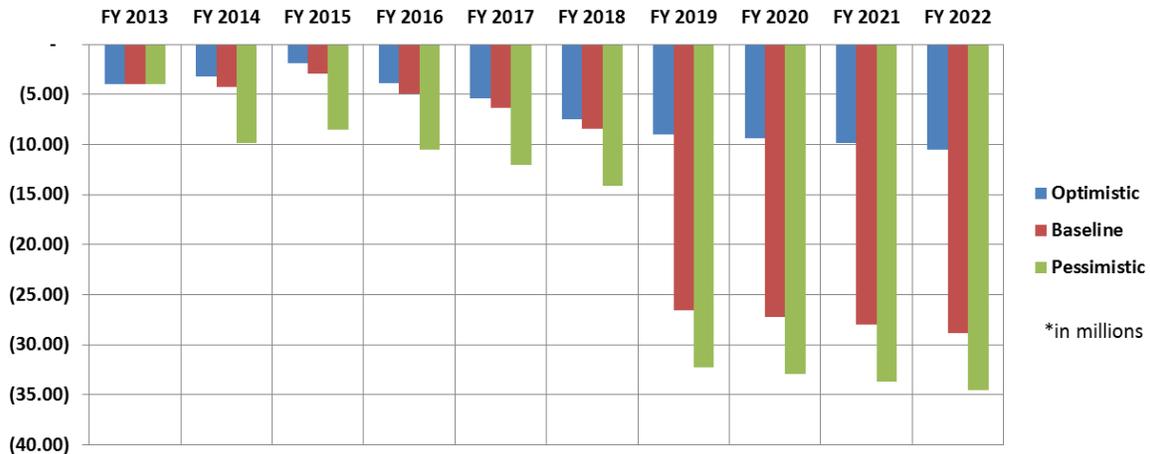
The key differences between these three sets of assumptions revolve around these drivers:

1. Continuation or sunset of the UUT
2. Continuation or loss of current concession agreements
3. Addition of new concession savings

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<sup>2</sup> FY 2015 reflects a reduction in gap due to the end of the two-year \$2.2 million funding for the General Plan Update (\$1.1 million in FY 2013 and FY 2014).

**Table 6 – General Fund Ten-Year Plan Assumptions**



	Adjusted FY 2013	Adjusted FY 2014	Forecast FY 2015	Forecast FY 2016	Forecast FY 2017	Forecast FY 2018	Forecast FY 2019	Forecast FY 2020	Forecast FY 2021	Forecast FY 2022
Optimistic	(3.98)	(3.22)	(1.87)	(3.88)	(5.36)	(7.48)	(9.01)	(9.42)	(9.90)	(10.50)
Baseline	(3.98)	(4.22)	(2.89)	(4.88)	(6.36)	(8.48)	(26.60)	(27.26)	(27.99)	(28.84)
Pessimistic	(3.98)	(9.90)	(8.57)	(10.56)	(12.04)	(14.16)	(32.28)	(32.94)	(33.67)	(34.53)

**Baseline**

- ❑ Utility Users Tax sunsets in 2019
- ❑ Updated Sales Tax and Property Transfer Tax revenue assumptions
- ❑ All other revenues reflect conservative growth projections of 2% - 3%
- ❑ Continuation of cost sharing as already agreed upon with bargaining units
- ❑ 0% wage growth in FY 2013, FY 2014, FY 2015
- ❑ 2% projected wage growth FY 2016 and beyond
- ❑ Updated CalPERS rates from June 30, 2011 valuation
- ❑ New health rates effective January 1, 2013
- ❑ Salary savings (vacancy savings): Non-sworn (\$0), Police (\$1M) and Fire (\$500K)
- ❑ Funding for assumed debt service for Fire Station #7 rehabilitation project
- ❑ Funding for creation of vehicle replacement fund
- ❑ Funding for increased contributions toward the City's retiree medical benefit and Workers' Compensation unfunded liabilities

**Optimistic**

- ❑ All bargaining groups achieve ongoing, structural concession target of 17% by FY 2015
- ❑ UUT is re-approved by the voters before its sunsets in FY 2019

Even with an assumed continuation of the UUT and additional labor concessions – the General Fund continues to face a structural gap that grows to almost \$11 million by FY 2022.

**Pessimistic**

- ❑ Savings achieved through current contract agreements sunset:
  - Firefighters Association Local 1909 and Fire Management; Fire Chief's Association unit contracts sunsets on 7/1/13
  - Hayward Police Officers Association contract sunsets on 7/1/14
- ❑ Some bargaining units do not achieve 17% target
- ❑ UUT sunsets in FY 2019

## **Other Funds: Expenditures & Revenues**

Although the General Fund is the central focus of this mid-year report, a number of mid-year adjustments impact the City's other revenue funds (detailed in Attachment III). A brief summary is below:

South Hayward B.A.R.T. JPA Fund 295 (+\$200K): This represents a transfer from the General Fund for the initial start-up expense for the South Hayward B.A.R.T. JPA Parking District. These funds will be reimbursed over the course of 20 years through revenue collected from the Parking District. The revenue will then be transferred back to the General Fund.

### Park Dedication Fund 265:

*Development Services +\$962,669:* Appropriation of Park In-Lieu Funds to cover various projects as previously approved by Resolutions 12-148 and 12-183.

