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# WELCOME & FY 2019 BUDGET OVERVIEW

# Roadmap for the day



- ▶ FY 2019 Budget Highlights & Overview
- ▶ 5 Year Plan
  - ▶ Where we've been
  - ▶ Status
  - ▶ Next Steps
- ▶ Departmental Presentations & Questions from Council
- ▶ Closing Remarks

# FY 2019 Budget Development Principles

- ▶ Status Quo Budget
- ▶ No Additional FTEs
- ▶ Identify Unfunded CIP Needs
- ▶ Identify Efficiency Measures

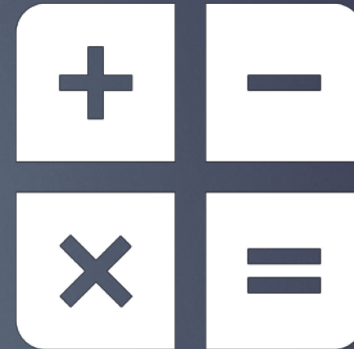
# FY 2019 Proposed Budget Requests By Category



<b>FY 2019 PROPOSED BUDGET REQUESTS</b>			
	<b>GENERAL FUND</b>	<b>OTHER FUNDS</b>	<b>CIP/NON-OP FUNDS</b>
PERSONNEL	\$ 102,348.42	\$ 536,632.66	\$ -
MAINTENANCE & UTILITIES	\$ (28,000.00)	\$ 345,825.84	\$ -
SERVICES & SUPPLIES	\$ 719,962.82	\$ 3,948,600.00	\$ -
CAPITAL*			\$ 2,008,000.00
TRANSFER OUT	\$ 355,500.00	\$ 200,000.00	\$ -
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,149,811.24</b>	<b>\$ 5,031,058.50</b>	<b>\$ 2,008,000.00</b>
REVENUE	\$ (326,475.49)	\$ (3,200,000.00)	\$ (250,000.00)
TRANSFER IN		\$ (400,000.00)	\$ (155,500.00)
<b>TOTAL REVENUE</b>	<b>\$ (326,475.49)</b>	<b>\$ (3,600,000.00)</b>	<b>\$ (405,500.00)</b>
<b>NET FISCAL IMPACT</b>	<b>\$ 823,335.75</b>	<b>\$ 1,431,058.50</b>	<b>\$ 1,602,500.00</b>

# FY 2019 Proposed Expenditures-All Funds

<b>in thousands</b>	<b>FY 2017 Adopted</b>	<b>FY 2018 Adopted</b>	<b>FY 2019 Proposed</b>	<b>\$ Change</b>	<b>% Change</b>
General Funds	149,029	151,562	165,219	13,657	9.0%
All Other Funds	130,306	132,938	153,316	17,378	12.8%
<b>Total City Budget</b>	<b>279,335</b>	<b>287,500</b>	<b>318,535</b>	<b>31,035</b>	<b>10.8%</b>



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## Status Update to Five-Year Plan

# Working towards sustainability...



Update of the  
General Fund  
Model

Balancing  
Strategy  
Development  
&  
Prioritization

Fiscal  
Sustainability  
Workshop

Council  
Selects  
Strategies to  
Advance

Staff working  
with Council  
to Implement  
Selected  
Strategies

# General Fund 5-Year Forecast as Proposed in the FY 2019 Operating Budget



<i>in thousands</i>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Revenues	\$159,748	\$162,774	\$166,492	\$172,774	\$179,454
Expenditures	165,219	172,324	181,570	191,282	197,351
<b>Beginning Balance</b>	<b>\$29,713</b>	<b>\$24,242</b>	<b>\$14,691</b>	<b>(\$386)</b>	<b>(\$18,894)</b>
<i>Change in Reserve - Surplus / (Shortfall)</i>	<i>(\$5,471)</i>	<i>(\$9,551)</i>	<i>(\$15,078)</i>	<i>(\$18,508)</i>	<i>(\$17,897)</i>
<b>Ending Balance</b>	<b>\$24,242</b>	<b>\$14,691</b>	<b>(\$386)</b>	<b>(\$18,894)</b>	<b>(\$36,791)</b>
Target to maintain 20% GF Reserves in Operating Expenses	\$33,044	\$34,465	\$36,314	\$38,256	\$39,470
General Fund Reserve Level as % of Total Expenses	14.7%	8.5%	-0.2%	-9.9%	-18.6%
Amount Above or (Below) Target 20%	(\$8,802)	(\$19,773)	(\$36,700)	(\$57,151)	(\$76,261)
Percentage Above or (Below) Target 20%	(27%)	(57%)	(101%)	(149%)	(193%)



# Sustainability Measures 10/2017 CC Work Session Key Revenue Strategies

- ▶ **Real Property Transfer Tax (RPTT)** – Increase to \$9.95/\$1,000, November 2018 Ballot Measure.
- ▶ **Transient Occupancy Tax (TOT)** – Increase to 12%, November 2018 Ballot Measure.
- ▶ **Business License Tax** – Increase by 25% in FY 2021.
- ▶ **Cannabis Tax** – Estimated at \$750,000 for FY 2019, \$1,000,000 for FY 2020, \$1,250,000 for FY 2021 and then a varying annual growth between 2.6%-4.26%
- ▶ **Measure C** – Transfer in of \$7.5 M beginning in 2021

# Sustainability Measures

## 10/2017 CC Work Session

### Key Expenditure Strategies

- ▶ **Employee Cost Sharing** - \$1 M Collaborating with labor groups to achieve long-term success
- ▶ **Fleet Utilization Study** - \$122 K annually in anticipated savings
- ▶ **Cost Allocation Plan** - \$100 K annually in anticipated savings

# General Fund 5-Year Forecast Including Sustainability Strategies



<i>in thousands</i>	FY 2019 Year 1	FY 2020 Year 2	FY 2021 Year 3	FY 2022 Year 4	FY 2023 Year 5
Revenues	\$163,693	\$173,931	\$186,454	\$193,631	\$201,059
Expenditures	163,997	171,065	180,273	189,946	195,976
<b>Beginning Balance</b>	<b>\$29,713</b>	<b>\$29,408</b>	<b>\$32,273</b>	<b>\$38,455</b>	<b>\$42,140</b>
<i>Change in Reserve - Surplus / (Shortfall)</i>	<b>(\$305)</b>	\$2,865	\$6,182	\$3,685	\$5,083
<b>Ending Balance</b>	<b>\$29,408</b>	<b>\$32,273</b>	<b>\$38,455</b>	<b>\$42,140</b>	<b>\$47,223</b>
Target to maintain 20% GF Reserves in Operating Expenses	\$32,799	\$34,213	\$36,055	\$37,989	\$39,195
General Fund Reserve Level as % of Total Expenses	17.9%	18.9%	21.3%	22.2%	24.1%
Amount Above or (Below) Target 20%	<b>(\$3,391)</b>	<b>(\$1,940)</b>	\$2,401	\$4,151	\$8,028
Percentage Above or (Below) Target 20%	<b>(10%)</b>	<b>(6%)</b>	7%	11%	20%

# Additional Options for Considerations



Sustainability Strategy	Estimated \$ Impact
Parking Enforcement (not including meters)	\$500,000 - \$1,000,000
Reduce General Fund Subsidy to CIP	\$2,600,000 - \$3,400,000
Jail Operation Closure	\$1,000,000 - \$2,000,000
Implement Card Club Tax	\$2,000,000 - \$2,500,000
No Increases for Supplies & Services	\$800,000 - \$1,000,000
Sin Taxes (Soda Tax, Alcohol Tax, Cigarette Tax, Local Gas Tax, Pollution Tax, Gambling Tax etc.)	\$250,000 - \$1,000,000
Jail Opening to Other Jurisdictions	\$200,000 - \$1,000,000
Reduced Operating Hours	Varies widely

# Where we are headed...



Continued survey work, strategy development and implementation

Return to Council in Early June with survey results to determine possible ballot measures

Develop contingency plan based on likelihood of ballot success

Implement developed strategies for short-term progress towards long-term fiscal sustainability

# Questions & Discussion



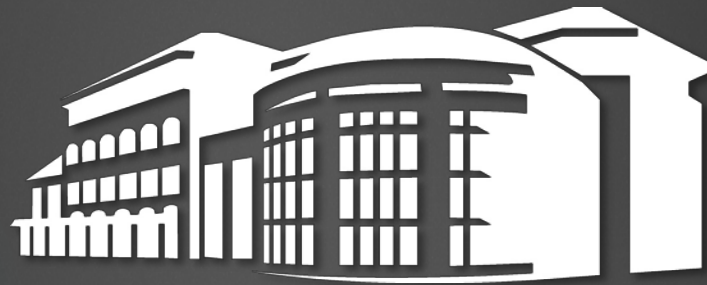
# Model Key Revenue Assumptions

- ▶ **Property Tax** projection based on information from HdL with assumed recession in 2020.
- ▶ **Sales Tax** projection based on information from MuniServices.
- ▶ **Real Property Transfer Tax (RPTT)** - 3.0% growth annually.
- ▶ **Cannabis Tax** – Estimated at \$750,000 for FY 2019, \$1,000,000 for FY 2020, \$1,250,000 for FY 2021 and then a varying annual growth between 2.6%-4.26%

# Model Key Expenditure Assumptions

- ▶ **Salary Increases** - FY 2019 - 2.0% growth for all bargaining units, exception for Public Safety, who assume growth of 5%. Starting in FY 2020 - 2.0% growth annually across all bargaining units.
- ▶ **Medical** – 6.0% annual growth.
- ▶ **Dental** - 2.0% annual growth.
- ▶ **Vision** - 3.0% growth every three years.
- ▶ **PERS Employer Contribution** - Projections based on actuarial. Misc. Plan grows from 27.14% to 35.54%. Fire Plan grows from 45.21% to 60.96%. Police Plan grows from 50.27% to 65.25%.
- ▶ **PERS Cost Share Contributions from Employee Groups** – Clerical/Maintenance bargaining units – 4.5%. Public Safety bargaining units – 6.0%. HAME/Local 21/Unrep-Non-Exempt/Unrep-Exempt/Mayor & City Council – 3.0%. Unrep Dept. Heads/Appointed – 5.0%.

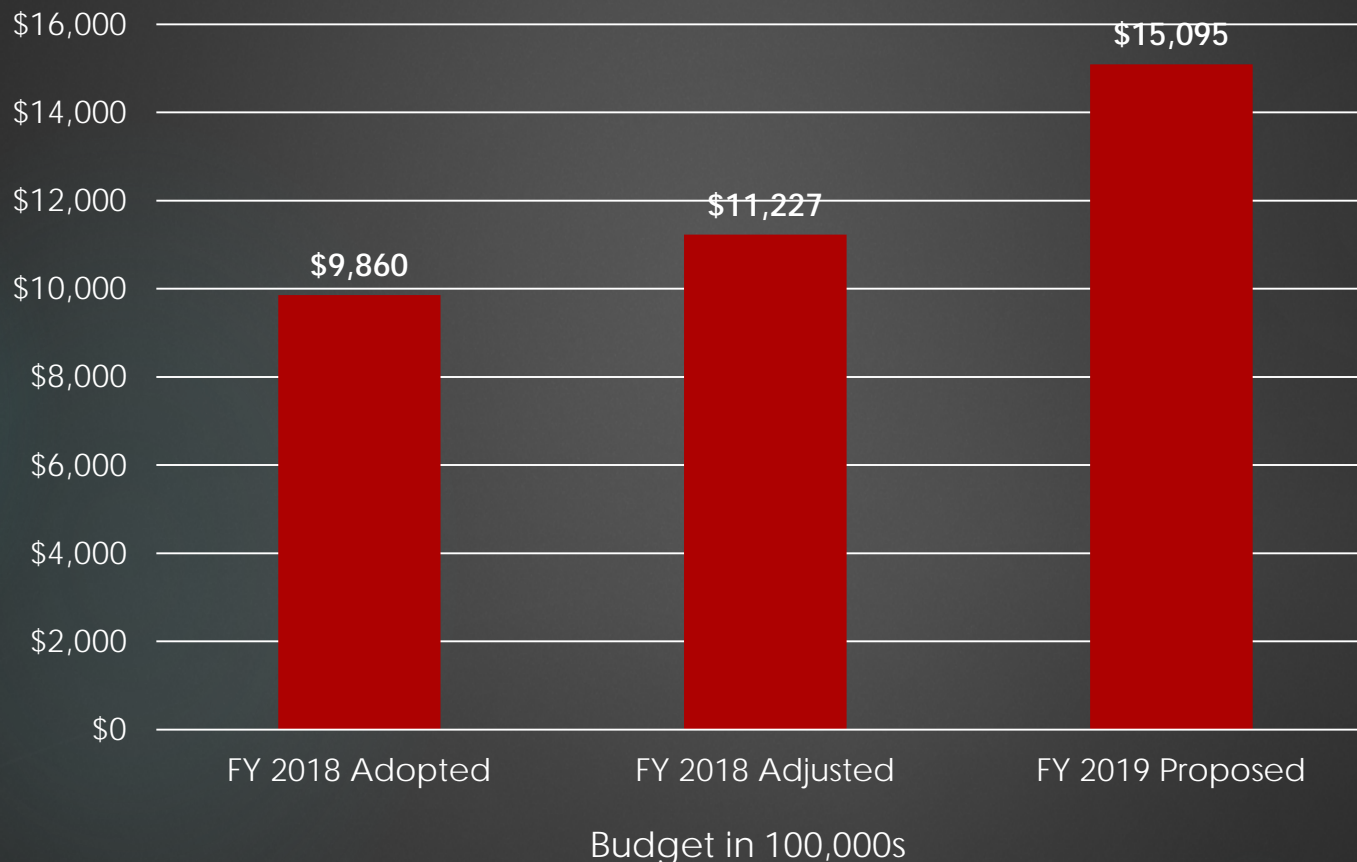




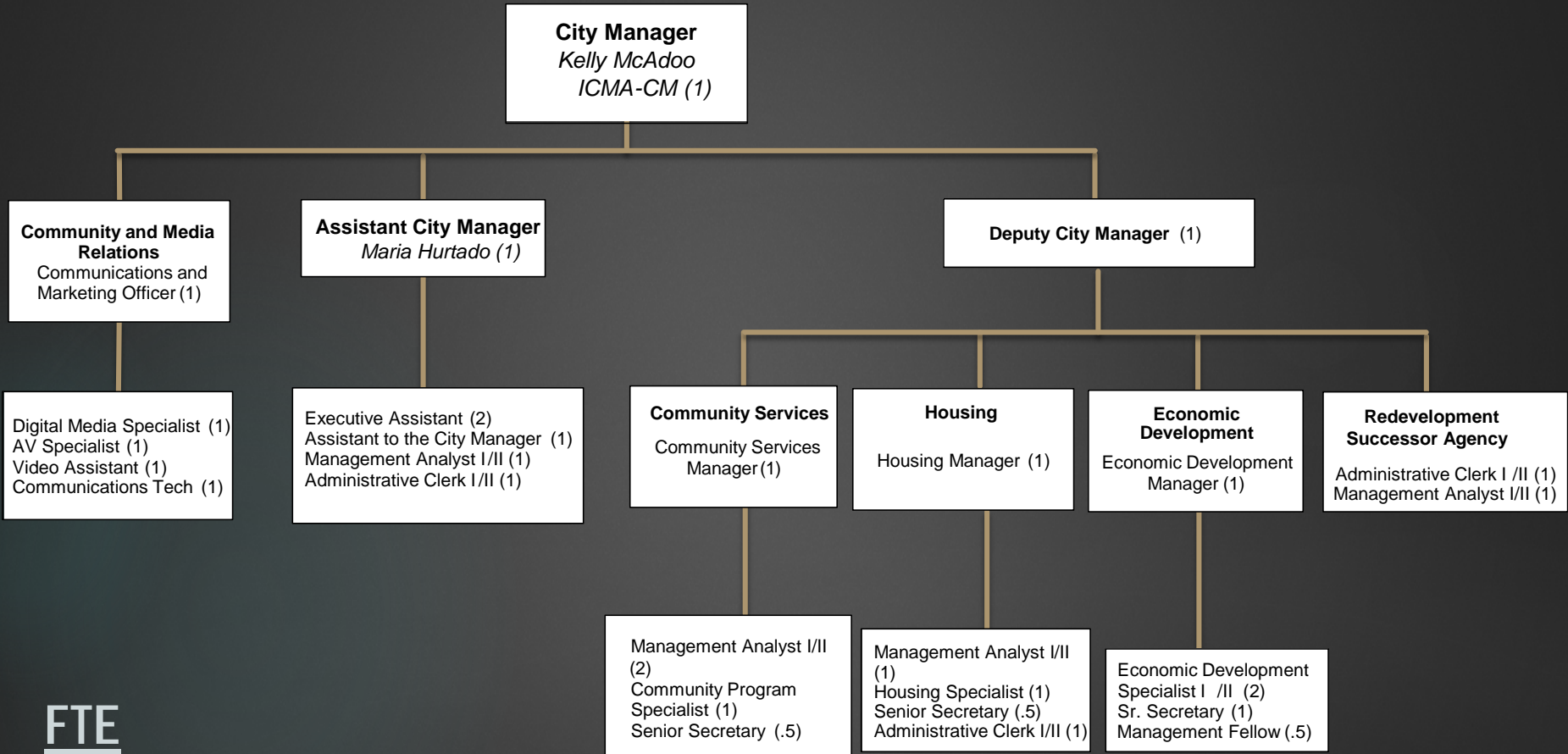
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# CITY MANAGER'S OFFICE FY 2019 BUDGET PRESENTATION

# CMO Budget Comparison FY 2018 vs. FY 2019



# CMO Organization Chart



## FTE

FY 2018 – 19

FY 2019 Proposed – 29.5

# Status of FY 2018 Highlighted Goals



FY 2018 Key Service Goals/Objectives	Status
Ensure implementation of City Council's three Strategic Initiative Work Plans	<b>ONGOING</b> Update came before Council in January 2018
Develop additional incentive programs for attracting targeted development and industries to Hayward	<b>COMPLETED</b>
Conduct a minimum of 10 City Hall to You neighborhood meetings with neighborhood stakeholders to enhance partnerships between City officials and neighborhood stakeholders.	<b>COMPLETED</b> 5 of 10 meetings in FY18 due to focus shift to Community Task Force Partnership
Transfer rent review program to Housing division.	<b>COMPLETED</b>

# Highlighted Goals for FY 2019



## FY 2019 Goals

Conduct the Bi-Annual Resident Satisfaction Survey.

