

**CITY COUNCIL MEETING
TUESDAY, APRIL 17, 2018**

PRESENTATIONS

PRESENTATION

EARTH DAY POSTER AND WRITING CONTEST AWARDS



35th Annual Earth Day Poster & Writing Contest Awards Presentation

April 17, 2018

UTILITIES & ENVIRONMENTAL SERVICES

Alex Ameri
Director of Utilities & Environmental Services

Poster and Writing Judges



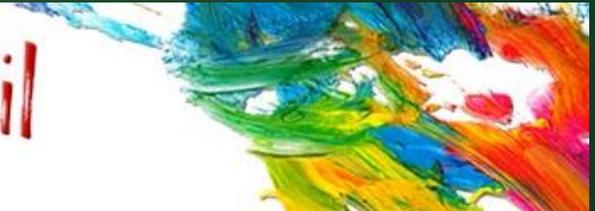
**Thank you for volunteering your time
to evaluate and select our winners.**

Hayward Arts Council members:

Jeanne Bertolina
Bruce Roberts
Kathy Roberts
Stanley Stadelman
Vicky Stadelman



Hayward Arts Council



Support

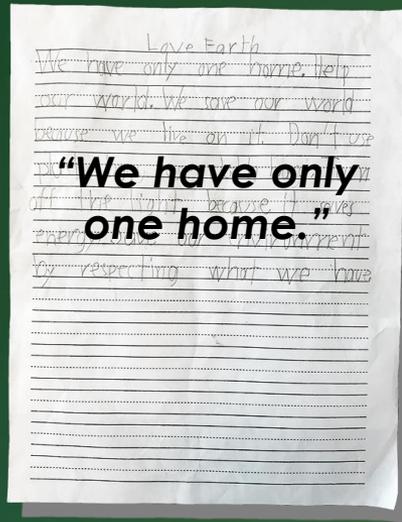


Thank you for your generous donation !

Varni, Fraser, Hartwell & Rodgers



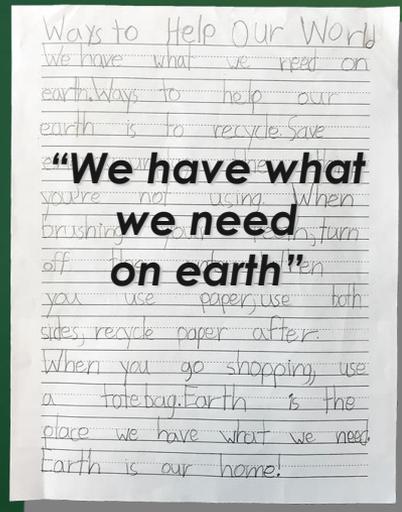
Writing Winners Kindergarten – 1st grade