### Sewer Fund 612:

*Public Works-Utilities & Environmental Services +\$75,000:* Provide funding for one WPCF Operations & Maintenance Manager. The position is included in the FY2013 Positions and Salaries Resolution, but is not funded in the current budget. At the time the FY2013 budget was adopted, the staffing structure, as currently funded, was adequate. However due to recent and anticipated retirements, a Mid-Year Adjustment to fund the position was requested. The filling of this position at this time will provide for crucial training as it will take several months to become familiar with operation of the Hayward facility. The current manager position will be left vacant upon the incumbent's retirement later this year.

### Water Fund 621:

*Public Works-Utilities & Environmental Services +70,000:* The Public Works-Utilities & Environmental Services Department has requested an increase to the Maintenance & Utilities budget for the Landscape-Water Conservation Division. Additional funding is needed for irrigation of City landscaped areas due to several leaks (which have been repaired) and the addition of some Route 238 accounts.

### Regional Water Intertie Fund 628:

*Public Works-Utilities & Environmental Services +66,000:* The Public Works-Utilities & Environmental Services Department has requested an increase to the budget for the Skywest Pump Station. Additional funding is needed for utilities (primarily PG&E), maintenance, and supplies. A lump sum amount is also requested for inter-department charges for staff time which were inadvertently not included in the FY2013 budget. All costs for operation and maintenance of the Skywest Pump Station are paid by SFPUC and EBMUD based on actual expenditures. There is no impact to any City funds.

## **Mid-Year Staffing Adjustments (All Funds, +7 FTE positions)**

As part of the mid-year review, staff is recommending several staffing changes. Over the past ten years, the organization has shrunk its staffing resources by almost 20%. This reduction in labor resources has been in response to budget shortfalls and caused several departments to be at or below their critical staffing levels. In fact, the low staffing levels in the Finance Department have been raised by the outside auditor as a concern in the last two years. The organization has developed some coping mechanisms in response to this lean staffing environment: flattening of the

organization, gaining efficiencies, constant process improvement, and higher per-employee productivity (i.e., existing employees are doing much more at a level that is not sustainable.)

While staffing changes are normally addressed during the full budget process, there are several positions that are being proposed during this mid-year cycle due to the severity of need. Most of these positions are fully funded within existing budget appropriations, both in the General Fund and in other operating funds. Because these positions are recommended to be filled during FY 2013, they are presented to City Council for formal approval.

1. One FTE Technology Solutions Analyst I/II (Information Technology Internal Service Fund – no FY 2013 budget impact). This position would reside in the Information Technology Department. Funding for this position during FY2013 will be achieved through time charge outs to the Police Department, which will fund it with current vacancy savings (annual total cost estimated at \$150,000). Funding in FY 2014 and beyond will be incorporated in the internal service fund rates. There is a demonstrated ongoing need for specialized IT staffing at the department level in those departments where there are large, dedicated computer systems unique to the operation of the department. Currently, the Police Department has a new CAD/RMS system (New World). This position would oversee the implementation of the new system and fill ongoing communication/connectivity and system operational needs.
2. One FTE Laborer (\$75,441 – General Fund – offset by revenues). A part of the operational improvements to the Street Sweeping Citation Program, one Laborer position is recommended to provide program support. This position is fully funded through increased street sweeping revenues.
3. One FTE WPCF Operations & Maintenance Manager (+\$ 75,000 – Sewer Fund). The position is included in the FY2013 Positions and Salaries Resolution, but is not funded in the current budget. At the time the FY2013 budget was adopted, the staffing structure, as currently funded, was adequate. However due to recent and anticipated retirements, a Mid-Year Adjustment to fund the position was requested. The early filling of this position at this time will provide for crucial training as it will take several months to become familiar with operation of the Hayward facility. The current manager position will be left vacant upon the incumbent's retirement later this year.
4. One FTE Deputy Finance Director (General Fund – no FY 2013 budget impact). In response to external audit findings over the past two years that indicate a lack of staffing depth in the Finance Department, and to allow the department to address its critical operational needs, a new position of Deputy Finance Director is being developed and will soon be presented to the Personnel Commission. The total annual cost of the position is approximately \$185,000. Currently, the department holds a vacant Financial Analyst position (total funding of \$135,000) and will use this savings to initially fund the position. However, in FY 2014 and beyond, additional funding of \$135,000 is needed to re-fund the Financial Analyst position. Staff is reviewing the possible eligible funding sources, including enterprise funds to fill this gap and will address this through the FY 2014 budget process.
5. Two FTE Economic Development Specialist (\$310,000 General Fund) and One FTE Senior Secretary (\$100,000 General Fund); Deletion of One FTE Economic Development Coordinator (-\$180,000 General Fund). In order to achieve the work tasks

identified in the draft Economic Development Strategic Plan, an increase in staffing levels is required. The Plan includes a staffing model with 4.5 FTE positions. This would be achieved with the addition of the three FTE positions above, the deletion of one current FTE position as noted, and the use of the current 1.0 FTE Economic Development Manager and the 0.5 FTE Community & Media Relations Officer position. Availability of funds based on the funding approach presented in the Draft Economic Development Strategic Plan will be fully verified before the City commences the hiring of the two Specialist positions.

6. One FTE Personnel & Training Administrator (General Fund – no FY 2013 budget impact). This position is part of an overall reorganization of the Police Department that will result in greater efficiency, accountability and improved services to the community. The position will assume duties that are currently performed by a Police Lieutenant at a higher cost. The Lieutenant will be reassigned from an administrative position to perform other safety officer tasks within the Hayward Community. For FY 2013, no additional funding is required. The cost of the position will be offset by salary savings. For FY 2014 and beyond, additional position funding in the amount of \$167,500 may be needed to fund the position.