Work with the Hayward community to implement the Commitment for an Inclusive, Equitable, and Compassionate City (CIECC).

Launch a signage program to support public awareness of major private and public projects.

Create capacity and implement a news and social media monitoring program with daily sharing of highlights across the organization.

# Highlighted Goals for FY 2019



## FY 2019 Goals

Update the Economic Development Strategic Plan.

Update Catalyst Development Opportunity Sites.

Develop and Execute a 120-day Homelessness Action Plan to better coordinate City services and partner agencies to address homelessness in Hayward.

Propose Measure A1 affordable housing bond funded projects to Council.

# Significant Changes Planned for FY 2019



## FY 2019 Significant Changes Planned

Transfer of Community Services & Housing Divisions from Library to CMO

Addition of a Deputy City Manager (1.0 FTE)

Addition of a Management Fellow (0.5 FTE) (*shared with Dev. Svcs.*)

Transfer Management Analyst and Senior Secretary positions from Community Services to Library Dept.

Addition of Management Analyst in Community Services (1.0 FTE)

Upgrade a Library Assistant Position to a Senior Secretary (Shared: CS/Housing)

# Strategic Initiatives





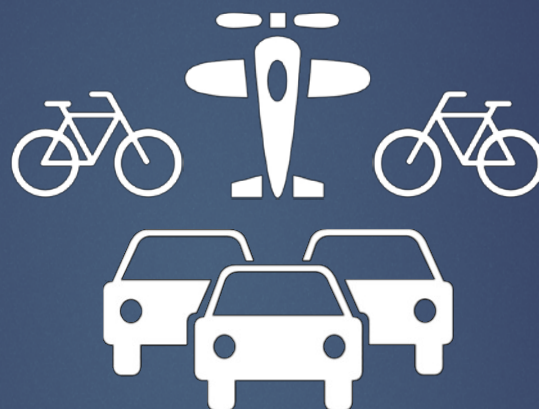
# Proposed FY 2019 Augmentation Requests



Budget Request	Cost
Tennyson Vision Planning	\$50,000
NIP Grant Funding Supplement	\$20,000
DST Participant Incentive	\$30,000
Tennyson Corridor Landscaping Labor	\$175,000
Tennyson Corridor Landscaping Costs	\$125,000
Complete Communities – Park In-Lieu Fee Study	\$25,000
Complete Communities – CIECC Support	\$15,500
Complete Communities – Sustainability Outreach	\$15,000
NERT Training in TC – Overtime for Staff Captain	\$12,000
NERT Training in TC - Materials	<u>\$13,000</u>
<b>TOTAL</b>	<b><u>\$480,500</u></b>

# Questions & Discussion

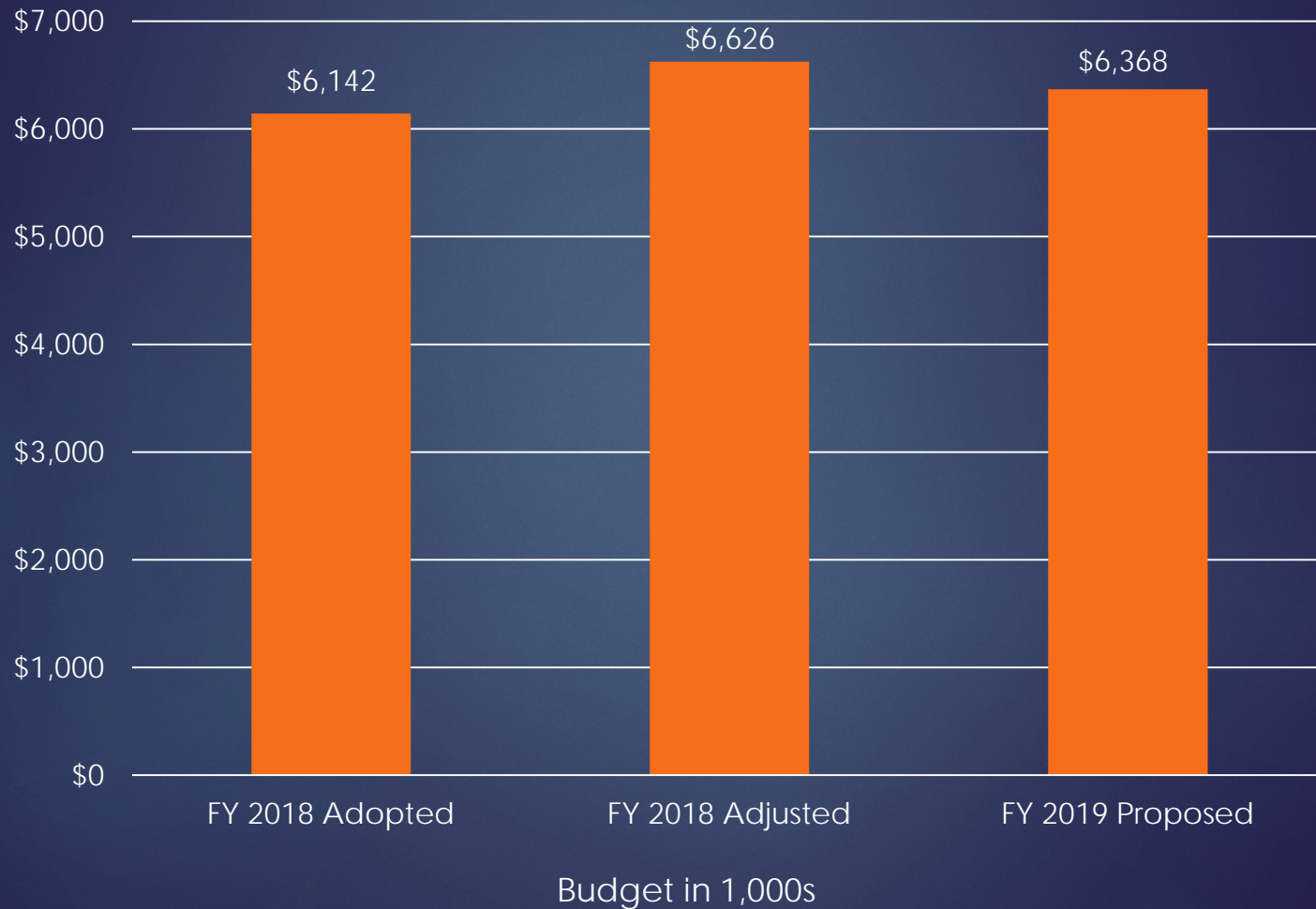




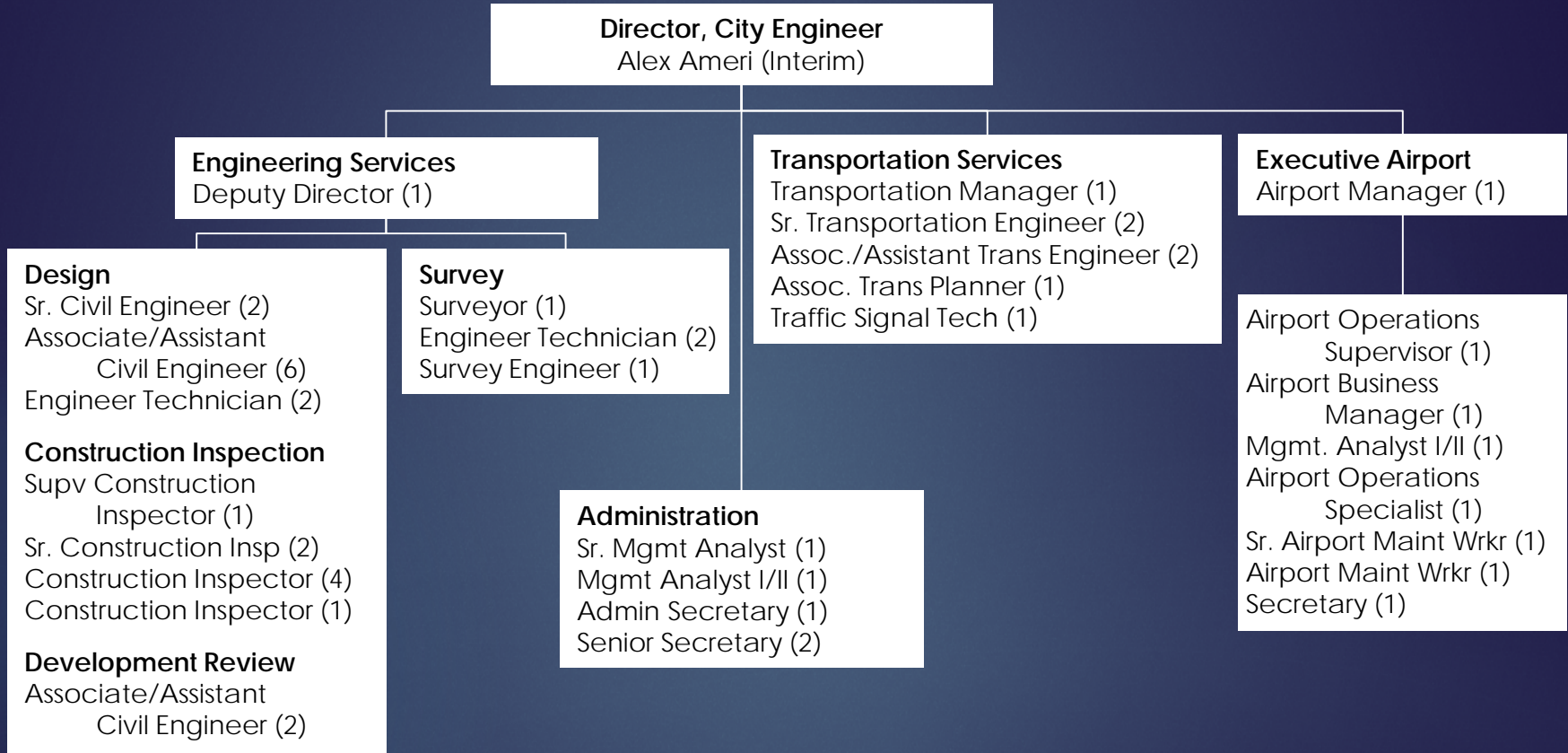
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PUBLIC WORKS  
ENGINEERING & TRANSPORTATION  
FY 2019 BUDGET PRESENTATION

# PWET Budget Comparison FY 2018 vs. FY 2019



# PWET Organization Chart



## FTE

FY 2018 – 47

FY 2019 Proposed – 47

# Status of FY 2018 Highlighted Goals



FY 2018 Key Service Goals/Objectives	Status
Substantially complete construction of 21 <sup>st</sup> Century Library and Community Learning Center Building.	<b>IN PROGRESS:</b> - Target substantial completion June 2018.
Substantially complete construction of Fire Stations (FS) 1-5 improvements supported by the passage of Measure C.	FS 1-3: <b>ACHIEVED</b> FS 4: <b>IN PROGRESS</b> – Target substantial completion May 2018. FS 5: <b>IN PROGRESS</b> – Target substantial completion July 2018.
Complete the Downtown Parking Study, the Neighborhood Traffic Calming Study, and substantially complete the City-wide Intersection Improvement Study and Transit Connector Feasibility Study.	<b>ACHIEVED/CONTINUED EFFORT NEEDED</b> – All studies completed in FY 2018 except the Intersection Improvement Study, which will be completed in FY 2019.

# Highlighted Goals for FY 2019



## FY 2019 Proposed Key Service Goals

Complete construction of the Heritage Plaza and Arboretum.

Continue construction of Phase 2 and complete design and begin construction of Phase 3 of the Mission Boulevard Corridor Improvement Project.

# Significant Changes Planned for FY 2019



## FY 2019 Significant Changes Planned

Add 1.0 FTE Construction Inspector.

Add \$180,000 in consultant services for development review and plan check services (\$100,000 of this amount is chargeable/reimbursable).

Delete 1.0 FTE Public Works Director.



# Questions & Discussion

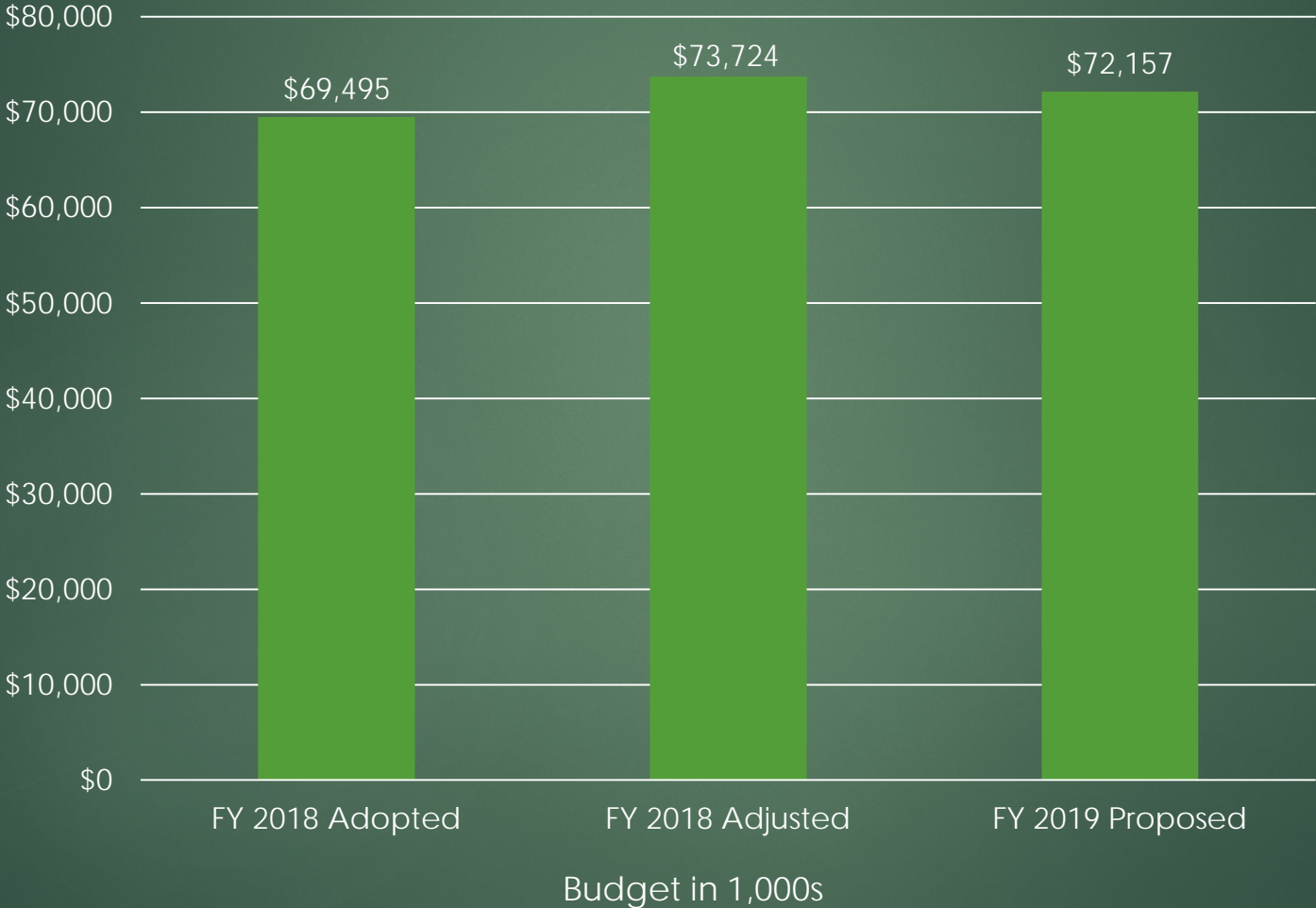




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UTILITIES & ENVIRONMENTAL SERVICES (U&ES)  
DEPARTMENT  
FY 2019 BUDGET PRESENTATION

# U&ES Budget Comparison FY 2018 vs. FY 2019



# U&ES Organization Chart



**Director**  
Alex Ameri

**Utilities Op & Maint**  
Util Op & Maint Mgr (1)  
Sr. Secretary (1)

**Water Distribution**  
Util Field Svcs Supv (1)  
Sr Util Leader (1)  
Util Wkr/Laborer (3)  
Equip Operator (13)  
Sr. Util Cust Svc Ldr (2)  
Cross Conn Ctrl Sp (1)  
Bkflw w/Cross Cnt Tester (1)  
Water Mtr Mech (1)  
Water Mtr Reader (3)  
Storekeeper-Exp (2.5)  
Secretary (1)

**Utility Sys Maint**  
Util Op & Maint Supv (1)  
Electrician I/II (3)  
Utility Maint Mech (6)  
Utility Svc Worker (2)

**Sewer Collection Maint Sys**  
Wastewtr Collection Sys Supv (1)  
Sr Util Leader – Sewer (1)  
Util Leader – Sewer (2)  
Util Worker/  
Laborer-Sewer (6)

**Environmental Services**  
Environmental Svc Mgr (1)

**Solid Waste Mgmt**  
Solid Wast Prog Mgr. (1)  
Mgmt Analyst I/II (1)  
Sustainability Specialist (1)

**Water Pollution Source Control (WPSC) Stormwater Mgmt**  
Water Pollution Control Administrator (1)  
Sr. WPSC Inpector (3)  
Secretary (1)  
Technical Intern (0.5)

**Util Admin/Planning/Engineering**  
Water Resource Mgr (1)  
Sr. Water Resource Engr (1)  
Sr. Utilities Engineer (2)  
Assoc Civil Engineer (3)  
Sr. Mgmt Analyst (1)  
Mgmt Analyst I/II (1)  
Dev. Review Specialist (1)  
Admin Secretary (1)  
Senior Secretary (1)

**Water Pollution Control Facility (WPCF)**  
WPCF Manager (1)  
WPCF O&M Mgr (1)  
WPCF Maint Supv (1)  
WPCF Op Supv (1)  
WPCF Lead Op (6)  
WPCF Operator (6)  
Operator in Training (2)  
Electrician I/II (3)  
Util Maint Mech (4)  
Equip. Operator (1)  
Maint Wkr/Laborer (1)  
Lab Supervisor (1)  
Chemist (1)  
Lab Technician (2)  
Sr. Secretary (1)  
Admin Intern (0.5)

FTE  
FY 2018 – 110.5  
FY 2019 Proposed – 111.5

# Status of FY 2018 Highlighted Goals



FY 2018 Key Service Goals/Objectives	Status
<b>All Divisions</b>	
Initiate preparation of the Groundwater Sustainability Plan.	<b>ACHIEVED</b>
Complete 50% (17,000 meters) of City-wide deployment of Advanced Metering Infrastructure (AMI) Project.	<b>ACHIEVED</b> Completed over 75% (over 25,000 meters).
Review and evaluate Waste Management's financials and determine the appropriate solid waste rate increase effective March 1, 2018.	<b>ACHIEVED</b>

# Highlighted Goals for FY 2019



## FY 2019 Proposed Key Service Goals

### All Divisions

Complete the WPCF Phase II Facilities Plan.

