

# **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**

**Wednesday, October 7, 2015**

**4:30 PM**

**City Hall, Conference Room 4A**

**Council Budget and Finance Committee**



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## Agenda

### Council Budget and Finance Committee

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Wednesday, October 7, 2015

4:30 PM

City Hall, Conference Room

4A

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#### CALL TO ORDER

#### ROLL CALL

#### PUBLIC COMMENTS:

*(The Public Comment section provides an opportunity to address the City Council Committee on items not listed on the agenda as well as items on the agenda. The Committee 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 Committee is prohibited by State law from discussing items not listed on the agenda, any comments on items not on the agenda will be taken under consideration without Committee discussion and may be referred to staff.)*

#### REPORTS/ACTION ITEMS

1. [MIN 15-011](#) Approval Meeting Minutes of July 1, 2015
2. [RPT 15-028](#) Discussion of Audit Planning for Year Ended June 30, 2015  
**Attachments:** [Attachment I - Hayward SAS 114 Summary](#)
3. [RPT 15-023](#) Discussion of Renewal Options for the City's Utility Users Tax  
**Attachments:** [Attachment I - 2008 Survey Results](#)  
[Attachment II - 2009 Survey Results](#)  
[Attachment III - Clifford Moss Scope of Work](#)
4. Update on Measure C Financing (oral presentation)

#### OLD BUSINESS

5. [RPT 15-029](#) FY 2016 Meeting Schedule & Work Plan  
**Attachments:** [Attachment I - FY 2016 Meeting Schedule & Work Plan](#)

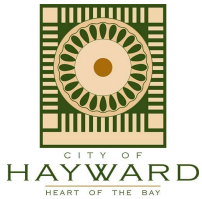
#### FUTURE AGENDA ITEMS

6. Other items as may be identified by members

**COMMITTEE MEMBER/STAFF ANNOUNCEMENTS AND REFERRALS**

**ADJOURNMENT**

**NEXT REGULAR MEETING - 4:30 P.M., WEDNESDAY, NOVEMBER 4, 2015**



## Staff Report

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**File #:** MIN 15-011

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### CITY COUNCIL BUDGET & FINANCE COMMITTEE MEETING

#### Meeting Minutes of July 1, 2015

**Call to Order:** 4:30 pm

**Members Present:** Mayor Halliday, Councilmembers Jones and Lamnin

**Staff:** Fran David, Kelly McAdoo, Michael Lawson, Tracy Vesely,  
Dustin Claussen, Tom Baker, Eric Vollmer, Scott Anderson

**Guests:** Cheryl Penick (IFPTE Local 21)

**Public Comments:** None

1. Committee reviewed the revised meeting minutes for the June 3, 2015 City Council Budget & Finance Committee meeting. *Action: unanimous approval*
2. The Committee held a brief discussion on a debriefing of the FY 2016 budget process. *No Action was taken. Committee members discussed the idea of going back to a two-year budget format for FY 2017 & FY 2018 and requested a future agenda item on this topic. The Committee also expressed a desire for a continued focus on performance metrics. The Committee appreciated the quality of the budget document and the updated budget policies - as well as expressing that the Saturday department budget presentations was a format they would like to repeat.*
3. The Committee received a presentation from City staff on the City Purchasing Policies. *No formal action was taken. Committee members spent considerable time reviewing each of the proposed purchasing policies. The Committee emphasized the need for Local Preference policies and requested that the policy document include an overarching "preamble" that states the policies of City Council regarding purchasing expectations and ethics. Staff stated that the next step would be a report to the full City Council.*
4. The Committee received but did not comment on the FY 2016 meeting schedule. *No action was taken.*

**Committee Members/Staff Announcements and Referrals:** None.

**Adjournment:** The meeting was adjourned at 6:09 pm



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## Staff Report

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**File #:** RPT 15-028

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**DATE:** October 7, 2015

**TO:** Council Budget and Finance Committee

**FROM:** Director of Finance

**SUBJECT**

Discussion of Audit Planning for Year Ended June 30, 2015

**RECOMMENDATION**

That the Committee receives a presentation from the City's external auditor and comments on this report.

**BACKGROUND AND DISCUSSION**

Each year the City contracts with an external audit firm to conduct a review of its financial statements. The City is currently contracted with Maze & Associates to perform the audit for the year ended June 30, 2015. As part of each audit process, the Auditor is required to communicate with the City Council regarding the audit process pursuant to the Statements on Auditing Standards 114 (SAS 114).

*SAS 114 Letter: The Auditor's Communication with Those Charged with Governance*

This letter is an AICPA (American Institute of CPAs) required communication letter for all financial statement audits. The purpose of the letter is to communicate to those charged with governance, the scope of audit procedures performed, significant findings, and other information, such as disagreements with management, audit adjustments and significant estimates, that aren't communicated in the audited financial statements. Attachment I summarizes the SAS 114 communications as it pertains to the upcoming FY 2015 audit.

**NEXT STEPS**

The external auditor will continue the FY 2015 audit process - with planned completion in December 2015.

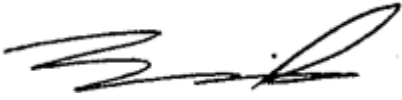
*Prepared and Recommended by:* Tracy Vesely, Director of Finance

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**File #:** RPT 15-028

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Approved by:

A handwritten signature in black ink, appearing to read 'Fran David', written in a cursive style.

Fran David, City Manager

Attachments:

Attachment I

SAS 114 Summary

**CITY OF HAYWARD  
AUDIT PLANNING MEETING AGENDA  
For The Year Ended June 30, 2015**

Audit standards require us to communicate with our auditee to discuss the audit process including:

- Auditor's responsibilities under U.S. Generally Accepted Auditing Standards
- Concept of materiality in planning and executing the audit
- Audit scope
- Audit timing
- Management representations
- Fraud considerations

***Our Responsibility under U.S. Generally Accepted Auditing Standards***

Our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of the audit we will consider the City's internal control. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

***Materiality***

Financial Accounting Standards Board Statement of Financial Accounting Concepts No. 2 (CON-2), *Qualitative Characteristics of Accounting Information*, defines materiality as the "magnitude of an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement." In planning and performing the audit, we use professional judgment to determine a level of materiality. Factors considered in this evaluation include the components of the financial statements believed to be the most critical to users and the extent of adjustments detected in prior audits.

### ***Audit Scope***

Council approved our contract in 2011 which incorporates our proposal detailing our audit approach and timing. Audit scope generally includes the following subject to adaptation from our risk assessment process:

- Perform risk assessment brainstorming and planning
- Create audit plan tailored to the City and sector
- Transactions cycles subject to control testing and sampling:
  - Revenue/receivable
  - Disbursements/accounts payable
  - Payroll/accrued liabilities
  - Loans receivable
  - Federal award transactions
- Transactions cycles testing:
  - Controls over cash transactions and accruals
  - Test of transactions
  - Tests of information system application controls
  - Confirmations generally not used as they are ineffective
  - Accrual tests at year end
- Transactions and balances tested in total:
  - Cash and investments tested via bank reconciliation tests and confirmation of bank balances
  - Capital assets tested through corroboration with capital outlay and council authorizations on a test basis and estimate of depreciation
  - Debt and debt service through confirmation and indenture terms
  - Compensated balances through estimation
  - Claim payable through claims loss run and actuarial studies, if any
- Evaluate overall duty assignment including:
  - Focused attention to conflict of duties – employees with access to assets and related recorded used to control and account for those assets
  - Tests of mitigating controls
- Information system controls tests:
  - An information system review is performed by our IT specialist
  - Application controls tested through transaction cycle tests
- Perform compliance tests
  - Single Audit Act: Federal regulations applicable to federal awards
  - Transportation Development Act Program compliance with State regulations
  - ACTC Master Funding Agreement
  - Certain Government code provisions applicable to cash and investments
  - Certain Government code provisions applicable to new debt issues
  - Local policy compliance, typically:
    - Investment
    - Purchasing



- Financial statement preparation assistance
  - Staff has request that we provide assistance the preparation of financial statements and disclosures
  - We are satisfied staff have the capability to perform this task themselves.
  - Financial statement presentation and disclosures are evaluated and amendment proposed as needed

***Audit Timing***

We have met with staff and agreed the following schedule:

- Interim fieldwork: June and July 2015
- Final fieldwork: two-and-a-half weeks starting November 9, 2015
- Reports Finalization: December 2015
- Single audit fieldwork: January 2015

***Management Representations***

We will request representations from management that data and assertions provided are complete and accurate. We rely primarily on our audit verification tests and procedures, however, management assertions and judgments unavoidably affect financial data.

***Fraud Considerations:*** Statements on Audit Standards (SAS) #99, *Consideration of Fraud in a Financial Statement Audit*. This Statement came out of the fall out of Enron/ WorldCom and other private sector frauds.

1. “Fraud” is defined as an intentional act that results in a *material misstatement in financial statements* that are subject to audit. In this case, fraud includes two concepts:
  - a. Fraudulent financial reporting:
    - i. Misstatement including misapplication of accounting principals, omission of data or disclosures, fictitious transactions or sham transactions
    - ii. Concealment
  - b. Misappropriations of assets:
    - i. Theft
    - ii. Concealment
    - iii. Conversion
2. SAS #99 requires an inquiry of auditee officials
  - a. Auditee officials to include:
    - i. Council members/audit committee members
    - ii. City Manager
    - iii. Finance Director
    - iv. Others outside Finance (optional)
  - b. Areas to be discussed:
    - i. Are you aware of known instances of fraud?
    - ii. Are there areas you believe are “Susceptible to Fraud”
  - c. Areas automatically deemed susceptible to fraud:
    - i. Improper revenue recognition
    - ii. Management override of internal control
3. SAS #99 also requires that we address our auditee’s “Fraud Risk Assessment and Monitoring Programs”
  - a. Prevention techniques
  - b. Deterrence techniques
  - c. Detection techniques



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## Staff Report

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**File #:** RPT 15-023

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**DATE:** October 7, 2015

**TO:** Council Budget and Finance Committee

**FROM:** Director of Finance; Assistant City Manager

**SUBJECT**

Discussion of Renewal Options for the City's Utility Users Tax

**RECOMMENDATION**

That the Committee reviews and comments on this report and recommends that the full Council approves agreements with Godbe Research and Clifford Moss to conduct a voter assessment of the City's progress to date on managing and expending UUT revenue

**BACKGROUND AND DISCUSSION**

On May 19, 2009, the Hayward voters approved Measure A, a measure implementing a 5.5% Utility Users Tax (UUT) on gas, electric, cable, and telecommunications services, which became effective in June 2009. The intent of Measure A was to preserve City services, including maintaining firefighters, paramedics, fire stations, and neighborhood police patrols, protecting emergency response times, preserving youth/anti-gang programs, disaster preparedness, and economic development services. Measure A was established for a period of ten years and is scheduled to end on June 30, 2019 - after which the tax would no longer be collected unless renewed by the voters.

The UUT now generates approximately \$16 million annually and is the third largest revenue source for the General Fund behind property and sales taxes. Given the importance of this revenue source to the City's General Fund and to the City's ability to maintain current levels of public safety and other vital services, staff believes it is imperative to gather information from the community as to their perception of the City's management and expenditure of these revenues consistent with what was promised at the voters in 2009. This will also help inform staff and Council about renewal options for this tax prior to expiration in 2019.

Other Possible Revenue Measures

Councilmembers have expressed the desire to also explore a wide variety of other tax-related revenue generating options, including:

1. Eliminate the Emergency Services Facilities Tax (ESFT)
2. Increase Property Transfer Tax
3. Implement new soda tax or health-related "sin" taxes (alcohol, tobacco, soda, fast food, candy, etc.)

4. Implement a new marijuana tax
5. Implement a new pollution tax (gasoline, fossil fuels, etc.)
6. Update Hayward's Business License tax/fee

While all of these are important to explore, none would come close to generating the levels of revenue that the UUT currently generates. Staff recommends that Council focus on the UUT renewal (possibly coupled with the elimination of the ESFT) for the next six to nine months given the importance of this revenue to the City's overall fiscal health. The ESFT is a very difficult tax to administer, generates about \$1.8 million per year, and is scheduled to expire December 31, 2027.

Before Measure A was placed on the ballot in 2009, the City engaged Godbe Research to assist with community/voter assessment. Those 2008 and 2009 survey results are included with this report as Attachments I and II for background information. Given their familiarity with Hayward and with this revenue measure in particular, staff recommends that the City engage Godbe again and embark on with the above referenced community perception assessment launching in mid-November.

Staff would like the Committee's input on items to test for in the November poll, including possible changes to the structure of the UUT and messages to test with the voters, both positive and negative.

As part of the message testing, Godbe (the recommended polling consultant) could also evaluate how the possible elimination of the City's current Emergency Services Facilities Tax (ESFT) in exchange for an increase to the UUT rate resonates with the voters. The ESFT is very challenging and time consuming for staff to administer and generates a proportionately small amount of revenue for this effort (approximately \$1.8 million estimated for FY 2016). In addition, it is a confusing tax to residents and elicits a large number of complaints.

The preliminary November community assessment will test up to 600 Hayward voters and will cost approximately \$32,000 depending on the ultimate length of the poll. Staff will seek City Council approval for a contract with Godbe on October 13 pending feedback from the Committee at this meeting. In addition, it is important to begin a listening and outreach effort with Hayward voters to understand sentiments toward the City and about the UUT. To that end, staff recommends engaging Clifford Moss to support this effort and to assist in the communication program with the community, particularly voters. Clifford Moss was also engaged by the City as part of the Measure A outreach effort in 2009 and as part of the Measure C sales tax effort in 2014. Their familiarity with the City and with the UUT measure provides valuable insights and will allow the outreach effort to roll out seamlessly and quickly. Attachment III provides an overview of the scope of work and cost for the proposed agreement with Clifford Moss, which would also come to Council for approval on October 13 pending the outcome of this discussion and meeting.

Bryan Godbe and Bonnie Moss, with Clifford Moss, will both be in attendance at this meeting and can discuss the assessment methodology and messaging in more detail.

## **ECONOMIC AND FISCAL IMPACT**

As mentioned above, the UUT generates approximately \$16 million annually and is the third largest

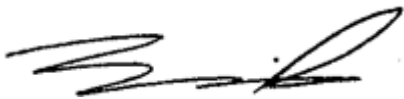
revenue source for the General Fund behind property and sales taxes. This General Fund revenue stream provides funding for the current levels of public safety and other vital City services. Without this revenue, the City would be forced to eliminate \$16 million from the annual budget. In rough estimates, \$16 million equates to about 80 police officers or firefighters. The cost of the agreements with Godbe Research and Clifford Moss would be funded out of the General Fund and staff recommends an appropriation of \$100,000. This will also be part of the recommendation to Council on October 13.

**NEXT STEPS**

If the Committee supports the recommendations outlined in this report, staff will bring agreements with Godbe Research and Clifford Moss to the full Council for approval on October 13. Based on the Committee feedback on the preliminary assessment instrument content as described above, staff will work with Godbe to structure the final questions (which would be very similar in nature to the 2008 survey questions) and implement the assessment in mid-November.

*Prepared and Recommended by:* Kelly McAdoo, Assistant City Manager; Tracy Vesely, Director of Finance

Approved by:



Fran David, City Manager

Attachments:

Attachment I	2008 Survey Results
Attachment II	2009 Survey Results
Attachment III	Clifford Moss Scope of Work

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**CITY OF HAYWARD: REVENUE MEASURE FEASIBILITY SURVEY**  
**Topline Report**  
**January 2008**

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The City of Hayward commissioned Godbe Research to conduct a survey of voters in the city to assess potential voter support for two alternative revenue measures, a new Utility User Tax and an increase in the existing Real Property Transfer Tax; survey the tax rates at which voters will support the two measures; prioritize potential projects to be funded based on voter reception; and test the influence of supporting and opposing arguments on potential voter support.

### **SURVEY METHODOLOGY**

Overall, 1000 voters in the City of Hayward completed the survey, representing a total universe of approximately 36,906 likely November 2008 voters in the city. The sample of 1000 voters was split into two halves of 500 voters each, with one group of 500 voters answering questions related to the Utility User Tax measure and the other sample responding to questions on the Real Property Tax increase. The study parameters resulted in a margin of error of plus or minus 3.1 percent at the overall level (4.4 percent for each split sample of 500; 5.6 percent for each likely June voter sample of 300). Interviews were conducted from January 13 through January 22, 2008, and the average interview time was approximately 18 minutes.

Once collected, the sample of voters was compared with the registered voter population in the City of Hayward to examine possible differences between the demographics of the sample of respondents and the actual universe. The data were weighted to correct differences, and the results presented are representative of the voter characteristics of the City of Hayward in terms of gender, age, and political party type. Specifically, the sample was weighted by respondent age, political party and the estimated likelihood of respondents voting in the June 2008 election.

### **QUESTIONNAIRE METHODOLOGY**

To avoid the problem of systematic position bias, where the order in which a series of questions is asked systematically influences the answers, several questions in the survey were randomized such that the respondents were not consistently asked the questions in the same order. The series of items in Questions 5, 6, 8, 10, 13 and 14 were randomized to avoid such position bias. Further, Questions 11 and 12 were rotated so that the respondents were balanced in whether they first heard arguments in favor of or opposed to the ballot measure.

Questions 3 and 4 allowed the voters surveyed to mention in their own words more than one answer. For this reason, the response percentages sum to more than 100, and these represent the percent of the voters that mentioned a particular response, rather than the percent of total responses.

### **MEAN SCORES AND ROUNDING**

In addition to the percentage breakdown of responses to each question, results for the questions relating to the issues of importance (Q5), the amount of tax increase (Q7 and Q9), the features of the measure (Q10), and the arguments (Q11 and Q12) include a mean score. For example, to derive respondents' overall perception of the importance of a given issue (Q5), a number value is first assigned to each response category (in this case, "Extremely Important" = +3, "Very Important" = +2, "Somewhat Important" = +1, and "Not at all Important" = 0). The individual answer of each respondent is then assigned the corresponding number – from 3 to 0 in this example. Finally, all respondents' answers are averaged to produce a final score that reflects overall importance. The resulting mean score makes the interpretation of the data considerably easier. Responses of "Don't Know" (DK/NA) were not included in the calculations of the means for any questions.

Conventional rounding rules apply to the percentages shown in this report, .5 or above is rounded up to the next number, and .4 or below is rounded down to the previous number. As a result, the percentages may not add up to 100 percent.

1. Generally speaking, are you satisfied or dissatisfied with the overall quality of life in the City of Hayward? (GET ANSWER, THEN ASK): Is that very or somewhat [satisfied/dissatisfied]?

<b>Very satisfied</b>	18%
<b>Somewhat satisfied</b>	49%
<b>Somewhat dissatisfied</b>	19%
<b>Very dissatisfied</b>	11%
<b>DK/NA</b>	2%

2. Are you satisfied or dissatisfied with the overall job the City of Hayward is doing to provide services to residents? [GET ANSWER, THEN ASK]: Is that very [satisfied/dissatisfied] or somewhat [satisfied/dissatisfied]?

<b>Very satisfied</b>	17%
<b>Somewhat satisfied</b>	48%
<b>Somewhat dissatisfied</b>	17%
<b>Very dissatisfied</b>	9%
<b>DK/NA</b>	9%

3. With which city services are you most satisfied? Please name up to 3 services. [DO NOT READ RESPONSE CATEGORIES. ALLOW UP TO 3 RESPONSES.]

<b>Police services</b>	30%
<b>Fire protection / safety</b>	24%
<b>Street maintenance</b>	16%
<b>Library</b>	12%
<b>City facilities</b>	11%
<b>Waste/garbage service</b>	6%
<b>Economic development (new and existing businesses, new and rehabilitated housing)</b>	5%
<b>Lighting and landscaping maintenance</b>	4%
<b>Water</b>	4%
<b>Emergency management (disaster response, emergency preparedness and education)</b>	4%
<b>Neighborhood preservation</b>	4%
<b>Animal / vector control</b>	3%
<b>Park maintenance</b>	3%
<b>Traffic safety</b>	3%
<b>Public information</b>	3%
<b>Graffiti abatement / removal</b>	3%
<b>Planning (land use and development)</b>	3%
<b>Protecting the environment / managing climate change / reducing carbon footprint / green practices</b>	2%
<b>Parking enforcement</b>	2%
<b>Youth services</b>	2%
<b>Public Transportation</b>	2%
<b>Housing for low and moderate income residents</b>	2%
<b>Electric/utilities</b>	2%
<b>City Clerk</b>	1%
<b>Recycling</b>	1%
<b>None/Nothing</b>	1%
<b>Building safety and code compliance</b>	1%
<b>Postal service</b>	1%
<b>Other</b>	1%
<b>DK/NA</b>	22%



4. With which city services are you least satisfied? Please name up to 3 services. [DO NOT READ RESPONSE CATEGORIES. ALLOW UP TO 3 RESPONSES.]

Police services	21%
Street maintenance	19%
Traffic safety	8%
Graffiti abatement / removal	8%
Economic development (new and existing businesses, new and rehabilitated housing)	7%
Planning (land use and development)	6%
Youth services	5%
City facilities	5%
Lighting and landscaping maintenance	4%
Neighborhood preservation	4%
Building safety and code compliance	3%
Parking enforcement	3%
City Clerk	3%
Emergency management (disaster response, emergency preparedness and education)	3%
Protecting the environment / managing climate change / reducing carbon footprint / green practices	3%
Housing for low and moderate income residents	2%
None / Nothing	2%
Public information	2%
Animal / vector control	2%
Library	2%
Public Transportation	1%
Fire protection / safety	1%
Water	1%
Other	6%
DK/NA	33%

5. Next, I'd like to ask you about some issues in your community. For each one, I'd like you to tell me how important this issue is to you.

Here's the (first/next): Is \_\_\_\_\_ extremely important, very important, somewhat important or not at all important to you?

	Mean Score	Extremely Important	Very Important	Somewhat Important	Not at all Important	DK/NA
5A. Improving the quality of public education	2.4	51%	35%	9%	3%	2%
5B. Reducing crime	2.5	58%	36%	5%	0%	0%
5C. Improving traffic flow	1.9	29%	37%	28%	6%	0%
5D. Removing abandoned vehicles	1.6	20%	32%	34%	13%	1%
5E. Maintaining the quality of our neighborhoods	2.3	43%	44%	11%	1%	0%

Computation of Mean Scores: "Extremely Important" = +3, "Very Important" = +2, "Somewhat Important" = +1, and "Not Important" = 0.

**Utility User Tax**

**SPLIT SAMPLE: Q6 AND Q7 ASKED TO GROUP 1 – UUT; n = 500**

6. In the coming months, Hayward voters may be asked to vote on several ballot measures. Let me read you the description of one potential measure:

To preserve our quality of life through maintaining city services and facilities, such as:

[RANDOMIZE A THROUGH E]

- A. Police, fire and emergency services
- B. City streets and traffic flow
- C. City library facilities and services
- D. Youth and senior services  
and
- E. Maintaining the quality of our neighborhoods

Shall the City of Hayward be authorized to enact a Utility User Tax on electricity, gas, cable, landline telephone, cellular and related telecommunications usage?

If the election were held today, would you vote yes or no on this measure? [GET ANSWER, THEN ASK:] Would that be definitely [yes/no] or probably [yes/no]?

<b>Definitely Yes</b>	20%
<b>Probably Yes</b>	25%
<b>Probably No</b>	15%
<b>Definitely No</b>	28%
<b>DK/NA</b>	12%

7. Right now, the exact amount of the tax has not been decided.

If you heard that the Utility User Tax in the City of Hayward would be [READ FIRST ITEM BELOW AND CONTINUE IN SEQUENCE] \_\_\_\_\_ of your electricity, gas and water charges to preserve our quality of life through maintaining city services and facilities, would you vote yes or no on this ballot measure? [GET ANSWER, THEN ASK]: Is that definitely [yes/no] or probably [yes/no]? [READ IN SEQUENCE UNTIL ALL ITEMS ARE READ. IF RESPONDENT SAYS 'DEFINITELY YES', RECORD 'DEFINITELY YES' FOR ALL OTHER LOWER TAX RATE(S), AND GO TO THE NEXT QUESTION.]

	<b>Mean Score</b>	<b>Definitely Yes</b>	<b>Probably Yes</b>	<b>Probably No</b>	<b>Definitely No</b>	<b>DK/NA</b>
<b>7A. 8.5 percent</b>	-0.7	9%	22%	21%	41%	8%
<b>7B. 7.5 percent</b>	-0.4	15%	23%	18%	36%	8%
<b>7C. 6.25 percent</b>	0	22%	26%	14%	30%	7%
<b>7D. 5 percent</b>	0.4	35%	26%	7%	25%	6%

Computation of Mean Scores: "Definitely Yes" = +2, "Probably Yes" = +1, "Probably No" = -1, and "Definitely No" = -2.

10. Now, let's talk about how the money raised by this measure might be spent by the City of Hayward. As I read each statement, please tell me if it would make you more or less likely to vote for the measure.

If you heard that the money raised by this measure would pay for the maintenance of [INSERT RANDOMLY SELECTED ITEM FROM THE LIST BELOW]: \_\_\_\_\_, would you be more or less likely to support the measure? [GET ANSWER, THEN ASK]: Is that much [more/less] likely or somewhat [more/less] likely?

**SPLIT SAMPLE: Utility User Tax respondents; n = 500**

	Mean Score	Much More Likely	Somewhat More Likely	No Effect	Somewhat Less Likely	Much Less Likely	DK/NA
10A. Animal control and protection services	0.1	19%	28%	13%	19%	18%	3%
10B. Police services	1.1	46%	33%	6%	6%	6%	2%
10C. Fire protection services	1.1	49%	32%	7%	6%	5%	1%
10D. Emergency and disaster preparedness	1.0	46%	30%	7%	8%	7%	1%
10E. Children and teen programs and services	1.1	48%	31%	6%	8%	6%	1%
10F. City streets, sidewalks and lighting	0.9	39%	35%	8%	11%	6%	2%
10G. Traffic flow management	0.6	33%	30%	11%	13%	11%	2%
10H. Traffic safety and parking enforcement	0.5	27%	30%	14%	17%	11%	2%
10I. City trees and landscaping	0.4	25%	30%	12%	18%	14%	2%
10J. Building inspection and code enforcement	0.3	21%	30%	13%	20%	14%	3%
10K. Local business and economic development	0.6	29%	34%	10%	12%	12%	3%
10L. Local arts and cultural attractions	0.3	22%	34%	10%	17%	15%	2%
10M. Neighborhood appearance, including graffiti removal and trash cleanup	1.1	48%	32%	7%	5%	7%	1%
10N. Water conservation programs	0.7	34%	33%	9%	14%	8%	2%
10O. Protecting the environment through green practices	0.8	39%	31%	7%	8%	12%	3%

Computation of Mean Scores:

"Much More Likely" = +2, "Somewhat More Likely" = +1, "No Effect" = 0, "Somewhat Less Likely" = -1, and "Much Less Likely" = -2.

**ROTATE QUESTIONS 11 AND 12**

11. Voters will hear arguments from supporters *in favor of* the potential ballot measure we have been discussing. As I read each of the arguments *in favor of* the measure, please tell me if you would be more likely to vote “yes” on the measure, given the argument.

Supporters of the measure say: \_\_\_\_\_ [INSERT RANDOMLY SELECTED ITEM FROM THE LIST BELOW]. Does hearing this argument make you much more likely or somewhat more likely to vote “yes” on the measure--or does it have no effect?

