CITY OF
HAYWARD
HEART OF THE BAY

FY 2013 Mid-Year Review & General Fund Ten-Year Plan Update

March 5, 2013

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Finance Department

Presentation Overview

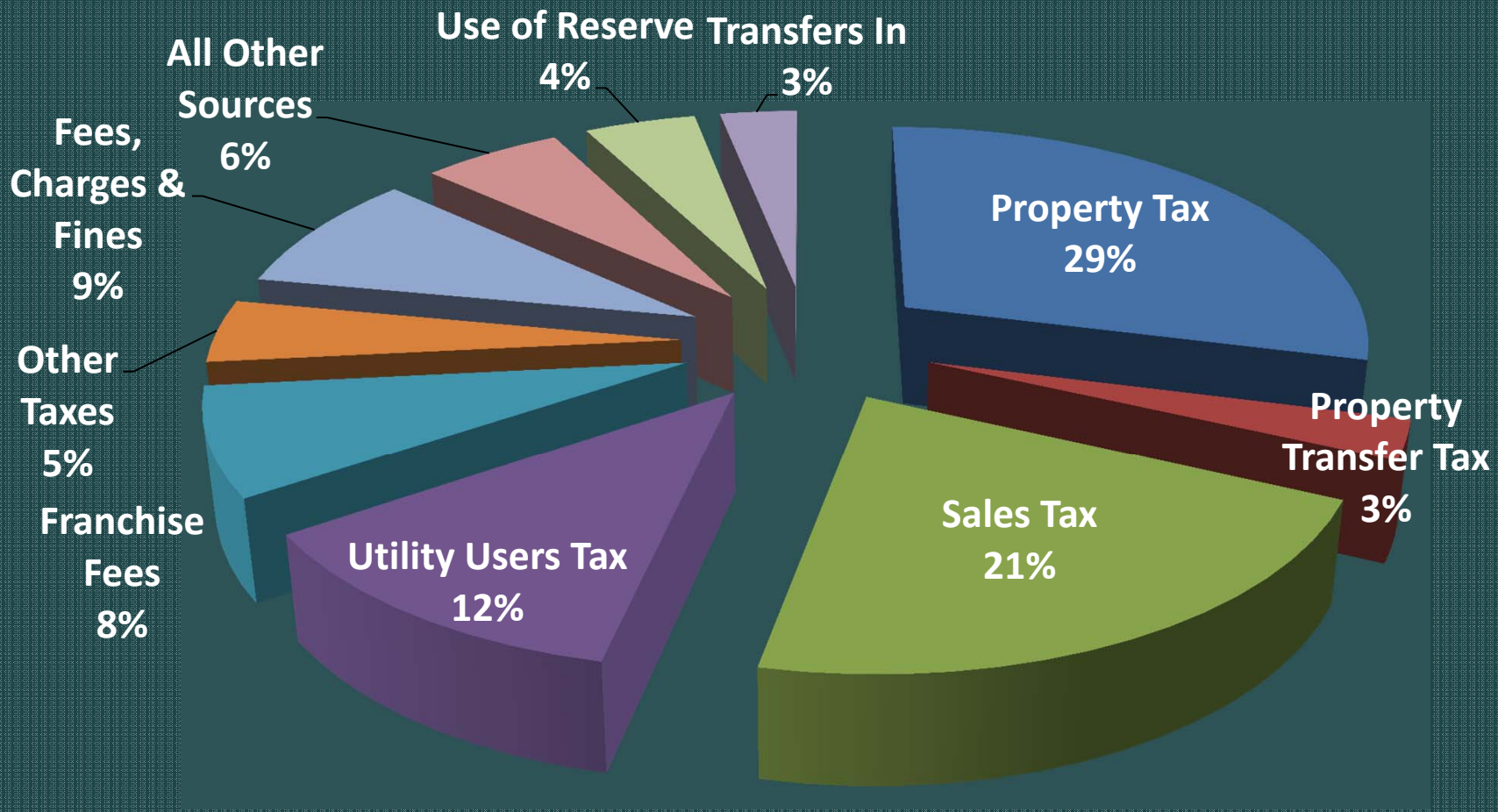
- FY 2013 Mid-Year review process
- General Fund revenue review
- General Fund expenditure review
- Mid-Year Adjustments
- General Fund Ten-Year Plan Update

Summary

- **Economy is slowly recovering**
  - Property tax values leveling off – sales activity up
  - Sales tax improving – aided by one-time influx of use-tax revenues (CalPine)
  - Long way to go before fully recovered
- **FY 2013 changes to original projections +$1.6M:**
  - Increased revenue = $2.5M
  - Increased expenditures = $.9M
  - Still a GF gap – but reduced from $5.6M to $4M
- **Impact of FY 2014 forecast**
  - Forecasted $4.2M gap