Complete the membrane Aerated Bio-Filter Reactor Pilot and assess its efficacy.

# Significant Changes Planned for FY 2019



## FY 2019 Significant Changes Planned

### **All Divisions**

Increase water purchases (\$3.2 million).

Add Senior Water Resources Engineer (1.0 FTE) to meet water resources planning priorities.

# Questions & Discussion



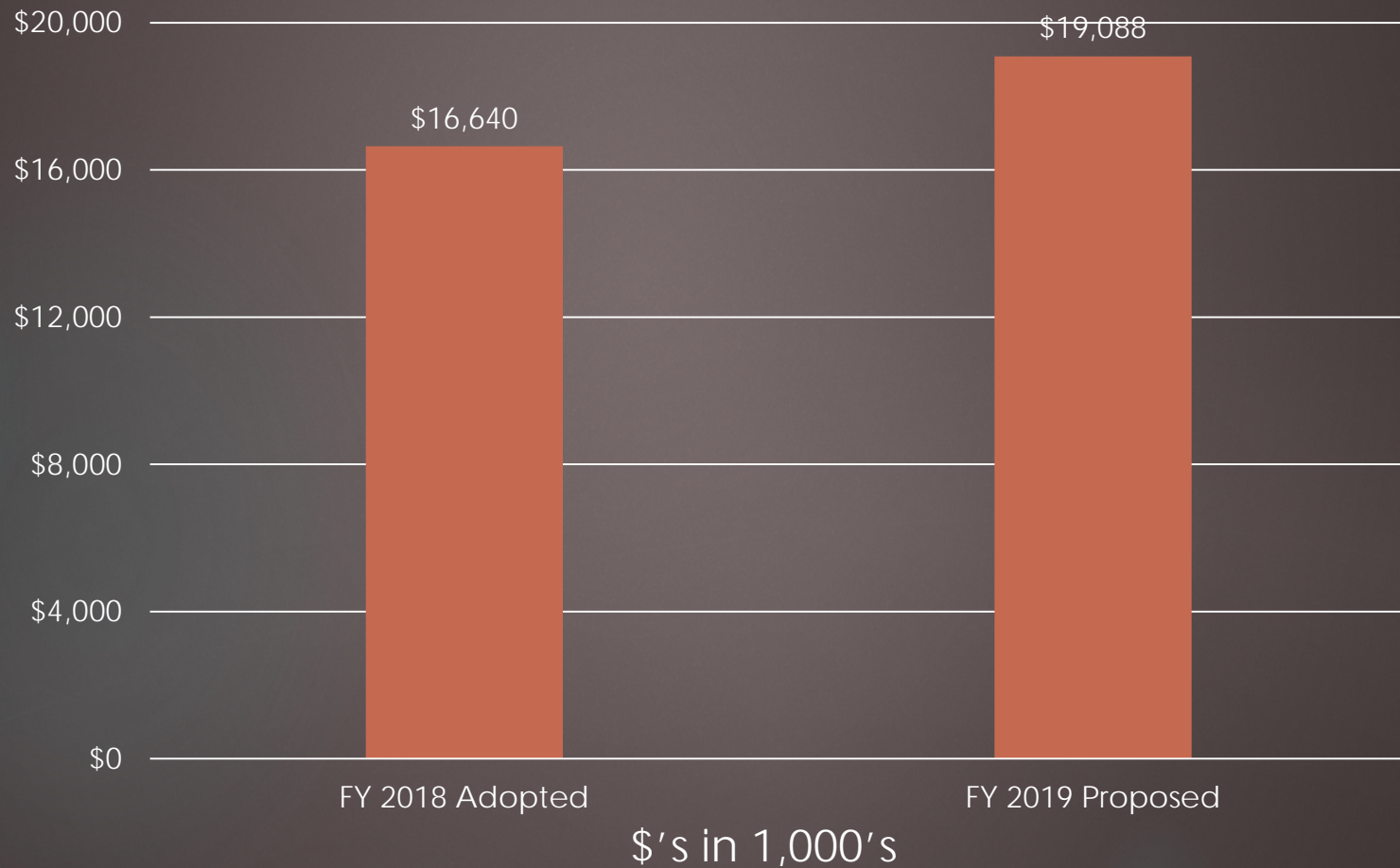




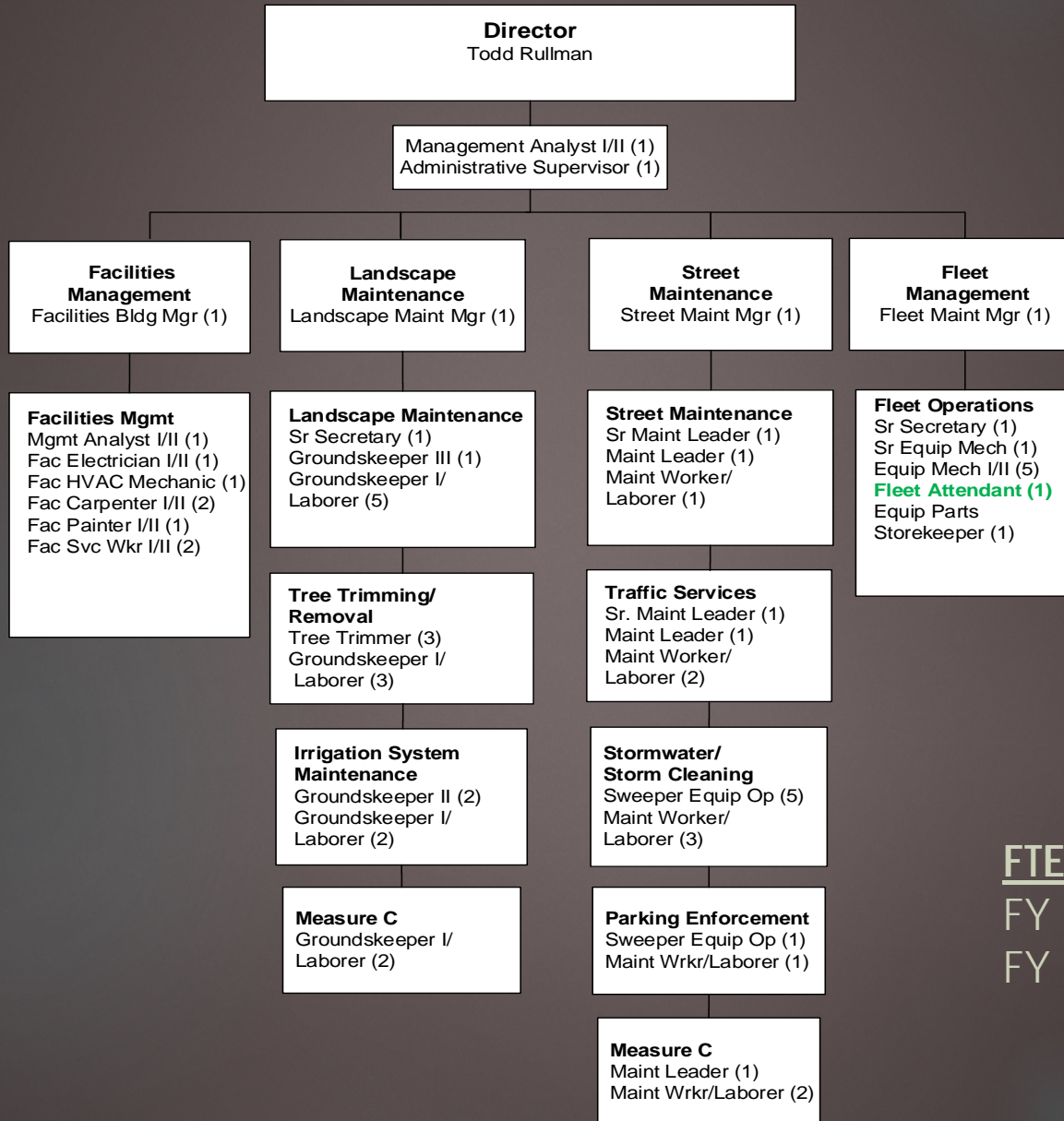
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# MAINTENANCE SERVICES DEPARTMENT FY 2019 BUDGET PRESENTATION

# MSD Budget Comparison FY 2018 to FY 2019



# MSD Organization Chart



FTE

FY 2018 – 62

FY 2019 Proposed – 63

# Status of FY 2018 Highlighted Goals



FY 2018 Key Service Goals/Objectives	Status
<b>All Divisions</b>	
Facility Condition Assessment	<b>IN PROGRESS</b> - A Facility Condition Assessment (FCA) is in progress. The FAC will be completed in FY19 and will catalog building components to provide life cycle dates, replacement cost estimates, and provide required capital replacement funding requirements.
Access Hayward	<b>ONGOING</b> - In CY17, the city received over 22,000 total CRM requests. Of those, over 12,000 or 54% were addressed by the MSD. The largest topic of request was for removal of illegal dumping, with requests totaling 3,041 in CY17.
Fleet Replacement	<b>ONGOING</b> - The bulk of GF purchases were deferred in FY18 due to budgetary constraints. However, critical public safety needs required the replacement of 4 vehicles. Five enterprise fund vehicles were also purchased to replace older ones. The new vehicles incorporated better technology, had lower emissions, and provided greater fuel efficiency.

# Highlighted Goals for FY 2019



## FY 2019 Proposed Key Service Goals

### All Divisions

#### Street Maintenance -

Continue to remove both illegal dumping and graffiti within a 72 hour period.

#### Landscape Maintenance -

Assess, plan, and install new landscaping and irrigation on Tennyson Road in support of the City Council's Tennyson Corridor Strategic Initiative.

#### Fleet Management-

Continue to replace aging fleet vehicles on schedule and within budget with a focus on expanding our green fleet wherever operationally possible. For FY19, 38 vehicles will be purchased, after a one-year deferral. Six scheduled replacements are gas-powered vehicles that will be replaced with green hybrid vehicles.

#### Facilities Management -

Complete Facility Condition Assessment and provide long-term funding requirements and recommendations. Complete software implementation and begin recording all work using Dude Solutions software.

# Significant Changes Planned for FY 2019



## FY 2019 Significant Changes Planned

### All Divisions

#### **Fleet Management** – \$2.5 million

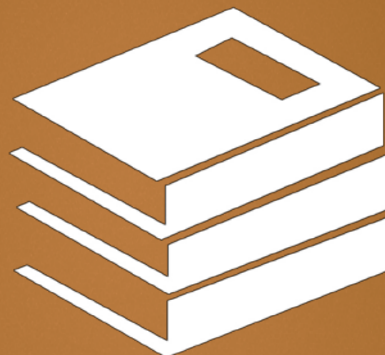
Restore annual fleet replacement capital charges to General Fund customers.

#### **Streets Maintenance** – \$150,000

Homeless encampment abatements on and within the public right of way.