2nd PLACE

Deon Joiner

Southgate Elementary School



1st PLACE

Heba Jarro

Southgate Elementary School

Poster Winner Kindergarten – 1st grade



2nd PLACE

Yaretzi Krystal Aragon Silva
East Avenue Elementary School

Poster Winner Kindergarten – 1st grade

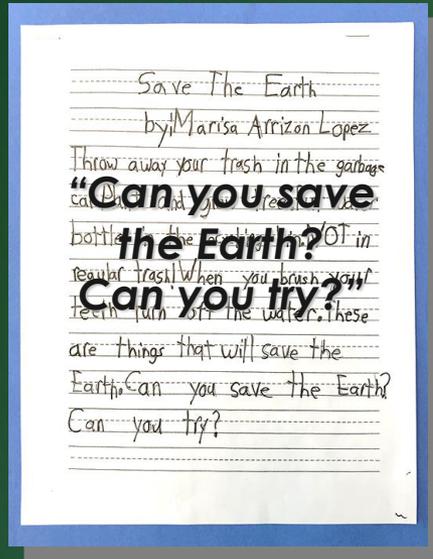


1st PLACE

Chloe Mowry

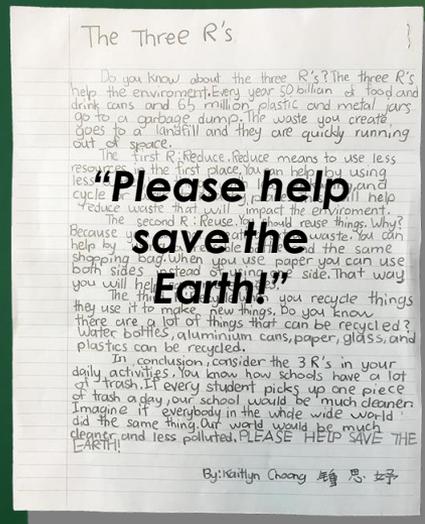
St. Bede Catholic School

Writing Winners 2nd grade – 3rd grade



2nd PLACE

Marisa Arrizon Lopez
Eden Gardens Elementary School



1st PLACE

Kaitlyn Choong
Stonebrae Elementary School

Poster Winner

2nd grade – 3rd grade



2nd PLACE

Maileija Mendez

Burbank Elementary School

Poster Winner 2nd grade – 3rd grade



1st PLACE

Razeen Hafiz

Eden Gardens Elementary School

Writing Winners 4th grade – 5th grade



Have you ever wondered why recycling is so important? Well, it is important for our planet, which is one thing. There are many reasons why it's special. Today's the day you'll find out why recycling is so important.

There are many resources on earth that are limited. Products that are recyclable are reusable, which means they can be used over and over again. Again, there are many limited resources on earth, they can only be used a certain amount of times. On the other hand, recyclable items can be used as many times as possible. That's why recyclable items are also important.

There is another way to recycle. There are many charities and community groups that raise money through charity shops. They take in unwanted or unneeded items and resell them for a profit. The money they raise can be used to help people in need or to help others, which is very helpful!

“There are resources on earth that are limited.”

Technology is important in our lives. It is used in many ways. For example, it is used in manufacturing and in transportation. It is used in many ways. For example, it is used in manufacturing and in transportation. It is used in many ways. For example, it is used in manufacturing and in transportation.

There are so many possible ways to recycle and help all around us. Recycling is very important. It can help anyone or anything, and could save our planet. There are many ways to save the planet, you could even come up with your own way!

2nd PLACE

Ai-Leen Duong

Southgate Elementary School

Prashant Chand
2/12/2018

Help Make a Difference

Have you ever wasted water? There is only a limited amount of water so we must save and learn some facts about water. Water keeps us alive from thirst and death. So we should treat water like it was a human. Now this is my report on why we must save and facts about it.

70% of Earth's surface is covered in water but most of it is non-potable. That means the water is not safe to drink. For example Ocean water is non-potable because it has salt in it.

Most water used for consumption comes from a fresh water source. There are four types of water sources: Surface Water, Groundwater, Rainwater, and Snowmelt.

Surface Water is water contained in different water sources. Groundwater is water that is found underground. They are like sponges right below the surface or deep underground. Aquifers store water and are released with electric pumps.

In conclusion this are most of the facts of why we should save so save water! Here are 5 tips of how to save, if it's yellow let it mellow and if it's brown flush it down, take short showers, don't leave water running when brushing or cleaning dishes, don't waste water, and when cleaning dishes put a bucket under the tap and then when you are done cleaning get the bucket and pour it out on plants. There is only 1% of fresh water left in the world and if we run out we will die before you can say water. Also there would be no sea animals. Lastly, water is rare so don't waste it.

“Have you ever wasted water?”

1st PLACE

Prashant Chand

St. Bede Catholic School

Poster Winner 4th grade – 5th grade

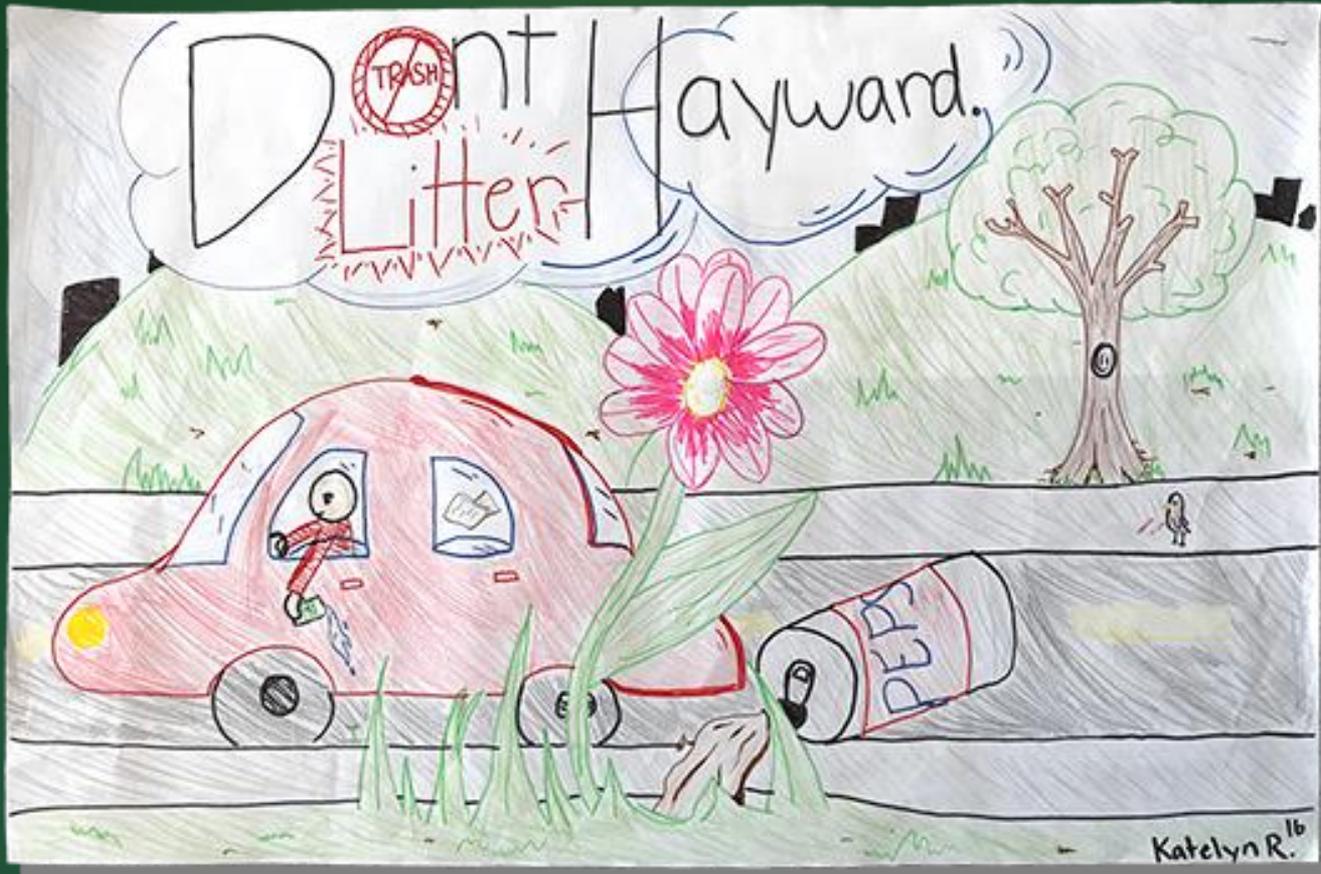


2nd PLACE

Sa'Rye Fisher

Glassbrook Elementary School

Poster Winner 4th grade – 5th grade



1st PLACE

Katelyn Ramos

St. Bede Catholic School

Poster Winner 6th Grade – 8th Grade



2nd PLACE

Daisy Zepeda

Burbank Elementary School

Poster Winner 6th Grade – 8th Grade



1st PLACE

Malaya Cruz

St. Bede Catholic School

Writing Winners 9th Grade – 12th Grade



Santo Lukito
Hayward Earth Day Contest
Energy Conservation
March 09, 2018

How To Save The World

During the 19th century, the Industrial Revolution brought new innovations that world revolutionize the lives of millions of people. However, the burning of fossil fuels through fossil fuels. The burning of fossil fuels causes global warming and pollution. The melting of the polar ice caps and the rising sea level are caused by global warming. It is our responsibility to take action to save our planet.

The first step to saving our planet is to cut down on our energy consumption. This means switching to energy-efficient light bulbs, unplugging electronics when they are not in use, and the first step to saving our planet is to cut down on our energy consumption. This is not only better for the environment, but it helps save you money on your electric bill. Another way we can conserve energy is by using energy-efficient appliances. Energy-efficient appliances are responsible for 13% of the energy you use in your home. Using energy-efficient appliances will help cut this number down.

It is our responsibility to take action to save our planet. We can all do our part to make a difference. Even if all we can do is turn off the lights before we leave, it will make a huge difference. The sacrifices we make matter if we are to preserve our home for future generations. After all, we only have one.

2nd PLACE
Santo Lukito
Mt. Eden High School

Earth Day

The green that grows out of your profound skin,
The blue that flows through your deep craters,
The pink that sprouts from your nimble limbs,
All such beautiful colors that frame your vibrance

The rough cracks that sit upon your beloved body,
The scars that tell of your past battles,
The wrinkles that speak of your wisdom,
The wind that sways all of your body's inhabitants,

There is nothing more painfully beautiful
than your essence,
Ms. Earth,

1st PLACE
Alexia Rosales
Tennyson High School

Teachers With Essay Winners



Maggie Albarran

Southgate Elementary School

Tianni Guo

Stonebrae Elementary School

Amelia Perez-Huynh

Eden Gardens Elementary School

Tiffany Ho

St. Bede Catholic School

Yashoda Nand

Southgate Elementary School

Tommy Chan

California Crosspoint Academy

Inmaculada Butler

Burbank Elementary School

Charlie Stephens

Tennyson High School

Nicholas Prior

Mt. Eden High School

Teachers With Poster Winners



Janine Durana

St. Bede Catholic School

Tiffany Ho

St. Bede Catholic School

Rebecca Schultz

East Avenue Elementary School

Ms. Isomura

Glassbrook Elementary School

Amy Tamosunas

Eden Gardens Elementary School

Ryan Fitzpatrick

St. Bede Catholic School

Sonia Peugnet

Burbank Elementary School

Inmaculada Butler

Burbank Elementary School



**Thank you and
CONGRATULATIONS!**

Earth Day Poster & Writing Awards

April 17, 2018

UTILITIES & ENVIRONMENTAL SERVICES

ITEM 9 – PH 18-030

**APPROVAL OF FY 2019 COMMUNITY AGENCY
FUNDING RECOMMENDATIONS**

Council Public Hearing on the FY 2019 Community Agency Funding Recommendations



Dana Bailey, Community Services Manager

April 17, 2018

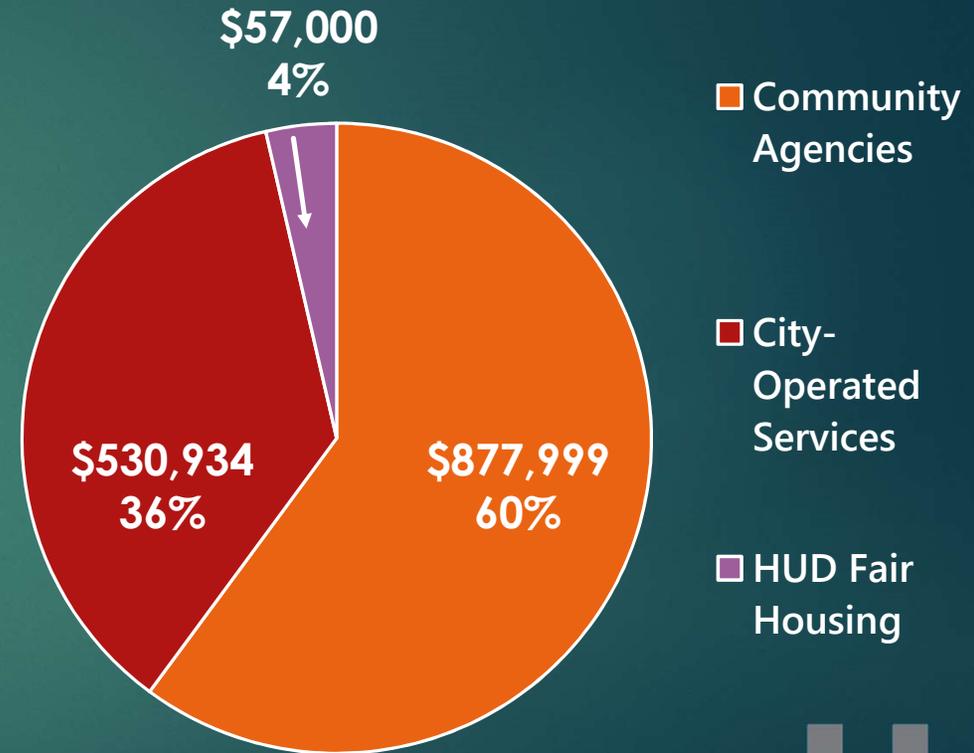
PRESENTATION OUTLINE

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- Summary of FY 2019 Funding Recommendations
- Review of six Areas of Consideration for FY 2020 funding process based on April 3 Council Work Session
- Next Steps
- Council Discussion/Q & A

