



DATE: June 18, 2019

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Approval of a Resolution Amending the Fiscal Year 2019 Operating Budget and Authorization to Transfer and Appropriate Water Operating Fund in the amount of \$45,400 for the Car Sharing Pilot Program

RECOMMENDATION

That the Council adopts the attached resolution (Attachment II) amending the Fiscal Year 2019 Operating Budget and authorizes the transfer and appropriation of \$45,400 from the water operating fund for the Car Sharing Pilot Program, Project E0001.

SUMMARY

The City is preparing to implement a Car Sharing Pilot Program with Zipcar funded by a \$200,480 reimbursement-based grant provided by the Metropolitan Transportation Commission (MTC). Staff seeks Council authorization to transfer and appropriate an additional \$45,400 to meet the local match requirement.

BACKGROUND

On January 27, 2015, Council adopted Resolution 15-014 authorizing the receipt and appropriation of \$200,480 in reimbursement-based grant funds from the MTC to implement a Car Sharing Pilot Program.¹ Funding for the grant comes from Federal Congestion Mitigation and Air Quality Improvement (CMAQ) funds.

On August 9, 2018, the City issued a Request for Proposals to identify vendors to implement this Car Sharing Pilot Program, to which Zipcar, Inc. (Zipcar) was the sole responder. Based on their qualifications and experience, Council adopted Resolution 18-206 on October 2, 2018², authorizing the City Manager to negotiate and execute an agreement with Zipcar to implement the Pilot Program.

¹ January 27, 2015 City Council Agenda Packet:
<https://hayward.legistar.com/MeetingDetail.aspx?ID=454159&GUID=6980F6E4-B56F-4638-AFA1-548E73417972&Options=info&Search>

² October 2, 2018 City Council Staff Report:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=3690555&GUID=93385EB6-467C-42AD-931F-6050325B0CCB&Options=&Search=>

DISCUSSION

The City is currently negotiating an agreement with Zipcar to implement the Car Sharing Pilot Program in Hayward. The program is principally funded by a \$200,480 reimbursement-based grant provided by the MTC. Staff originally anticipated meeting the local match solely with in-kind staff time; however, the grant requires that a portion of the local match be applied to every expense covered by the grant. Staff seeks Council authorization to transfer and appropriate an additional \$45,400 to meet the local match requirement. This would bring total appropriations for this project to \$245,880.

Staff anticipates being reimbursed for nearly \$50,000 in project-related City staff salary expenses via the grant. Staff salaries are partially funded by the Water Operating Fund. As such, a convenient mechanism for receiving project-related salary reimbursements is to receive them in the Water Operating Fund. This means that the Water Operating Fund will fully recoup nearly \$50,000 in salary reimbursements over the course of the two-year project.

Staff recommends transferring the required \$45,400 match from the Water Operating Fund into the Federal Grants Fund, so that it can be appropriated for use in the project. The Water Operating Fund will be fully reimbursed for this transfer as City staff salary expenses are reimbursed.

ECONOMIC IMPACT

Car sharing can reduce the need for car ownership and/or the use of personal vehicles. This pilot program could potentially reduce consumer spending on automobile-related purchases and services. Any savings realized by Hayward households could lead to increased spending in non-automotive sectors.

FISCAL IMPACT

The proposed \$45,400 transfer and appropriation will result in no net impact to the Water Operating Fund. The \$45,400 local contribution would initially be transferred from this Fund into the Federal Grants Fund. Staff anticipates that the Water Operating Fund will be reimbursed by the grant as staff tracks and spends time on the project.

STRATEGIC INITIATIVES

This item supports the Complete Communities Strategic Initiative. The purpose of the Complete Communities initiative is to create and support structures, services, and amenities to provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work, and play for all. Car sharing provides community members cost-effective and equitable access to transportation, and is therefore aligned with the following goal:

Goal 1: Improve quality of life for residents, business owners, and community members in all Hayward neighborhoods.

SUSTAINABILITY FEATURES

Car sharing reduces the need for personal vehicle ownership by providing access to vehicles when needed but on a limited basis. As such, the car sharing model can also contribute to the use of public transportation, biking, and walking, which ultimately results in a healthier lifestyle and reduced greenhouse gas emissions. Car sharing can reduce car use and congestion, thereby reducing time spent on the road or idling in traffic, as well as associated emissions.

PUBLIC CONTACT

There is no public contact required for this item.

NEXT STEPS

Should Council adopt the attached resolution, staff will proceed with the transfer and appropriation. Staff will also finalize and execute a contract with Zipcar to implement the Pilot Program, as authorized via Resolution 18-206.

Prepared by: Kait Byrne, Management Analyst

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager