

# **CITY OF HAYWARD**

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
[www.Hayward-CA.gov](http://www.Hayward-CA.gov)



CITY OF  
**HAYWARD**  
HEART OF THE BAY

## **Agenda**

**Tuesday, March 7, 2017**

**7:00 PM**

**Council Chambers**

## **City Council**

**Mayor Barbara Halliday**  
**Mayor Pro Tempore Sara Lamnin**  
**Council Member Francisco Zermeño**  
**Council Member Marvin Peixoto**  
**Council Member Al Mendall**  
**Council Member Elisa Márquez**  
**Council Member Mark Salinas**

**CITY COUNCIL MEETING****CALL TO ORDER Pledge of Allegiance: Council Member Lamnin****ROLL CALL****CLOSED SESSION ANNOUNCEMENT****PRESENTATIONS**

Certificate of Commendation to Rotary Scholars

Hayward Youth Commission: Community Service Proposal

**PUBLIC COMMENTS**

*The Public Comment section provides an opportunity to address the City Council on items not listed on the agenda or Information Items. The Council welcomes your comments and requests that speakers present their remarks in a respectful manner, within established time limits, and focus on issues which directly affect the City or are within the jurisdiction of the City. As the Council is prohibited by State law from discussing items not listed on the agenda, your item will be taken under consideration and may be referred to staff.*

**ACTION ITEMS**

*The Council will permit comment as each item is called for the Consent Calendar, Public Hearings, and Legislative Business. In the case of the Consent Calendar, a specific item will need to be pulled by a Council Member in order for the Council to discuss the item or to permit public comment on the item. Please notify the City Clerk any time before the Consent Calendar is voted on by Council if you wish to speak on a Consent Item.*

**CONSENT**

1. [MIN 17-028](#) Minutes of the City Council Meeting on February 21, 2017

**Attachments:** [Attachment I Draft Minutes of February 21, 2017](#)

2. [CONS 17-084](#) Adoption of a Resolution to Join Compact of Mayors

**Attachments:** [Attachment I Staff Report](#)  
[Attachment II Resolution](#)

**LEGISLATIVE BUSINESS**

3. [LB 17-007](#) Introduction of Ordinance Adding Article 13 to Chapter 6 of the Hayward Municipal Code Relating to Transportation Permits (Report from Acting Police Chief Koller)

**Attachments:** [Attachment I Staff Report](#)  
[Attachment II Transportation Permit Ordinance](#)  
[Attachment III Proposed Truck Routes](#)  
[Attachment IV Proposed Truck Routes2](#)

4. [LB 17-009](#) FY 2017 Mid-Year Budget Review & General Fund Ten-Year Plan Update (Report from Finance Director Claussen)

**Attachments:** [Attachment I Staff Report](#)  
[Attachment II Resolution Budget](#)  
[Attachment II Resolution Exhibit A](#)  
[Attachment II Resolution Exhibit B](#)  
[Attachment III Resolution CIP](#)  
[Attachment III CIP Resolution Exhibit A](#)  
[Attachment III CIP Resolution Exhibit B](#)  
[Attachment IV Revenues & Expenditures Summary](#)  
[Attachment V Adjustments Summary](#)  
[Attachment VI General Fund 10-Year Plan](#)  
[Attachment VII General Fund Ten Year-Plan Summary Graph](#)  
[Attachment VIII Revenue Detail](#)  
[Attachment IX Expenditure Detail](#)

### **CITY MANAGER'S COMMENTS**

An oral report from the City Manager on upcoming activities, events, or other items of general interest to Council and the Public.

### **COUNCIL REPORTS, REFERRALS, AND FUTURE AGENDA ITEMS**

Oral reports from Council Members on their activities, referrals to staff, and suggestions for future agenda items.

### **ADJOURNMENT**

**NEXT SPECIAL MEETING, March 14, 2017, 7:00 PM**

### **PUBLIC COMMENT RULES**

*Any member of the public desiring to address the Council shall limit her/his address to three (3) minutes unless less or further time has been granted by the Presiding Officer or in accordance with the section under Public Hearings. The Presiding Officer has the discretion to shorten or lengthen the maximum time members may speak. Speakers will be asked for their name before speaking and are expected to honor the allotted time. Speaker Cards are available from the City Clerk at the meeting.*

**PLEASE TAKE NOTICE**

*That if you file a lawsuit challenging any final decision on any public hearing or legislative business item listed in this agenda, the issues in the lawsuit may be limited to the issues that were raised at the City's public hearing or presented in writing to the City Clerk at or before the public hearing.*

**PLEASE TAKE FURTHER NOTICE**

*That the City Council adopted Resolution No. 87-181 C.S., which imposes the 90-day deadline set forth in Code of Civil Procedure section 1094.6 for filing of any lawsuit challenging final action on an agenda item which is subject to Code of Civil Procedure section 1094.5.*

*\*\*\*Materials related to an item on the agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office, City Hall, 777 B Street, 4th Floor, Hayward, during normal business hours. An online version of this agenda and staff reports are available on the City's website. Written comments submitted to the Council in connection with agenda items will be posted on the City's website. All Council Meetings are broadcast simultaneously on the website and on Cable Channel 15, KHRT. \*\*\**

*Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Interested persons must request the accommodation at least 48 hours in advance of the meeting by contacting the City Clerk at (510) 583-4400 or TDD (510) 247-3340.*

*Assistance will be provided to those requiring language assistance. To ensure that interpreters are available at the meeting. Interested persons must request the accommodation at least 48 hours in advance of the meeting by contacting the City Clerk at (510) 583-4400.*



# CITY OF HAYWARD

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
[www.Hayward-CA.gov](http://www.Hayward-CA.gov)

---

**File #:** MIN 17-028

---

**DATE:** March 7, 2017

**TO:** Mayor and City Council

**FROM:** City Clerk

**SUBJECT**

Minutes of the City Council Meeting on February 21, 2017

**RECOMMENDATION**

That the City Council approves the minutes of the City Council meeting on February 21, 2017.

**ATTACHMENTS**

Attachment I Draft Minutes of February 21, 2017



**MINUTES OF THE CITY COUNCIL MEETING OF THE CITY OF HAYWARD**  
**Council Chambers**  
**777 B Street, Hayward, CA 94541**  
**Tuesday, February 21, 2017, 7:00 p.m.**

---

The City Council meeting was called to order by Mayor Halliday at 7:00 p.m., followed by the Pledge of Allegiance led by Mayor Halliday.

**ROLL CALL**

Present: COUNCIL MEMBERS Zermeño, Márquez, Peixoto, Lamnin, Salinas  
MAYOR Halliday  
Absent: COUNCIL MEMBER Mendall

**PRESENTATION**

Utilities and Environmental Services Director Ameri noted the City was bestowed with the California Water Environment Association - San Francisco Bay Section 2016 Engineering Achievement Award for the Co-Generation Facility Project. Utilities and Environmental Services staff were presented with the award.

**PUBLIC COMMENTS**

Mr. Charlie Peters, Clean Air Performance Professionals representative, spoke about his interest for a position with the Bureau of Automotive Repair and provided a document for the record.

Ms. Wynn Grcich, Hayward resident, spoke about cell phone radiation and fluoride and chlorine in water.

Mr. Jim Drake, Hayward resident, spoke about sanctuary cities and utility bills.

Mr. Mike Azamey, Hayward resident, expressed concern about inactivated street light poles and incomplete landscaping related to the subdivision along Hayward Boulevard and Tribune Avenue.

Consent Items No. 3 and 5 were pulled for separate vote.

**CONSENT**

1. Minutes of the City Council Meeting on January 24, 2017 **MIN 17-020**  
It was moved by Council Member Márquez, seconded by Council Member Lamnin, and carried unanimously with Council Member Mendall absent, to approve the minutes of the City Council meeting on January 24, 2017, with two typographical errors.

2. Minutes of the Special Joint City Council/Redevelopment Successor Agency Meeting on January 31, 2017 **MIN 17-021**  
It was moved by Council Member Márquez, seconded by Council Member Lamnin, and carried unanimously with Council Member Mendall absent, to approve the minutes of the Special Joint City Council/ Redevelopment Successor Agency meeting on January 31, 2017.
3. Minutes of the City Council Meeting on February 7, 2017 **MIN 17-022**  
It was moved by Council Member Zermeño, seconded by Council Member Peixoto, and carried unanimously with Council Member Mendall absent, to approve the minutes of the City Council meeting on February 7, 2017, with an amendment.
4. Approval of Final Map Tract 8152 (Eden Garden), associated with the previously approved Vesting Tentative Tract Map and proposed development of 35 single-family townhomes on a 2.15-acre site located at 1635 Denton Avenue, approximately 200 feet east of Eden Avenue (APN 441-0083-020-00); Meritage Homes of California (Applicant/Owner) **CONS 17-063**

Staff report submitted by Development Services Director Rizk, dated February 21, 2017, was filed.

It was moved by Council Member Márquez, seconded by Council Member Lamnin and carried unanimously with Council Member Mendall absent, to adopt the following:

Resolution 17-015, "Resolution Approving Final Map Tract 8152 (Eden Garden) and Authorizing the City Manager to Execute a Subdivision Agreement"

5. Resolution Authorizing the City to Apply for Housing Related Parks Program Grant Funding **CONS 17-075**

Staff report submitted by Library and Community Services Director Reinhart, dated February 21, 2017, was filed.

Discussion ensued between Council Member Lamnin and City Manager McAdoo.

Council Member Lamnin offered a motion per staff's recommendation with an amendment that if the City receives HRPP (Housing Related Parks Program) grant funds and such funds displace Measure C funds, then Measure C funds would be allocated to the Fire Station No. 6 project, which is underfunded.

It was moved by Council Member Lamnin seconded by Council Member Zermeño and carried unanimously with Council Member Mendall absent, to adopt the following with an amendment that if the City receives HRPP (Housing Related Parks Program) grant funds and such funds



**MINUTES OF THE CITY COUNCIL MEETING OF THE CITY OF HAYWARD**  
**Council Chambers**  
**777 B Street, Hayward, CA 94541**  
**Tuesday, February 21, 2017, 7:00 p.m.**

---

displace Measure C funds, then Measure C funds would be allocated to the Fire Station No. 6 project.

Resolution 17-016, "Resolution Authorizing Submittal of an Application for Housing Related Parks Program Funding and the Execution of Related Documentation"

**WORK SESSION**

6. Economic Development Strategic Plan Update and Annual Report (Report from City Manager McAdoo) (Continued from January 24, 2017) **WS 17-002**

Staff report submitted by Economic Development Manager Hinkle, dated February 21, 2017, was filed.

City Manager McAdoo announced the report and introduced Economic Development Manager Hinkle who provided a synopsis of the report.

Mayor Halliday opened the public comments section at 8:07 p.m.

Mr. Sid Hamadeh, Eko Coffee Bar and Tea House business owner, spoke about the need to attract retail to downtown and the importance for staff to have knowledge about CDBG programs that can be geared to meet local business needs.

Mayor Halliday closed the public comments section at 8:13 p.m.

Discussion ensued among Council Members and City staff regarding recommended updates to the Economic Development Strategic Plan (EDSP) and economic development activities.

The City Council was in general agreement with the recommendations, applauded the Economic Development team on the awards received from the California Association of Local Economic Development and Development Counsellors International, and commended staff on approved projects that will help incentivize the local economy.

Council Members offered the following comments/recommendations: there is an ongoing concern about vacant buildings in the downtown and the need for more retail; engage Chabot College and California State University East Bay in STEM career initiatives; engage labor unions in workforce development; strive to modify the EDSP around an emphasis on achievement, implementation and strength; provide concrete examples of potential retail opportunities; consider marketing and branding the City as an education city; obtain more information on students and their consumer profile to allure that population; consider the On-The-Job Training (OJT) Program for employers to get a subsidy to train and hire



individuals; consider the Dislocated Workers Program to help employers find skilled workers; consider marketing Hayward as a tourist attraction; place emphasis on open space; identify amenities that have not been highlighted and develop marketing materials around them; have city-wide consistency related to branding and marketing; have a social media marketing campaign; attract more Class A office space; consider rezoning to capture Advanced Industry companies; share with the Council the presentation from CEDC related to signage for the industrial area; gauge interest of business partners that might want to move to downtown and facilitate the process; consider creating administrative, satellite or classroom space in downtown for Chabot College and California State University East Bay; measure events that generate return on investment and consider placing a moratorium on events that are not achieving the expected return on investment; share information about nonmonetary resources with the community; leverage businesses in downtown to other sectors in the city; consider zoning that is allowed next to residential and retail to generate foot traffic for businesses; consider indoor recreation opportunities; contact business owners whose buildings need to be brought up to standards; engage the Chamber of Commerce to improve dialogue with existing businesses; consider reinstating the Council's participation in the Business Visitation Program; and consider increasing the investment in successful events that attract large crowds such as the Zucchini Festival.

## **LEGISLATIVE BUSINESS**

7. Establishment of a Council Infrastructure Committee and Appointment of Council Members to Serve on the Newly Formed Committee (Report from Assistant City Manager Hurtado) **LB 17-006**

Staff report submitted by Assistant City Manager Hurtado, Director of Public Works Director Fakhrai, and Utilities and Environmental Services Director Ameri dated February 21, 2017, was filed.

Assistant City Manager Hurtado provided a synopsis of the staff report and noted there was a revised resolution which clarified that the Mayor would appoint members from the Council to serve on the Council Infrastructure Committee.

There being no public comments, Mayor Halliday opened and closed the public hearing at 9:37 p.m.

Council Member Márquez offered a motion per staff's recommendation including the revised resolution. Council Member Salinas seconded the motion.

It was moved by Council Member Márquez seconded by Council Member Salinas and carried unanimously with Council Member Mendall absent, to adopt the following resolution with an amendment that the Mayor would appoint members from the Council to serve on the Council Infrastructure Committee:



**MINUTES OF THE CITY COUNCIL MEETING OF THE CITY OF HAYWARD**  
**Council Chambers**  
**777 B Street, Hayward, CA 94541**  
**Tuesday, February 21, 2017, 7:00 p.m.**

---

Resolution 17-017, "Resolution to Establish a Council Infrastructure Committee and Appointment of Council Members to the Newly Formed Council Infrastructure Committee"

**INFORMATION ITEMS**

8. Accept and File Report Regarding Appointment of Hayward Community Members to Community Task Force to Update the Hayward Anti-Discrimination Action Plan **RPT 17-029**

Staff report submitted by Assistant to the City Manager and Neighborhood Services Manager Korth, dated February 21, 2017, was filed.

The City Council received the staff report.

City Manager McAdoo noted the purpose of the report was to create a record of the appointment of Hayward members to the Community Task Force and added the first meeting would take place on February 22, 2017. It was recommended that the Task Force meetings be as consistent as possible, and that the contributions made during the meeting represent the voice of a unified City.

**CITY MANAGER COMMENTS**

City Manager McAdoo provided an update on the stormy weather over the weekend, and thanked staff for the assistance managing storm-related incidents.

**COUNCIL REPORTS, REFERRALS, AND FUTURE AGENDA ITEMS**

Council Member Salinas noted that the Hayward Promise Neighborhood, in partnership with the Alameda County Food Bank, will provide "Fresh Food for Families" at the HUSD Family Resources Center Hub on February 23, 2017. Mr. Salinas announced the California State University East Bay Town Hall meeting with Provost on March 4, 2017 at Hayward High School.

Council Member Márquez noted the Keep Hayward Clean and Green Task Force clean-up event on February 25, 2017 at Ruus Park.

Council Member Zermeño announced the Hayward Rotary Club was organizing the 9<sup>th</sup> Annual Champagne Omelet Brunch on February 26, 2017 at Moreau Catholic High School Event Center. Mr. Zermeño also announced the Latino Business Roundtable on February 24, 2017 at St. Rose Hospital Balch Pavilion.

**ADJOURNMENT**

Mayor Halliday adjourned the City Council meeting at 9:52 p.m., in memory of Mr. Ed Bullok.

Mr. Ed Bullok was a longtime resident of Hayward, involved in the Hayward Rotary Club, instrumental in starting Casa Sandoval, co-founder of the St. Rose Hospital Foundation, and a well-known contributing member of the community. Mayor Halliday asked staff to work with the Bullok family to plant a tree in memory of Ed Bullok.

**APPROVED:**

---

Barbara Halliday  
Mayor, City of Hayward

**ATTEST:**

---

Miriam Lens  
City Clerk, City of Hayward



# CITY OF HAYWARD

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
[www.Hayward-CA.gov](http://www.Hayward-CA.gov)

---

**File #:** CONS 17-084

---

**DATE:** March 7, 2017

**TO:** Mayor and City Council

**FROM:** Director of Utilities & Environmental Services

**SUBJECT**

Adoption of a Resolution to Join Compact of Mayors

**RECOMMENDATION**

That Council reviews this report and adopts the attached resolution approving the letter of intent to join the Compact of Mayors.

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution



DATE: March 7, 2017

TO: Mayor and City Council

FROM: Director of Utilities & Environmental Services

SUBJECT Adoption of a Resolution to Join Compact of Mayors

#### RECOMMENDATION

That Council reviews this report and adopts the attached resolution approving the letter of intent to join the Compact of Mayors.

#### BACKGROUND

The Compact of Mayors is a coalition of cities and local governments around the world that commit to taking inventory of greenhouse gas emissions, reducing emissions, building resiliency, and increasing accountability. The Compact was launched in 2014 by then United Nations Secretary-General Ban Ki-moon and his Special Envoy for Cities and Climate Change, Michael R. Bloomberg. There are currently 628 cities around the world that have joined the Compact of Mayors, including 129 in the United States.

The Carbon Disclosure Project (CDP) is a reporting and data partner for the Compact of Mayors. CDP is a global disclosure system for companies, cities, states, and regions to track and manage their environmental impacts. Hayward reported its data to CDP in 2015 and 2016.

Council Sustainability Committee – On January 9, 2017, staff presented a report to the Council Sustainability Committee recommending that the City of Hayward join the Compact of Mayors. The Committee voted unanimously to recommend joining the Compact to Council.

#### DISCUSSION

Staff and the Council Sustainability Committee have reviewed the requirements for the Compact of Mayors and recommend that the full Council recommend the City to commit to the Compact. Many Bay Area cities have already committed to the Compact of Mayors including: Benicia; Berkeley; Cupertino; Emeryville; Fremont; Oakland; Palo Alto; Piedmont; Richmond; San Francisco; San José; and San Rafael.

Hayward is well-positioned to fulfill the requirements of the Compact, of which there are four phases.

- Phase 1 requires the submission of a letter of intent to join the Compact.

- Phase 2 requires completing a greenhouse gas (GHG) emissions inventory, of which Hayward has completed an inventory for 2005 and 2010 respectively; and it requires climate hazard reporting, which Hayward reports annually to CDP.
- Phase 3 requires setting emissions reductions targets and accounting for climate change risks, which Hayward's Climate Action Plan (CAP) and Local Hazard Mitigation Plan (LHMP) fulfill.
- Phase 4 requires climate action and adaptation planning, which the CAP and LHMP fulfill.

## ECONOMIC IMPACT AND FISCAL IMPACT

There is no fiscal impact to the City and there are no known impacts to residents or businesses. The Compact is funded through Bloomberg Philanthropies. There is no cost to sign on to the Compact of Mayors and the work necessary to comply with the Compact is already programmed and budgeted. Joining the Compact could increase private and public investor confidence in Hayward as a dependable, business-friendly city.

## SUSTAINABILITY FEATURES

Signing on to the Compact of Mayors would provide an opportunity for Hayward to further document and publicize its accomplishments regarding energy efficiency, water conservation, waste reduction, greenhouse gas emissions reductions, and climate adaptation. The Compact enables cities to share expertise and best practices for taking action on climate change. Signing the Compact would also allow Hayward to study measures that other cities have taken and inform its next action steps.

## NEXT STEPS

If Council approves the attached resolution, staff will provide the letter of intent to Mayor Halliday for signing. Following an acknowledgement of Hayward's letter from the Compact of Mayors, staff will prepare and submit the Compact of Mayors Module, which is a component of the CDP Cities 2016 Information Request. In addition, staff is in the process of completing a GHG inventory for 2015 and will submit it to CDP when finalized. Staff will report back to the Council annually regarding the status of our commitment to the Compact and any future recognition that the City may receive for its commitment and/or compliance.

Research Compiled by: Chris Sturken, CivicSpark Fellow

Prepared by: Erik Pearson, Environmental Services Manager

Recommended by: Alex Ameri, Director of Utilities & Environmental Services

Approved by:




---

Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 17-

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

RESOLUTION TO JOIN THE COMPACT OF MAYORS

WHEREAS, the Compact of Mayors is a coalition of cities and local governments around the world that commit to taking inventory of greenhouse gas emissions, reducing emissions, building resiliency, and increasing accountability; and

WHEREAS, the City of Hayward City Council adopted a Climate Action Plan with goals to reduce municipal greenhouse gas emissions by 20 percent below 2005 baseline levels by 2020, and strive to reduce community emissions by 61.7 percent and 82.5 percent by 2040 and 2050 respectively; and

WHEREAS, the City of Hayward is well positioned to be in compliance with all four phases of the Compact of Mayors; and

WHEREAS, on January 9, 2017, the City Council Sustainability Committee recommended to the City Council that the City of Hayward join the Compact of Mayors.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the Mayor is authorized to sign a letter of commitment to join the Compact of Mayors.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2017

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward





# CITY OF HAYWARD

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
[www.Hayward-CA.gov](http://www.Hayward-CA.gov)

---

**File #:** LB 17-007

---

**DATE:** March 7, 2017

**TO:** Mayor and City Council

**FROM:** Acting Police Chief

**SUBJECT**

Introduction of Ordinance Adding Article 13 to Chapter 6 of the Hayward Municipal Code Relating to Transportation Permits

**RECOMMENDATION**

That the City Council introduces an Ordinance adding Article 13 to Chapter 6 of the Hayward Municipal Code regulating the movement of commercial vehicles on the City's public roadways whose height, length, width, and weight exceed the legal limits of the California Vehicle Code.

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Ordinance
Attachment III	Proposed through and local truck routes
Attachment IV	Proposed Truck Routes2



DATE: March 7, 2017

TO: Mayor and City Council

FROM: Acting Police Chief

SUBJECT Introduction of Ordinance Adding Article 13 to Chapter 6 of the Hayward Municipal Code Relating to Transportation Permits

#### RECOMMENDATION

That the City Council introduces an Ordinance adding Article 13 to Chapter 6 of the Hayward Municipal Code regulating the movement of commercial vehicles on the City's public roadways whose height, length, width, and weight exceed the legal limits of the California Vehicle Code.

#### SUMMARY

The City of Hayward's Transportation Permit Policy does not regulate the movement of commercial vehicles on the City's public roadways, a practice which is authorized under Section 35780 of the California Vehicle Code (35780 CVC). Consequently, all commercial vehicles exceeding California statutory limits relative to their height, length, width, and weight could be subject to enforcement and significant fines. To maintain a positive partnership with business owners who transport these loads to and from their facilities, while keeping the safety of drivers who encounter these vehicles on the City's roadways, staff is recommending the adoption of this policy to assist in regulating and monitoring such activities. This action will allow both the Police and Public Works departments to address vehicles that fall under a specific category which is defined in Section 320.5 California Vehicle Code as an "EXTRA LEGAL LOAD." These vehicles carry a heavier weight which reduce the life span of some roadways, requiring repair and/or replacement at more frequent rate. Monitoring routes commonly used by the heavy loads will allow the Public Works Department to anticipate repairs and maintenance in a timelier manner.

#### BACKGROUND

The City of Hayward has the third largest industrial zone in the San Francisco Bay Area, but currently lacks the ability to regulate the movement of commercial vehicles defined as "Extra-Legal Loads" (those that exceed statutory regulated height, length, width and weight). Section 35780 of the CVC provides the state, counties, and municipalities the ability to regulate travel of such vehicles while utilizing their roadways to and from their destinations.

California (CalTrans) and local authorities who review permit applications for validity and lawfulness commonly receive such requests days or weeks prior to the travel date. Each governing body can agree, decline, or modify the desired route. These routes consist of interstates, state highways, and most importantly, city maintained streets. The City also has the authority to decline the permit based on the size of the vehicle or load, especially if it can be reduced to a smaller and legal size.

The City of Hayward is one of only municipalities in Alameda County that does not have a Transportation Permit policy in place. The current Transportation Permit protocol only allows for review of those permits sent to the Police Department's Traffic Bureau via facsimile, and only on a voluntary basis. Those documents are filed daily in the Traffic Bureau office.

The Police Department's Traffic Bureau receives facsimile notifications for all Extra-Legal Loads. There is usually a one-week notification made by the permit companies and some private companies who do not use permit companies. Staff conducted a survey from mid-October 2015 to mid-May 2016 and found that there were 115 such notifications. A municipality that has this program may charge no more than the CalTrans base fee depending on the type of trip (single trip fee of \$16 and a multiple trip fee of \$90). With these figures, staff found the City's total loss during the above time-period to be \$4,948. These figures represent "voluntary" reporting and the fiscal increase is likely to be greater once notification is made that a policy has been activated. For example, the City of San Leandro, which has a much smaller industrial area, obtained nearly \$40,000 in applicant fees during FY 2016.

## DISCUSSION

To address a more effective means of handling the Extra-Legal Loads, staff has developed an amendment to the Hayward Municipal Code Section 6 / Article 13 "TRANSPORTATION PERMITS." This amendment would authorize the Police Department Traffic Unit to require applicants of Extra-Legal Loads travelling on our City maintained roadways to notify the City within two weeks of such movement via facsimile or email, using standard the CalTrans permit format. The process for submitting and approving these permits will remain the same. Commercial Vehicle Enforcement trained officers will review the permit to determine its validity. Next, the route is reviewed for its safety. The total time needed for review is approximately five minutes per permit. More time may be needed if a potential safety or validity problem arises. There is a slight possibility that consultation with the City Engineering Department or a CalTrans representative may be necessary should a permit require more investigation.

The lack of an official permit or regulatory policy has created several concerns, primarily the lack of oversight. Currently, a limited number of applicants participate in submitting permits. In turn, the clear majority of activity is non-regulated. As these companies fail to participate in such review, they lack awareness of the most current roadway layouts or changes that may be in place due to construction projects, various overcrossings that may have height limitations, or worse yet, travel on roadways that are a danger to the public (narrow roadways,

residential streets, low hanging trees). Additionally, continuous heavy weight imposed on City maintained roadways will negatively impact their integrity. An example is how only one pass by a fully loaded 80,000 lb. truck-tractor and semi-trailer is equivalent to 10,000 passes of a single passenger vehicle. Extra-Legal Loads often exceed this weight which further stresses the roadway.

The Transportation Permit amendment will allow the Public Works Department and Police Department's Traffic Bureau to promote safety among the driving public. The generated revenue for the City can then be utilized to recover costs associated with processing the permits. This ordinance will allow City officials to enforce "Extra-Legal Loads" traveling within our borders and take the appropriate action to prevent incidents that threaten the safety of the traveling public.

An interview with representatives from various police agencies and permit processing agents has not identified any significant adverse impact on businesses should this amendment be approved. The fees imposed on either single or multiple trip requests can be no greater than the fees already set by CalTrans, which are consistent statewide. Those fees are \$16 for a single trip and \$90 for multiple trips. These fees already apply to most of the regulated community.

#### ECONOMIC IMPACT

The current practices of City staff consist of a review of permits submitted voluntarily when time permits. Route variances are enforced if safety is a factor and all permits are processed free of charge. All vehicles exceeding the legal height, length, width, and weight can be issued citations for travel on our public roadways. However, as this voluntary, most oversized loads travel through the city with no oversight or regulation, causing significant wear to roadways.

#### FISCAL IMPACT

Staff believes there will be no negative fiscal impact by amending the ordinance. Revenues associated with the implementation of the proposed changes will offset the staff hours used to review and issue the permits.

#### SUSTAINABILITY FEATURES

There is no sustainability impact that will result from this amendment. The increased volume to staff's workload is minimal.

#### PUBLIC CONTACT

This ordinance is unique in nature and does not directly impact Hayward residents or other stakeholders in the City. Due to the nature of the regulated activity, it only impacts transportation companies and businesses that issue the permits to move various products. Staff has contacted local businesses and permit and transportation companies with the following results:

Residential Impact – There is little to no residential impact from this proposal as products being transported to, from, as well as through Hayward will be designated to travel on identified “Truck Routes.” These routes are currently being used by commercial vehicles so there will be no change. The Traffic Bureau is in the process of identifying these routes and will confer with Public Works for approval and publishing on the City website.

Localized Business Impact – The impacted businesses that need their product shipped or received already use specific transportation companies to handle the task because of the uniqueness of their load. Nearly all will continue to be able ship and receive their product pending approval of Traffic Bureau. Staff can examine the permit route and the dimensions of the load, looking for any anomalies. After researching nearly 100 permits over the past month, staff found no anomalies that caused concern. This is due to the Transportation Companies’ expertise in the law and loading. An attributing factor is due to the requirement to obtain CalTrans permits due to freeway travel, or travel through any municipality that already scrutinizes such activity.

Staff has also met with the beverage companies (SHASTA/PEPSI/INBEV/Berkeley Farms); all of which stated that their loads do not exceed the weight limits and will not be affected by the recommended ordinance amendment. HATTON Crane on Depot Road, was the only company found that would fall under the new regulations. However, they are supportive of the proposal and regulation and do not anticipate any impact on their daily operations.

#### NEXT STEPS

Staff will develop an Operational Plan using the resources of the Public Works Department, Finance Department and Traffic Bureau to efficiently process the Transportation Permits by qualified personnel and the appropriate steps needed for billing.

Prepared by: Jason Corsolini, Sergeant

Recommended by: Mark Koller, Acting Chief of Police

Approved by:



---

Kelly McAdoo, City Manager

ORDINANCE No. 17-\_\_

ORDINANCE OF THE CITY OF HAYWARD, CALIFORNIA  
ADDING ARTICLE 13 TO CHAPTER 6 OF THE HAYWARD  
MUNICIPAL CODE RELATING TO TRANSPORTATION  
PERMITS

THE CITY COUNCIL OF THE CITY OF HAYWARD DOES ORDAIN AS FOLLOWS:

Section 1. Article 13 is added to Chapter 6 of the Hayward Municipal Code and the Transportation Permits Ordinance is hereby enacted to read as follows:

**CITY OF HAYWARD MUNICIPAL CODE**

CHAPTER 6

ARTICLE 13

TRANSPORTATION PERMITS

6-13.00	TITLE
6-13.01	AUTHORITY
6-13.02	DEFINITIONS
6-13.03	PERMITS
6-13.04	FEES
6-13.05	LIABILITY
6-13.06	DAMAGE AND ACCIDENT REPORTING
6-13.07	SPECIAL RESTRICTIONS
6-13.08	POLICE ESCORT
6-13.09	REVOCATION

Sec. 6-13.00 TITLE. This chapter shall be known as the City of Hayward “Transportation Permit Ordinance.”

6-13.01 AUTHORITY. All the powers granted to the City by Article 6 of Chapter 5 of Division 15 of the California Vehicle Code pertaining to the issuance of special permits for loads exceeding the maximum sizes and/or weights, and for administering the rules and regulations pertaining thereto, are hereby delegated to the City Manager or designee.

6-13.02 DEFINITIONS. For the purpose of this Article certain words and phrases are defined, and certain provisions shall be construed, as herein set out, unless it shall be apparent from their context a different meaning is intended.

- a. “Single Trip Transportation Permit” means a permit that will allow the movement of a specific vehicle or load, exceeding statutory limitations on the size, weight and loading of vehicles contained in Division 15 of the California Vehicle Code, to operate on a single trip from a single point of origin to a single destination in one direction of travel. This permit is valid for one laden and unladen round-trip, and is limited to the approved width, length, height and weight.
- b. “Repetitive Trip Transportation Permit” means a permit that will allow the movement of a specific vehicle or load, exceeding statutory limitations on the size, weight and loading of vehicles contained in Division 15 of the California Vehicle Code, along a specific route to a specific destination for an unlimited number of trips in a defined period of time. This permit is valid for laden and unladen round-trips, and is limited to the approved width, length, height and weight.
- c. “Annual Transportation Permit” means a permit that will allow the movement of a vehicle or load, exceeding statutory limitations on the size, weight and loading of vehicles contained in Division 15 of the California Vehicle Code, to operate an unlimited number of trips during specified dates. This permit is valid for laden and unladen round-trips, and is limited to the approved width, length, height and weight.
- d. “Transportation Permit” means a Single Trip Permit, a Repetitive Trip Permit, or an Annual Permit issued by the City Manager or designee pursuant to this Article.
- e. “Permit Holder” means an individual moving or transporting a specific vehicle or load, exceeding statutory limitations on the size, weight and loading of vehicles contained in Division 15 of the California Vehicle Code pursuant to a Transportation Permit.
- f. “Applicant” means persons, firms or agencies that obtain a Transportation Permit pursuant to this Article.

6-13.03 PERMITS.

- a. Application for Transportation Permit(s): All persons, firms or agencies desiring to move any vehicle or load across or upon streets and highways within the City, which exceeds statutory limitations on the size, weight and loading of vehicles contained in Division 15 of the California Vehicle Code shall obtain a Transportation Permit from the City Manager or designee. The Transportation Permit shall specify the streets upon which the move is authorized and the date and time of the move. The permit holder shall be knowledgeable of and in compliance with all applicable California and City of Hayward conditions, requirements, and laws for the use of the highway system and movement of vehicles or loads, exceeding statutory limitations on the size, weight and loading of vehicles contained in Division 15 of the California Vehicle Code.
- b. Possession of Permit: The Transportation Permit shall be carried in the vehicle to which it has been issued at all times while the vehicle is within the City limits and shall be open to inspection by any peace officer, traffic officer, or an authorized agent of the Hayward Police Department.
- c. Void Permits: Transportation Permits shall be declared null and void if:
  - (1) Any portion, part or section is illegible;
  - (2) It is used before or after the times and date(s) indicated;
  - (3) Any portion, part or section has been altered or if any attempt to alter is apparent;
  - (4) It is used to represent proper authority for carrying a load and/or moving a vehicle which is not specifically described on the face of the Transportation Permit;
  - (5) It is used to represent proper authority for carrying a load and/or moving a vehicle by any person, firm, or agency not specifically named on the Transportation Permit;
  - (6) It is presented without the attachments specifically named on the face of the Transportation Permit firmly affixed;
  - (7) The permit holder fails to report an accident, damage to property, or the death and/or injury to persons incurred while operating under a Transportation Permit, as provided for in this Article.

6-13.04 FEES. A fee for issuance of the Transportation Permit, as established pursuant to California Vehicle Code Section 35795(b), established by the California Department of



Transportation and set forth in the City of Hayward Master Fee Schedule, shall be paid by the applicant prior to issuance of a Transportation Permit.

6-13.05 LIABILITY.

a. *Proof of Financial Responsibility Required.*

(1)

It shall be unlawful to drive or operate any public motor vehicle in the City unless the owner thereof shall have obtained a vehicle liability insurance policy or policies from an insurance company authorized to issue such policies under the laws of the State of California, insuring the vehicle operation by the owner and covering each vehicle insured under such policy or policies. Each vehicle insured shall be designated by number and State license number. Such policy of insurance shall guarantee the payment to any and all persons suffering injuries or damage to personal property of any final judgment rendered against such owner or driver within the policy limits set forth in section 6-13.05(a)(2) of this code. Evidence of such insurance shall be by written certificate or certificates of such insurance corporation, including a separate endorsement naming the City of Hayward as an additional insured, filed with the City Clerk. Failure to maintain motor vehicle liability insurance as provided herein shall be grounds for immediate revocation of the permit.

(2)

The motor vehicle liability policy required by this section shall insure the owner and any other person using or responsible for the use of any such vehicle, with the consent, express or implied, of the owner against loss from the liability imposed upon such owner by law for injury to or death of any person, or damage to property, growing out of the maintenance, operation or ownership of any vehicle. The policy must comply with the following minimum coverage as required by California Vehicle Code (CVC) Sections 34630, 34631.5, and 34640, and by Part of 387 of Title 49 of the Code of Federal Regulations:

(i)

Every motor vehicle carrying property with a gross vehicle weight rating of 10,000 pounds or more, that does not transport petroleum or hazardous material, shall provide adequate protection against liability in the amount of a combined single limit of not less than seven hundred fifty thousand dollars (\$750,000) on account of bodily injuries to, or death of, one or more persons, or damage to or destruction of, property other than property being transported by the carrier;

(ii)

Every motor vehicle carrying property with a gross vehicle weight rating under 10,000 pounds, that does not transport petroleum or hazardous material, shall provide adequate protection against liability in the amount

of a combined single limit of not less than three hundred thousand dollars (\$300,000) on account of bodily injuries to, or death of, one or more persons, or damage to or destruction of, property other than property being transported by the carrier;

(iii)

Every motor vehicle carrier who transports petroleum products in bulk, including waste petroleum and waste petroleum products, shall provide adequate protection against liability for personal injury or death of one (1) person in the amount not less than five hundred thousand dollars (\$500,000); personal injury or death of two (2) or more persons in the amount not less than of one million dollars (\$1,000,000); for damage to property in an amount not less than two hundred thousand dollars (\$200,000); or a combined single limit in an amount not less than one million two hundred thousand dollars (\$1,200,000) on account of bodily injuries to, or death of, one or more persons or damage to or destruction of property, or both, other than property being transported by the carrier.

(iv.) Every motor vehicle that transports any hazardous material, as defined by California Vehicle Code Section 353, shall provide and thereafter continue in effect adequate protection against liability for the payment of damages for personal injury or death, and damage to or destruction of property, in amounts of not less than the minimum levels of financial responsibility specified for carriers of hazardous materials by the United States Department of Transportation in Part 387.

(v.) Every certificate evidencing the insurance required under the provisions of this section shall certify that the motor vehicle liability policy or policies evidenced shall not be canceled except upon thirty (30) days prior written notice thereof to the City Attorney's Office.

(vi.) All motor vehicle liability policies and all certificates thereof shall be subject to the approval of the City Attorney in any and all matters, and if at any time, in the judgment of the City Attorney, the motor vehicle policies are not sufficient for any cause, the City Attorney may require the owner to replace the motor vehicle policies within ten (10) days with other policies in accordance with the provisions of this section. If the owner fails to replace the motor vehicle policies within the ten-day period with good and sufficient policies, as set out in this section, then the City may revoke the permit until the permit holder's insurance complies with this section.

b. Permit holder shall indemnify, defend, and hold City, its officers, employees, agents, and volunteers harmless, pursuant to section 2778 of the California Civil Code, from and against any and all liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any

violation of any federal, state, or municipal law or ordinance, or other cause in connection with the negligent or intentional acts or omissions of permit holder, its employees, subcontractors, or agents, or on account of the performance or character of this work, except for any such claim arising solely out of the active negligence, sole negligence, or willful misconduct of the City, its officers, employees, agents, or volunteers.

- c. Repair of Damage: The permit holder shall be liable for all damages to any street, highway, bridge, or appurtenances thereto, including, but not limited to, guardrails, signs, traffic signals, street lights, street trees and similar facilities, resulting from the operation, driving or moving of any vehicle which exceeds any of the limitations imposed by Division 15 of the California Vehicle Code. The permit holder agrees to repair at his or her own expense, and to the satisfaction of the Engineering and Transportation Director or designee, any damage resulting from travel pursuant to the Transportation Permit.
- d. Modification To and/or Relocation of Structures: If, in the judgment of the Engineering and Transportation Director or designee, it is determined necessary to strengthen any structure over which a vehicle or load, which exceeds statutory limitations on the size, weight and loading of vehicles contained in Division 15 of the California Vehicle Code, must pass, or to perform any other work in order to insure the safe passage of the vehicle or load upon City streets, the applicant will be required to pay the full cost of such work. The applicant will also be required to reimburse the City for any cost necessitated by the temporary relocation of traffic signals, streetlights or other appurtenances in order to permit the safe passage of the vehicle or load which exceeds statutory limitations on the size, weight and loading of vehicles contained in Division 15 of the California Vehicle Code.

6-13.06 DAMAGE AND ACCIDENT REPORTING.

- a. Damage to Property: In the event of damage, caused by the movement of a vehicle or load pursuant to a Transportation Permit issued under this Article, to highway facilities such as bridges, traffic signals, light standards and other appurtenances, a written report must be filed with the Hayward Police Department within seventy-two (72) hours after such damage is incurred.
- b. Accidents Involving Persons and/or Property: Accidents occurring while operating a vehicle or load pursuant to a Transportation Permit issued under this Article, and requiring a report to the Department of Motor Vehicles under California Vehicle Code Section 16000, shall also be reported to the City. A copy of the Transportation Permit and accident report shall be mailed to the Hayward Police Department, Traffic Division, 300 W. Winton, Hayward, CA 94544, within thirty (30) days of the date of the accident.

6-13.07 SPECIAL RESTRICTIONS.

- a. Pilot Cars: Permit holders moving or transporting a vehicle or load over twelve (12) feet in width and/or over one hundred twenty (120) feet in length and/or over sixteen (16) feet

in height, shall be escorted by a single pilot vehicle. Two (2) pilot cars are required on any vehicles and/or loads over fourteen (14) feet wide and/or one hundred thirty-five (135) feet in length.

- b. Flags and Lamps: Appropriate flags and/or lamps by all permit holders as required by California Vehicle Code Sections 24604, 25103 and 25104 shall be utilized.
- c. Warning Signs: Permit holders shall display warning signs on vehicles or loads. Signs shall be posted on the front and rear of the vehicle or load and must conform to the specifications of the California Department of Transportation.
- d. Authorized Route: The Engineering and Transportation Director or designee shall determine the authorized route for vehicles or loads moved or transported with a Transportation Permit pursuant to this Article. The authorized route shall designate a specific route comprised of existing truck routes as much as possible to access the destination. When deviating from the truck route, the recommended route shall be along major streets. The City of Hayward truck route map should be used as a guide when determining a route.
- e. Curfew: Permit holders cannot move/transport a vehicle or load over ten (10) feet in width within the City Monday through Friday between the hours of 7:00 to 9:00 a.m. and 4:00 to 6:00 p.m.

6-13.08 POLICE ESCORT. The Chief of Police or designee may require Hayward Police Department escort for certain applicants. The determination to assign an escort and the number of officers required to safely perform the escort of a vehicle or load will be made by the Chief of Police or designee. The determination may be based on the overall vehicle dimensions, type of load, location of the move, or any other reason the Chief of Police has determined may be a hazard to the public or property. The applicant shall pay the associated costs of the police escort.

6-13.09 REVOCATION.

- a. The City Manager or designee may revoke a Transportation Permit issued to an applicant, if the applicant, the applicant's employee or agent violates any provisions of this Article. The Transportation Permit may be revoked for up to ninety (90) days. Nothing contained in this Article shall be deemed or construed as limiting the power of a peace officer to issue a citation for or otherwise enforce violations of law with respect to operation of a vehicle pursuant to a Transportation Permit upon designated City streets.
- b. Any applicant who has had a Transportation Permit revoked pursuant to subsection (a) may file with the City Manager a written appeal within ten (10) days of such revocation,

setting forth in detail the facts supporting the applicant's appeal. The City Manager shall appoint a Hearing Officer who shall hear the appeal within thirty (30) days from the date of the filing. The Hearing Officer shall make a ruling on appeal within thirty (30) days of the close of the hearing. The Hearing Officer's determination shall be final.

Section 2. If any section, subsection, paragraph or sentence of this Ordinance, or any part thereof, is for any reason found to be unconstitutional, invalid or beyond the authority of the City of Hayward by a court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance.

Section 3. This Ordinance shall become effective thirty (30) days after adoption by the City Council.

INTRODUCED at a regular meeting of the City Council of the City of Hayward, held the \_\_\_ day of \_\_\_\_\_ 2017, by Council Member \_\_\_\_\_ .

ADOPTED at a regular meeting of the City Council of the City of Hayward held the \_\_\_\_\_ day of \_\_\_\_\_ , 2017, by the following votes of members of said City Council.

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED:

\_\_\_\_\_

Mayor of the City of Hayward

DATE:

ATTEST: \_

\_\_\_\_\_

City Clerk of the City of Hayward

APPROVED AS TO FORM:

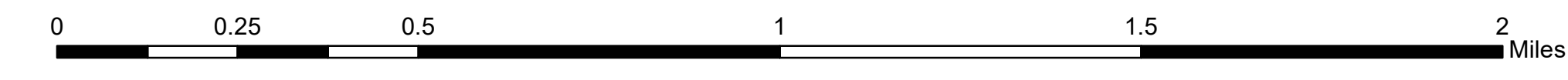
\_\_\_\_\_

City Attorney of the City of Hayward



**Legend**

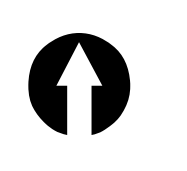
- Local Truck Route
- Through Truck Route
- Streets



1:13,000

Date: 10/24/2016

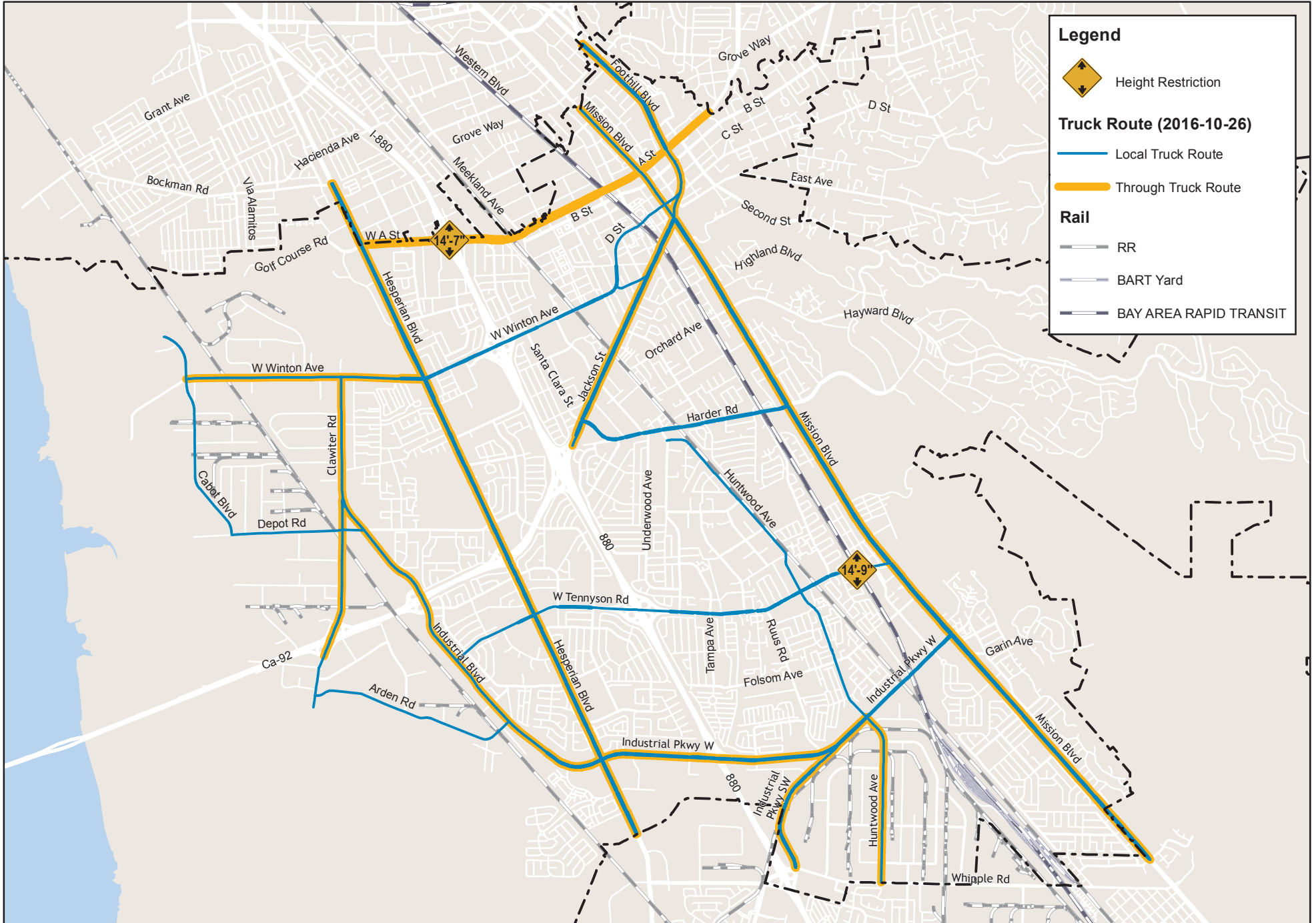
# Truck Routes and Transportation Permits











# Truck Routes and Transportation Permits

0 0.25 0.5 Miles



**Legend**

-  Height Restriction
- Truck Route (2016-10-26)**
-  Local Truck Route
-  Through Truck Route
- Rail**
-  RR
-  BART Yard
-  BAY AREA RAPID TRANSIT





# CITY OF HAYWARD

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
www.Hayward-CA.gov

---

**File #:** LB 17-009

---

**DATE:** March 7, 2017

**TO:** Mayor and City Council

**FROM:** Director of Finance

**SUBJECT**

FY 2017 Mid-Year Budget Review & General Fund Ten-Year Plan Update

**RECOMMENDATION**

That the Council reviews the FY 2017 Mid-Year Budget Review & General Fund Ten-Year Plan Update, and adopts the attached resolutions approving the amendment to the City of Hayward Operating and Capital Improvement Budgets for Fiscal Year 2017.

**ATTACHMENTS**

- Attachment I: Staff Report
- Attachment II: Resolution (Amending Operating Budget, Includes Exhibits A & B)
- Attachment III: Resolution (Amending Capital Improvement Plan Budget, Includes Exhibits A & B)
- Attachment IV: Summary of FY 2017 Mid-Year Revenues & Expenditures
- Attachment V: Summary of FY 2017 Mid-Year Adjustments by Department
- Attachment VI: General Fund Ten-Year Plan - FY 2017 Mid-Year Projections
- Attachment VII: General Fund Ten-Year Plan Summary Graph
- Attachment VIII: Detail of Mid-Year Revenue Adjustments
- Attachment IX: Detail of Mid-Year Expenditure Adjustments (to be distributed no later than Tuesday, March 7)



DATE: March 7, 2017

TO: Mayor and City Council

FROM: Director of Finance

SUBJECT: FY 2017 Mid-Year Budget Review & General Fund Ten-Year Plan Update

#### RECOMMENDATION

That the Council reviews the FY 2017 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 2017.

#### SUMMARY

This report presents the mid-year review of the FY 2017 adopted budget and provides an update to the General Fund Ten-Year Plan. The review analyzes revenues and expenditures through the midpoint of the 2017 fiscal year (December 31, 2016), presents proposed changes, and projects year-end results based on current trends and data. While staff considers the entire City budget in its mid-year review, this report focuses primarily on the General Fund.

The FY 2017 adopted budget projected the use of \$4.4 million of General Fund Reserves. While not entirely closing the gap, the revised projections now forecast a \$2.6 million gap in FY 2017, reducing the projected use of General Fund Reserves by \$1.8 million, less than originally projected. While revenue projections have increased, they have not kept pace with previously unbudgeted expenses. The unbudgeted increases in expenditures are due to changes to the agreements between the City and many of the employee bargaining units, the settlement of claims levied against the City, as well as increases to other operating costs.

For FY 2017, General Fund revenues are expected to have a \$3 million one-time revenue increase and an ongoing revenue increase of \$3.8 million, for an overall \$6.8 million adjustment to the General Fund revenue categories.

Mid-year expenditure adjustments net to a total of \$5 million in the General Fund. Of this amount, \$3 million is tied to the restricted revenue mentioned above. The balance of approximately \$2 million in expenditures is made up of increases and decreases as follows:

- a transfer to the liability insurance fund for settlements (\$1.5 million which was budgeted in FY 2016, but will take place in FY 2017),
- an increase to overtime (\$1.2 million - the majority of which is related to Police and Fire),
- a net decrease to Staffing Expenses (\$1.2 million when factoring in net salary savings), and
- an increase to supplies and services (\$2.2 million; \$1.36 million of this increase is offset by revenue increases).

The increase to supplies and services is broken down as follows:

- \$714,000 in expenses for finance related services that were previously budgeted as reductions to revenue - an equal and offsetting increase has been made to the revenues these expenses were previously budgeted in;
- \$650,000 for outside plan check services in the Development Services Department which is offset by an equal amount of offsetting revenues;
- \$342,000 for Police Operations;
- \$192,000 for election related expenses (addition of November 2016 election);
- \$47,000 for Human Resources temporary staffing;
- \$100,000 for a previously unbudgeted Fire academy; and
- \$61,000 approximately for various services in other departments.

While there are increases to the above-mentioned expenses, there are also decreases to some expenditures proposed as well. These reductions, summarized in the table below, offset the increases by approximately \$2.9 million and are mostly related to employee benefits coming in below adopted levels. The net change at mid-year results in a reduction of the projected use of General Fund reserves of \$1.8 million less than originally budgeted.

	Adopted FY 2017	Change	MY Revised FY 2017
<b>Total Revenue/Resources</b>	144,665	6,802	151,467
<b>Expenditures</b>			
Net Staffing Expense	118,023	(1,166)	116,858
Net Operating Expense	31,005	3,119	34,124
UUT Prior Year Payments Set-aside		3,027	3,027
<b>Total Expenditures</b>	149,029	4,980	154,009
<b>Total Surplus/(Shortfall)</b>	<b>(4,364)</b>	<b>(1,822)</b>	<b>(2,542)</b>

## BACKGROUND

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. The FY 2017 adopted Budget projected the use of \$4.4 million of General Fund Reserves. While not entirely closing the gap, the City has reduced the projected use of General Fund Reserves by \$1.8 million based on this mid-year report. While revenue projections have increased, there are also anticipated increases to expenditures.

The adopted General Fund Ten-Year Plan (the Plan) is updated to reflect FY 2016 actuals, current benefit rates (inclusive of changes resulting from new labor agreements reached during FY 2016), revised revenue projections, and requested FY 2017 mid-year expenditure adjustments.

## DISCUSSION

There have been several key changes in the City's economic outlook since the City Council adopted the FY 2017 budget in June 2016. While the projected use of reserves for FY 2017 has been reduced as a result of the changes recommended with this mid-year budget adjustment, there is still an ongoing structural deficit within the City's General Fund. While at times it is appropriate to use the General Fund Reserve (or one-time balancing measures), continually doing so perpetuates or increases structural gaps. The key changes for FY 2017 and influences on the General Fund Ten-Year Plan projections are discussed below.

### General Fund Revenues and Variance Analyses

FY 2017 General Fund revenues are projected to be \$6.8 million (4.7 percent) higher than originally projected – \$3.7 million of which are one-time and/or restricted revenue (\$3 million in one-time and restricted Utility Users Tax prior year payments, and \$646,000 in Real Property Transfer tax above Council's recurring annual threshold of \$4.8 million). When the \$3.7 million of one-time revenue is excluded, the General Fund revenue increases are projected to be 2 percent higher than reflected in the adopted FY 2017 budget.

Attachment IV and the following analysis highlights key revenue variances as they pertain to FY 2017 mid-year projections and the impact on future year projections as delineated in the Plan. These projections are based on year-to-date data, and will be closely monitored for the remainder of the fiscal year.

Representing fifty-four percent of total General Fund revenues, property and sales taxes are the two major revenues that influence the City's budget. Sales Tax revenues have rebounded to pre-recession levels, but have leveled off, with the long-term erosion of overall sales tax revenues in California and the ever-growing list of sales tax exempt transactions. Property Taxes continue to show steady growth from new construction and improved property values and are outpacing originally projected growth.

Property Tax (plus \$1.7 million) – Property tax revenues are outpacing originally adopted projections primarily due to the rising property values trending throughout the region and state.

Redevelopment Property Tax Trust Fund (RPTTF) –The RPTTF represents reallocated property tax increment previously allocated to the former Hayward Redevelopment Agency. With the dissolution of the agency, tax increment funds are now redistributed to all taxing entities in the County, including the City of Hayward. As the RDA dissolution process continues, the RPTTF distributions are beginning to stabilize as many of the one-time dissolution adjustments have concluded (e.g. audits, property disposition, asset transfers, etc.).

Anticipated annual, recurring RPTTF funds (annual pass-through and redistribution funds) are \$2.4 million for FY 2017 and future years. Until the dissolution process ends entirely, these are somewhat unpredictable revenues. The majority of these funds are allocated to funding the Economic Development budget, consistent with the Economic Development Strategic Plan adopted by City Council. Of this amount, approximately \$800,000 annually encompasses loan repayments to the General Fund from the RDA Successor Agency for a loan provided by the General Fund to the former Redevelopment Agency in 1975. Payment on this loan has been subject to the RDA dissolution process and has been significantly delayed. These funds are intended to replenish the General Fund Reserve. After receipt of the first installment payment, the current outstanding balance is \$9.38 million.

Sales Tax (plus \$801,000) – Although Sales Tax revenues have rebounded from pre-recession lows, they have experienced some regression. Projections for FY 2017 are approximately one percent higher than FY 2016 actuals and represent minimal growth. The FY 2017 adopted budget included projected contraction growth anticipated by the loss of two of the City's top businesses. The impact, however, has not been as significant as anticipated and other industries, specifically automobile sales, have increased higher than anticipated during the fiscal year.

At a time when the City is experiencing higher costs in municipal government and a growing demand for services from the community, the City is actually collecting less sales tax per person than in the early years of the tax.

- ❑ When the Sales Tax was established in 1933, there were four exemptions identified in the enabling legislations – today, there are over eighteen pages of exemptions in the California Tax Code.
- ❑ As an economy, we have shifted from a maker of goods to a service provider. The Sales Tax law remains based on goods and rarely, if ever, taxes services.
- ❑ On-line shopping is exploding and grows exponentially annually, yet laws and regulations remain far behind leaving most on-line purchases untaxed; or if they are taxed, the tax is applied, collected, and distributed where the goods are sold and not where they are delivered.

Utility Users Tax (UUT) Prior Period Payments (plus \$3 million) – In FY2017, for the second year in a row, the City received payment from Russell City Energy Company (RCEC) for UUT resulting from the use and consumption of natural gas, for the period of October 2014 – September 2015. Said payment was made under protest and RCEC is challenging the City's determination that consumption of natural gas is subject to the UUT ordinance. Until the dispute is resolved legally, said funds are being set aside and are not available for expenditure.

Property Transfer Tax (plus \$646,000) – This projected increase is a reflection of increased real estate sales activity and housing prices in Hayward. Staff continues to study the details of the various real estate transactions (commercial and residential) to determine the recurring or one-time nature of this market-driven revenue. Real Property Transfer Tax (RPTT) is a highly volatile revenue source and is directly subject to market fluctuations.

Effective FY 2016, City Council adopted a baseline threshold for recurring RPTT revenues, establishing that all revenue over \$4.8 million is considered one-time revenue and should be

used according to Council policy regarding one-time revenues, such as for replenishing the General Fund reserve or for capital expenses. The delta of \$3 million (difference between projected of \$7.8 million and the \$4.8 million threshold) will be used to fund expenses that can be considered one-time in nature in the General Fund– such as the \$1.7 million in capital expenses and \$1.5 million in settlement expenses identified in this report.

Charges for Services (plus \$650,000) – This increase in revenues directly reflects the increased demand for plan checking in Development Services. This amount directly offsets the increase of \$650,000 in outside plan check expenses being requested.

## General Fund Expenditures and Variance Analyses

FY 2017 General Fund expenditures are projected to be \$5 million (3.3 percent) higher than anticipated in the adopted budget. Of this amount, approximately 3 million is a one-time expense set-aside related to the payment received for UUT from prior periods. The detailed table in Attachment IV and the following analysis highlights key expenditure variances as they pertain to FY 2017 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. Note that while the City’s revenues grow to pre-recession levels, the City continues to be challenged with cost drivers that affect the long-term structural deficit. The main cost drivers are the growing costs of PERS and the impact of the change to PERS discount rates, employee benefits, resource needs, and deferred capital needs.

### Staffing Expense Variances

Overall, the staffing expense budget decreased by \$1.5 million or 1 percent and is attributable to the following:

- ❑ Medical Benefits (minus \$1.6 million). There are a few factors at play here; first is while we budget benefits for positions when they remain vacant, the benefit costs don’t actually exist unless a position is filled. While we see a rise in overtime costs, there are not additional medical premiums paid for these hours. Additionally, many of the new labor agreements have “cost-share” components in the area of benefits, reducing the City’s burden.
- ❑ Overtime (plus \$1.5 million). For the second year in a row, the State has experienced a very aggressive fire season. Requests for Mutual Aid were extremely high during the first half of FY2017. As a result of Mutual Aid and minimum staffing requirements, the Fire Department overtime budget for the year has almost been fully expended. It should be noted that Fire Department mutual aid time is fully reimbursable to the City. The Police Department has also experienced an increase to overtime in the first half of the fiscal year as well due to a number of significant investigations.
- ❑ Staffing Vacancies (minus \$3 million). The City continues to experience vacancies in positions in many departments. This lends itself to savings in Salary and some benefits; it directly impacts overtime.

- PERS (minus \$854,000). The City will see a reduction of PERS expenses for FY 2017 because of vacant positions and an underestimation of the cost share component negotiated into many of the new bargaining agreements. This savings is temporary, however, as rates for FY 2018 will be increasing and as the phasing in of PERS newly reduced discount rate, this burden will increase for the City in future fiscal years.

### Operating Expense Variances

A number of adjustments are needed at mid-year in order to accommodate new grant revenues received during the fiscal year, fund necessary or unexpected expenditures, and to appropriate prior year encumbrances (contractually obligated expenses) that have carried forward into FY 2017.

Encumbrance Carryforwards and Budget Carryforward Requests (plus \$1.38 million) – This number is comprised of \$759,000 in prior year encumbrances (Purchase Orders and Contracts) and \$622,000 in funds not encumbered in FY 2016 but intended for professional services contracts (\$459,000 from Development Services; \$163,000 from the Police Department).

General Fund transfer to Liability Insurance Fund (plus \$1.5 million) – This request was previously approved as part of the FY 2016 Mid-Year process; however, the transfer did not take place in FY 2016.

Grant Carryforwards and Grant Appropriations totaling \$224,000 – This amount reflects both new FY 2017 Grant Appropriations (with offsetting revenues) and unexpended Grant monies from FY 2016 which have been carried forward to FY 2017.

GAAP Standards expenditures (plus \$714,000) – In compliance with GAAP Standards, items previously recorded as offsets to revenues are now being recorded as expense items. These expenses are for the annual Property Tax Administrative Fee charged to the City by the County, as well as for sales tax, business tax, UUT, in-house parking collection, and other revenue audit costs. While this is identified as an increase to expenditure authority in order to appropriately expend the related costs, this is actually a net zero impact to the budget as there is also a corresponding increase to revenues.

The remaining anticipated expenditure variances include: (1) \$650,000 for Plan Check Services (which are offset by increase in revenues mentioned above); (2) \$100,000 for Fire Academy expenditures; (3) \$192,000 for Election Expenses; and (4) approximately \$61,000 in other miscellaneous department expenses.

### Staffing Changes

Limited staffing changes are proposed as part of the mid-year review – with an addition of 2.0 FTE positions. While there remains a critical need for additional resources throughout the organization, these will be better addressed during the upcoming FY 2018 budget process so that these decisions can be considered within the context of the full budget and all competing priorities. Of the changes summarized in the Chart I below, the General Fund is impacted by \$18,267 in FY 2017 and \$104,271 in FY 2018.

**CHART 1 – STAFFING CHANGES SUMMARY**

POSITION CHANGES SUMMARY	FY2017	FY2018
<u>Development Services</u>		
Add 1.0 FTE Supervising Permit Technician	\$ 17,306.98	\$ 99,145.39
Delete 1.0 FTE Permit Technician I/II	<u>\$(16,299.04)</u>	<u>\$(94,309.79)</u>
Total Cost to General Fund	\$ 1,007.94	\$ 4,835.60
Add 1.0 FTE Assistant Engineer	\$ 23,720.87	\$ 136,567.22
Delete 1.0 FTE Development Review Specialist	<u>\$(22,695.99)</u>	<u>\$(130,704.09)</u>
Total Cost to General Fund	\$ 1,024.88	\$ 5,863.13
<u>Public Works-Engineering &amp; Transportation</u>		
Add 1.0 FTE Deputy Dir. of Public Works	\$ 37,257.18	\$ 206,013.39
Delete 1.0 FTE Assistant City Engineer	<u>\$(34,537.74)</u>	<u>\$(190,801.68)</u>
Total Cost to General Fund	\$ 2,719.44	\$ 15,211.71
Add 1.0 FTE Senior Management Analyst (PLA)	\$ 27,014.44	\$ 158,360.52
PLA Offset Charges to CIP Accounts	<u>\$(13,500.00)</u>	<u>\$(80,000.00)</u>
Total Cost to General Fund	\$ 13,514.44	\$ 78,360.52
Summary of All Positions Total Cost to General Fund	<u>\$ 18,266.70</u>	<u>\$ 104,270.96</u>

**Measure C**

During the June 3, 2014, municipal election, the voters of the City of Hayward passed a ballot measure (Measure C) to increase the City’s Transaction and Use (Sales) Tax by half a percent for twenty years. This half cent increase became effective October 1, 2014, bringing Hayward’s Sales and Use Tax to 10.0 percent. This is a general tax that is considered discretionary in nature. Staff originally estimated that the new sales tax would generate approximately \$10 million annually in locally controlled revenue that can be allocated by the City Council and will remain in place for a period of twenty years.

The City Council, as well as the ballot language, established a number of spending priorities for these funds. These priorities include a mix of capital projects and funding allocations toward operating services. Measure C revenues are to primarily be used to fund debt service for construction of the new Library and Community Learning Center, completion of fire station retrofits and improvements, and rehabilitation and expansion of the existing fire training center. On September 30, 2015, the City issued Certificates of Participation (Certificates) to provide immediate funding for these capital projects. Remaining debt service payments for the Certificates is approximately \$5.5 million annually through 2034. Remaining Measure C revenues will be allocated among police and maintenance services, and street repairs, consistent with the identified funding priorities.

**Revenue:** The City began receiving allocations of the Measure C Transaction and Use (sales) Tax on January 1, 2015, after collection began on October 1, 2014. The City received \$8 million in revenues from Measure C for FY 2015, which was higher than originally



projected. Based on recent projections from the City’s Sales Tax consultant, FY 2017 revenues are projected to be \$14.1 million.

Expenditures: Recommendations at mid-year do not include increased appropriations for FY 2017, except for some program-related capital costs. The City has worked diligently to fill the positions authorized using Measure C funds in FY 2017, and to date have filled many Measure C funded positions. Of the \$2.8 million appropriated for salary and benefit related expenses, only \$1.3 million has been spent to date in FY 2017.

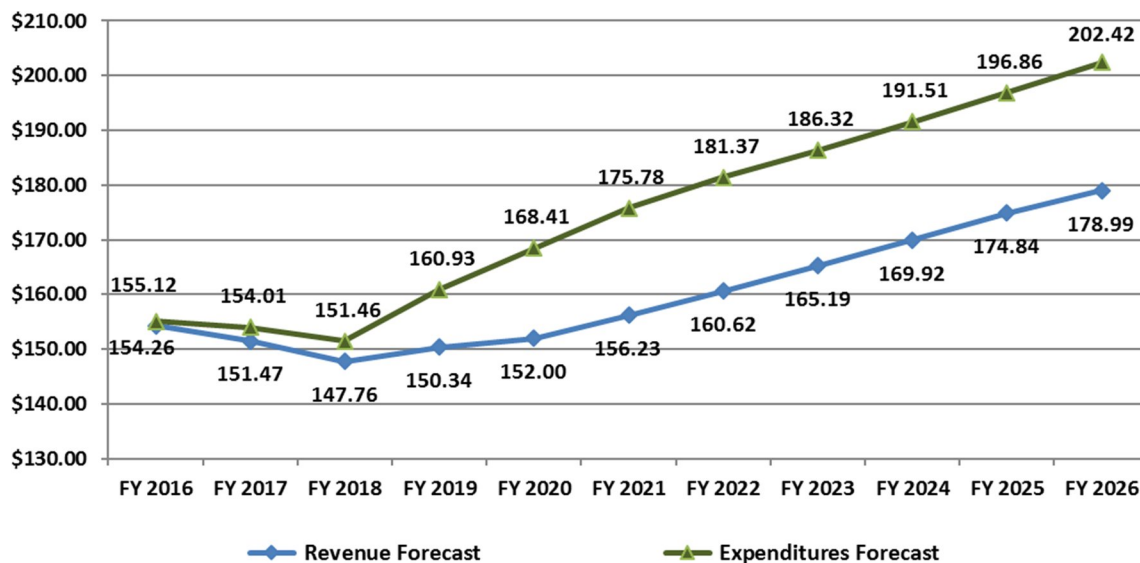
Staff will return to the Budget & Finance Committee and the Council at future dates to further discuss Measure C projections and expenditures.

### Ten-Year General Fund Plan Update

The updated General Fund Ten-Year Plan (Attachment IV) includes a reduction to the projected structural gap in FY 2017 from \$4.4 million to \$2.5 million (inclusive of all mid-year adjustments – including one-time adjustments) that grows to over \$23 million by FY 2026 without additional balancing measures. This Plan reflects the assumptions contained in the FY 2017 adopted budget and is updated with the mid-year expenditure and revenue projections discussed in this report.

The current General Fund Reserve goal is 20 percent of General Fund expenditures. Based on the updated Plan, the City is falling short of this goal by 2 percent in FY 2017 according to projections.

Chart 2 below depicts the revised General Fund revenues and expenditures gap. Unfortunately, even with improved revenues, rising costs associated with employee benefits (primarily retirement benefits) and deferred capital maintenance continue to grow the City’s General Fund deficit.



There have not been significant assumption changes made to the forecast in recent years. The City is currently working with Management Partners to update the forecast and the underlying assumptions. The expected completion of the update is summer 2017.

## CAPITAL IMPROVEMENT BUDGET ADJUSTMENTS

There are minimal adjustments needed at mid-year to the CIP budget other than contracts carried forward from prior years, and unexpended budgeted balances from prior fiscal years. The increase in expenditure authority for FY 2017 totals \$197.5 million. Of this amount, \$196.6 million are for contracts, encumbrances, and prior year budget carryforwards; \$460,000 is associated with FY 2017 Resolution Appropriations; and the remaining \$450,000 are FY 2017 requested changes as outlined below:

- \$50,000 for the Jackson Street Mural Project. This change will not increase the overall project budget, but is bringing funds forward to FY 2017 (transfer from the General Fund)
- \$96,000 for Firefighter Training (transfer from Fire Training Fund)
- \$129,000 for the purchase of a Fire vehicle that required replacement (Fleet Vehicle Replacement fund balance; mutual aid revenue)
- \$5,000 for corrosion protection for a recently purchased Water Pollution Control Facility vehicle (Fleet Enterprise Vehicle Replacement fund balance)
- \$115,000 for fence replacement around City owned facility (Facilities Capital fund balance)
- \$55,000 to fund Project Manager position for the disposition of the former Route 238 parcels (transfer from Economic Development Fund)

## FISCAL IMPACT

The overall fiscal impact of the proposed adjustments results in an increase to General Fund revenues of \$6.8 million, of which \$3.8 million is considered recurring; and an increase to General Fund expenditures of \$5 million, of which \$460,000 is considered recurring. The net General Fund changes result in a shortfall of \$2.5 million in FY 2017.

Expenditure adjustments in all Other Funds total \$4.9 million; and expenditure adjustments to capital improvement funds total \$197.5 million. The expenditure adjustments for all funds are outlined in detail in Attachment V.

## PUBLIC OUTREACH

A draft of the FY 2017 Mid-Year Budget Review & General Fund Ten-Year Plan Update was presented to the Council Budget & Finance Committee on March 1, 2017. Comments and suggestions offered by the Committee are reflected in this report.

## NEXT STEPS

Upon approval by Council of the recommendations contained herein, staff will post the budget amendments per the approved resolution. Staff will also continue to refine the General Fund Ten-Year Plan as part of the coming FY 2018 budget process.

Prepared by:           Dustin Claussen, Director of Finance  
                              Guy Ferguson, Management Analyst

Recommended by:   Dustin Claussen, Director of Finance

Approved by:

A handwritten signature in black ink, appearing to read "K. McAdoo".

---

Kelly McAdoo, City Manager

HAYWARD CITY COUNCIL

RESOLUTION NO. 17-

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

RESOLUTION AMENDING RESOLUTION 16-038, AS  
AMENDED, THE BUDGET RESOLUTION FOR THE  
CITY OF HAYWARD OPERATING BUDGET FOR  
FISCAL YEAR 2017, RELATING TO AN  
APPROPRIATION OF FUNDS

BE IT RESOLVED by the City Council of the City of Hayward that Resolution No. 16-038, as amended, the Budget Resolution for the City of Hayward Operating Budget for Fiscal Year 2017, is hereby amended by approving the 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 AND OTHER FUNDS AS DISPLAYED IN EXHIBIT A.

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

- II. CHANGE OF EXPENDITURE ESTIMATE TO THE GENERAL FUND AND OTHER FUNDS AS DISPLAYED IN EXHIBIT 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.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward

Fund #	Fund Name	Adopted Budget	Amendment	Total Adjusted Budget
100	General Fund Total	\$ 144,665,000	\$ 6,802,000	\$ 151,467,000
101	Measure C Fund	\$ 13,468,896	\$ 752,223	\$ 14,221,119
	Other Funds Total	\$ 85,821,104	\$ 3,692,363	\$ 89,513,467
Net Change to Non-General Fund			\$ 4,444,586	
Total Change to City Revenues			\$ 11,246,586	

Mid-Year Operating Expenditure Adjustments

Fund	Expenditure	Adopted Budget	Total Amendment	Total Adjusted Budget
100	<b>Net Change to General Fund</b>	<b>\$ 149,029,026</b>	<b>\$ 4,980,717</b>	<b>\$ 154,009,743</b>
101	<b>Measure C Fund</b>	<b>\$ 5,819,259</b>	<b>\$ 68,000</b>	<b>\$ 5,887,259</b>
102	<b>Economic Development Fund</b>	<b>\$ 350,000</b>	\$ 54,986	\$ 404,986
214	Paratransit Fund - Measure BB	\$ 310,000		\$ 310,000
217	Paratransit Fund - Measure B	\$ 1,176,374		\$ 1,176,374
220	Home Loan Fund	\$ 292,379	\$ 350,000	\$ 642,379
220	Neighborhood Svcs-Promise Grant	\$ 122,993	\$ 56,318	\$ 179,311
223	CDBG-Housing Rehab Loan Fund	\$ 295,000		\$ 295,000
225	Community Development Block Grant Fund	\$ 1,402,417		\$ 1,402,417
230	Recycling Fund	\$ 5,797		\$ 5,797
231	Used Oil Fund	\$ 41,159		\$ 41,159
232	Recycling/Measure D Fund	\$ 570,293	\$ 5,000	\$ 575,293
240	Local Grants		\$ 172,467	\$ 172,467
245	Housing Authority	\$ 126,682	\$ 737,345	\$ 864,027
246	Affordable Housing Fund	\$ 297,243	\$ 3,500	\$ 300,743
255	Park Dedication - Zone A	\$ 1,261,916		\$ 1,261,916
256	Park Dedication - Zone B	\$ 71,300		\$ 71,300
257	Park Dedication - Zone C	\$ 657,300		\$ 657,300
258	Park Dedication - Zone D	\$ 447,650		\$ 447,650
259	Park Dedication - Zone E	\$ 200,650		\$ 200,650
265	Asset Forfeiture		\$ 93,000	\$ 93,000
266	LLD Zone 1	\$ 6,438	\$ 294	\$ 6,732
267	LLD Zone 2	\$ 9,746	\$ 393	\$ 10,139
268	LLD Zone 3	\$ 110,592	\$ 758	\$ 111,350
269	LLD Zone 4	\$ 17,086	\$ 794	\$ 17,880
270	MD 1	\$ 33,778	\$ 683	\$ 34,461
271	MD 2	\$ 95,789	\$ 7,447	\$ 103,236
272	LLD Zone 5	\$ 7,427	\$ 308	\$ 7,735
273	LLD Zone 6	\$ 14,825	\$ 260	\$ 15,085
274	LLD Zone 7	\$ 127,478	\$ 66,374	\$ 193,852
275	LLD Zone 8	\$ 7,219	\$ 283	\$ 7,502
276	LLD Zone 9	\$ 3,492	\$ 373	\$ 3,865
277	LLD Zone 10	\$ 134,971	\$ 53,904	\$ 188,875
278	LLD Zone 12	\$ 36,341	\$ 1,014	\$ 37,355
279	LLD Zone 11	\$ 149,182	\$ 31,878	\$ 181,060
280	Downtown Bus Improvement	\$ 96,000	\$ 16,843	\$ 112,843
281	LLD Zone 13	\$ 190,148	\$ 22,325	\$ 212,473
282	LLD Zone 14		\$ 39,943	\$ 39,943
295	So. Hayward B.A.R.T. JPA	\$ 838,325	\$ 461,578	\$ 1,299,903
300	Certificate of Participation	\$ 3,572,417		\$ 47,655,871
301	Measure C Debt Service	\$ 2,734,188		\$ 134,271
605	Water	\$ 47,655,871	\$ 122,797	\$ 26,144,123
606	Regional Intertie	\$ 134,271		\$ 2,818,800
610	Wastewater	\$ 26,021,326	\$ 20,771	\$ 3,407,204
615	Stormwater	\$ 2,818,800	\$ 112,085	\$ 6,687,996
620	Airport	\$ 3,386,433	\$ 262,448	\$ 3,887,060
705	Worker's Compensation	\$ 6,575,911	\$ 26,997	\$ 3,254,571
710	Risk Management	\$ 3,624,612	\$ 1,764,883	\$ 5,656,691
720	Employee Benefits	\$ 3,227,574		
725	Facilities	\$ 3,891,808	\$ 170,287	
730	Information Technology	\$ 6,793,274	\$ 174,725	
735	Fleet	\$ 4,277,658	\$ 35,909	
805/810	Special Assessment District	\$ 1,305,875		
815	Hayward Redevelopment Successor Agency	\$ 5,206,475		
	<b>Net Change to Non-General Fund</b>		<b>\$ 4,936,970</b>	
	<b>Total Change to City Expenditures</b>		<b>\$ 9,917,687</b>	

HAYWARD CITY COUNCIL

RESOLUTION NO. 17-

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

RESOLUTION AMENDING RESOLUTION 16-039, AS  
AMENDED, THE BUDGET RESOLUTION FOR THE  
CITY OF HAYWARD CAPITAL IMPROVEMENT  
PROJECTS FOR FISCAL YEAR 2017, RELATING TO  
AN APPROPRIATION OF FUNDS

BE IT RESOLVED by the City Council of the City of Hayward that Resolution No. 16-039, as amended, the Budget Resolution for the City of Hayward Capital Improvement Projects for Fiscal Year 2017, is hereby amended by approving the Capital Improvement 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 FOLLOWING CIP FUNDS AS DISPLAYED IN EXHIBIT A

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

- II. CHANGE OF EXPENDITURE ESTIMATE TO THE FOLLOWING CIP FUNDS AS DISPLAYED IN EXHIBIT 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.



IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward

Fund #	Fund Name	Adopted Budget	Amendment	Total Adjusted Budget
400	UUT Capital Fund	\$ -	\$ 3,027,000.00	\$ 3,027,000.00
406	Measure C CIP	\$ -	\$ 700,000.00	\$ 700,000.00
	<b>CIP Funds Total</b>	\$ -	\$ <b>3,727,000</b>	\$ <b>3,727,000</b>

<b>Fund</b>	<b>Expenditure</b>	<b>Adopted Budget</b>	<b>Total Amendment</b>	<b>Total Adjusted Budget</b>
210	Special Gas Tax	\$ 2,975,000	\$ 1,652,153	\$ 4,627,153
212	Measure BB - Local Transportation	\$ 10,705,000	\$ 2,184,102	\$ 12,889,102
213	Measure BB - Ped & Bike	\$ 410,000	\$ 84,038	\$ 494,038
215	Measure B - Local Transportation	\$ 2,465,000	\$ 2,262,525	\$ 4,727,525
216	Measure B - Ped & Bike	\$ 555,000	\$ 338,864	\$ 893,864
218	Vehicle Registration Fund	\$ 825,000	\$ 883,189	\$ 1,708,189
405	Capital Projects	\$ 1,755,000	\$ 2,306,438	\$ 4,061,438
406	Capital Projects Measure C	\$ 29,850,000	\$ 51,850,957	\$ 81,700,957
410	Rte 238 Corridor Improvements	\$ 15,960,000	\$ 7,441,222	\$ 23,401,222
411	Rte 238 Settlement Admin		\$ 2,031,322	\$ 2,031,322
450	Street System Improvement	\$ 4,130,000	\$ 9,916,488	\$ 14,046,488
460	Transportation System Improvement	\$ 525,000	\$ 811,126	\$ 1,336,126
603	Water Replacement	\$ 5,640,000	\$ 28,504,278	\$ 34,144,278
604	Water Improvement	\$ 10,344,000	\$ 28,504,258	\$ 38,848,258
611	Sewer Replacement	\$ 27,766,000	\$ 15,555,909	\$ 43,321,909
612	Sewer Improvement	\$ 30,329,000	\$ 36,951,834	\$ 67,280,834
621	Airport Capital	\$ 4,543,000	\$ 1,029,082	\$ 5,572,082
726	Facilities Capital	\$ 435,000	\$ 577,165	\$ 1,012,165
731	Information Technology Capital	\$ 1,546,000	\$ 1,660,669	\$ 3,206,669
736	Fleet Management Capital	\$ 2,574,000	\$ 2,255,258	\$ 4,829,258
737	Fleet Management Enterprise	\$ 813,000	\$ 704,599	\$ 1,517,599
	<b>Total Change to CIP Expenditures</b>	<b>\$ 154,145,000</b>	<b>\$ 197,505,476</b>	<b>\$ 351,650,476</b>

FY 2017 General Fund Mid-Year Revenues and Expenditures Summary

	A	B	C	D	E
	FY 2015	FY 2016	FY 2017	FY 2017	Change \$
<i>(in the 1,000's)</i>	Actuals	Actual	Adopted	Projected	(D-B)
<b>Revenue</b>					
1 Property Tax - recurring	39,637	41,828	44,405	45,334	3,506
2 RPTTF Pass-Thru & Annual	1,866	2,331	1,600	2,400	69
3 Property Tax - one-time	625	-	-	-	-
4 Property Tax Total	42,128	44,159	46,005	47,734	3,575
5 Sales Tax	31,058	33,059	32,600	33,401	342
6 UUT	15,681	16,017	16,543	16,543	526
UUT Prior Period Payment	-	6,023	-	3,027	(2,996)
7 Franchise Fees	10,128	10,139	9,362	9,362	(777)
8 Property Transfer Tax	5,710	7,849	7,154	7,800	(49)
9 Business License Tax	2,603	2,623	2,846	2,846	223
10 Transient Occupancy Tax	2,033	2,591	2,036	2,036	(555)
11 Emergency Facilities Tax	1,887	2,153	1,840	1,840	(313)
12 Charges for Services	9,939	12,218	11,137	11,787	(431)
13 Other Revenue	622	959	452	400	(559)
14 Intergovernmental	7,904	8,893	8,038	8,038	(855)
15 Fines and Forfeitures	2,413	1,899	2,014	2,014	115
16 Interest and Rents	117	151	614	614	463
17 <b>Total Revenue</b>	<b>132,223</b>	<b>148,733</b>	<b>140,641</b>	<b>147,443</b>	<b>(1,290)</b>
18 Transfers in	3,177	5,529	4,025	4,025	(1,504)
19 <b>Total Revenue/Resources</b>	<b>135,400</b>	<b>154,262</b>	<b>144,665</b>	<b>151,467</b>	<b>(2,795)</b>
<b>Expenditures</b>					
21 Salary	63,732	67,497	71,806	68,759	1,262
22 Overtime	6,973	7,778	5,530	7,059	(719)
23 <b>Wages Subtotal</b>	<b>70,705</b>	<b>75,275</b>	<b>77,336</b>	<b>75,818</b>	<b>543</b>
24 Medical & Dental	10,197	10,958	13,054	11,366	408
25 Retiree Medical (pay-go)	2,248	2,810	2,846	2,846	36
26 Worker's Compensation	5,324	5,732	6,343	6,000	268
27 Other Benefits	1,976	2,133	2,067	2,067	(66)
28 Retirement (CalPERS)	18,008	20,689	23,919	23,065	2,376
29 <b>Benefits Subtotal</b>	<b>37,753</b>	<b>42,322</b>	<b>48,230</b>	<b>45,344</b>	<b>3,022</b>
30 Assumed Vacancy Savings	-	-	(2,860)	-	-
31 Interdepartmental (ID) Charges	(3,731)	(4,451)	(4,832)	(4,404)	47
32 Unemployment Self Insurance	68	52	150	100	48
33 OPEB Liability Contribution*	2,060	1,106	-	-	(1,106)
34 <b>Net Staffing Expense</b>	<b>106,855</b>	<b>114,304</b>	<b>118,023</b>	<b>116,858</b>	<b>2,554</b>
35 Maintenance & Utilities	1,007	907	1,025	756	(151)
36 Supplies & Services	9,760	8,900	6,940	8,797	(103)
37 Internal Service Fees	11,553	13,336	14,413	14,413	1,077
38 Minor Capital Outlay	-	-	25	25	25
39 Debt Service*	3,302	3,445	3,710	3,568	123
40 Liability Insurance*	2,385	2,338	2,889	4,389	2,051
41 Economic Dev. Fund (from RPTTF)*	350	-	350	350	350
42 Capital Funding*	1,925	2,444	1,654	1,654	(790)
43 Stormwater Fund*	-	-	-	173	173
44 Capital Improvement Program FY 2015	-	3,420	-	-	-
45 <b>Non-Personnel Expenses Subtotal</b>	<b>30,281</b>	<b>34,790</b>	<b>31,005</b>	<b>34,124</b>	<b>(666)</b>
46 UUT Prior Period Payment Offset	-	6,023	-	3,027	(2,996)
47 <b>Total Expenditures</b>	<b>137,136</b>	<b>155,117</b>	<b>149,029</b>	<b>154,009</b>	<b>(1,108)</b>
48 <b>Subtotal Recurring Surplus/(Shortfall)</b>	<b>(1,736)</b>	<b>(855)</b>	<b>(4,364)</b>	<b>(2,542)</b>	<b>(1,687)</b>
49 <i>*Transfers Out of General Fund Total</i>	<i>10022</i>	<i>12753</i>	<i>8603</i>	<i>10134</i>	

## FY 2017 Mid-Year Adjustments Summary by Department

### Non-Departmental \$881,000

- ❑ Transfer to Stormwater 173,000 (General Fund)
- ❑ Transfer to Measure C CIP \$700,000 (Measure C Fund)
- ❑ Administrative Costs for District Sales Tax \$68,000 (Measure C Fund)

The transfer from General Fund to the Stormwater Fund is to cover costs related to emergency repairs for storm damage on Trimble Court. The Administrative Costs in Measure C Fund are for Sales Tax audit and review services specific to Measure C. The transfer from Measure C Fund to Measure C Capital Fund is for projects at Fire Stations 1-6.

### City Manager's Office (+1.0 FTE)

- ❑ Administrative Investigation Expenditures - \$82,105
- ❑ Add 1.0 FTE Economic Development Project Manager
- ❑ Contracts both encumbered and unencumbered carried forward from FY 2016 total \$1,238,101 and is for the following; \$722,262 South Hayward Bart JPA. \$498,496 CDBG, \$16,843 Downtown BID.

The addition of 1.0 FTE Economic Development Project Manager in the City Manager's Office will manage the disposition of the former Route 238 properties. This position will be funded from the proceeds of the sales of the properties and will be a limited duration position of five years consistent with the terms of the purchase and sale agreement with CalTrans.

### City Attorney's Office – No Staffing Changes

- ❑ Contracts (encumbered) carried forward from FY 2016 total \$169,555 for Professional Legal Services (Liability Fund).
- ❑ Legal Settlement Revenue of \$995,328 (Liability Fund).
- ❑ Litigation Related Expenses \$599,999 (Liability Fund).

The mid-year proposed adjustment of \$599,999 (Liability Fund) is to cover the cost of unbudgeted litigation costs related to ongoing cases against the City.

### City Clerk – no staffing changes

- ❑ November Election Costs - \$192,430 (General Fund)
- ❑ Contracts (encumbered) and encumbrances carried forward from FY 2016 total \$6,135 comprised mainly of costs associated with the Codification of the Municipal Code (\$5,571).

### Development Services Department

- ❑ Add 1.0 FTE Supervising Permit Technician
- ❑ Delete 1.0 FTE Permit Technician I/II
- ❑ Add 1.0 FTE Assistant Engineer
- ❑ Delete 1.0 FTE Development Review Specialist
- ❑ Additional Outside Plan Check Fees of \$650,000
- ❑ Contracts (encumbered) carried forward from FY 2016 totals \$911,199 for the following: Building and Plan Check Services, Zoning Ordinance EIR Consultant, and The City's match for Downtown Specific Plan Grant.

**Finance Department – no staffing changes**

- ❑ Contracts (encumbered) carried forward from FY 2016 total \$13,465 for ongoing City audit & financial advisor contracts (General Fund).
- ❑ GAAP Standards Adjustments \$714,000 (General Fund)

In compliance with GAAP Standards, items previously recorded as offsets to revenues are now being recorded as expense items. These expenses are for annual Property Tax Collection Administrative Fee charged to the City by Alameda County and sales tax audit costs. While these are identified as an increase to expenditure authority to appropriately expend the related funds, it is a net zero impact to the budget as there are also a corresponding increases to revenues.

**Fire Department – no staffing changes**

- ❑ Contracts (encumbered) carried forward from FY 2016 total \$105,368; \$1,556 General Fund and \$103,812 other funds
- ❑ Additional request for a Fire Academy to replace vacancies and reduce the need for overtime \$100,000 (General Fund).
- ❑ Contract services for a medical director to provide medical oversight, CQI, education and monitor controlled substance program \$8,000 (General Fund)
- ❑ Transfer to Fire Fighter Training fund \$95,776 (CIP)

The Fire Department will conduct a Firefighter Training Academy to fill vacant firefighter positions. The City has been operating without a medical director for the Fire Department; contracting for medical director services will allow the department to address the need in a cost-effective manner. The transfer to the Fire Fighter Training fund is to honor an agreement made in 2009 by then City Manager Greg Jones with a labor group to fund additional training to fire fighters.

**Human Resources Department – no staffing changes**

- ❑ Temporary staffing of \$47,000 (General Fund)
- ❑ Contracts both encumbered and unencumbered carried forward from FY 2016 total \$31,725

Due to multiple planned extended absences, temporary staffing will be required to maintain critical services to City departments.

**Information Technology Department – no mid-year adjustment requested**

- ❑ Contracts both encumbered and unencumbered carried forward from FY 2016 total \$174,725 all in the Information Technology Internal Service Fund

**Library & Community Services Department – no staffing changes**

- ❑ Contracts both encumbered and unencumbered carried forward from FY 2016 total \$2,277,414: 26,938 General Fund, \$54,688 Measure B Paratransit Fund, \$468,014 Federal Grants Fund, \$934,955 CDBG Funds, \$35,964 State Grants Fund, \$19,509 Local Grants Fund, 737,345 Housing Authority.
- ❑ Additional grants and allocations of \$211,318: \$35,000 training and grants from claims distributions, \$18,000 CLLS appropriations, 38,318 Adult Literacy Funding, \$100,000 HUSD appropriations and \$20,000 grant from Chabot College

**Maintenance Services Department – no staffing changes**

- ❑ Contracts both encumbered and unencumbered carried forward from FY 2016 total \$192,785: 153,588 Lighting & Landscaping Districts (LLDs) and Maintenance Districts (MDs), Maintenance and Janitorial, Fuel and Parts contracts totaling \$39,197.
- ❑ Utilities costs of \$134,500; \$27,500 Lighting & Landscaping Districts (LLDs), \$107,000 Facilities Internal Service Fund
- ❑ Security Services \$10,000
- ❑ Facilities maintenance and services \$56,000
- ❑ Security enhancement to Enterprise Avenue Transfer Site \$115,000 (transfer from General Fund)
- ❑ Fleet Replacement of a Fire Vehicle \$129,000

The Fleet replacement for fire is to replace equipment using mutual aid revenue. The security enhancements at the Enterprise Avenue Transfer site will prevent future criminal activity and increased Police response to the site.

**Police Department – no staffing changes**

- ❑ Grant Appropriations - \$224,054 (General Fund) for the STEP Grant (\$120,000), OTS DUI AVOID Grant (\$104,054)
- ❑ Byrne Grant Expenditures (45,796)
- ❑ Contracts both encumbered and unencumbered carried forward from FY 2016 total \$209,308: \$201,308 General Fund and \$8,000 Measure C for expenses related to miscellaneous Maintenance Agreements and Service Contracts.
- ❑ Overtime related to ongoing investigations \$30,000
- ❑ Supplies and services \$296,485: CALEA (\$4,000), Personnel and Training (\$173,485), Janitorial services (\$49,000), Field Supplies (\$20,000), Physical Evidence Processing (\$50,000)
- ❑ Carpet and workspace updating \$93,000

The mid-year proposed adjustment includes several grant (General Fund) appropriations which were offset by revenues totaling \$224,054. Unforeseen ongoing criminal investigations have created the need for additional overtime and additional services and supplies. In the past, the Police Department has used Salary Savings to fund personnel and training services; however, because the department has successfully filled so many vacant positions, the savings do not exist in FY 2017. Janitorial services to combat an epidemic at the Animal Shelter resulted in a need for increased janitorial services.

**Public Works – Engineering & Transportation Department (+1.0 FTE)**

- ❑ Add 1.0 FTE Deputy Director of Public Works
- ❑ Delete 1.0 FTE Assistant City Engineer
- ❑ Add 1.0 FTE Senior Management Analyst (PLA)
- ❑ Airport Supplies and Services \$12,400
- ❑ Transfer to Airport Capital Fund (Airport Operating Fund)

Public Works will be adding a Senior Management Analyst as previously approved by Council to manage PLA projects at an estimated expense of \$158,361 to the General Fund which should be offset by project charges of an estimated \$80,000. Adding the Deputy Director of Public Works position and deleting the Assistant City Engineer will have a net impact of \$2,719 in FY 2017 and

projects to a difference of approximately \$15,212 in FY 2018 with approximately 65% of this position's time being offset by project charges.

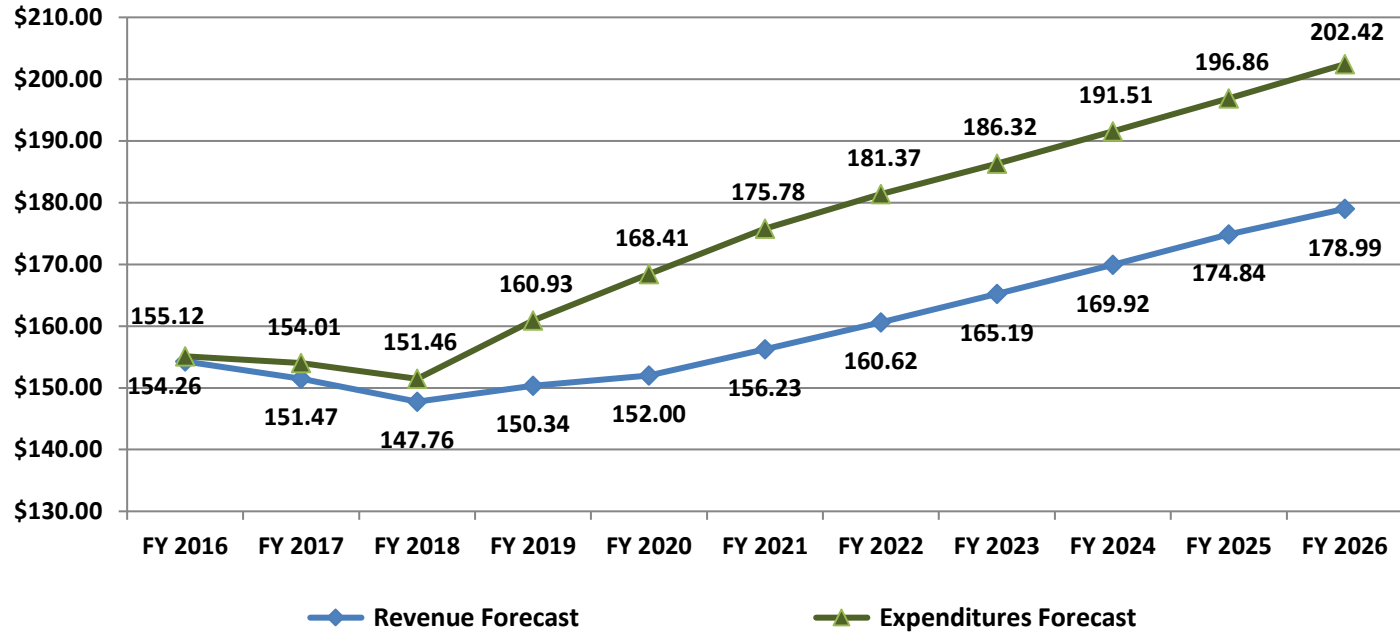
**Utilities & Environmental Services Department – (+0.0 FTE)**

- ❑ Add 1.0 FTE Sustainability Specialist
- ❑ Delete 1.0 FTE Sustainability Technician
- ❑ Add 1.0 FTE Development Review Specialist
- ❑ Delete 1.0 FTE Senior Utility Service Representative
- ❑ Contracts both encumbered and unencumbered carried forward from FY 2016 total \$945,140 (Other Funds) and are for a variety of State and Federal grants (Measure D Recycling/Used Oil - no General Fund impact).
- ❑ Contract services for repair of Trimble Court storm drain \$112,805

The addition of the Sustainability Specialist will help to meet the needs of the Department, and directly support the City Council's stated "Clean" priority. The projected cost of the change is \$10,000. The addition of the Development Review Specialist will help to meet the service needs of residents the change in salaries and benefits is budgeted at \$1,734 for FY 2017. Contract services cost of \$112,085 are related to emergency repairs for storm damage on Trimble Court and will be funded by a transfer from the General Fund.







Fund #	Fund Name	Reason for Adjustment	Adopted Budget	Amendment	Total Adjusted Budget
100	Property Tax	Increases in assessed valuation and removal of expenses. Repayment of Loan to General Fund from Successor Agency	\$ 46,005,000	\$ 1,729,000	\$ 47,734,000
100	Sales Tax	City anticipated a larger reduction for loss of key businesses, the impact has not been as significant as anticipated	\$ 32,600,000	\$ 801,000	\$ 33,401,000
100	UUT Prior Period Payment	UUT funds collected for October, 2014 - December 2015 (in dispute)	\$ -	\$ 3,027,000	\$ 3,027,000
100	Real Property Transfer Tax		\$ 7,154,000	\$ 646,000	\$ 7,800,000
100	Charges for Services	Increased in Outside plan check fees	\$ 11,137,000	\$ 650,000	\$ 11,787,000
100	Other Revenue	Lower revenues than projected thus far in FY 2017	\$ 452,000	\$ (52,000)	\$ 400,000
	<b>General Fund Total</b>			\$ 6,802,000	
101	Measure C	Projections based on Year-to Date FY16 performance	\$ 13,468,000	\$ 632,000	\$ 14,100,000
	<b>Measure C Total</b>			\$ 632,000	
		FCS Fire Grant		\$ 65,641	
		Transfer in from Economic Development Fund		\$ 350,000	
220	Federal Grants		\$ 504,467	\$ 415,641	\$ 920,108
		State Grant Received Adult Literacy Program		\$ 38,318	
		FY 17 CLLS Appropriation		\$ 18,000	
230	State Grants		\$ 12,500	\$ 56,318	\$ 68,818
				\$ 20,000	
				\$ 20,000	
				\$ 100,000	
240	Local Grants	FY16 HLC Appropriation	\$ -	\$ 140,000	\$ 140,000
246	Housing Authority	Program Income	\$ -	\$ 35,000	\$ 35,000
282	LLD #14	LLD # 14 creation	\$ -	\$ 39,943	\$ 39,943
				\$ 218,905	
				\$ 25,150	
295	So. Hayward Bart JPA Parking District	Approved FY16 JPA Budget Adjustment	\$ 421,280	\$ 244,055	\$ 665,335
605	Water	Increase to Revenue	\$ 45,012,593	\$ 15,000	\$ 45,027,593
710	Risk Management Fund	Settlement revenue	\$ 4,000,000	\$ 995,328	\$ 4,995,328
725	Facilities Management Fund	Interest and other revenue	\$ 3,872,792	\$ 14,973	\$ 3,887,765
	<b>Other Funds Total</b>		\$ 53,823,632	\$ 2,588,258	\$ 56,411,890

# ATTACHMENT IX

TO BE DISTRIBUTED NO LATER THAN TUESDAY, MARCH  
7, 2017