FY 2019 RECOMMENDED FUNDING SUMMARY

FUNDING SOURCE BY CATEGORY	AMOUNT
Jobs, Infrastructure & ED (CDBG)	\$345,999
Social Services (General Fund)	\$450,000
Arts & Music (General Fund)	\$ 82,000
SUBTOTAL	<u>\$877,999</u>
City-Operated Programs (CDBG)	\$530,934
HUD required fair housing activities (CDBG)	\$ 57,000
SUBTOTAL	<u>\$587,934</u>
TOTAL	\$1,465,933



UNDER CONSIDERATION FOR FY 2020 FUNDING PROCESS:

5

COMPLETE AN RFP PROCESS FOR THE AFFIRMATIVELY AFFIRMING FAIR HOUSING REQUIREMENT

- ▶ Solicit proposals for the operation of HUD-mandated Affirmatively Affirming Fair Housing activities.

REMOVE EDEN I & R 2-1-1 PROGRAM FROM THE COMPETITIVE PROCESS AND AWARD ANNUALLY

- ▶ Consider annual award for Eden I&R 2-1-1 Program: serves as the county-wide call center for Alameda County.

UNDER CONSIDERATION FOR FY 2020 FUNDING PROCESS:

6

ENSURE CITY OF HAYWARD OPERATED PROGRAMS ARE INCLUDED IN THE COMPETITIVE PROCESS

- ▶ Include the City-operated programs (Housing Rehabilitation and the Family Education Program) in the competitive application process.

ENSURE COUNCIL REVIEWS ANY SURPLUS FUNDS IN THE INFRASTRUCTURE CATEGORY

- ▶ In the event of unexpended or surplus funds at the end of the annual funding cycle, Council will review and determine re-allocation priorities.

UNDER CONSIDERATION FOR FY 2020 FUNDING PROCESS:

REVIEW SELECTION CRITERIA

- ▶ Staff to review the funding selection criteria to ensure recommendations, particularly relative to affordable housing, align with Council goals.

PROACTIVE OUTREACH MEASURES FOR NEW APPLICANTS.

- ▶ Solicit potential applications for non-service categorical funding to advance affordable housing activities.

NEXT STEPS

WITH COUNCIL ADOPTION:

- (Now through July, 2018): Contract negotiations will be completed;
- May 2018: FY 18 funded programs monitored;
- September 2018: FY 20 Community Agency Funding process begins.



STAFF REQUEST COUNCIL CONFIRMATION...

9

1. **COMPLETE AN RFP PROCESS FOR THE AFFIRMATIVELY AFFIRMING FAIR HOUSING REQUIREMENT**
2. **REMOVE EDEN I & R 2-1-1 PROGRAM FROM THE COMPETITIVE PROCESS AND AWARD ANNUALLY**
3. **ENSURE CITY OF HAYWARD OPERATED PROGRAMS ARE INCLUDED IN THE COMPETITIVE PROCESS**
4. **ENSURE COUNCIL REVIEWS ANY SURPLUS FUNDS IN THE INFRASTRUCTURE CATEGORY**
5. **REVIEW SELECTION CRITERIA**
6. **PROACTIVE OUTREACH MEASURES FOR NEW APPLICANTS**

COUNCIL DISCUSSION



ITEM 10 – LB 18-010

**PRESENTATION OF PROPOSED FY 2019
OPERATING BUDGET
AND UPDATE ON FIVE-YEAR PLAN**



PRESENTATION OF PROPOSED FY 2019 OPERATING BUDGET & UPDATE ON FIVE-YEAR PLAN

Kelly McAdoo, City Manager
Dustin Claussen, Director of Finance

APRIL 17, 2018

Budget Development Principles

- ▶ Status Quo budget
- ▶ Additional positions added when cost neutral
- ▶ Continuing to work to identify efficiencies
- ▶ Working towards long-term fiscal sustainability

The FY 2019 Budget Process

Where we've been



Department
Proposals to
Finance and
Public Works

Proposals
provided to
the City
Manager

Department
Presentations
to the City
Manager

City Manager
Deliberations

Proposed
FY 2019
Operating
Budget
compiled

Where we are headed...