**SPLIT SAMPLE: Utility User Tax respondents; n = 500**

	Mean Score	Much More Likely	Somewhat More Likely	No Effect	DK/NA
11A. We need additional revenue to maintain our current levels of public safety	1.0	31%	34%	31%	4%
11B. We need additional revenue to maintain our public library	1.0	30%	38%	29%	3%
11C. The measure will maintain response time for police, fire and emergency services	1.3	49%	29%	20%	2%
11D. The measure will generate locally controlled funds for Hayward needs	1.0	29%	34%	29%	7%
11E. With a \$6 million dollar deficit, the City needs additional funds to avoid cuts to critical resident services	1.0	29%	33%	30%	8%
11F. A citizen's oversight committee will monitor these new funds generated, so that they are used properly	1.1	39%	30%	27%	4%
11G. The continued use of the reserve funds to maintain city services places the City at grave financial risk, as these reserve funds are due to run out in two years	1.0	26%	38%	29%	7%
11H. Demand for city services has increased over the years, but staffing has decreased. Hayward seriously needs additional funds to maintain its current levels of service to residents	1.0	31%	36%	27%	6%
11I. The Hayward City Council has fought hard to keep taxes low. However, because of the slowing economy and rising demand for resident services, the City has no choice but to seek voter approval of additional tax revenue	0.9	22%	38%	34%	5%
11J. This measure is good for the environment, as it encourages energy conservation and the use of green, alternative power	1.0	31%	37%	27%	4%
11K. This measure provides a tax rebate to Hayward residents who use energy conservation measures, solar power or alternative energy in their homes	1.1	39%	32%	26%	4%
11L. With this measure, everyone in the City will be paying their fair share, not just property owners or businesses	1.2	42%	28%	26%	3%
11M. This measure will replace the existing Emergency Services Facilities Tax, which is a general excise tax that costs a typical household in Hayward \$36 dollars a year	1.0	28%	32%	33%	7%
11N. Low income residents and lifeline users are exempted from the Utility User Tax	0.9	29%	30%	35%	6%

Computation of Mean Scores: “Much More Likely” = +2, “Somewhat More Likely” = +1, “No Effect” = 0.

12. Voters will hear arguments from opponents *against* the potential ballot measure we have been discussing. As I read each of the arguments *against* the measure, please tell me if you would be more likely to vote “no” on the measure given that argument.

Opponents of the measure say: \_\_\_\_\_ [INSERT RANDOMLY SELECTED ITEM FROM THE LIST BELOW]. Does hearing this argument make you much more likely or somewhat more likely to vote “no” on the measure--or does it have no effect?

**SPLIT SAMPLE: Utility User Tax respondents; n = 500**

	Mean Score	Much More Likely	Somewhat More Likely	No Effect	DK/NA
12A. Local taxes are already too high in Hayward	0.9	29%	27%	38%	5%
12B. Instead of increasing taxes, public services in Hayward should be paid from the City's current revenues and reserves, even if services have to be cut	0.8	24%	30%	39%	7%
12C. The City cannot be trusted to manage any additional funds raised	0.9	30%	29%	35%	6%
12D. The City should first make cuts to staff salaries and benefits before raising taxes in the City	1.0	36%	21%	38%	5%
12E. With all the graffiti around Hayward and the slow response times to service calls, the City cannot claim that it is maintaining service levels	1.0	31%	28%	35%	6%
12F. The Hayward Unified School District is putting a \$205 million dollar bond measure on the ballot in the June 2008 election. We cannot afford to support an additional tax measure from the City as well.	1.1	39%	28%	28%	5%
12G. Instead of creating a new tax, can't the City just use the revenue from the current excise tax we are already paying?	1.0	33%	30%	30%	7%
12H. How can the City be taxing us on utilities to meet basic human needs and lifeline services?	0.9	28%	29%	36%	8%

Computation of Mean Scores: “Much More Likely” = +2, “Somewhat More Likely” = +1, “No Effect” = 0.

**SPLIT SAMPLE: Q13 ASKED TO GROUP 1 – UUT; n = 500**

13. Now that you have heard a little more about the potential ballot measure, let me read you a summary of the measure again.

To preserve our quality of life through maintaining city services and facilities, such as:

**[HOLD RANDOMIZATION ORDER FROM Q6]**

- A. Police, fire and emergency services
- B. City streets and traffic flow
- C. City library facilities and services
- D. Youth and senior services  
and
- E. Maintaining the quality of our neighborhoods

Shall the City of Hayward be authorized to enact a Utility User Tax on electricity, gas, cable, landline telephone, cellular and related telecommunications usage?

If the election were held today, would you vote yes or no on this measure? [GET ANSWER, THEN ASK:] Would that be definitely [yes/no] or probably [yes/no]?

<b>Definitely Yes</b>	20%
<b>Probably Yes</b>	27%
<b>Probably No</b>	17%
<b>Definitely No</b>	30%
<b>DK/NA</b>	6%

**Real Property Transfer Tax**

**SPLIT SAMPLE: Q8 AND Q9 ASKED TO GROUP 2 – RPTT; n = 500**

8. In the coming months, Hayward voters may be asked to vote on several ballot measures. Let me read you the description of one potential measure:

To preserve our quality of life through maintaining city services and facilities, such as:

[RANDOMIZE A THROUGH E]

- A. Police, fire and emergency services
- B. City streets and traffic flow
- C. City library facilities and services
- D. Youth and senior services  
and
- E. Maintaining the quality of our neighborhoods

Shall the City of Hayward be authorized to increase the Real Property Transfer Tax, assessed when property is sold or when there is a title transfer?

If the election were held today, would you vote yes or no on this measure? [GET ANSWER, THEN ASK:] Would that be definitely [yes/no] or probably [yes/no]?

<b>Definitely Yes</b>	27%
<b>Probably Yes</b>	28%
<b>Probably No</b>	11%
<b>Definitely No</b>	20%
<b>DK/NA</b>	14%

9. Right now, the exact amount of the tax increase has not been decided.

If you heard that the Real Property Transfer tax in the City of Hayward would be [READ FIRST ITEM BELOW AND CONTINUE IN SEQUENCE] \_\_\_\_\_ per \$1,000 in assessed value to preserve our quality of life through maintaining city services and facilities, would you vote yes or no on this ballot measure? [GET ANSWER, THEN ASK]: Is that definitely [yes/no] or probably [yes/no]? [READ IN SEQUENCE UNTIL ALL ITEMS ARE READ. IF RESPONDENT SAYS 'DEFINITELY YES', RECORD 'DEFINITELY YES' FOR ALL OTHER LOWER TAX RATE(S), AND GO TO THE NEXT QUESTION.]

	Mean Score	Definitely Yes	Probably Yes	Probably No	Definitely No	DK/NA
<b>9A. \$15</b>	0	24%	22%	19%	26%	9%
<b>9B. \$13</b>	0.1	29%	20%	18%	25%	8%
<b>9C. \$11</b>	0.3	35%	20%	14%	24%	7%
<b>9D. \$9</b>	0.7	45%	19%	9%	20%	7%

Computation of Mean Scores: "Definitely Yes" = +2, "Probably Yes" = +1, "Probably No" = -1, and "Definitely No" = -2.

10. Now, let's talk about how the money raised by this measure might be spent by the City of Hayward. As I read each statement, please tell me if it would make you more or less likely to vote for the measure.

If you heard that the money raised by this measure would pay for the maintenance of [INSERT RANDOMLY SELECTED ITEM FROM THE LIST BELOW]: \_\_\_\_\_, would you be more or less likely to support the measure? [GET ANSWER, THEN ASK]: Is that much [more/less] likely or somewhat [more/less] likely?

**SPLIT SAMPLE: Real Property Transfer Tax respondents; n = 500**

	Mean Score	Much More Likely	Somewhat More Likely	No Effect	Somewhat Less Likely	Much Less Likely	DK/NA
10A. Animal control and protection services	0.3	26%	31%	5%	19%	16%	2%
10B. Police services	1.1	52%	29%	4%	6%	8%	1%
10C. Fire protection services	1.0	47%	30%	5%	10%	7%	1%
10D. Emergency and disaster preparedness	1.0	50%	26%	3%	10%	8%	2%
10E. Children and teen programs and services	1.2	53%	29%	3%	8%	6%	1%
10F. City streets, sidewalks and lighting	1.0	46%	30%	5%	11%	8%	1%
10G. Traffic flow management	0.6	33%	31%	4%	16%	13%	2%
10H. Traffic safety and parking enforcement	0.2	25%	29%	7%	21%	17%	1%
10I. City trees and landscaping	0.3	26%	31%	5%	19%	18%	2%
10J. Building inspection and code enforcement	0.2	26%	26%	6%	20%	19%	3%
10K. Local business and economic development	0.5	33%	27%	3%	19%	15%	4%
10L. Local arts and cultural attractions	0.1	22%	29%	6%	22%	18%	3%
10M. Neighborhood appearance, including graffiti removal and trash cleanup	1.1	51%	28%	3%	8%	8%	2%
10N. Water conservation programs	0.6	34%	29%	4%	18%	12%	2%
10O. Protecting the environment through green practices	0.8	42%	28%	4%	10%	13%	3%

Computation of Mean Scores:

"Much More Likely" = +2, "Somewhat More Likely" = +1, "No Effect" = 0, "Somewhat Less Likely" = -1, and "Much Less Likely" = -2.



**ROTATE QUESTIONS 11 AND 12**

11. Voters will hear arguments from supporters *in favor of* the potential ballot measure we have been discussing. As I read each of the arguments *in favor of* the measure, please tell me if you would be more likely to vote “yes” on the measure, given the argument.

Supporters of the measure say: \_\_\_\_\_ [INSERT RANDOMLY SELECTED ITEM FROM THE LIST BELOW]. Does hearing this argument make you much more likely or somewhat more likely to vote “yes” on the measure--or does it have no effect?

**SPLIT SAMPLE: Real Property Transfer Tax respondents; n = 500**

	Mean Score	Much More Likely	Somewhat More Likely	No Effect	DK/NA
11A. We need additional revenue to maintain our current levels of public safety	1.1	34%	34%	29%	3%
11B. We need additional revenue to maintain our public library	1.0	30%	36%	33%	1%
11C. The measure will maintain response time for police, fire and emergency services	1.2	43%	28%	26%	3%
11D. The measure will generate locally controlled funds for Hayward needs	0.9	26%	33%	37%	4%
11E. With a \$6 million dollar deficit, the City needs additional funds to avoid cuts to critical resident services	0.9	25%	31%	37%	7%
11F. A citizen's oversight committee will monitor these new funds generated, so that they are used properly	1.0	34%	29%	34%	3%
11G. The continued use of the reserve funds to maintain city services places the City at grave financial risk, as these reserve funds are due to run out in two years	0.8	22%	32%	38%	7%
11H. Demand for city services has increased over the years, but staffing has decreased. Hayward seriously needs additional funds to maintain its current levels of service to residents	1.0	30%	33%	33%	4%
11I. The Hayward City Council has fought hard to keep taxes low. However, because of the slowing economy and rising demand for resident services, the City has no choice but to seek voter approval of additional tax revenue	0.7	19%	28%	47%	6%
11J. This measure is good for the environment, as it encourages energy conservation and the use of green, alternative power	1.0	34%	31%	33%	3%
11K. This measure provides a tax rebate to Hayward residents who use energy conservation measures, solar power or alternative energy in their homes	1.1	37%	29%	32%	3%
11O. Only those who sell property, refinance mortgage loans or transfer title will pay the Real Property Transfer Tax	0.6	15%	26%	53%	7%
11P. This measure provides a tax rebate to Hayward residents who make improvements to their homes, such as perform seismic retrofit work	0.9	29%	28%	39%	4%

Computation of Mean Scores: “Much More Likely” = +2, “Somewhat More Likely” = +1, “No Effect” = 0.

12. Voters will hear arguments from opponents *against* the potential ballot measure we have been discussing. As I read each of the arguments *against* the measure, please tell me if you would be more likely to vote “no” on the measure given that argument.

Opponents of the measure say: \_\_\_\_\_ [INSERT RANDOMLY SELECTED ITEM FROM THE LIST BELOW]. Does hearing this argument make you much more likely or somewhat more likely to vote “no” on the measure--or does it have no effect?

**SPLIT SAMPLE: Real Property Transfer Tax respondents; n = 500**

	Mean Score	Much More Likely	Somewhat More Likely	No Effect	DK/NA
12A. Local taxes are already too high in Hayward	0.7	22%	21%	54%	4%
12B. Instead of increasing taxes, public services in Hayward should be paid from the City's current revenues and reserves, even if services have to be cut	0.6	16%	21%	57%	6%
12C. The City cannot be trusted to manage any additional funds raised	0.7	21%	20%	53%	6%
12D. The City should first make cuts to staff salaries and benefits before raising taxes in the City	0.7	24%	21%	48%	6%
12E. With all the graffiti around Hayward and the slow response times to service calls, the City cannot claim that it is maintaining service levels	0.6	18%	22%	54%	6%
12F. The Hayward Unified School District is putting a \$205 million dollar bond measure on the ballot in the June 2008 election. We cannot afford to support an additional tax measure from the City as well.	0.8	25%	26%	44%	4%
12I. With property values dropping, we are already getting less money for our property. How can the City ask us to pay more taxes on the sale?	0.9	32%	19%	45%	4%
12J. This measure will triple the current Real Property Transfer Tax. This is too much of a tax increase.	1.0	35%	27%	34%	4%

Computation of Mean Scores: “Much More Likely” = +2, “Somewhat More Likely” = +1, “No Effect” = 0.

**SPLIT SAMPLE: Q14 ASKED TO GROUP 2 – RPTT; n = 500**

14. Now that you have heard a little more about the potential ballot measure, let me read you a summary of the measure again.

To preserve our quality of life through maintaining city services and facilities, such as:

[HOLD RANDOMIZATION ORDER FROM Q8]

- A. Police, fire and emergency services
- B. City streets and traffic flow
- C. City library facilities and services
- D. Youth and senior services  
and
- E. Maintaining the quality of our neighborhoods

Shall the City of Hayward be authorized to increase the Real Property Transfer Tax assessed when property is sold or when there is a title transfer?

If the election were held today, would you vote yes or no on this measure? [GET ANSWER, THEN ASK:] Would that be definitely [yes/no] or probably [yes/no]?

<b>Definitely Yes</b>	22%
<b>Probably Yes</b>	31%
<b>Probably No</b>	15%
<b>Definitely No</b>	24%
<b>DK/NA</b>	8%

**DEMOGRAPHIC QUESTIONS**

A. To begin, how many years have you lived in the City of Hayward?

<b>Less than one year</b>	1%
<b>One to five years</b>	14%
<b>Six to ten years</b>	16%
<b>Eleven to fifteen years</b>	10%
<b>More than fifteen years</b>	59%

B. Do you currently own or rent your home?

<b>Own</b>	75%
<b>Rent</b>	22%
<b>Refused</b>	3%

C. What ethnic group do you consider yourself a part of or feel closest to? [IF RESPONDENT HESITATES, READ LIST]

<b>Caucasian/White</b>	47%
<b>Latino(a)/Hispanic</b>	17%
<b>Asian-American</b>	11%
<b>African-American/Black</b>	10%
<b>Pacific Islander</b>	4%
<b>Two or more races</b>	4%
<b>Native American</b>	1%
<b>Other</b>	2%
<b>DK/NA</b>	6%

D. Please stop me when I reach the category that best describes your total household income before taxes in 2007.

<b>Less than \$20,000</b>	8%
<b>\$20,000 to less than \$30,000</b>	9%
<b>\$30,000 to less than \$40,000</b>	7%
<b>\$40,000 to less than \$50,000</b>	7%
<b>\$50,000 to less than \$60,000</b>	6%
<b>\$60,000 to less than \$75,000</b>	12%
<b>\$75,000 to less than \$100,000</b>	13%
<b>\$100,000 to less than \$150,000</b>	14%
<b>\$150,000 to less than \$200,000</b>	4%
<b>More than \$200,000</b>	2%
<b>DK/NA</b>	17%

E. Gender:

<b>Male</b>	46%
<b>Female</b>	54%

**FROM VOTER SAMPLE SHEET**

## F. Age:

<b>18 to 29 years</b>	13%
<b>30 to 39 years</b>	15%
<b>40 to 49 years</b>	19%
<b>50 to 64 years</b>	30%
<b>65 years or older</b>	21%
<b>Not Coded</b>	2%

## G. Party:

<b>Democrat</b>	61%
<b>Republican</b>	17%
<b>Other</b>	4%
<b>DTS</b>	18%

## H. Voting History:

	<b>Voted</b>	<b>Not Voted</b>
<b>Voted on 11/02</b>	50%	50%
<b>Voted on 10/03</b>	64%	36%
<b>Voted on 06/04</b>	50%	50%
<b>Voted on 11/04</b>	88%	12%
<b>Voted on 11/05</b>	68%	32%
<b>Voted on 06/06</b>	47%	53%
<b>Voted on 11/06</b>	76%	24%

## I. Times Voted - INTERVIEWERS: PLEASE COUNT THE NUMBER OF TIMES VOTED IN QH.

<b>1 of 7</b>	13%
<b>2 of 7</b>	11%
<b>3 of 7</b>	12%
<b>4 of 7</b>	12%
<b>5 of 7</b>	12%
<b>6 of 7</b>	14%
<b>7 of 7</b>	25%

## J. Absentee Voter:

<b>Never voted absentee</b>	49%
<b>1 of 7</b>	14%
<b>2 of 7</b>	9%
<b>3 of 7</b>	8%
<b>4 of 7</b>	6%
<b>5 of 7</b>	4%
<b>6 of 7</b>	5%
<b>7 of 7</b>	5%

## K. Household Party Type:

<b>Democrat (1)</b>	29%
<b>Democrat (2+)</b>	22%
<b>Republican (1)</b>	6%
<b>Republican (2+)</b>	5%
<b>Other (1)</b>	11%
<b>Other (2+)</b>	5%
<b>Democrat &amp; Republican</b>	6%
<b>Democrat &amp; Other</b>	11%
<b>Republican &amp; Other</b>	4%
<b>Democrat, Republican &amp; Other</b>	1%

**2009 CITY OF HAYWARD REVENUE MEASURE FEASIBILITY SURVEY**  
**Topline Report**  
**February 2009**

The City of Hayward commissioned Godbe Research to conduct a survey of voters in the city to assess potential voter support for a utility user tax measure to fund the maintenance of city services and facilities and preserve the quality of life and the local economy. Additionally the study was designed to assess the satisfaction with the overall quality of life in the city and the job the City is doing to provide services to its residents; survey the tax rates at which voters will support the measure; prioritize potential programs to be funded based on voter reception; and test the influence of supporting and opposing arguments on potential voter support.

### **SURVEY METHODOLOGY**

Overall, 600 voters in the City of Hayward completed the survey, representing a total universe of approximately 19,432 likely June 2009 statewide election voters. To investigate whether potential voter support for the measure differed by region of the city, certain areas were over-sampled, higher than their actual representation in the overall voter universe, as given in the table below:

Region	Un-weighted	Weighted
Area 1 - West of I-880	33.3%	26%
Area 2 - Between and including Mission Blvd. and I-880	33.3%	47%
Area 3 - East of Mission Blvd.	33.3%	27%

The study parameters resulted in a margin of error of plus or minus 3.9 percent for the overall sample of 600 voters, and plus or minus 4.8 percent for the subset of 400 likely June 2009 non-statewide election voters. Interviews were conducted from February 4 through February 11, 2009, and the average interview time was approximately 18 minutes.

Once collected, the sample of voters was compared with the registered voter population in the City of Hayward to examine possible differences between the demographics of the sample of respondents and the actual universe. The data were weighted to correct any differences, and the results presented are representative of the voter characteristics of the city in terms of gender, age, political party type, population proportion of the three areas and the likelihood of voting in the June 2009 election.

### **QUESTIONNAIRE METHODOLOGY**

To avoid the problem of systematic position bias, where the order in which a series of questions is asked systematically influences the answers, several questions in the survey were randomized such that the respondents were not consistently asked the questions in the same order. The series of items in Questions 3, 6, 7 and 8 were randomized to avoid such position bias. Further, Questions 7 and 8 were rotated so that the sample was balanced in whether they first heard arguments in favor of or opposed to the ballot measure.

### **MEAN SCORES AND ROUNDING**

In addition to the percentage breakdown of responses to each question, results for the questions relating to the importance of issues in the community (Q3), the support at various tax rates (Q5), the features of the measure (Q6), and the arguments (Q7 and Q8) include a mean score. For example, to derive the overall importance of a particular issue (Q3), a number value was assigned to each response category as follows: "Extremely Important" = +3, "Very Important" = +2, "Somewhat Important" = + 1 and "Not at all Important" = 0. The individual answer of each respondent was then assigned the corresponding number, from +3 to 0 in this example. Finally, all respondents' answers are averaged to produce a final score that reflects the overall importance. The resulting mean score makes the interpretation of the data considerably easier. Responses of "Don't Know" (DK/NA) were not included in the calculations of the means for any questions.

Conventional rounding rules apply to the percentages shown in this report, .5 or above is rounded up to the next number, and .4 or below is rounded down to the previous number. As a result, the percentages may not add up to 100 percent.