## **FISCAL IMPACT**

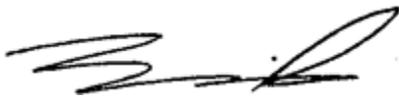
The overall fiscal impact of the adjustments to revenue projections and expenditure projections (inclusive of FY 2013 mid-year budget appropriations) results in a decrease to the General Fund projected deficit of \$1.6 million resulting in a reduction to the planned use of the Reserve by a like amount – reducing the projected gap to about \$4 million.

## **NEXT STEPS**

Upon approval by Council of the recommendations contained herein, staff will post the budget amendments per the approved resolution. Staff will continue to monitor budget progress and will provide a third quarter update to Council in May.

*Prepared by:* Tracy Vesely, Director of Finance

Approved by:



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Fran David, City Manager

Attachments:

- Attachment I: Resolution (Amending Operating Budget Resolution)
- Attachment II: Updated Ten-Year Plan (Baseline)
- Attachment III: FY 2013 Mid-Year Adjustments

## HAYWARD CITY COUNCIL

RESOLUTION NO. 13-

Introduced by Council Member \_\_\_\_\_

RESOLUTION AMENDING RESOLUTION 12-119, AS AMENDED, THE BUDGET RESOLUTION FOR THE CITY OF HAYWARD OPERATING BUDGET FOR FISCAL YEAR 2013, RELATING TO AN APPROPRIATION OF FUNDS

BE IT RESOLVED by the City Council of the City of Hayward that Resolution No. 12-119, as amended, the Budget Resolution for the City of Hayward Operating Budget for Fiscal Year 2013, is hereby amended by approving the General Fund changes indicated below.

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

## 1. CHANGE OF REVENUE ESTIMATE TO THE GENERAL FUND

Fund	Revenue	Adopted Budget	Total Amendment	Total Adjusted Budget
100	Sales Tax	\$ 26,590,000	\$ 1,350,000	\$ 27,940,000
100	Real Property Transfer Tax	\$ 3,525,000	\$ 475,000	\$ 4,000,000
100	Charges for Service	\$ 8,190,000	\$ (50,000)	\$ 8,140,000
100	Intergovernmental	\$ 2,713,000	\$ 589,000	\$ 3,302,000
100	Fines & Forfeitures	\$ 2,570,000	\$ 200,000	\$ 2,770,000
100	Transfers In	\$ 3,867,000	\$ (31,000)	\$ 3,836,000
	<b>Net Change to General Revenue Estimate</b>		\$ 2,533,000	
220	Library Grants	\$ -	\$ 77,065	\$ 77,065
250	Fire Dept Grants	\$ -	\$ 55,594	\$ 55,594
273	Byrnes Justice Assist Grant	\$ 86,000	\$ (31,000)	\$ 55,000
295	S Hayward B.A.R.T. JPA	\$ -	\$ 200,000	\$ 200,000
	<b>Net Change to Non- General Revenue Estimate</b>		\$ 169,000	

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

II. CHANGE OF EXPENDITURE ESTIMATE TO THE GENERAL FUND AND OTHER REVENUE FUNDS

Fund	Expenditure	Adopted Budget	Total Amendment	Total Adjusted Budget
<b>100</b>	<b>General Fund</b>	<b>\$ 123,524,000</b>	<b>\$ 1,072,297</b>	<b>\$ 124,596,297</b>
213	Recycling Grants	\$ 122,500	\$ 516,187	\$ 638,687
214	Recycling Fund - New	\$ 40,000	\$ 41,979	\$ 81,979
215	Recycling Fund	\$ 601,610	\$ 4,902	\$ 606,512
220	Library Grants	\$ -	\$ 124,710	\$ 124,710
224	Neighborhood Stabilization Program	\$ -	\$ 2,150	\$ 2,150
225	Community Development Block Grant	\$ 717,747	\$ 599,720	\$ 1,317,467
228	Home Loan Fund	\$ 255,270	\$ 82,312	\$ 337,582
229	HRLP Revolving Loan Fund	\$ 351,597	\$ 788,763	\$ 1,140,360
241	Housing Authority-Low/Mod Hsg	\$ 128,334	\$ 313,880	\$ 442,214
246	Measure B II - Paratransit Fund	\$ 987,748	\$ 73,673	\$ 1,061,421
250	Fire Dept - Grants	\$ -	\$ 96,305	\$ 96,305
265	Park Dedication - Zone E	\$ 15,260	\$ 962,669	\$ 977,929
270	Downtown Business Improvement	\$ 55,000	\$ 5,413	\$ 60,413
280	Designated Donations	\$ -	\$ 271,266	\$ 271,266
295	S Hayward B.A.R.T. JPA	\$ -	\$ 200,000	\$ 200,000
413	Street System Improvement Fund (CIP)	\$ 10,300,000	\$ 508,000	\$ 10,808,000
470	Successor Agency - RDA	\$ 6,809,307	\$ 18,508	\$ 6,827,815
602	Stormwater Maint & Oper	\$ 2,685,682	\$ 297	\$ 2,685,979
612	Wastewater Rev & Oper Fund	\$ 10,979,273	\$ 93,306	\$ 11,072,579
621	Water Maint & Oper	\$ 41,925,300	\$ 162,831	\$ 42,088,131
622	Water Improvement (CIP)	\$ 9,206,000	\$ 250,000	\$ 9,456,000
628	Regional Water Intertie O&M	\$ 17,500	\$ 66,000	\$ 83,500
711	General Liability Insurance Fund	\$ 2,575,202	\$ 31,986	\$ 2,607,188
720	Facilities Management Fund	\$ 3,525,813	\$ 24,000	\$ 3,549,813
725	Technology Services Fund	\$ 4,331,528	\$ 144,574	\$ 4,476,102
730	Fleet Management	\$ 4,563,910	\$ 585,704	\$ 5,149,614
833	Consolidated LLD 96-1, Zone 3	\$ 110,845	\$ 61,750	\$ 172,595
	<b>Net Change to Non-General Fund Expenditures</b>		<b>\$ 6,030,885</b>	