Tonight
Proposed
Operating
Budget
presented to
Council

4/28/18
Saturday
Budget Work
Session

5/15/18
Council Budget
Work Session
#2 and
Presentation of
Proposed CIP

5/22/18
Public Hearing
and (likely)
Adoption for the
FY 2019
Operating and
Capital Budgets

General Fund...The Proposal - Revenues

*(Total proposed increase of
\$10.9 M)*

- ▶ **Property Tax**- Projecting a total increase of **\$4.4 M** over FY 2018 due to rise in assessed valuation, and projections provided by HdL
- ▶ **Sales Tax**- An increase of **\$2.2 M** over FY 2018
- ▶ **Utility Users Tax**- An increase of **\$1.3 M** over FY 2018
- ▶ **Cannabis Tax**- Projecting moderate income of **\$750 k** in FY 2019; will adjust as actuals become available
- ▶ **Other Taxes & Franchise Fees**- Increased by **\$1.5 M**

FY 2019 Proposed Expenditures-All Funds



Expenditures					
<i>in 1,000's</i>	FY 2017 Adopted	FY 2018 Adopted	FY 2019 Adopted	\$ Change	% Change
General Fund	149,029	151,562	165,219	13,657	9.0%
All Other Funds	130,306	135,938	153,316	17,378	12.8%
Total City Budget	279,335	287,500	318,535	31,035	10.8%

General Fund...The Proposal- Expenses (Total proposed increase of \$13.7 M)

Personnel Related Expenses

- ▶ **New Positions**- the addition of positions in a few key areas of the organization net to an increase of **\$1.4 M**
- ▶ **Salary Expense** (current positions)-“Natural” growth of **\$2.5 M**
- ▶ **Overtime**- Reduction of **(\$2.2 M)** (multiple departments)
- ▶ **PERS**- **\$5.4 M**
- ▶ **OPEB**- Total Increase of **\$1.3 M**, \$1 M of which is an additional contribution towards ARC

General Fund...The Proposal- *Expenses* (Total proposed increase of \$13.7 M) cont...

Non-Personnel Related Expenses

- ▶ **Services & Supplies**- Increase of **\$888 k**
- ▶ **Internal Service Charges**- **\$4.6 M**, \$3.5 M is restoration to FY 2017 allocation levels, \$1.1 M of new charges
- ▶ **Debt Service**- Reduction of **(\$353 k)**

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



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

Advancing Sustainability Strategies



Options	Estimated Annual Fiscal Impact	Additional Details
Revenue Generation Strategies		
<i>Real Property Transfer Tax (RPTT)</i>	\$4,020,000 - \$16,890,000	Potentially Place on Ballot in 2018 (\$7-\$15 per \$1,000) FY 2020 could be first full year
<i>Transient Occupancy Tax (TOT)</i>	\$356,000 - \$1,370,000	Potentially Place on Ballot in 2018 (10%-14%) FY 2020 could be first full year
<i>Business License Tax (BLT)</i>	\$2,900,000 - \$4,000,000 increase	Potentially Place on Ballot in 2020 \$19.06-\$26.02 per capita
<i>Cannabis Tax</i>	\$750,000-\$2,500,000	Assume 2% growth annually FY 2019 is first full year
Expenditure Controls and Cost Shifts		
<i>Update Cost Allocation Plan</i>	\$100,000	
<i>Employee Cost Sharing</i>	\$1,000,000	
Service Delivery Changes		
<i>Prioritized Use of Measure C Revenue after Projects Completed - Transfer to GF</i>	\$7,000,000 - \$7,500,000	Beginning in FY2021
<i>Fleet Utilization Study</i>	\$121,975	

General Fund 5-Year Forecast including Sustainability Strategies



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

Questions & Discussion