FY 2013 Adopted General Fund Revenues*

$123,524



**revised from Table 1 included in 3/5/13 Mid-Year Report*

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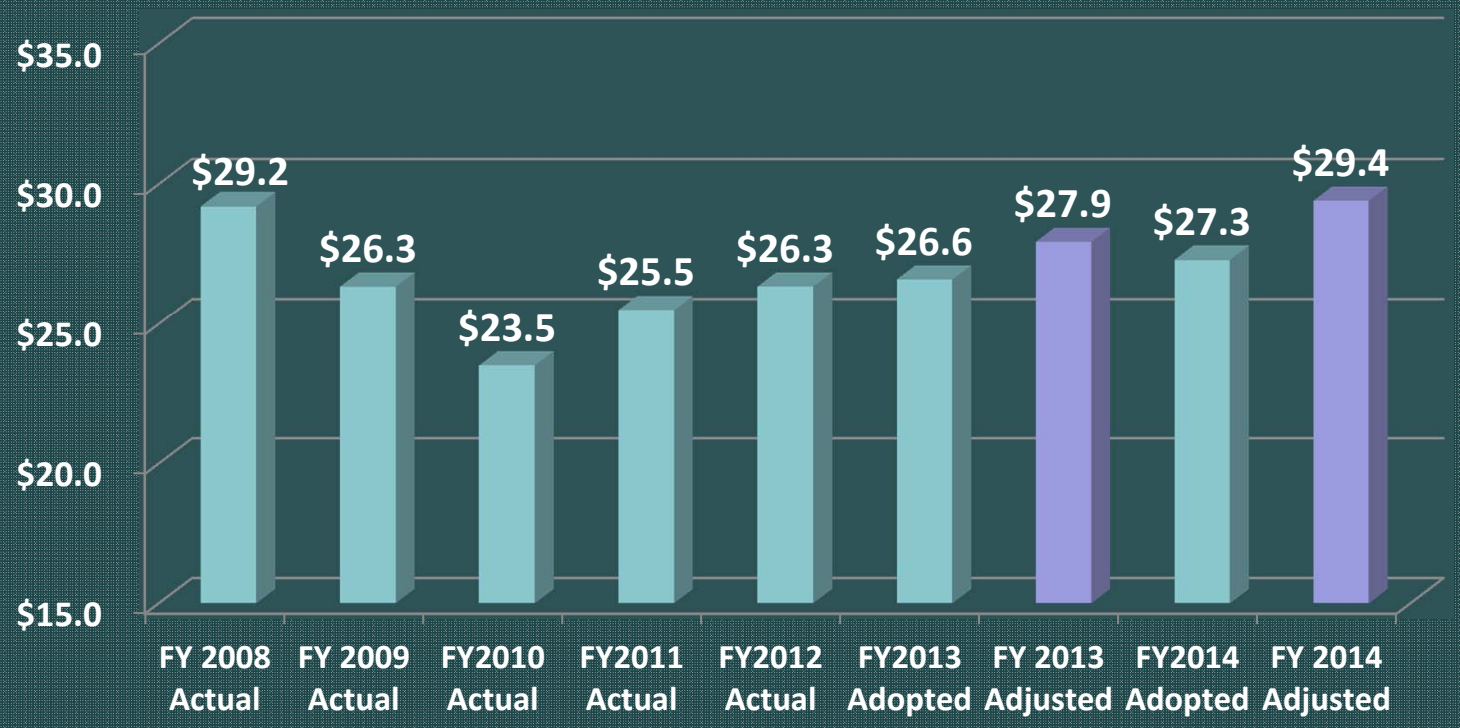
General Fund Revised Revenue Projections

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%
Totals	**117,928**	**120,461**	**2,533**	**2.1%**	**120,262**	**122,919**	**2,657**	**2.2%**

Sales Tax Projections



- FY 2013 projection increased by $1.35M
- FY 2014 projection increased by $2.1M

- Both years include one-time use tax receipts from new power plant
- Revenues projected to reach FY 2008 level by FY 2014