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



General Fund Ten-Year Plan: FY 2013 Mid-Year Update (baseline)

	PY2	PY1	Year 1	Year 1	Year 2	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
(in 1,000's)	Actual	Actual	Adopted	Adjusted	Adopted	Adjusted	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Revenue	FY 2011	FY 2012	FY 2013	FY 2013	FY 2014	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	
1	Property Tax	35,726	35,716	35,768	35,768	36,588	36,588	36,927	37,647	38,383	39,485	40,621	41,792	42,998	44,240
2	Sales Tax	25,492	26,346	26,590	27,940	27,312	29,400	30,200	31,100	32,800	33,784	35,135	36,541	38,002	39,523
3	UUT	14,700	14,797	15,096	15,096	15,398	15,398	15,629	15,863	16,101	16,343	-	-	-	-
4	Franchise Fees	9,091	9,892	9,686	9,686	9,917	9,917	10,358	10,488	10,621	10,756	10,894	11,035	11,178	11,325
5	Property Transfer Tax	3,821	4,778	3,525	4,000	3,600	4,000	4,080	4,162	4,245	4,330	4,416	4,505	4,595	4,687
6	Business License Tax	2,390	2,483	2,448	2,448	2,497	2,497	2,547	2,802	2,858	2,915	2,973	3,033	3,093	3,155
7	Transient Occupancy Tax	1,253	1,466	1,418	1,418	1,460	1,460	1,489	1,519	1,549	1,580	1,612	1,644	1,677	1,711
8	Other Taxes - Emergency Facilities Tax	1,699	1,751	1,754	1,754	1,807	1,807	1,816	1,825	1,834	1,843	1,853	1,862	1,871	1,881
9	Charges for Services	8,914	7,811	8,190	8,140	8,259	8,259	8,424	8,593	8,765	8,940	9,119	9,301	9,487	9,677
10	Other Revenue	3,417	3,797	3,850	3,850	3,978	3,978	4,113	4,255	4,404	4,560	4,724	4,897	5,078	5,268
11	Intergovernmental	5,046	3,717	2,713	3,302	2,728	2,728	2,743	2,759	2,774	2,791	2,808	2,825	2,843	2,862
12	Fines and Forfeitures	2,793	2,403	2,570	2,770	2,579	2,779	2,790	2,804	2,818	2,832	2,846	2,860	2,874	2,889
13	Interest and Rents	549	511	453	453	264	264	268	273	278	283	289	296	303	310
16	<b>Total Revenue</b>	<b>114,891</b>	<b>115,465</b>	<b>114,061</b>	<b>116,625</b>	<b>116,387</b>	<b>119,075</b>	<b>121,384</b>	<b>124,088</b>	<b>127,429</b>	<b>130,442</b>	<b>117,290</b>	<b>120,589</b>	<b>123,999</b>	<b>127,525</b>
17	Transfers in	6,462	4,514	3,867	3,836	3,875	3,844	3,966	4,107	4,254	4,408	4,570	4,738	4,915	5,100
18	<b>Total Revenue/Resources</b>	<b>121,354</b>	<b>119,979</b>	<b>117,928</b>	<b>120,461</b>	<b>120,262</b>	<b>122,919</b>	<b>125,350</b>	<b>128,195</b>	<b>131,683</b>	<b>134,850</b>	<b>121,860</b>	<b>125,327</b>	<b>128,914</b>	<b>132,625</b>
19	<b>Expenditures</b>														
20	Salary	62,548	61,697	64,680	63,215	64,680	64,680	64,680	65,974	67,293	68,639	70,012	71,412	72,840	74,297
21	Overtime	5,261	5,412	5,384	6,513	5,384	5,384	5,384	5,492	5,602	5,714	5,828	5,944	6,063	6,185
25	Target Salary/Vacancy Savings	-	-	(1,500)	(1,270)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
26	Medical Benefits	8,211	8,515	9,854	9,854	10,840	10,840	11,924	13,116	14,428	15,871	17,458	19,204	21,124	23,237
27	Dental Benefits	-	988	1,080	1,080	1,101	1,101	1,123	1,145	1,168	1,192	1,216	1,240	1,265	1,290
28	Retiree Medical	2,141	2,560	2,321	2,586	2,428	2,622	2,727	2,836	2,949	3,067	3,190	3,317	3,450	3,588
29	Worker's Compensation	-	4,877	4,939	4,939	4,939	4,939	5,087	5,189	5,293	5,399	5,507	5,617	5,729	5,844
30	Other Benefits	7,511	1,726	1,276	1,275	1,276	1,276	1,302	1,328	1,354	1,381	1,409	1,437	1,466	1,495
31	PERS	16,081	17,492	15,317	15,193	16,804	16,500	17,043	17,683	18,171	18,780	19,169	19,567	19,973	20,387
33	<b>Staffing Subtotal</b>	<b>101,753</b>	<b>103,267</b>	<b>103,351</b>	<b>103,385</b>	<b>105,952</b>	<b>105,842</b>	<b>107,769</b>	<b>111,262</b>	<b>114,758</b>	<b>118,542</b>	<b>122,287</b>	<b>126,238</b>	<b>130,410</b>	<b>134,822</b>