# Questions & Discussion



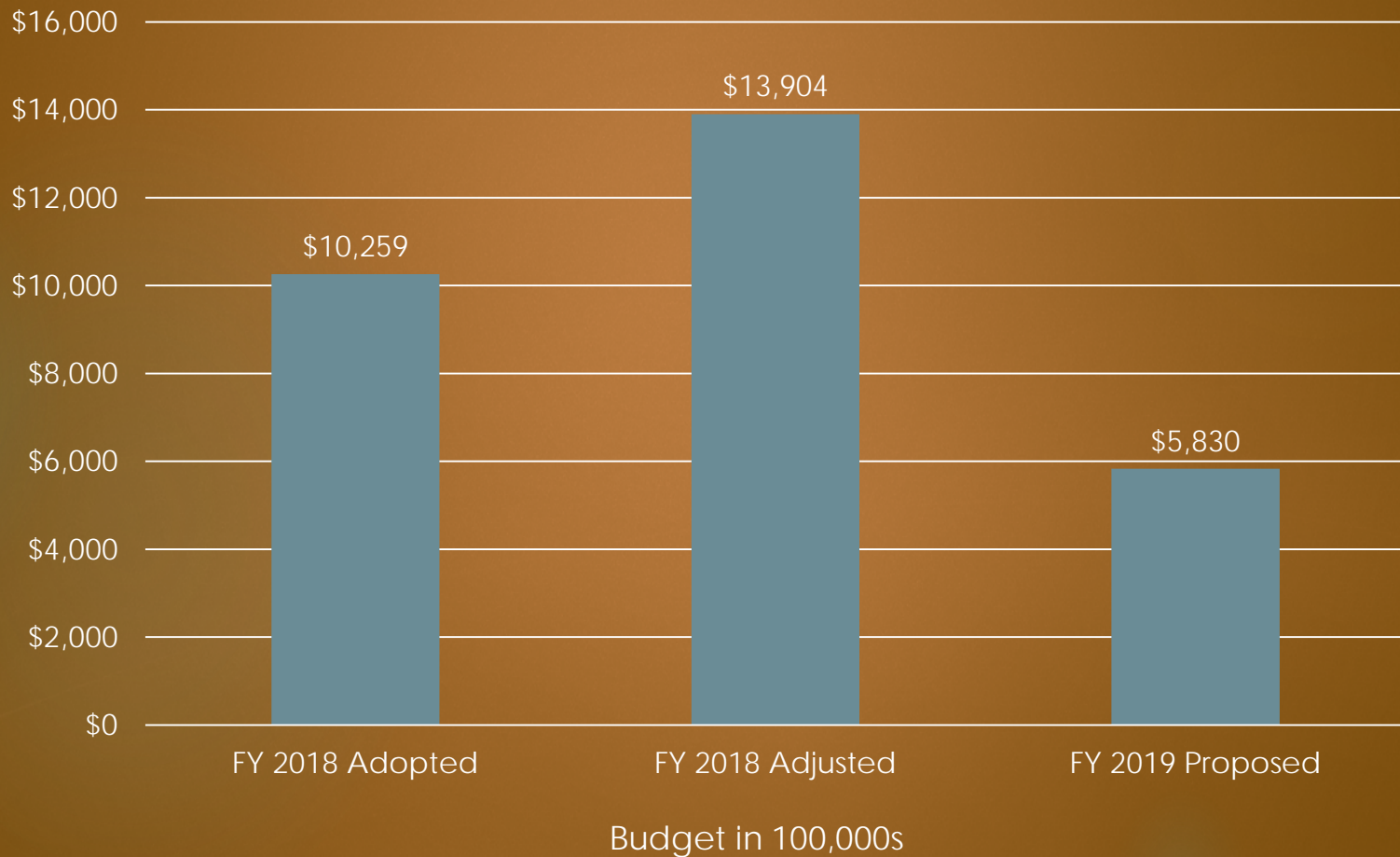


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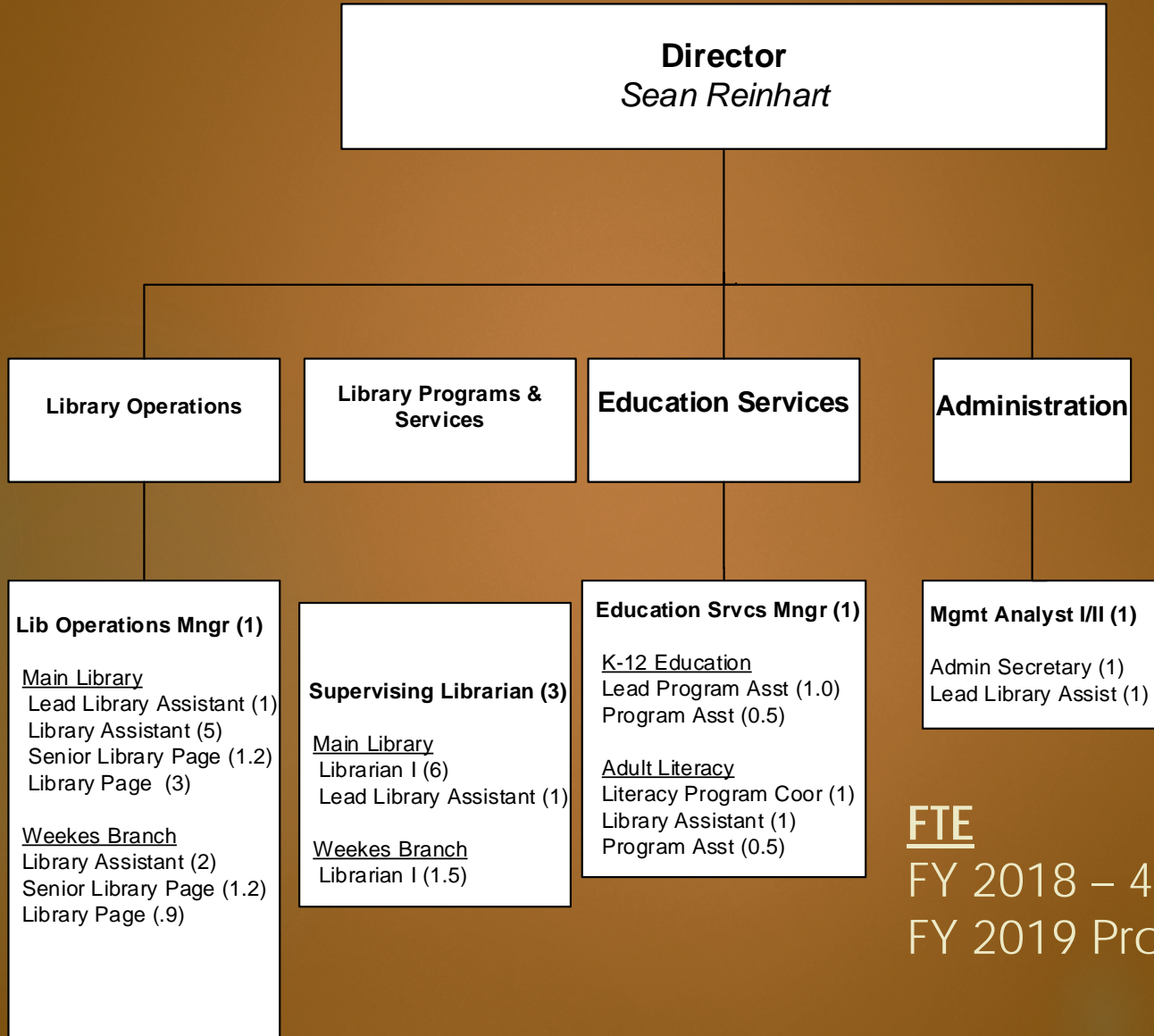
LIBRARY DEPARTMENT  
FY 2019 BUDGET PRESENTATION



# Library Budget Comparison FY 2018 vs. FY 2019



# Library Organization Chart



**FTE**  
 FY 2018 – 44.8  
 FY 2019 Proposed – 35.8

# Status of FY 2018 Highlighted Goals



FY 2018 Key Service Goals/Objectives	Status
Meet department budget and grant reporting deadlines 100% of the time.	<b>ACHIEVED</b>
Secure new external funding and volunteer resources of a total value at least 15% of total department General Fund budget.	<b>ACHIEVED</b> External funding and volunteer resources were valued at 17% of dept General Fund budget in FY 2018
Fulfill 90% of library patrons' materials requests within four business days.	<b>ACHIEVED</b> No known instances of delayed materials requests occurred in FY 2018.

# Highlighted Goals for FY 2019



## FY 2019 Proposed Key Service Goals

**Complete final phase** of the 21<sup>st</sup> Century Library; open the new library/ learning center facility for public use; implement strategic operating plan for the new facility; achieve and sustain LEED Platinum and Net Zero Energy environmental performance certifications.

**Continue staff development and succession planning** efforts through focusing on training and development of all staff to prepare for more substantive projects and leadership roles; leverage and maximize the community benefit of the new library/learning center and plaza; adapt to evolving funding priorities and processes at the federal, state, and local levels; and achieve multi-agency coordination to effectively address major regional issues like homelessness and housing affordability.

# Significant Changes Planned for FY 2019



## FY 2019 Significant Changes Planned

Transfer of Community Services and Housing Divisions to City Manager's Office.

Transfer of Information Systems Support Technician (1.0 FTE) to Information Technology (IT) Department.

# Questions & Discussion

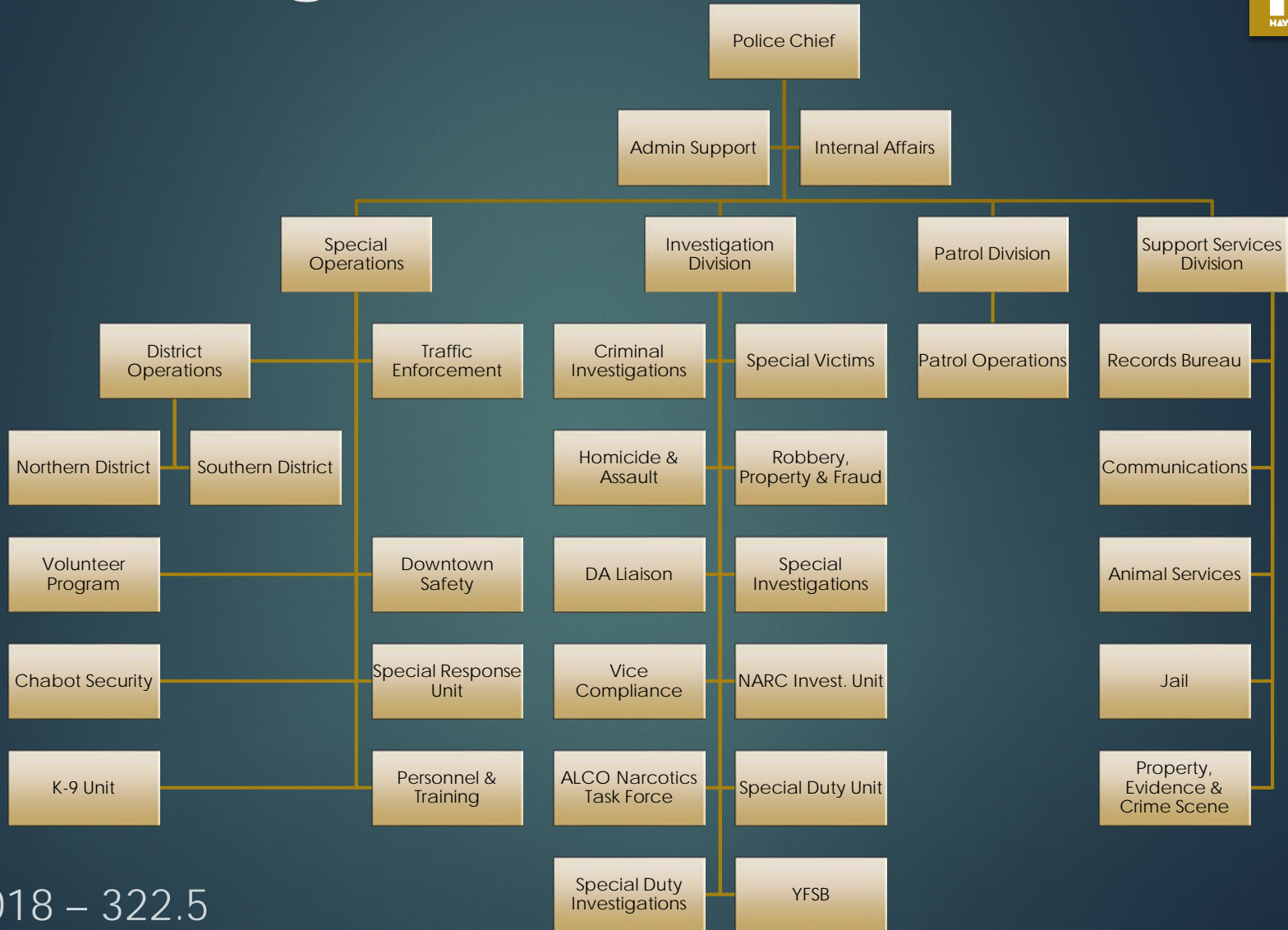




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# HAYWARD POLICE DEPARTMENT FY 2019 BUDGET PRESENTATION

# HPD Organizational Chart



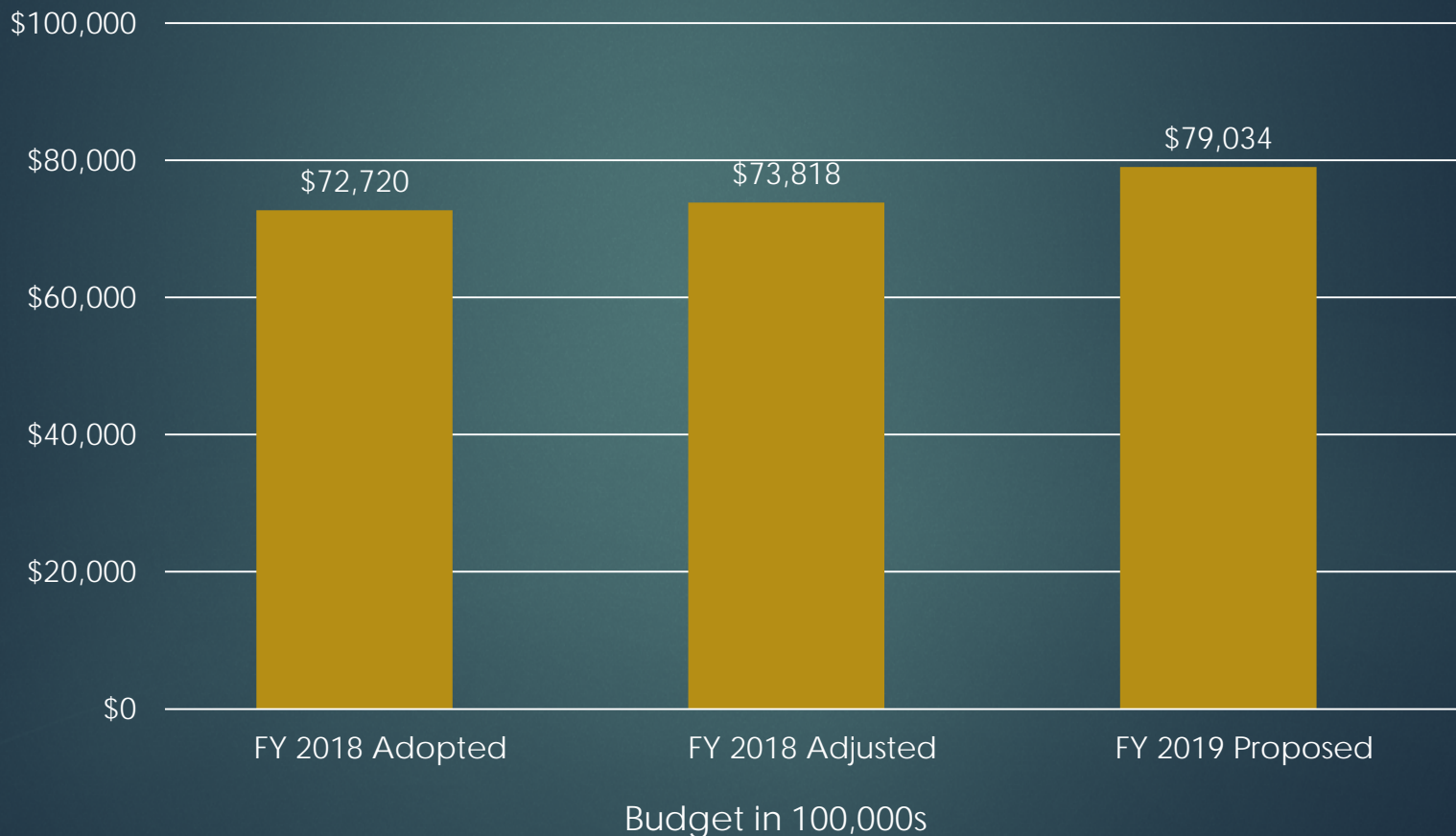
## FTE

FY 2018 – 322.5

FY 2019 Proposed – 322.5



# HPD Budget Comparison FY 2018 vs. FY 2019



# Status of FY 2018 Highlighted Goals



FY 2018 Key Service Goals/Objectives	Status
Support Council Strategic Initiatives (Complete Communities, Complete Streets, Tennyson Corridor).	<b>ACHIEVED; ONGOING</b>
Reduce the number of traffic accidents citywide over the next year at the identified high traffic locations.	<b>ACHIEVED</b>
Continue to direct pro-active enforcement activities in targeted areas where clusters of crimes are occurring by utilizing intelligence led policing strategies.	<b>ONGOING</b>
Develop inspection, investigation and enforcement protocols related to newly passed marijuana legislation.	<b>ACHIEVED; ONGOING</b>
Working with Human Resources to identify long term solution to permanently staff a dedicated facility project coordinator for the Police Department.	<b>ACHIEVED</b>

# Highlighted Goals for FY 2019



## FY 2019 Proposed Key Service Goals

### **All Divisions**

Increase Recruitment efforts and explore educational/recruitment pipeline.

Department-Wide Operational Efficiency (staffing deployment, sustainability, technology).

Continue to Increase community outreach and inclusion.

Identity short term facility needs as well as increase awareness, support and funding opportunities for new PAB.

# Significant Changes Planned for FY 2019



## FY 2019 Significant Changes

Operating increase of \$17,500 for Animal Services to avoid disease.

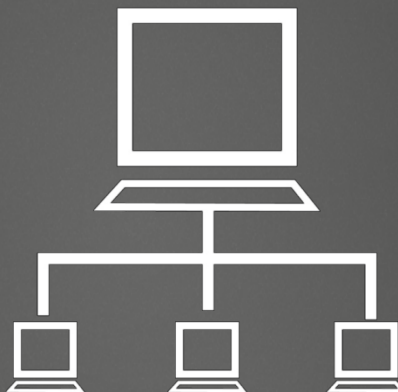
Addition of Management Analyst 1 (1.0 FTE) for HPD Facilities; elimination of CSO (1.0 FTE) position.

8 Measure C Call Takers transfer to General Fund; and budget impact offset by transferring 7 Dispatchers to Measure C.

Reduced overtime expenditures to GF operating budget by over \$0.5 million through the restructure of Measure C funding in Communications Center.

# Questions & Discussion

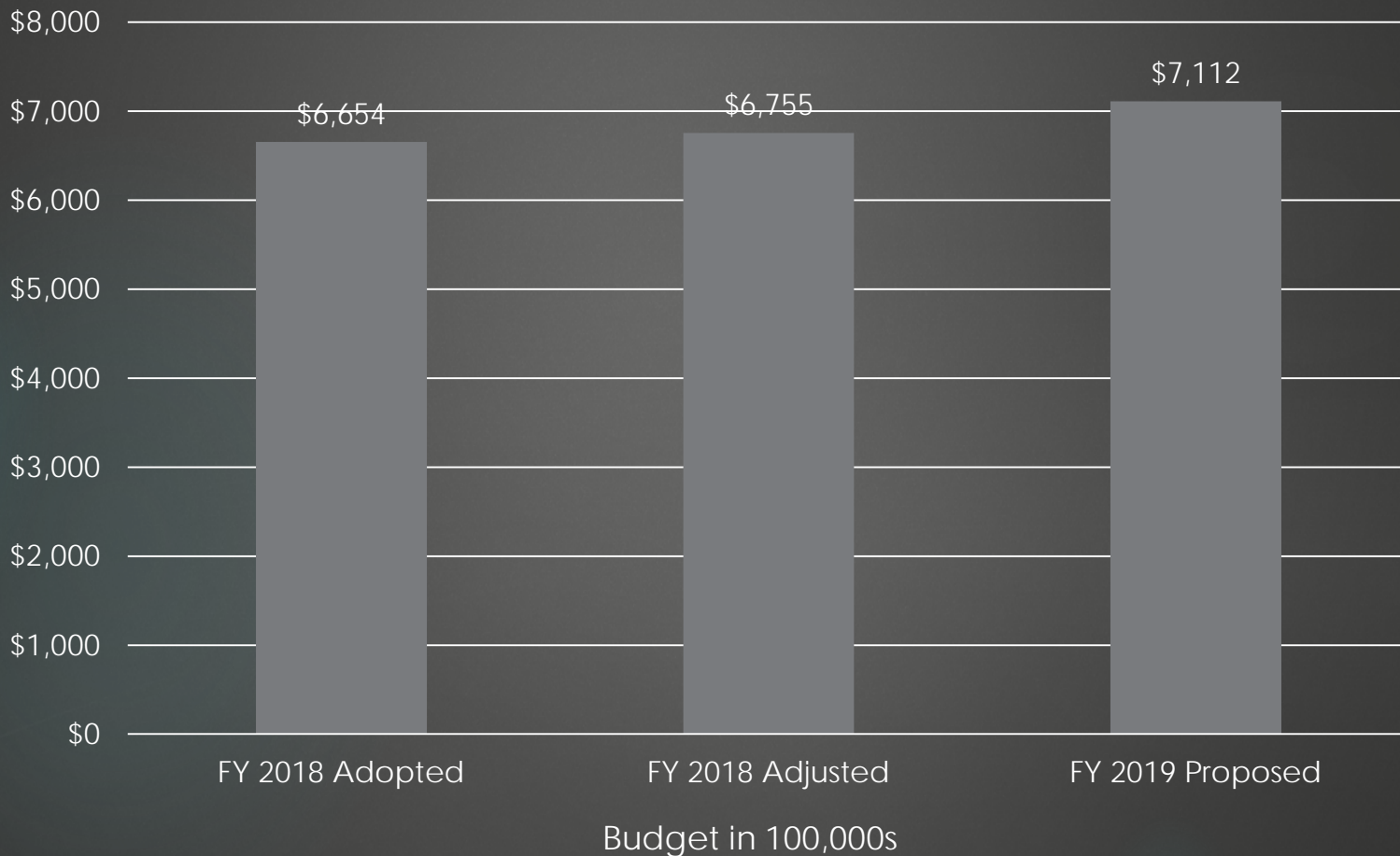




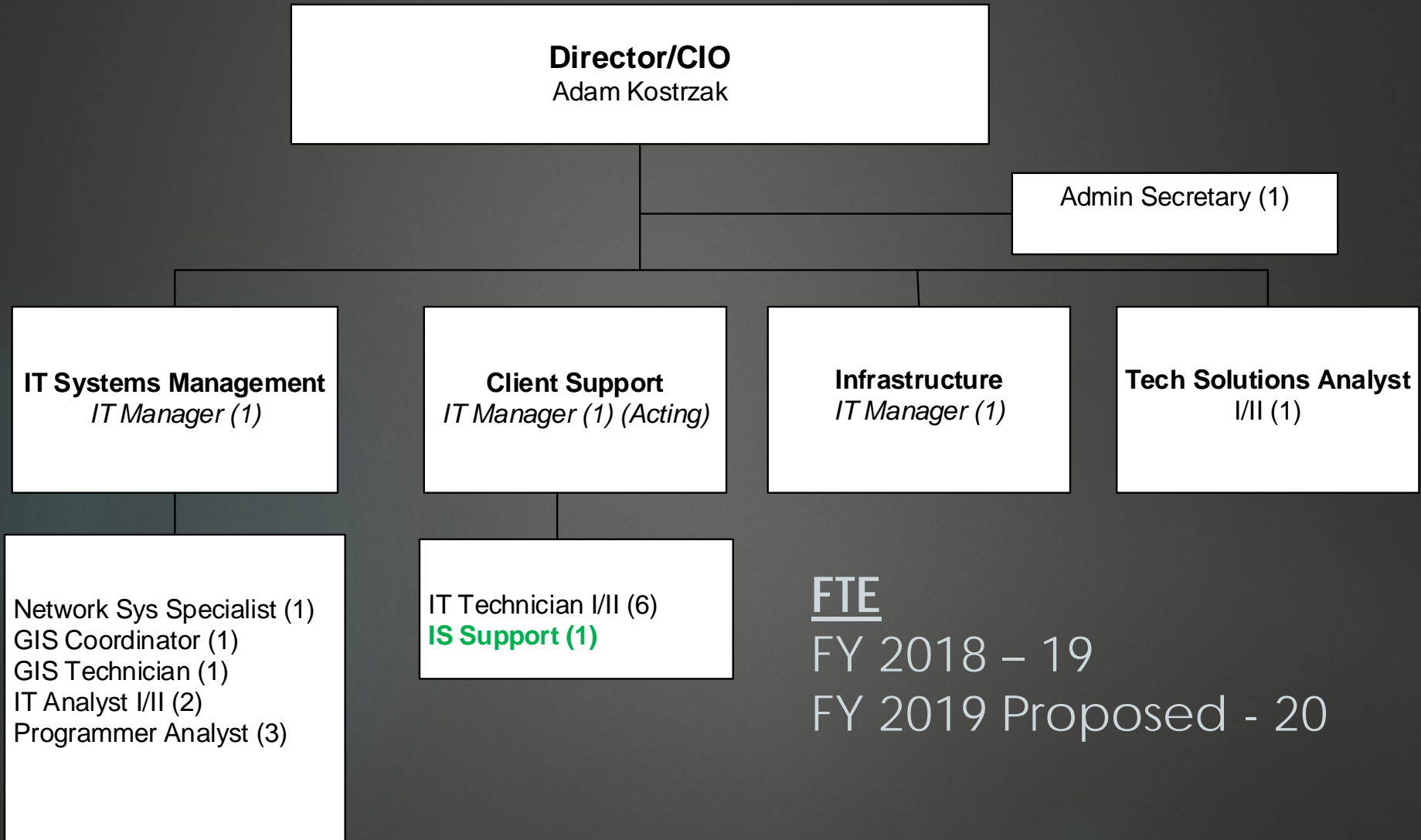
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# INFORMATION TECHNOLOGY DEPARTMENT FY 2019 BUDGET PRESENTATION

# IT Budget Comparison FY 2018 vs. FY 2019



# IT Organization Chart





# Status of FY 2018 Highlighted Goals



FY 2018 Key Service Goals/Objectives	Status
<b>Enhanced Services:</b> Launch of TechTeam	COMPLETE
<b>Cloud-First:</b> Move 50% Data to Cloud	COMPLETE
<b>Mobile-First:</b> Expanded Mobile Footprint	COMPLETE
<b>Security:</b> External Security Assessment	COMPLETE
<b>Training:</b> Skills Based Training	COMPLETE

# Highlighted Goals for FY 2019



## FY 2019 Proposed Key Service Goals

**Enhanced Services:** CAD Upgrade

**Cloud-First:** Third Party Assessment

**Mobile-First:** Desktop to Mobile Conversion

**Security:** Implement Next Gen Security Solutions

**Infrastructure:** City Wide Paging

# Significant Changes Planned for FY 2019



## FY 2019 Significant Changes Planned

Transfer of IS Support Tech from Library to Tech Services.

# Questions & Discussion

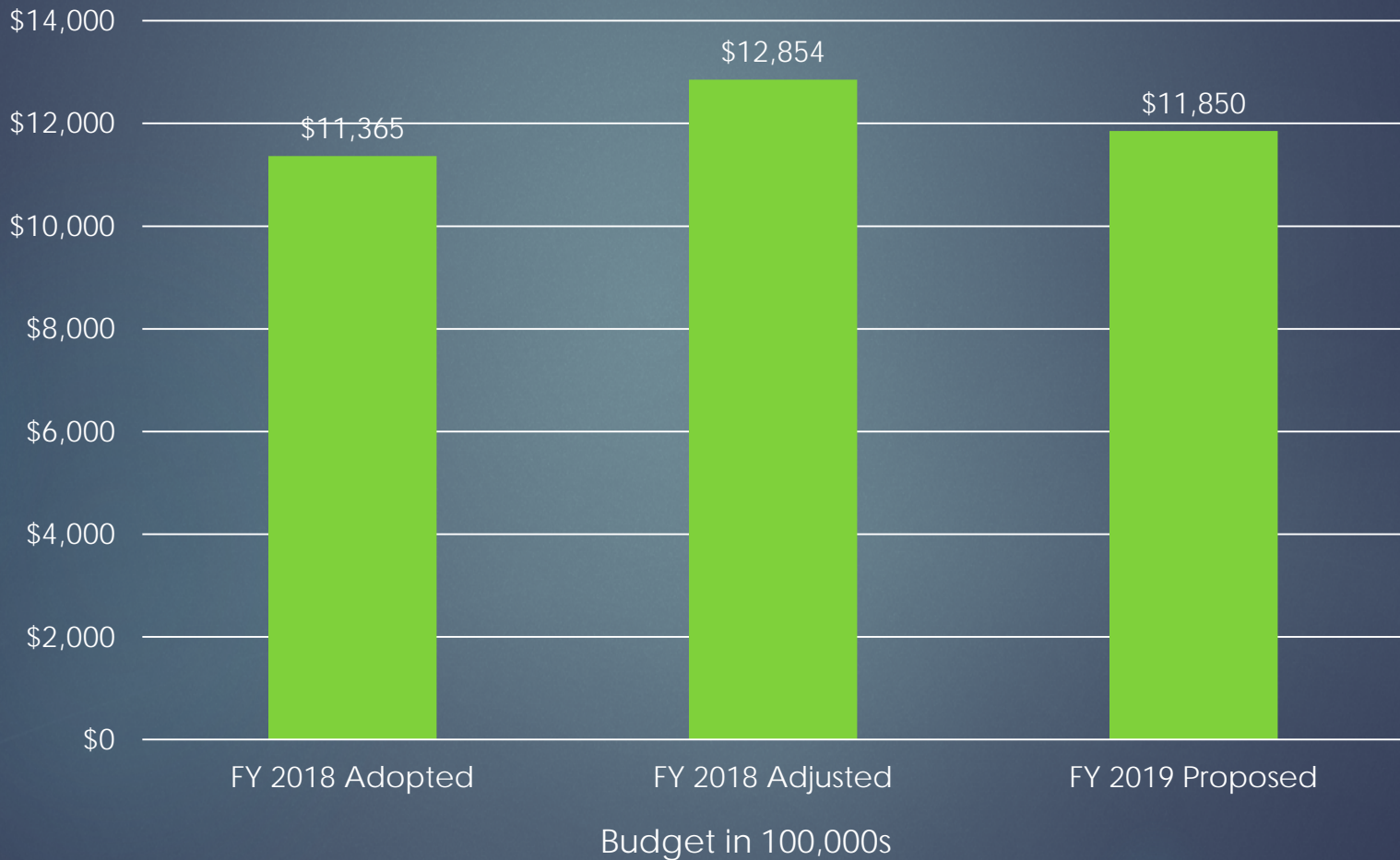




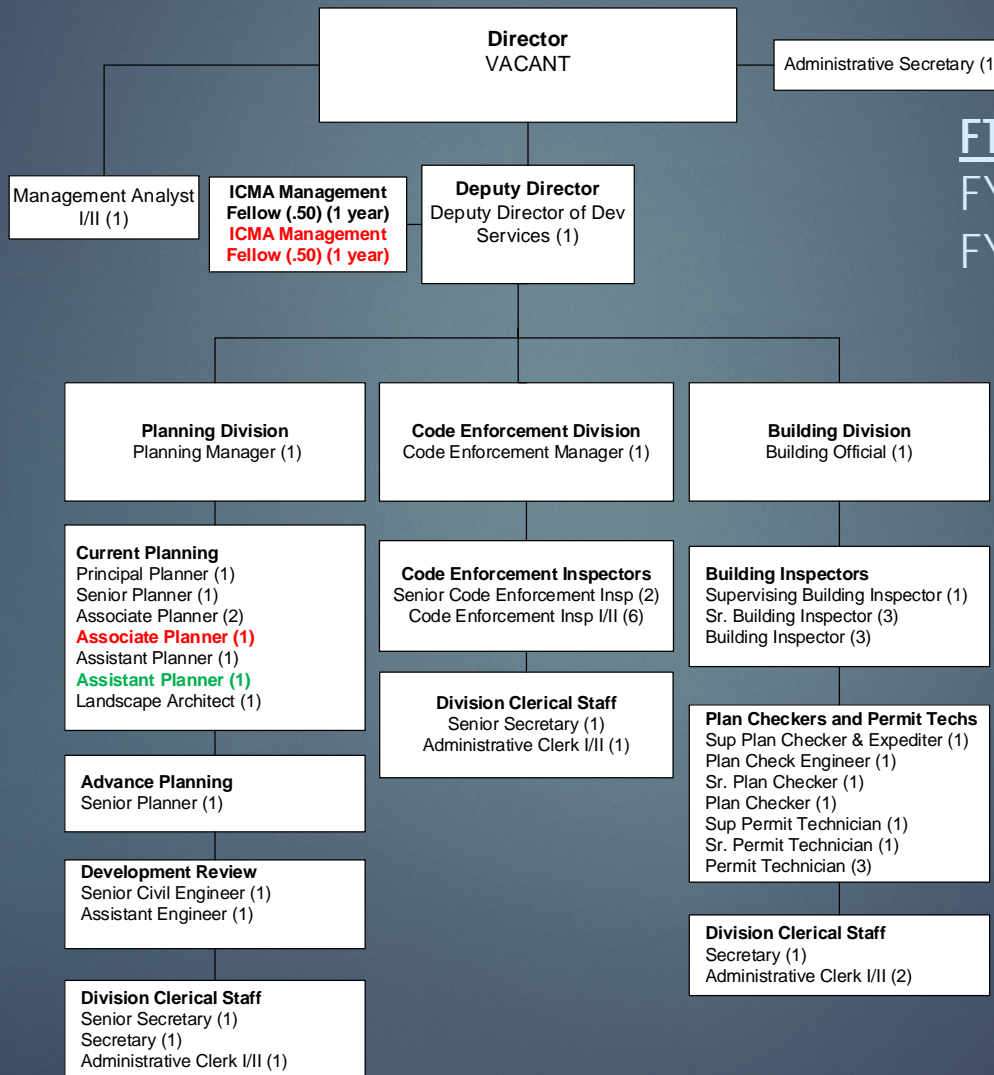
# DEVELOPMENT SERVICES FY 2019 BUDGET PRESENTATION



# DSD Budget Comparison FY 2018 vs. FY 2019



# Development Services Organization Chart



FTE

FY 2018 – 50

FY 2019 Proposed – 49.5

# Status of FY 2018 Highlighted Goals



FY 2018 Key Service Goals/Objectives	Status
<b>All Divisions</b>	
<p>Development Projects:</p> <ul style="list-style-type: none"> <li>• Housing</li> <li>• Commercial Space</li> <li>• La Vista Park (Funding/Design)</li> </ul> <p>New Adopted Regulations: Cannabis Ordinance &amp; Inspection Program, Accessory Dwelling Units, Airport Overlay Regulations/Modifications</p>	<p><b>ACHIEVED</b></p>
<p>Develop, implement and track results of customer service surveys (General Plan Program (GPP) ED-12)</p>	<p><b>CONTINUOUS</b></p> <ul style="list-style-type: none"> <li>• CRM surveys</li> <li>• Hayward Empathy Action Response Teams(H.E.A.R.T)</li> <li>• Online surveys</li> </ul>
<p>Implement Supplement Inspection Program (GPP)</p> <ul style="list-style-type: none"> <li>▪ Dedicated Seasoned Inspector - consistency</li> <li>▪ On-site Commitment – Expedited Timelines</li> <li>▪ Cost Recovery Program &amp; No impact to 24 hr service</li> </ul>	<p><b>ACHIEVED</b></p> <p>Program developed and implemented.</p>
<p>Complete comprehensive update of the Industrial Zoning District regulations (GPP LU-11)</p>	<p><b>IN PROGRESS</b></p> <p>Fall 2018</p>



# Highlighted Goals for FY 2019



## FY 2019 Proposed Key Service Goals

### All Divisions

- Implementation of various General Plan items.
- Support Complete Communities Strategic Initiative Goals.
- Complete lean innovation pilot project in Permit Center focused on customer wait-line management, expedited submittals and operational improvements.

# Significant Changes Planned for FY 2019



## FY 2019 Significant Changes Planned

### All Divisions

#### FY 2019 STAFF CHANGES

Proposed addition of 0.50 FTE International City/County Management Association Management Fellow as a shared position with City Manager's Office (1 Year Term).