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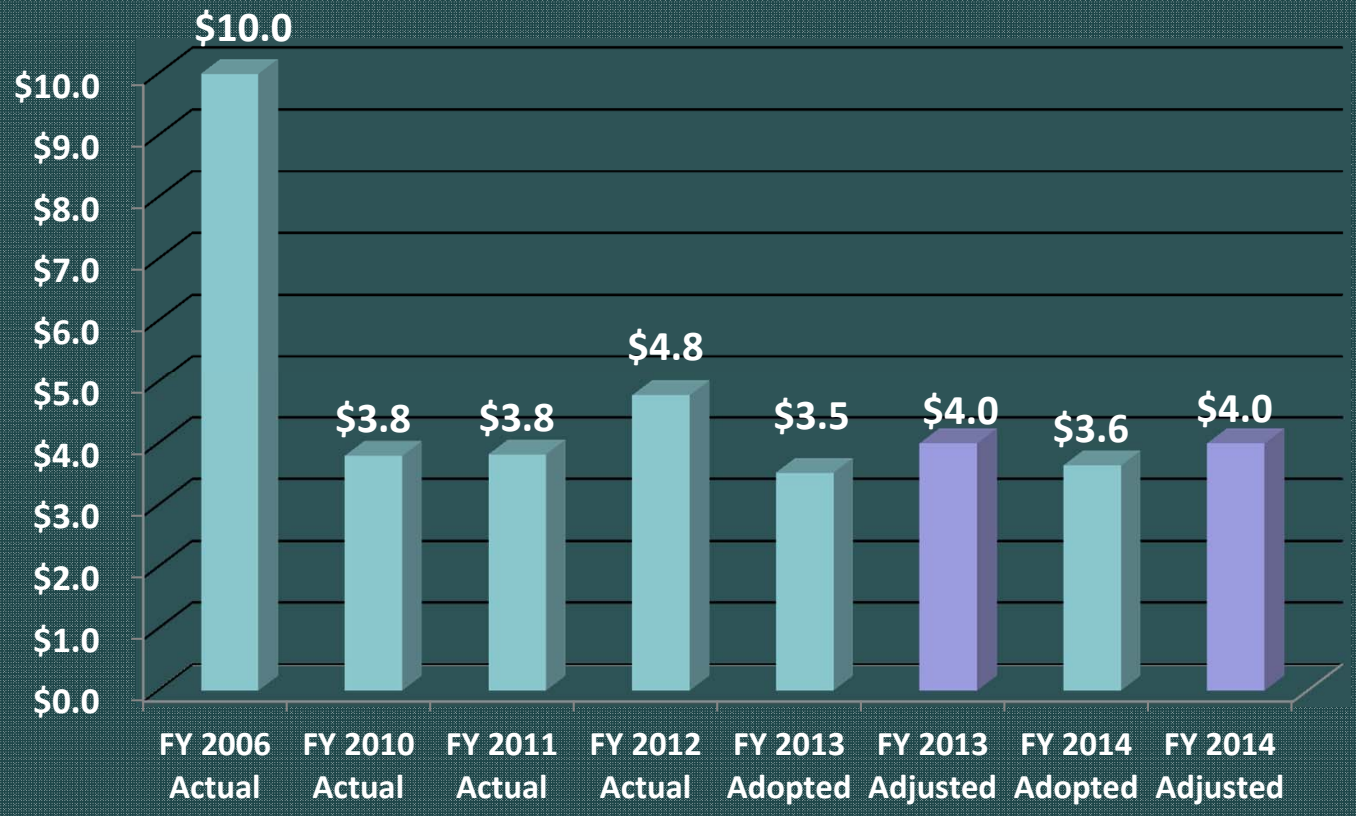
Property Transfer Tax Projections



- FY 2013 & FY 2014 forecast reflects current trends and market
- Future years reflect modest 2% growth
- A volatile revenue source tied to the real estate market
  - Establish annual base – excess revenues considered 1-time

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Other Revenue Changes

Intergovernmental Revenue +$589K

- Addition of grant revenue received after budget was adopted
- Revenues offset with like expenditure appropriations

Fines & Forfeitures Revenue +$200K

- Increase in Street Sweeping Program revenues based on program experience

General Fund Expenditures

General Fund Expenditures *(in 1,000's)*	FY 2013 Adopted	FY 2013 Projected	$ Variance	% Variance
Staffing Expense				
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%
Net Staffing Expense	**98,237**	**98,085**	**(152)**	**-0.2%**
Operating Expense				
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	-
Net Operating Expense	**25,286**	**26,358**	**1,072**	**4.2%**
Total Expenditures	**123,523**	**124,443**	**920**	**0.7%**

FY 2013 Mid-Year Expenditure Adjustments

- General Fund mid-year adjustments:
  - Revenue $2.54M
  - Expenditures $0.92M

  Net Change = $1.62M

- Other Funds mid-year adjustments:
  - Revenue $0.3M
  - Expenditures $5.4M

  Net Change = $5.1M *

  **funded through use of available fund balance*

- Staffing – mid-year appropriations:
  - 1 FTE Laborer (offset with new GF revenue)
  - 1 FTE WPCF Operations & Maint. Mgr. (5 months - Sewer Fund)