34	Interdepartmental (ID) Charges	(5,047)	(5,332)	(5,113)	(5,300)	(5,212)	(5,212)	(5,212)	(5,316)	(5,423)	(5,531)	(5,642)	(5,754)	(5,870)	(5,987)
35	<b>Net Staffing Expense</b>	<b>96,706</b>	<b>97,935</b>	<b>98,238</b>	<b>98,085</b>	<b>100,740</b>	<b>100,630</b>	<b>102,557</b>	<b>105,946</b>	<b>109,335</b>	<b>113,011</b>	<b>116,646</b>	<b>120,483</b>	<b>124,540</b>	<b>128,835</b>
36	Maintenance & Utilities	1,932	810	1,018	1,018	1,018	1,018	1,028	1,038	1,049	1,059	1,070	1,081	1,091	1,102
37	Supplies & Services	6,311	5,900	6,374	6,374	6,527	6,527	6,592	6,658	6,725	6,792	6,860	6,929	6,998	7,068
38	Internal Service Fees	9,721	9,280	9,294	9,294	9,313	9,313	9,406	9,500	9,595	9,691	9,788	9,886	9,985	10,085
39	Capital (now included in Transfers)	56	71	-	-	-	-	-	-	-	-	-	-	-	-
40	<b>Net Operating Expense</b>	<b>18,020</b>	<b>16,061</b>	<b>16,686</b>	<b>16,686</b>	<b>16,858</b>	<b>16,858</b>	<b>17,027</b>	<b>17,197</b>	<b>17,369</b>	<b>17,543</b>	<b>17,718</b>	<b>17,895</b>	<b>18,074</b>	<b>18,255</b>
41	<b>Expenditures Subtotal</b>	<b>114,726</b>	<b>113,996</b>	<b>114,924</b>	<b>114,771</b>	<b>117,598</b>	<b>117,488</b>	<b>119,584</b>	<b>123,143</b>	<b>126,704</b>	<b>130,553</b>	<b>134,364</b>	<b>138,378</b>	<b>142,614</b>	<b>147,089</b>
43	Transfers Out (includes CIP)	6,420	8,514	8,600	8,600	9,646	9,646	7,320	7,824	8,432	9,034	9,442	9,555	9,642	9,732
44	OPEB Obligation	-	-	-	-	-	-	743	1,515	2,318	3,153	4,060	4,060	4,060	4,060
45	New CIP Debt Service	-	-	-	-	-	-	590	590	590	590	590	590	590	590
46	<b>Subtotal</b>	<b>6,420</b>	<b>8,514</b>	<b>8,600</b>	<b>8,600</b>	<b>9,646</b>	<b>9,646</b>	<b>8,653</b>	<b>9,929</b>	<b>11,340</b>	<b>12,776</b>	<b>14,092</b>	<b>14,205</b>	<b>14,292</b>	<b>14,382</b>
47	<b>FY 2012 Mid-Year Adjustments</b>				<b>1,072</b>										
48	<b>Total Expenditures</b>	<b>121,146</b>	<b>122,510</b>	<b>123,524</b>	<b>124,443</b>	<b>127,244</b>	<b>127,134</b>	<b>128,236</b>	<b>133,072</b>	<b>138,045</b>	<b>143,329</b>	<b>148,456</b>	<b>152,584</b>	<b>156,907</b>	<b>161,472</b>
49	<b>Total Surplus/(Shortfall)</b>	<b>208</b>	<b>(2,531)</b>	<b>(5,596)</b>	<b>(3,982)</b>	<b>(6,982)</b>	<b>(4,215)</b>	<b>(2,886)</b>	<b>(4,877)</b>	<b>(6,362)</b>	<b>(8,479)</b>	<b>(26,596)</b>	<b>(27,256)</b>	<b>(27,992)</b>	<b>(28,846)</b>
51	<b>Beginning Fund Balance</b>	<b>29,343</b>	<b>29,550</b>	<b>27,764</b>	<b>27,764</b>	<b>22,168</b>	<b>23,782</b>	<b>15,186</b>	<b>13,857</b>	<b>6,172</b>	<b>(4,368)</b>	<b>(18,353)</b>	<b>(36,445)</b>	<b>(58,583)</b>	<b>(81,387)</b>
52	<b>Change to Reserves</b>	<b>208</b>	<b>(2,531)</b>	<b>(5,596)</b>	<b>(3,982)</b>	<b>(6,982)</b>	<b>(4,215)</b>	<b>(2,886)</b>	<b>(4,877)</b>	<b>(6,362)</b>	<b>(8,479)</b>	<b>(26,596)</b>	<b>(27,256)</b>	<b>(27,992)</b>	<b>(28,846)</b>
54	<i>Adjustments to fund balance</i>		745												
55	<b>Ending Fund Balance</b>	<b>29,550</b>	<b>27,764</b>	<b>22,168</b>	<b>23,782</b>	<b>15,186</b>	<b>19,568</b>	<b>12,300</b>	<b>6,172</b>	<b>(4,368)</b>	<b>(18,353)</b>	<b>(36,445)</b>	<b>(58,583)</b>	<b>(81,387)</b>	<b>(104,995)</b>
56	<b>City Council Reserve Policy</b>	<b>24,229</b>	<b>24,502</b>	<b>24,705</b>	<b>24,889</b>	<b>25,449</b>	<b>25,427</b>	<b>25,647</b>	<b>26,614</b>	<b>27,609</b>	<b>28,666</b>	<b>29,691</b>	<b>30,517</b>	<b>31,381</b>	<b>32,294</b>
57	<i>(20% of Total Expenditures)</i>														
58	<b>Over/(Under) Reserve Policy</b>			<b>(2,537)</b>	<b>(1,106)</b>	<b>(10,263)</b>	<b>(5,859)</b>	<b>(13,348)</b>	<b>(20,442)</b>	<b>(31,977)</b>	<b>(47,019)</b>	<b>(66,136)</b>	<b>(89,100)</b>	<b>(112,768)</b>	<b>(137,289)</b>
59				<b>-10%</b>	<b>-4%</b>	<b>-40%</b>	<b>-23%</b>	<b>-52%</b>	<b>-77%</b>	<b>-116%</b>	<b>-164%</b>	<b>-223%</b>	<b>-292%</b>	<b>-359%</b>	<b>-425%</b>

Fund #	Fund Name	Reason for Adjustment	Adopted Budget	Amendment	Adjusted Budget
100	Sales Tax		\$ 26,590,000		\$ 26,590,000
		Increase in projected Sales Tax Revenue		\$ 1,350,000	
100	Real Property Transfer Tax		\$ 3,525,000		\$ 3,525,000
		Increase in projected Real Property Transfer Tax		\$ 475,000	
100	Charges for Service		\$ 8,259,000	\$ (50,000)	\$ 8,209,000
		Decrease to Housing Inspection fees due to staffing reduction		\$ (20,000)	
		Increase in Plan Checking Fees		\$ 80,000	
		Decrease to Police A.V.A. Reimbursements		\$ (30,000)	
		Decrease in False Alarm Revenue		\$ (60,000)	
		Decrease in Police-Animal Control Fees & Services		\$ (20,000)	
100	Intergovernmental		\$ 2,713,000	\$ 589,135	\$ 3,302,135
		Grant carry forward Police TCS Checkpoint		\$ 28,925	
		Grant carry forward Police Avoid the 21 Grant		\$ 1,536	
		Grant Revenue Police STEP Grant		\$ 55,000	
		Grant Revenue Police OTS Avoid DUI Grant		\$ 275,000	
		Grant Revenue Police Bullet Proof Vest Grant		\$ 3,391	
		Grant carry forward HPAY Grant Reimbursement		\$ 225,283	
100	Fines & Forfeitures		\$ 2,570,000	\$ 200,000	\$ 2,770,000
		Increase to Street Sweeping Citation Revenues		\$ 200,000	
100	Transfers In		\$ 3,867,000	\$ (31,000)	\$ 3,836,000
		Reduction in transfer to General Fund from Byrnes Justice Assist Grant		\$ (31,000)	
	<b>General Fund Total</b>			\$ 2,533,135	
220	Library Grants		\$ -	\$ 77,065	\$ 77,065
		Carry forward Non-Profit Resource Ctr Grant		\$ 7,500	
		Set-up Adult Literacy Grant Budget		\$ 16,500	
		Set-Up TOP School Grant Budget (HUSD)		\$ 20,000	
		Set-Up CLLS Literacy Award Budget		\$ 33,065	
250	Fire Dept Grants		\$ -	\$ 55,594	\$ 55,594
		Set-Up Hazmat Cal/EPA Grant		\$ 56,520	
		Return Grant Funds - California Fire Safe Council		\$ (926)	
273	Byrnes Justice Assist Grant		\$ 86,000	\$ (31,000)	\$ 55,000
		Reduction in grant funds received.		\$ (31,000)	
295	S Hayward B.A.R.T. JPA		\$ -	\$ 200,000	\$ 200,000
		Transfer from General Fund per Resolution 13-015		\$ 200,000	
	<b>Other Funds Total</b>			\$ 301,659	