# Questions & Discussion

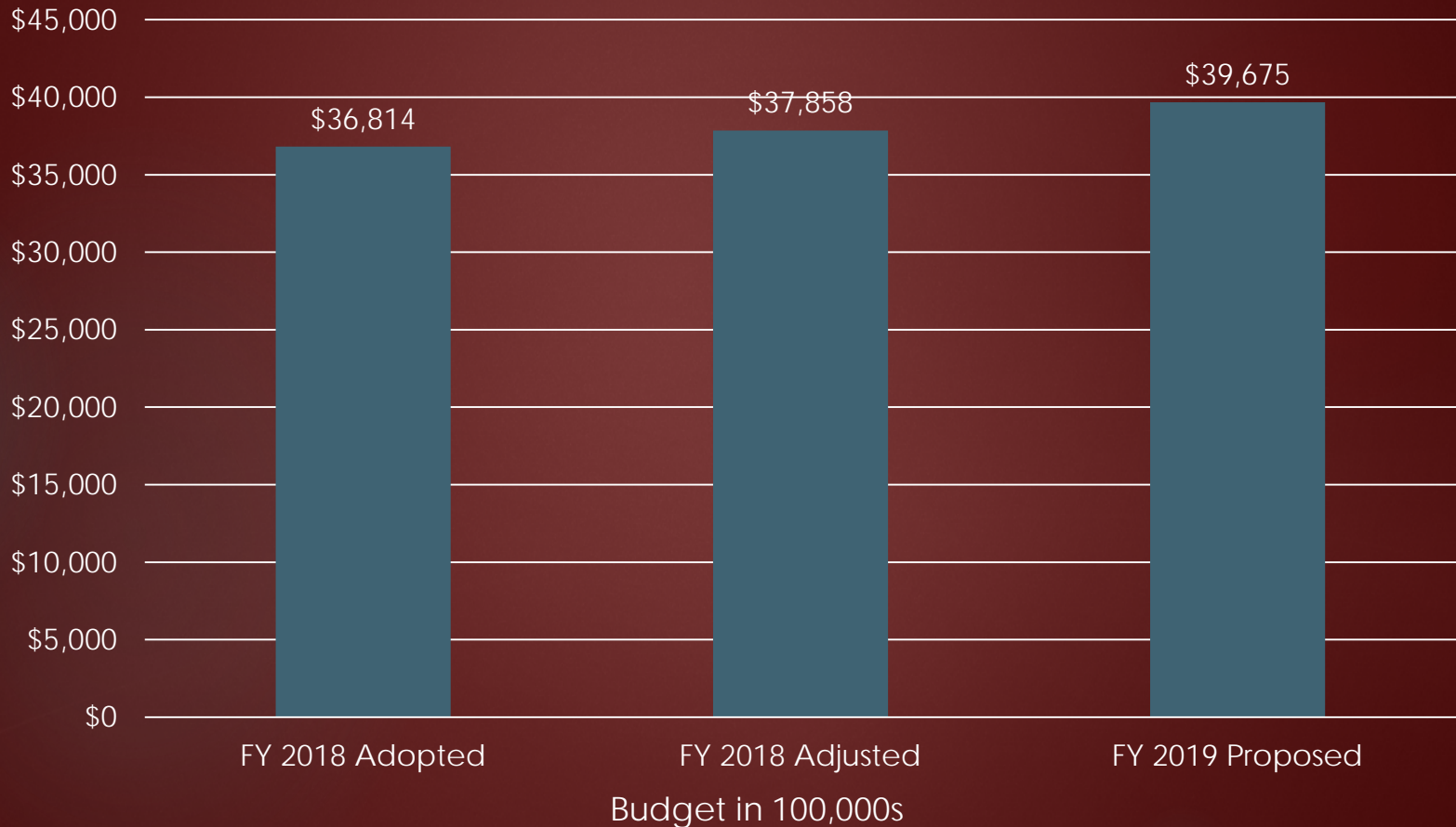




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# HAYWARD FIRE DEPARTMENT FY 2019 BUDGET PRESENTATION

# Fire Budget Comparison FY 2018 vs. FY 2019



# Fire Organization Chart



**Fire Chief**  
Garrett Contreras

Fire Services Supervisor (1)  
Management Analyst I/II (1)  
Senior Secretary (1)  
Secretary (1)  
Administrative Clerk (1)  
Mail Clerk (.5)

**Operations**  
Deputy Fire Chief (1)

**Special Operations**  
Deputy Fire Chief (1)

**Battalion 1**

**“A” Shift**  
Battalion Chief (1)  
Captains (6)  
Apparatus Operators (6)  
Firefighters (7)  
**Firefighters (2)**

**“B” Shift**  
Battalion Chief (1)  
Captains (6)  
Apparatus Operators (6)  
Firefighters (7)  
**Firefighters (2)**

**“C” Shift**  
Battalion Chief (1)  
Captains (6)  
Apparatus Operators (6)  
Firefighters (7)  
**Firefighters (1)**

**Battalion 2**

**“A” Shift**  
Battalion Chief (1)  
Captains (5)  
Apparatus Operators (5)  
Firefighters (7)  
**Firefighters (1)**

**“B” Shift**  
Battalion Chief (1)  
Captains (5)  
Apparatus Operators (5)  
Firefighters (7)  
**Firefighters (1)**

**“C” Shift**  
Battalion Chief (1)  
Captains (5)  
Apparatus Operators (5)  
Firefighters (6)  
**Firefighters (2)**

Public Ed. Officer  
Staff Captain (1)

EMS Coordinator  
Registered Nurse (1)

Training Officer  
Staff Battalion Chief (1)

**Fire Prevention Office**  
Fire Marshal (1)

**Inspectors**  
Staff Captain (2)  
Fire Prevention Inspectors (2)

**Permit Center**  
Fire Protection Engineer (1)  
**Senior Fire Services Tech (1)**  
Fire Services Tech I/II (1)  
**Fire Services Tech I/II (2)**  
**Administrative Clerk (1)**

**Hazardous Materials Program**  
Haz Mat Program Coor (1)  
Environ Specialist (1)  
Haz Mat Investigators (3)

## FTE

FY 2018 – 137.5

FY 2019 Proposed – 146.5

# Status of FY 2018 Highlighted Goals



FY 2018 Key Service Goals/Objectives	Status
<b>All Divisions</b>	
Continue with the analysis of service delivery for Fire House Clinic.	<b>ONGOING</b> In progress in partnership with Alameda County CAPE
Conduct one recruit academy in order to maintain full staffing capacities and control overtime expenses.	<b>ACHIEVED</b>
Assure that the Department maintains response times meeting the highest professional and “best practices” response times.	<b>ONGOING</b>

# Highlighted Goals for FY 2019



## FY 2019 Proposed Key Service Goals

Work towards Center for Public Safety Excellence (CPSE) Accreditation.

Reduce overtime usage and regularly monitor progress.

Track data and implement improvements to work towards Insurance Service Office (ISO) reclass.

Implement assess and refer pilot for non-emergency calls.

Develop a program to integrate Neighborhood Emergency Response Teams (NERT).

Assist Public Works with the renovations to Fire Stations 6 and the Fire Training Center.



# Significant Changes Planned for FY 2019



## FY 2019 Significant Changes Planned

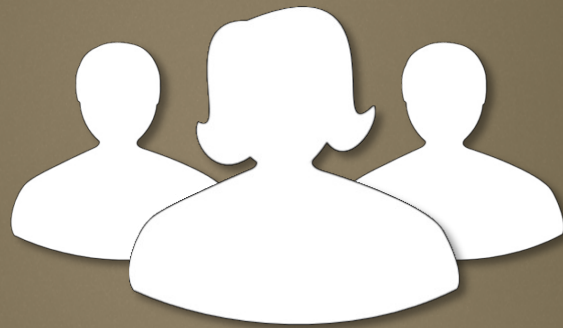
### OPERATIONS DIVISION

#### **Budget Neutral Change – Move CIP Project Budget to Operations Budget:**

- Current CIP project for routine replacement of everyday items like hose, apparatus appliances, turnouts, and rescue tools.
- Due to the nature of these purchases, the Department is requesting to move this to the Operating Budget.
- Budget neutral - it will create an equivalent reduction in the CIP annual budget.

# Questions & Discussion

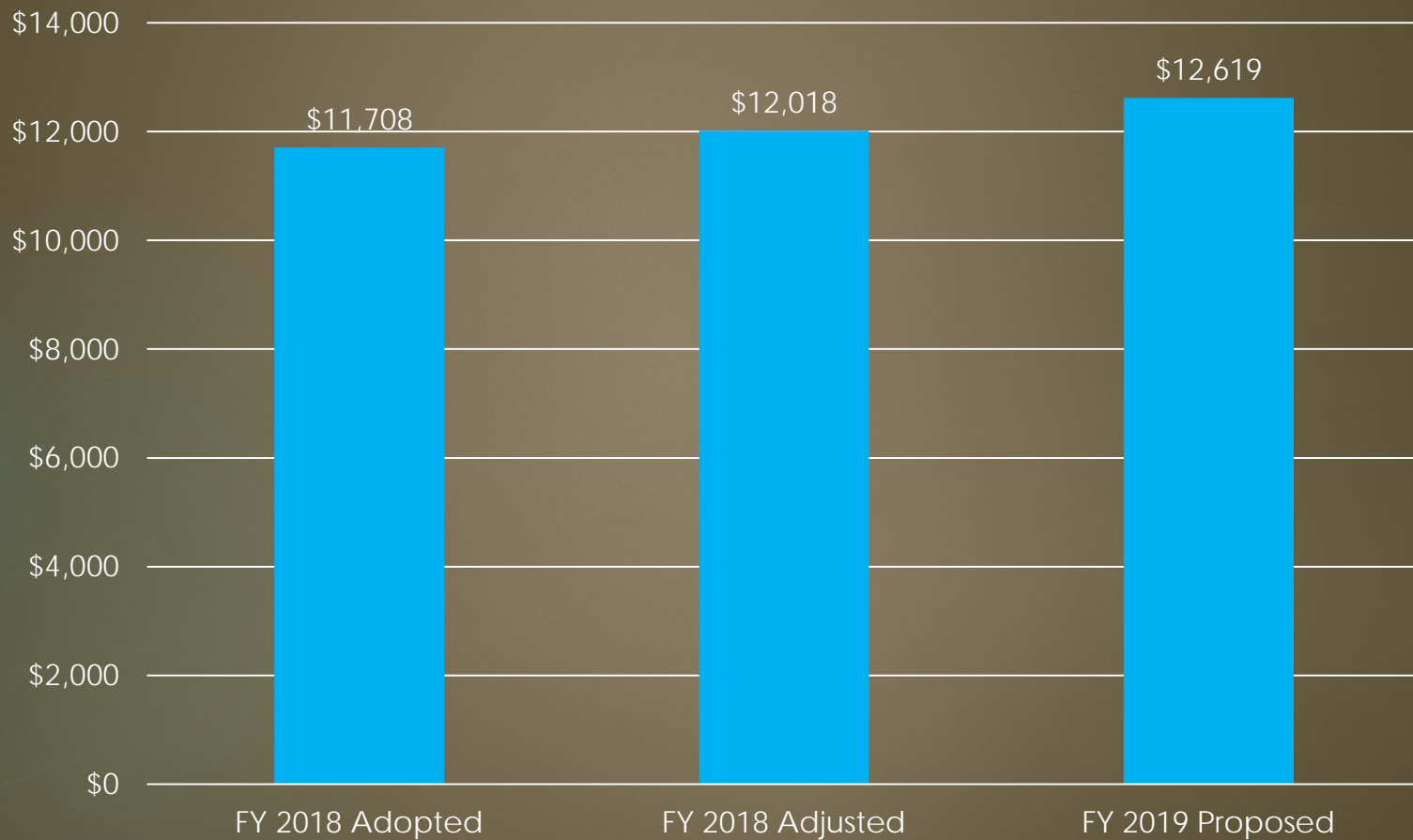




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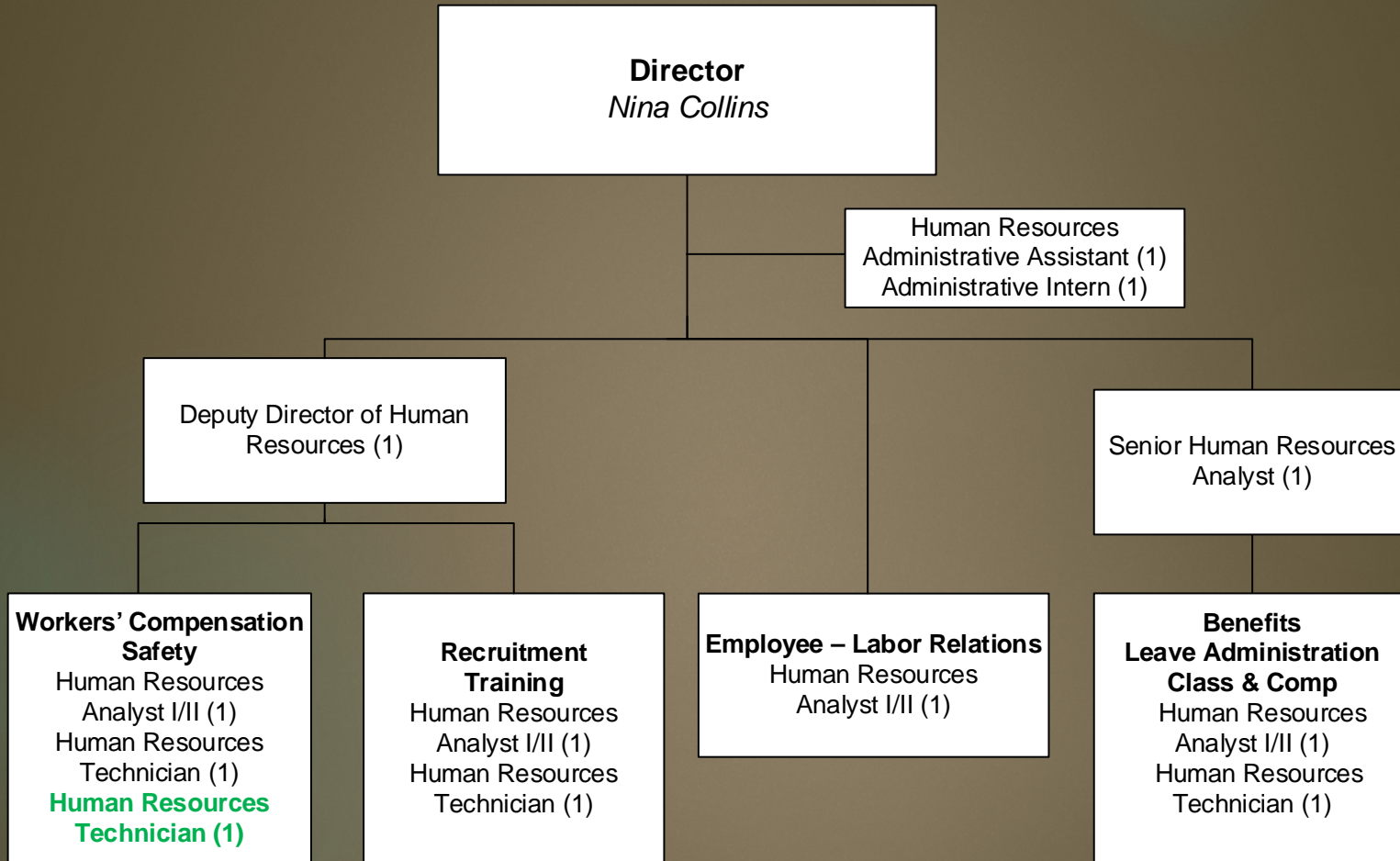
# HUMAN RESOURCES DEPARTMENT FY 2019 BUDGET PRESENTATION

# HR Budget Comparison FY 2018 vs. FY 2019



Budget in 100,000s

# HR Organization Chart



FTE

FY 2018 – 12

FY 2019 Proposed – 13

# Status of FY 2018 Highlighted Goals



FY 2018 Key Service Goals/Objectives	Status
<b>All Divisions</b>	
Negotiate successor agreements for the four bargaining units that have contracts that expire June 30, 2018. SEIU Clerical, SEIU Maintenance, IFTPE, Local 21, HAME.	<b>ONGOING</b>
In partnership with the City Manager's Office facilitate the 2017 employee engagement survey, communicate outcome, and assist with development and implementation of initiatives.	<b>ACHIEVED</b>
Complete the implementation of the new recruitment program (NeoGov) including the electronic processing of Human Resources hiring forms.	<b>ACHIEVED</b>

# Highlighted Goals for FY 2019



## FY 2019 Proposed Key Service Goals

### All Divisions

Update and revise the Personnel Rules

Complete Citywide Training Needs Assessment

Implement Recommendations of 2017 Safety Gap Analysis



# Significant Changes Planned for FY 2019

## FY 2019 Significant Changes Planned

### All Divisions

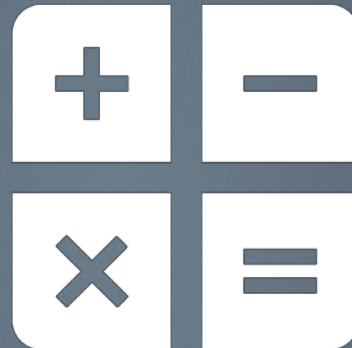
Addition of 1.0 FTE - Human Resources Technician

\$400,000 for Workplace Safety Initiative (2017 Safety Recommendations)



# Questions & Discussion

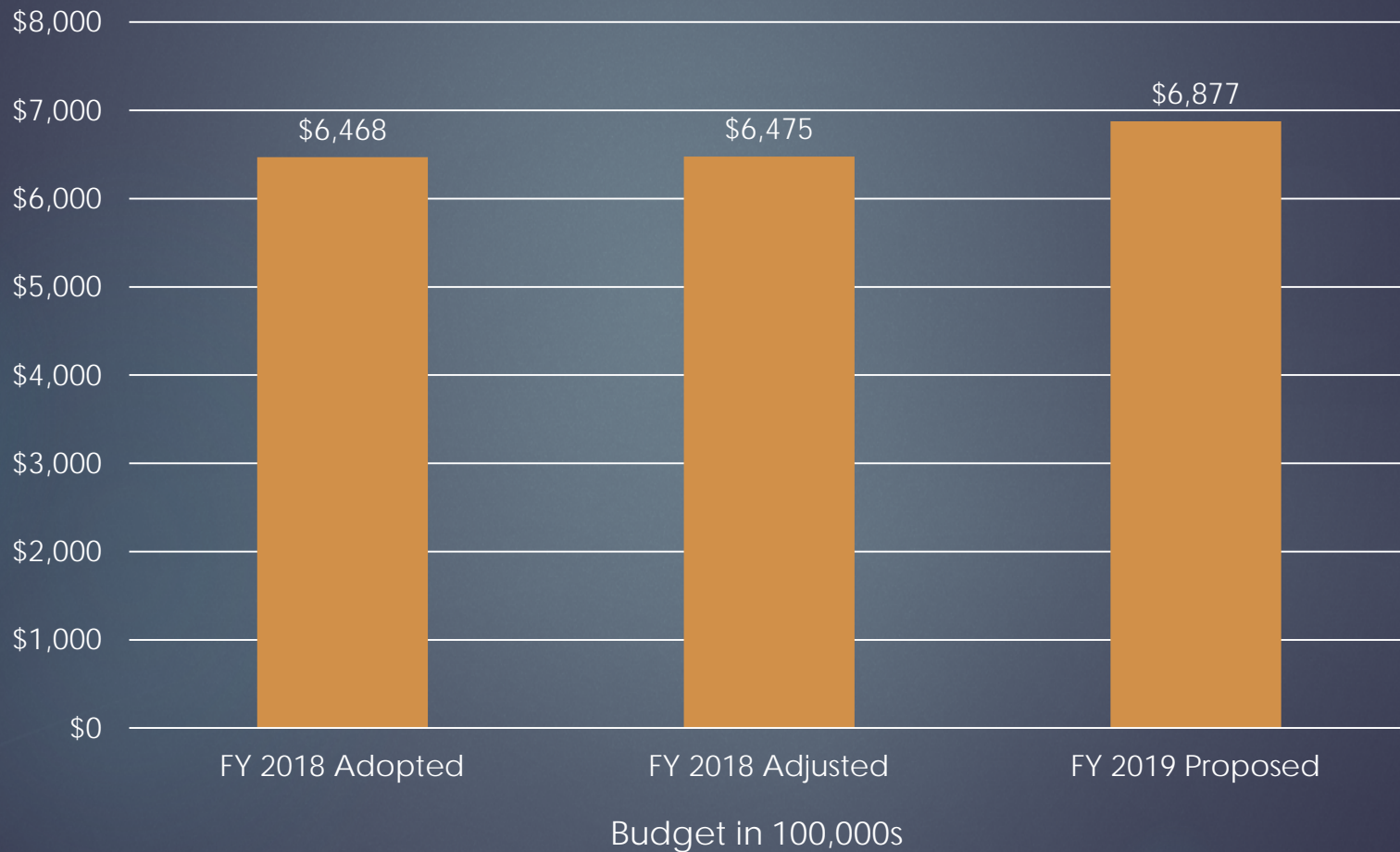




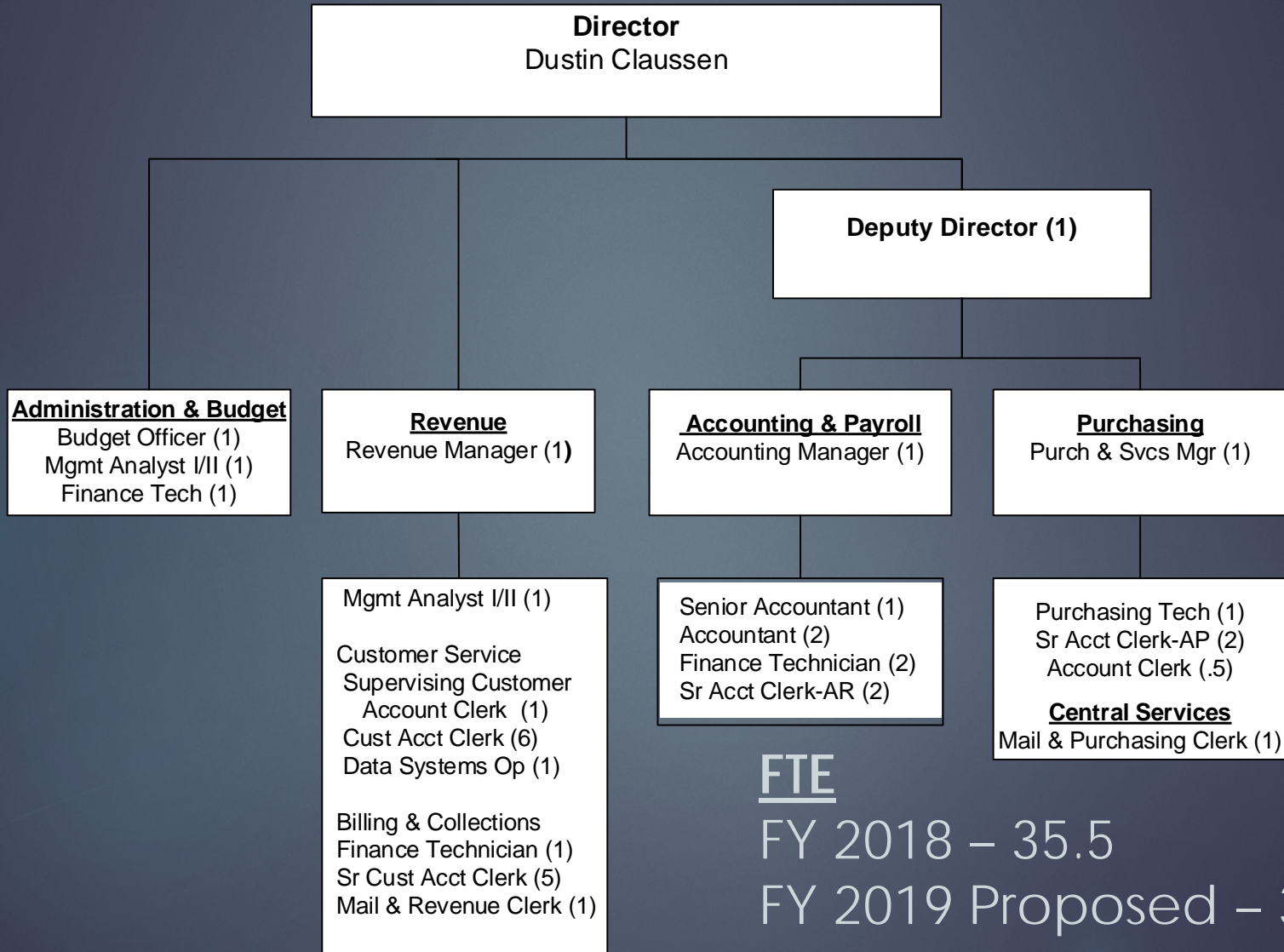
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FINANCE DEPARTMENT  
FY 2019 BUDGET PRESENTATION

# Finance Budget Comparison FY 2018 vs. FY 2019



# Finance Organization Chart



# Status of FY 2018 Highlighted Goals

FY 2018 Key Service Goals/Objectives	Status
<b>All Divisions</b>	
Increase engagement with the City's budget and financial information across departments.	<b>ACHIEVED</b>
Implement an online business license renewal system for 2018 business licenses.	<b>ACHIEVED</b>
Generate payments to vendors from paper checks to electronic payments (ACH).	<b>ONGOING</b>

# Highlighted Goals for FY 2019



## FY 2019 Proposed Key Service Goals

Update to the City's Cost Allocation Plan.

Finalize and implement the Accounts Payable and Purchasing Policies/Guidelines.

Implement the AMI customer web portal that will provide customers with a view of water usage online.

# Significant Changes Planned for FY 2019

## FY 2019 Significant Changes

Purchase of Business Licensing Software.

# Questions & Discussion



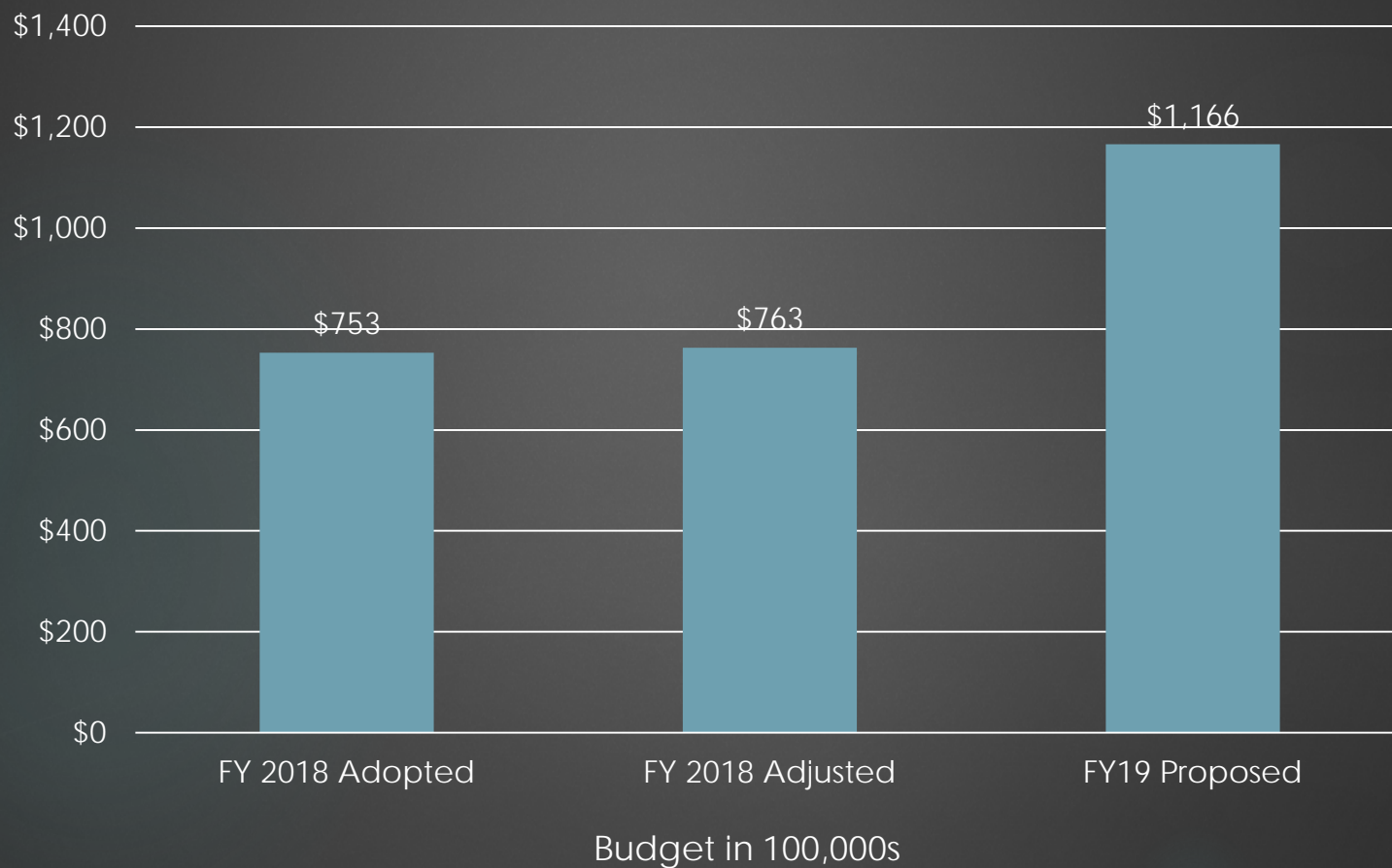




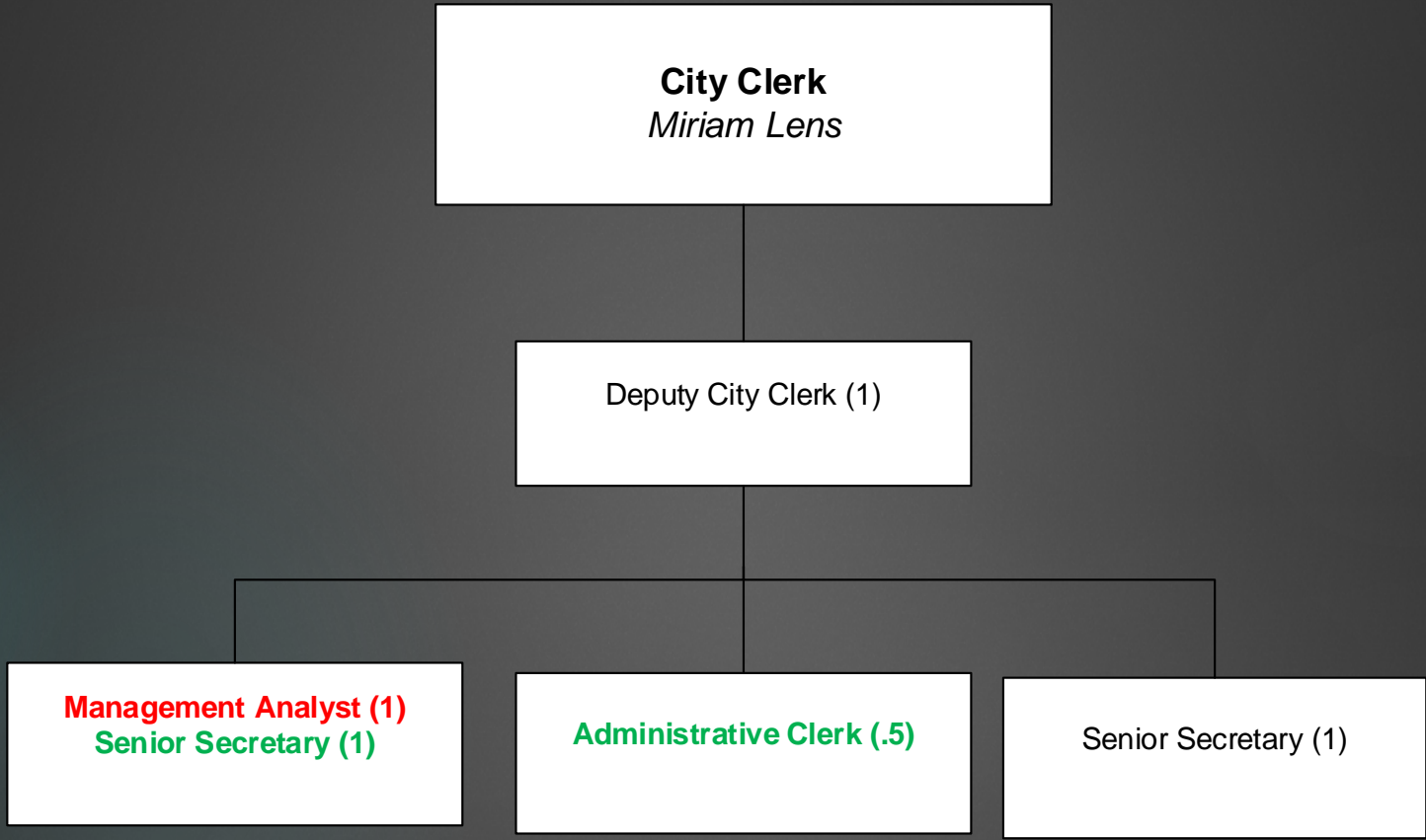
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OFFICE OF THE CITY CLERK  
FY 2019 BUDGET PRESENTATION

# CCO Budget Comparison FY 2018 vs. FY 2019



# CCO Organization Chart



FTE

FY 2018 – 4

FY 2019 Proposed – 4.5

# Status of FY 2018 Highlighted Goals



FY 2018 Key Service Goals/Objectives	Status
<b>All Divisions</b>	
Continue to make accessible for public viewing on the City's website documents received after the publication of agenda packet for the City Council, Planning Commission, and other meeting bodies.	<b>ONGOING</b>
Launched the Granicus Board and Commissions module prior to the 2017 annual recruitment of the City Council's appointed bodies.	<b>ACCOMPLISHED</b>
Managed the codification of adopted ordinances and ensured the accuracy of the online and printed versions of the Hayward Municipal Code.	<b>ACCOMPLISHED</b>

# Highlighted Goals for FY 2019



## FY 2019 Proposed Key Service Goals

### All Divisions

Implement the online filing of Campaign Forms in accordance with regulations set forth by the California Fair Political Practices Commission.

Identify useful data that could be made available to the public via a central public portal on the City's website to improve transparency and reduce requests for public records.

Conduct a feasibility study to determine if DocuSign will improve the processing of contracts and signed documents.

# Significant Changes Planned for FY 2019

## FY 2019 Significant Changes Planned

### All Divisions

Election Expense

Delete Management Analyst (1.0 FTE)

Add Senior Secretary (1.0 FTE)

Add Administrative Clerk (0.5 FTE)

# Questions & Discussion



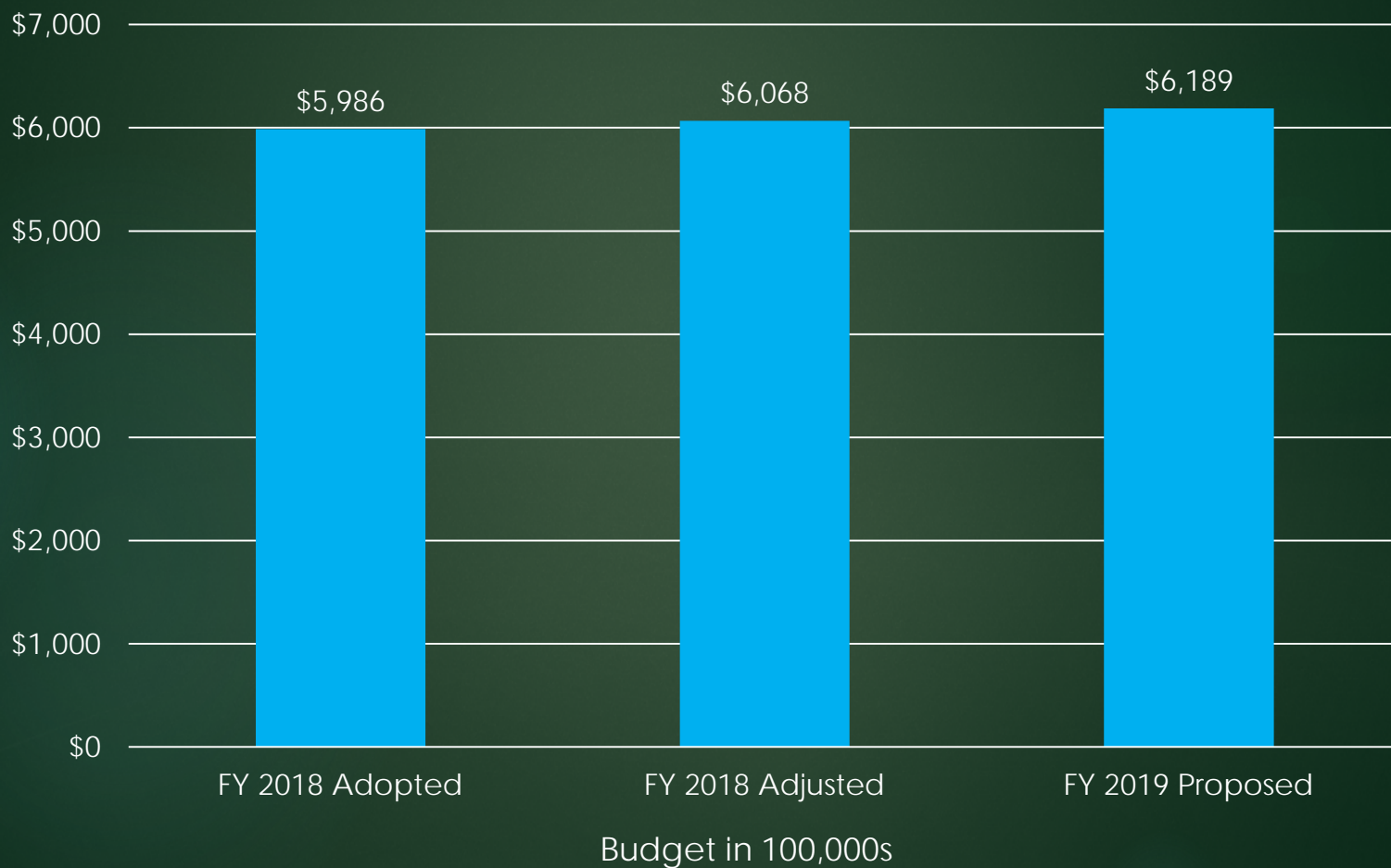


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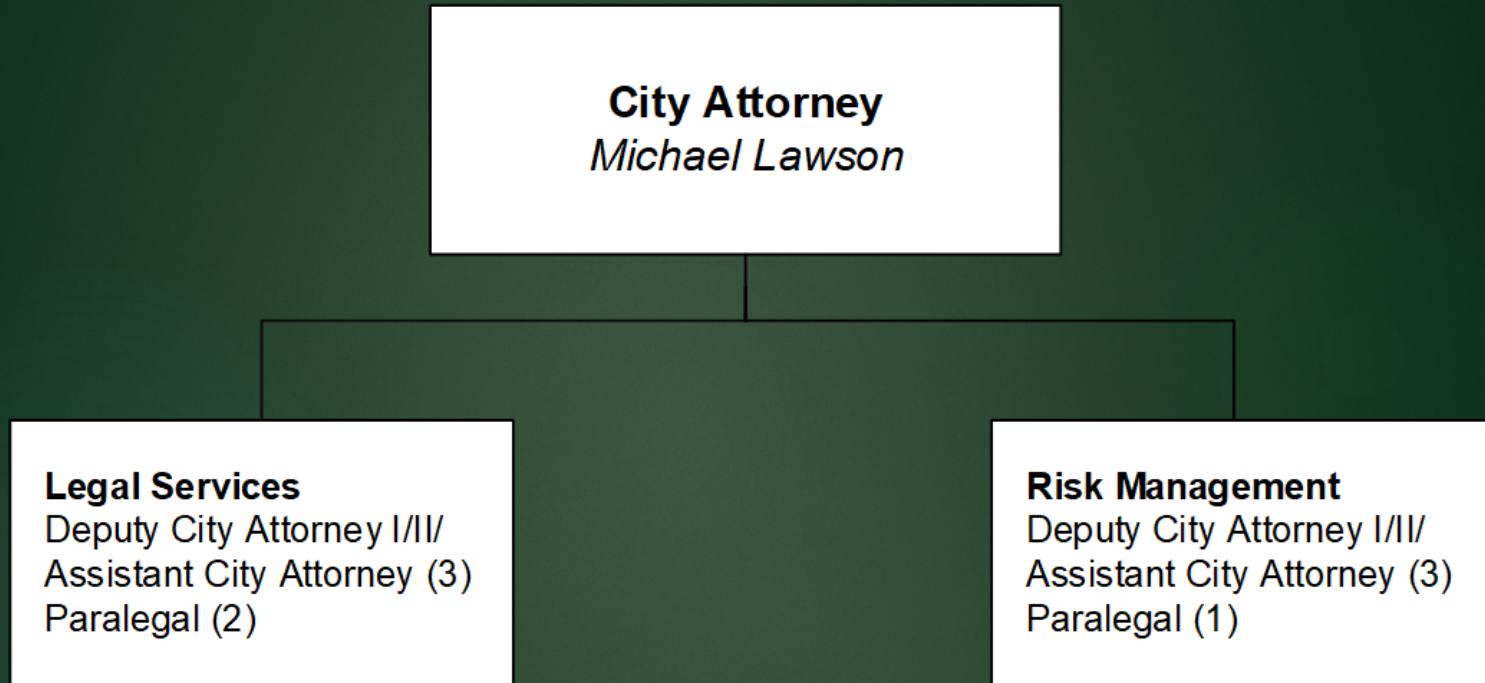
# CITY ATTORNEY'S OFFICE FY 2019 BUDGET PRESENTATION



# CAO Budget Comparison FY 2018 vs. FY 2019



# CAO Organization Chart



## FTE

FY 2018 – 10

FY 2019 Proposed – 10

# Status of FY 2018 Highlighted Goals



FY 2018 Key Service Goals/Objectives	Status
<b>All Divisions</b>	
Monitor and apprise Council and City staff of any changes in State law regarding public meetings and conflicts of interest.	<b>ONGOING</b>
Prepare for legalization of cannabis in 2018.	<b>ACHIEVED</b>
Continue to efficiently manage in-house litigation efforts and special counsel services.	<b>ONGOING</b>
Transfer Rent Review programs to new Housing Services Division in City Manager's Office.	<b>ACHIEVED</b>

# Highlighted Goals for FY 2019



## FY 2019 Proposed Key Service Goals

### All Divisions

Monitor and apprise Council and City staff of any changes in State law regarding public meetings and conflicts of interest.

Assist in development of Rent Review legislative strategies and options

Close all claims that do not convert to litigation within 36 months from fiscal year filing.

Resolve all litigation, including claims for federal jurisdiction, within 36 months from fiscal year filing.

Maintain annual ratio of 1:4 for claims paid, compared to claims filed.

Continue using CAO staff attorneys for all litigated cases, except where specialized outside counsel is warranted.

# Significant Changes Planned for FY 2019

## FY 2019 Proposed Key Service Goals

All Divisions

Increase in insurance costs.

# CY 2016/2017 Claims/Litigation Spotlight



CY 2016/2017 Claims Trends			
	No. of Claims received	No. of Claims closed	No. of claims paid
Jan 1, 2016-Dec 31, 2016	96	83	24
Jan 1, 2017-Dec 31, 2017	122	89	21

CY 2016/2017 Litigation Trends	
Claims Litigated	No. of claims paid
Jan 1, 2016-Dec 31, 2016	7
Jan 1, 2017-Dec 31, 2017	3

CY 2016/2017 Categories of Claims/Litigation				
	Non-vehicle Property Damag	Pot hole Claims	Tree fall claims	Police involved
Jan 1, 2016-Dec 31, 2016	23	16	4	21
Jan 1, 2017-Dec 31, 2017	12	28	12	16

	Accidents w/ City Vehicle	Code Enforcement	Trip and Fall	Water Meter
	21	2	11	1
	17	4	5	7

	Street design Accidents	Improper Tow	Improper Ticket	Car accident w/ debris
	2	2	3	2
	8	3	4	3

# Impact of BWC (Body Worn Cameras) Deployment

- Ten lawsuits/claims with relevant BWC Video and Five Criminal Discovery(Pitchess motion) Cases with relevant BWC Video.
- This info is very useful but it is still too early to identify significant trends, compared to the hundreds or thousands of HPD encounters where BWC video is generated at this time.
- CAO will work with HPD to assess longer range strategies/ policies regarding BWC technology.

# Questions & Discussion



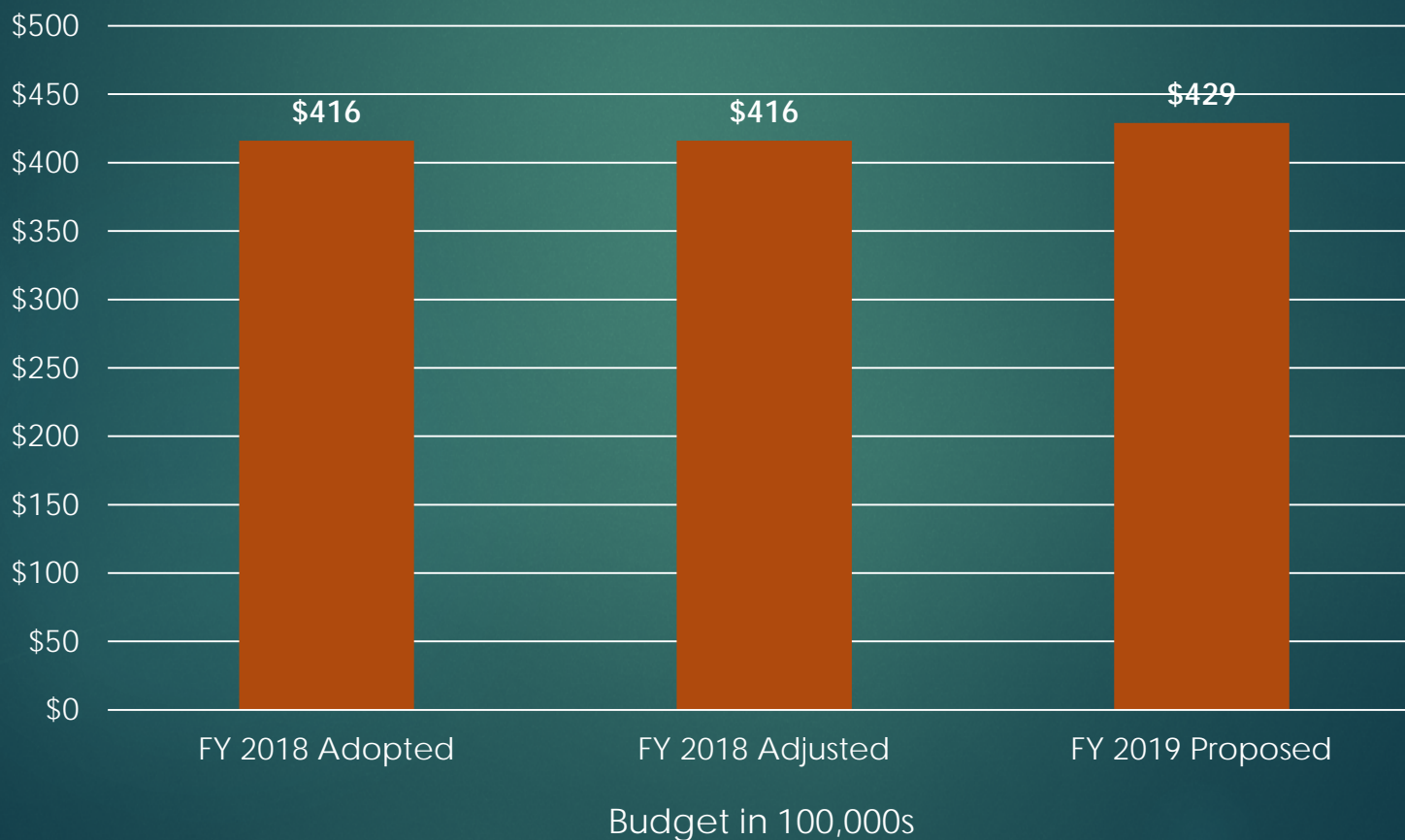




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MAYOR & CITY COUNCIL  
DEPARTMENT  
FY 2019 BUDGET PRESENTATION

# Mayor & City Council Budget Comparison FY 2018 vs. FY 2019



# Mayor & City Council Organization Chart



Council Member At Large <i>Mark Salinas</i> Term Expires 2020	Council Member At Large <i>Sara Lamnin</i> Term Expires 2018	Council Member At Large <i>Al Mendall</i> Term Expires 2020	Mayor  <i>Barbara Halliday</i> Term Expires 2018	Council Member At Large <i>Francisco Zermeño</i> Term Expires 2020	Council Member At Large <i>Elisa Márquez</i> Term Expires 2020	Council Member At Large <i>Marvin Peixoto</i> Term Expires 2018
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# FY 2018 Accomplishments



## FY 2018 Key Performance/Accomplishments

Provided legislative and policy direction for the City Manager in support of community's priorities: Safe, Clean, Green, and Thriving.

Responded to constituent concerns throughout the City.

Accepted and directed staff to implement the Commitment for an Inclusive, Equitable, and Compassionate Community.

# FY 2018 Accomplishments



## FY 2018 Key Performance/Accomplishments

Approved development projects at identified “catalyst sites” throughout Hayward, including the mixed-use Haymont townhome development on Mission Boulevard and the Mission Seniors project.

Accepted and directed staff to implement the Commitment for an Inclusive, Equitable, and Compassionate Community.

Took action to address housing affordability issues in Hayward, including reviewing Rent Stabilization, updating the ADU ordinance, revising the Affordable Housing ordinance, and directing staff on a work plan for addressing housing issues and developing an RFP for affordable housing funds.

# Highlighted Goals for FY 2019



## FY 2019 Proposed Key Service Goals

Continue efforts to bring structural balance to the City's finances and stability to the City's labor environment.

Continue partnerships with the community and other agencies, including working with Hayward Area Recreation and Park District and Hayward Unified School District to support and enhance the overall wellbeing of Hayward residents and the educational performance of Hayward's public schools.

Maintain excellence in responding to resident and community requests.

Other programs and initiatives that will receive major attention in FY 2019 include: rental housing affordability, economic development, land use policies, the CIECC, and zero-net energy.

# Significant Changes Planned for FY 2019



## FY 2019 Significant Changes

None.

# Questions & Discussion





# FY 2019 Next Steps



- ▶ Working Towards balance in FY 2019
- ▶ Advancing current fiscal sustainability strategies supported by Council
  - ▶ Ongoing survey & conversations
- ▶ Prioritization of next group of strategies for potential implementation
- ▶ Development of contingency plans

# General Fund 5-Year Forecast as Proposed in the FY 2019 Operating Budget



<i>in thousands</i>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Revenues	\$159,748	\$162,774	\$166,492	\$172,774	\$179,454
Expenditures	165,219	172,324	181,570	191,282	197,351
<b>Beginning Balance</b>	<b>\$29,713</b>	<b>\$24,242</b>	<b>\$14,691</b>	<b>(\$386)</b>	<b>(\$18,894)</b>
<i>Change in Reserve - Surplus / (Shortfall)</i>	<b>(\$5,471)</b>	<b>(\$9,551)</b>	<b>(\$15,078)</b>	<b>(\$18,508)</b>	<b>(\$17,897)</b>
<b>Ending Balance</b>	<b>\$24,242</b>	<b>\$14,691</b>	<b>(\$386)</b>	<b>(\$18,894)</b>	<b>(\$36,791)</b>
Target to maintain 20% GF Reserves in Operating Expenses	\$33,044	\$34,465	\$36,314	\$38,256	\$39,470
General Fund Reserve Level as % of Total Expenses	14.7%	8.5%	-0.2%	-9.9%	-18.6%
Amount Above or (Below) Target 20%	<b>(\$8,802)</b>	<b>(\$19,773)</b>	<b>(\$36,700)</b>	<b>(\$57,151)</b>	<b>(\$76,261)</b>
Percentage Above or (Below) Target 20%	<b>(27%)</b>	<b>(57%)</b>	<b>(101%)</b>	<b>(149%)</b>	<b>(193%)</b>

# General Fund 5-Year Forecast Including Sustainability Strategies



<i>in thousands</i>	FY 2019 Year 1	FY 2020 Year 2	FY 2021 Year 3	FY 2022 Year 4	FY 2023 Year 5
Revenues	\$163,693	\$173,931	\$186,454	\$193,631	\$201,059
Expenditures	163,997	171,065	180,273	189,946	195,976
<b>Beginning Balance</b>	<b>\$29,713</b>	<b>\$29,408</b>	<b>\$32,273</b>	<b>\$38,455</b>	<b>\$42,140</b>
<i>Change in Reserve - Surplus / (Shortfall)</i>	<b>(\$305)</b>	\$2,865	\$6,182	\$3,685	\$5,083
<b>Ending Balance</b>	<b>\$29,408</b>	<b>\$32,273</b>	<b>\$38,455</b>	<b>\$42,140</b>	<b>\$47,223</b>
Target to maintain 20% GF Reserves in Operating Expenses	\$32,799	\$34,213	\$36,055	\$37,989	\$39,195
General Fund Reserve Level as % of Total Expenses	17.9%	18.9%	21.3%	22.2%	24.1%
Amount Above or (Below) Target 20%	<b>(\$3,391)</b>	<b>(\$1,940)</b>	\$2,401	\$4,151	\$8,028
Percentage Above or (Below) Target 20%	<b>(10%)</b>	<b>(6%)</b>	7%	11%	20%

# Options to Reduce the Use of General Fund Reserves in FY2019

Strategy	Anticipated Impact
Reduction in GF Allocation to Fleet Capital ISF	\$1 M
3 Month Hiring Deferral	\$322 K
PERS Prepayment	\$750 K
Negotiated Savings	\$822 K

# Questions & Discussion