GF Ten Year Plan Update

Baseline Plan

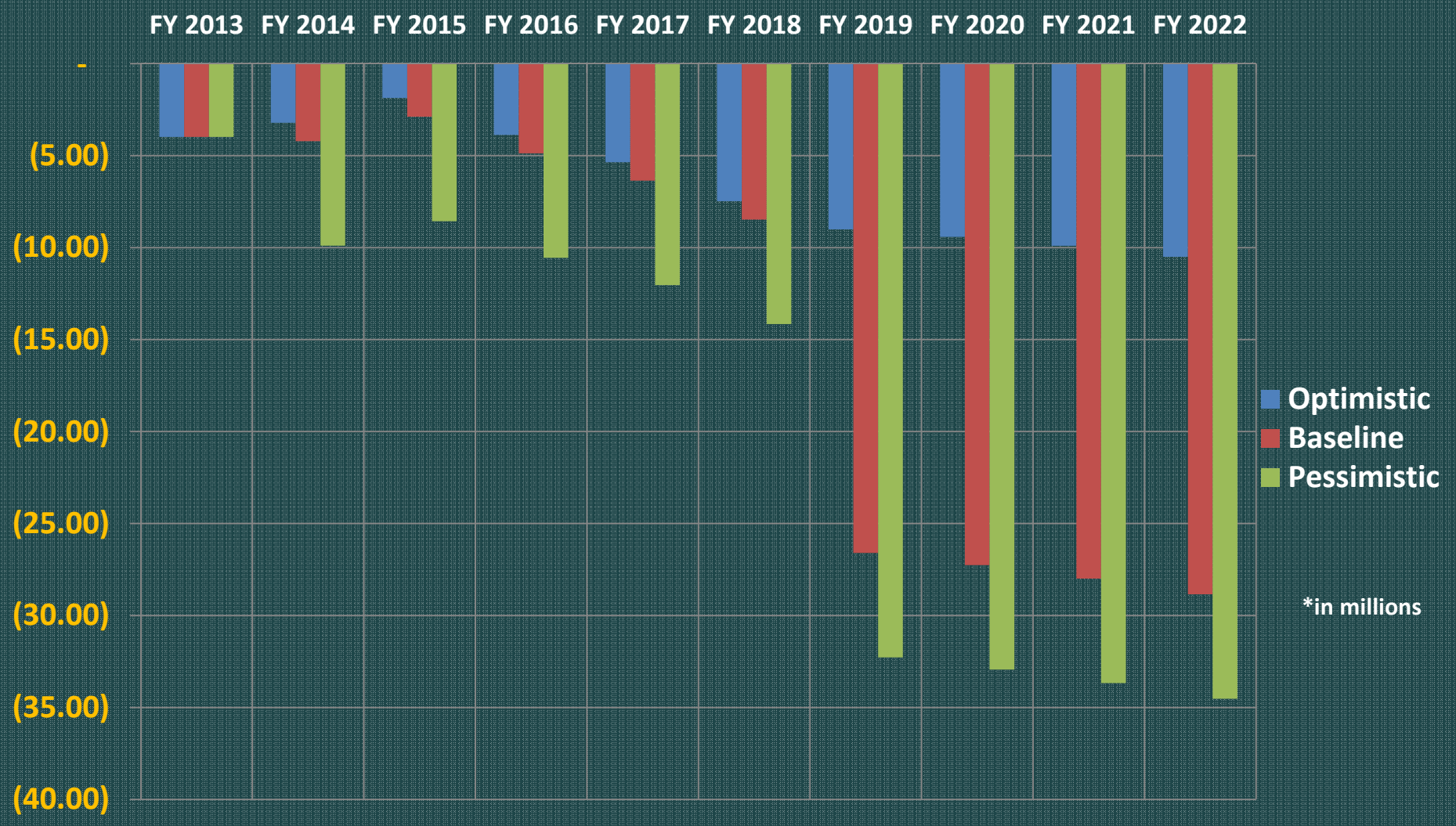
Optimistic Plan

Pessimistic Plan

- Key assumptions differences revolve around:
  - Sunset or extension of UUT
  - All bargaining units hit 17% concession target

- Even with Optimistic scenario – gap of $10.5M in FY 2022
- Need to close structural gap

GF Ten-Year Plan Scenarios



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Next Steps…

- FY 2013 Third Quarter Update to City Council in May 2013
- FY 2014 Mid-Biennial budget review in progress
- FY 2014 Mid-biennial Update to Council on May 7, 2013

Questions/Discussion