FY 2013 Mid-Year Expenditure Adjustments

Attachment III

Fund	Fund Name	Reason for Adjustment	Adopted Budget	Adjustment	FY 2012 Encumbrances	Total Amendment	Total Adjusted Budget
<b>100</b>	<b>General Fund</b>		<b>\$ 123,524,000</b>	<b>\$ 943,241</b>	<b>\$ 129,056</b>	<b>\$ 1,072,297</b>	<b>\$ 124,596,297</b>
	City Manager	Additional funds for abatements in the second half of FY2013. An unusually large abatement in the first half of the year reduced available funds.		\$ 30,000			
	Development Services	Increase to the budget to pay for outside plan check assistance for anticipated complex projects that will be received during the remainder of the fiscal year. Given current staffing levels, review in-house would not be feasible at this time. Costs will be borne by applicants.		\$ 80,000			
	Non-Departmental	Transfer to Fund 295 for the South Hayward B.A.R.T. JPA to cover initial start-up expense for the Parking District. The General Fund will be reimbursed from Fund 295 by future revenues from the JPA.		\$ 200,000			
		Encumbrance Adjustments		\$ (212,655)			
	Maintenance Services	Additional Laborer position to provide support for the Street Sweeping Citation Program. The cost of this position is entirely offset by an increase in the Street Sweeping Citation Revenue.		\$ 75,441			
		Appropriation for Data Ticket Program per Resolution 12-161		\$ 100,000			
	Police	Appropriation of the Office of Traffic Safety Avoid DUI Campaign Grant.		\$ 275,000			
		Appropriation of the Office of Traffic Safety Selective Traffic Enforcement Grant		\$ 55,000			
		Appropriation for the Delinquency Prevention Network Contract		\$ 5,000			
		Appropriation of Byrne Memorial Grant Budget		\$ 54,920			
		Carry forward Traffic Safety Center Grant Budget		\$ 28,925			
		Carry forward Avoid the 21 Grant		\$ 1,536			
		Carry forward Our Kids Contract FY12		\$ 1,153			
		Carry forward Cal-Grip Grant		\$ 225,283			
		Police Budget Carryovers for Jail Telephone Commission and Animal Control Spay/Neuter Fees		\$ 15,571			
		Appropriation of the Bullet-Proof Vests Grant		\$ 3,391			
		Appropriation of the Our Kids Contract Grant		\$ 4,677			
<b>213</b>	<b>Recycling Grants</b>		<b>\$ 122,500</b>	<b>\$ 505,597</b>	<b>\$ 10,590</b>	<b>\$ 516,187</b>	<b>\$ 638,687</b>
		FY12 Encumbrance Carry forward			\$ 10,590		
		Budget carry forward for grants		\$ 505,597			
<b>214</b>	<b>Recycling Fund - New</b>		<b>\$ 40,000</b>	<b>\$ 41,979</b>	<b>\$ -</b>	<b>\$ 41,979</b>	<b>\$ 81,979</b>
		Budget carry forward for Cal Recycle		\$ 41,979			
<b>215</b>	<b>Recycling Fund</b>		<b>\$ 601,610</b>	<b>\$ -</b>	<b>\$ 4,902</b>	<b>\$ 4,902</b>	<b>\$ 606,512</b>
		FY12 Encumbrance Carry forward			\$ 4,902		
<b>220</b>	<b>Library Grants</b>		<b>\$ -</b>	<b>\$ 101,888</b>	<b>\$ 22,822</b>	<b>\$ 124,710</b>	<b>\$ 124,710</b>
		FY12 Encumbrance Carry forward			\$ 22,822		
		Carry forward Non-Profit Resource Center Grant Budget		\$ 33,323			
		Set up Adult Literacy Grant Budget		\$ 16,500			
		Set up TOP School Grant Budget (HUSD)		\$ 20,000			
		Set up CLLS Literacy Award Budget		\$ 33,065			
<b>224</b>	<b>Neighborhood Stabilization Program</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,150</b>	<b>\$ 2,150</b>	<b>\$ 2,150</b>
		FY12 Encumbrance Carry forward			\$ 2,150		
<b>225</b>	<b>Community Development Block Grant</b>		<b>\$ 717,747</b>	<b>\$ 520,117</b>	<b>\$ 79,603</b>	<b>\$ 599,720</b>	<b>\$ 1,317,467</b>
		FY12 Encumbrance Carry forward			\$ 79,603		
		Carry forward So. Hayward Parish Budget		\$ 77,603			
		Correct CDBG Grant appropriation to balance with Adopted Budget		\$ 133,330			
		Carry forward Minor Home Repair Budget		\$ 59,845			
		Carry forward CDBG Capital Projects - Sun Gallery, Fesco, Spectrum, So. Hayward Parish		\$ 249,338			
<b>228</b>	<b>Home Loan Fund</b>		<b>\$ 255,270</b>	<b>\$ 2,016,950</b>	<b>\$ 82,312</b>	<b>\$ 2,099,262</b>	<b>\$ 2,354,532</b>
		FY12 Encumbrance Carry forward			\$ 82,312		
<b>229</b>	<b>HRLP Revolving Loan Fund</b>		<b>\$ 351,597</b>	<b>\$ 785,479</b>	<b>\$ 3,284</b>	<b>\$ 788,763</b>	<b>\$ 1,140,360</b>
		FY12 Encumbrance Carry forward			\$ 3,284		
		Carry forward HRLP Loans Budget		\$ 785,479			
<b>241</b>	<b>Housing Authority-Low/Mod Hsg</b>		<b>\$ 128,334</b>	<b>\$ 300,000</b>	<b>\$ 13,880</b>	<b>\$ 313,880</b>	<b>\$ 442,214</b>
		FY12 Encumbrance Carry forward			\$ 13,880		
		Tennyson Gardens Deposit-Advance Funds Rehab Work		\$ 300,000			
<b>246</b>	<b>Measure B II - Paratransit Fund</b>		<b>\$ 987,748</b>	<b>\$ -</b>	<b>\$ 73,673</b>	<b>\$ 73,673</b>	<b>\$ 1,061,421</b>
		FY12 Encumbrance Carry forward			\$ 73,673		
<b>250</b>	<b>Fire Dept - Grants</b>		<b>\$ -</b>	<b>\$ 79,150</b>	<b>\$ 17,155</b>	<b>\$ 96,305</b>	<b>\$ 96,305</b>

Fund	Fund Name	Reason for Adjustment	Adopted Budget	Adjustment	FY 2012 Encumbrances	Total Amendment	Total Adjusted Budget
		FY12 Encumbrance Carry forward			\$ 17,155		
		Budget carry forward for the Ward Creek Project		\$ 23,556			
		Appropriate Grant Budget for Local Electronic Reporting System		\$ 56,520			
		Return Fire Grant Funds - California Fire Safe Council		\$ (926)			
<b>265</b>	<b>Park Dedication - Zone E</b>		<b>\$ 15,260</b>	<b>\$ 962,669</b>	<b>\$ -</b>	<b>\$ 962,669</b>	<b>\$ 977,929</b>
		Appropriation of Park In-Lieu Funds to cover various projects as approved by Resolutions 12-148 and 12-183.		\$ 962,669			
<b>270</b>	<b>Downtown Business Improvement</b>		<b>\$ 55,000</b>	<b>\$ -</b>	<b>\$ 5,413</b>	<b>\$ 5,413</b>	<b>\$ 60,413</b>
		FY12 Encumbrance Carry forward			\$ 5,413		
<b>280</b>	<b>Designated Donations</b>		<b>\$ -</b>	<b>\$ 269,649</b>	<b>\$ 1,617</b>	<b>\$ 271,266</b>	<b>\$ 271,266</b>
		FY12 Encumbrance Carry forward			\$ 1,617		
		Police Budget Carryovers		\$ 269,649			
<b>295</b>	<b>S Hayward B.A.R.T. JPA</b>		<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>
		Appropriation of South Hayward B.A.R.T. JPA Funds to cover initial start-up expense for the Parking District to be reimbursed by future revenues from the JPA.		\$ 200,000			
<b>413</b>	<b>Street System Improvement Fund</b>		<b>\$ 10,300,000</b>	<b>\$ (835,529)</b>	<b>\$ 1,343,529</b>	<b>\$ 508,000</b>	<b>\$ 10,808,000</b>
		FY12 Encumbrance Carry forward			\$ 1,343,529		
		Encumbrance Adjustments		\$ 1,343,529			
		Appropriation of funds for South Hayward B.A.R.T. Project per Resolution 12-188		\$ 508,000			
<b>470</b>	<b>Successor Agency - RDA</b>		<b>\$ 6,809,307</b>	<b>\$ (357,316)</b>	<b>\$ 375,824</b>	<b>\$ 18,508</b>	<b>\$ 6,827,815</b>
		FY12 Encumbrance Carry forward			\$ 375,824		
		Encumbrance Adjustments		\$ (357,316)			
<b>602</b>	<b>Stormwater Maint &amp; Operations</b>		<b>\$ 2,685,682</b>	<b>\$ -</b>	<b>\$ 297</b>	<b>\$ 297</b>	<b>\$ 2,685,979</b>
		FY12 Encumbrance Carry forward			\$ 297		
<b>612</b>	<b>Wastewater Operating Fund</b>		<b>\$ 10,979,273</b>	<b>\$ 75,001</b>	<b>\$ 18,305</b>	<b>\$ 93,306</b>	<b>\$ 11,072,579</b>
		FY12 Encumbrance Carry forward			\$ 18,305		
		Provide funding for one WPCF O&M Manager for a period of 5 months. The position will provide overlap for crucial training prior to an anticipated retirement at the facility.		\$ 75,001			
<b>621</b>	<b>Water Maint &amp; Operations</b>		<b>\$ 41,925,300</b>	<b>\$ 70,000</b>	<b>\$ 92,831</b>	<b>\$ 162,831</b>	<b>\$ 42,088,131</b>
		FY12 Encumbrance Carry forward			\$ 92,831		
		Increase to the Utilities budget for the Landscape-Water Conservation program. Additional funding is needed for irrigation the addition of Rte 238 accounts.		\$ 70,000			
<b>622</b>	<b>Water Improvement</b>		<b>\$ 9,206,000</b>	<b>\$ -</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 9,456,000</b>
		FY12 Encumbrance Carry forward			\$ 250,000		
<b>628</b>	<b>Regional Water Intertie O&amp;M</b>		<b>\$ 17,500</b>	<b>\$ 66,000</b>	<b>\$ -</b>	<b>\$ 66,000</b>	<b>\$ 83,500</b>
		Increase to the budget for the Skywest Pump Station. Additional funding is needed for utilities, maintenance and supplies. Also budget for inter-department charges for staff time. All costs for operation and maintenance are paid by SFPUC and EBMUD based on actual expenditures.		\$ 66,000			
<b>711</b>	<b>General Liability Insurance Fund</b>		<b>\$ 2,575,202</b>	<b>\$ -</b>	<b>\$ 31,986</b>	<b>\$ 31,986</b>	<b>\$ 2,607,188</b>
		FY12 Encumbrance Carry forward			\$ 31,986		
<b>720</b>	<b>Facilities Management Fund</b>		<b>\$ 3,525,813</b>	<b>\$ -</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 3,549,813</b>
		FY12 Encumbrance Carry forward			\$ 24,000		
<b>725</b>	<b>Technology Services Fund</b>		<b>\$ 4,331,528</b>	<b>\$ 120,427</b>	<b>\$ 24,147</b>	<b>\$ 144,574</b>	<b>\$ 4,476,102</b>
		Debt Service on 12Equip Lease-ERP Cisco Equip FY13		\$ 120,427			
<b>730</b>	<b>Fleet Management</b>		<b>\$ 4,563,910</b>	<b>\$ 585,704</b>	<b>\$ -</b>	<b>\$ 585,704</b>	<b>\$ 5,149,614</b>
		Increase to cover increased fuel costs.		\$ 80,000			
		Increase to overtime budget to offset the decreased staffing level due to position reductions.		\$ 30,000			
		Delete vacant Equipment Mechanic II position.		\$ (111,209)			
		Set up Budget for the 13Equip Lease-PD13 Vehicles		\$ 586,913			
<b>833</b>	<b>Consolidated LLD 96-1, Zone 3</b>		<b>\$ 110,845</b>	<b>\$ 61,750</b>	<b>\$ -</b>	<b>\$ 61,750</b>	<b>\$ 172,595</b>
		LLD 96-1 Zone 3 Budget Adjustment		\$ 61,750			
	<b>Change Other Funds</b>					<b>\$ 8,047,835</b>	