1. Generally speaking, are you satisfied or dissatisfied with the overall quality of life in the City of Hayward? (GET ANSWER, THEN ASK): Is that very or somewhat [satisfied/dissatisfied]?

<b>Very satisfied</b>	24%
<b>Somewhat satisfied</b>	52%
<b>Somewhat dissatisfied</b>	14%
<b>Very dissatisfied</b>	9%
<b>DK/NA</b>	1%

2. Are you satisfied or dissatisfied with the overall job the City of Hayward is doing to provide services to residents? [GET ANSWER, THEN ASK]: Is that very [satisfied/dissatisfied] or somewhat [satisfied/dissatisfied]?

<b>Very satisfied</b>	20%
<b>Somewhat satisfied</b>	50%
<b>Somewhat dissatisfied</b>	14%
<b>Very dissatisfied</b>	7%
<b>DK/NA</b>	8%

3. Next, I'd like to ask you about some issues in your community. For each one, I'd like you to tell me how important this issue is to you.

Here's the (first/next): Is \_\_\_\_\_ extremely important, very important, somewhat important or not at all important to you?

	<b>Mean Score</b>	<b>Extremely Important</b>	<b>Very Important</b>	<b>Somewhat Important</b>	<b>Not at all Important</b>	<b>DK/NA</b>
<b>3A. Improving the quality of public education</b>	2.3	47%	37%	11%	4%	2%
<b>3B. Reducing crime</b>	2.4	54%	37%	8%	1%	0%
<b>3C. Improving traffic flow</b>	1.8	24%	38%	32%	5%	0%
<b>3D. Removing abandoned vehicles</b>	1.6	20%	32%	37%	9%	1%
<b>3E. Maintaining the quality of our neighborhoods</b>	2.3	42%	45%	11%	1%	1%

Computation of Mean Scores: "Extremely Important" = +3, "Very Important" = +2, "Somewhat Important" = +1, "Not at all Important" = 0.



4. In the coming months, Hayward voters may be asked to vote on several ballot measures. Let me read you the description of one potential measure:

To preserve our quality of life, local economy, and maintain city services and facilities, including:

- Maintaining fire and police service levels and response times;
- Maintaining neighborhood appearance and graffiti removal services;
- Maintaining youth services that keep kids away from crime, gangs and drugs;
- Maintaining emergency and disaster preparedness services; and
- Maintaining streets, sidewalks and street lighting;

Shall the City of Hayward enact a 6.75 percent Utility User Tax on electricity, gas, cable, landline telephone, cellular, and related telecommunications usage?

If the election were held today, would you vote yes or no on this measure? [GET ANSWER, THEN ASK:] Would that be definitely [yes/no] or probably [yes/no]?

	June 2009 (Statewide)	June 2009 (Non-Statewide)	Mail Ballot 2009	November 2009
Sample size	600	400	441	282
Margin of error	3.9%	4.8%	4.6%	5.7%
Definitely Yes	26%	28%	27%	25%
Probably Yes	28%	27%	28%	26%
Probably No	17%	18%	16%	20%
Definitely No	22%	21%	22%	23%
DK/NA	6%	6%	7%	6%

5. Right now, the exact amount of the tax has not been decided.

If you heard that the Utility User Tax in the City of Hayward would be [READ FIRST ITEM BELOW AND CONTINUE IN SEQUENCE] \_\_\_\_\_ of your electricity, gas, cable, landline telephone, cellular, and related telecommunications usage to preserve our quality of life and maintain city services and facilities, would you vote yes or no on this ballot measure? [GET ANSWER, THEN ASK]: Is that definitely [yes/no] or probably [yes/no]? [READ IN SEQUENCE UNTIL ALL ITEMS ARE READ. IF RESPONDENT SAYS 'DEFINITELY YES', RECORD 'DEFINITELY YES' FOR ALL OTHER LOWER TAX RATE(S), AND GO TO THE NEXT QUESTION.]

	Mean Score	Definitely Yes	Probably Yes	Probably No	Definitely No	DK/NA
5A. 6.75 percent	-0.1	22%	25%	19%	30%	5%
5B. 6 percent	0.0	27%	23%	18%	28%	5%
5C. 5.25 percent	0.2	32%	23%	14%	27%	4%
5D. 4.5 percent	0.4	41%	20%	11%	24%	4%

Computation of Mean Scores: "Definitely Yes" = +2, "Probably Yes" = +1, "Probably No" = -1, "Definitely No" = -2.

6. Now, let's talk about how the money raised by this measure might be spent by the City of Hayward. As I read each statement, please tell me if it would make you more or less likely to vote for the measure.

If you heard that the money raised by this measure would pay for maintaining [INSERT RANDOMLY SELECTED ITEM FROM THE LIST BELOW]: \_\_\_\_\_, would you be more or less likely to support the measure? [GET ANSWER, THEN ASK]: Is that much [more/less] likely or somewhat [more/less] likely?

	Mean Score	Much More Likely	Somewhat More Likely	No Effect	Somewhat Less Likely	Much Less Likely	DK/NA
<b>6A. Animal control and protection services</b>	0.2	23%	29%	4%	24%	17%	2%
<b>6B. Police service levels, response times, and neighborhood patrols</b>	1.1	57%	23%	2%	8%	8%	2%
<b>6C. Fire protection services</b>	1.1	52%	28%	3%	9%	7%	2%
<b>6D. Emergency and disaster preparedness</b>	0.8	41%	30%	3%	14%	11%	1%
<b>6E. City streets, sidewalks, and lighting</b>	0.7	35%	35%	3%	15%	11%	1%
<b>6F. Traffic safety and parking enforcement</b>	0.1	21%	31%	4%	26%	17%	1%
<b>6G. Building inspection and code enforcement</b>	0.0	17%	29%	5%	24%	21%	4%
<b>6H. Local job and economic development programs</b>	0.8	43%	28%	4%	9%	13%	3%
<b>6I. Neighborhood appearance and graffiti removal</b>	0.5	33%	32%	3%	17%	14%	2%
<b>6J. Efforts to protect the environment through green practices</b>	0.4	30%	31%	2%	15%	19%	3%

Computation of Mean Scores:

"Much More Likely" = +2, "Somewhat More Likely" = +1, "No Effect" = 0, "Somewhat Less Likely" = -1, and "Much Less Likely" = -2.

	Mean Score	Much More Likely	Somewhat More Likely	No Effect	Somewhat Less Likely	Much Less Likely	DK/NA
<b>6K. Library hours and access to books, computers, and the internet</b>	0.5	32%	31%	3%	17%	16%	1%
<b>6L. 911 and paramedic services</b>	1.2	56%	25%	3%	8%	6%	2%
<b>6M. Adequate emergency response times by keeping all Hayward and fire stations open</b>	1.2	57%	25%	2%	7%	7%	2%
<b>6N. After school programs that keep kids away from crime, gangs, and drugs</b>	1.0	53%	24%	3%	9%	9%	1%

Computation of Mean Scores:

"Much More Likely" = +2, "Somewhat More Likely" = +1, "No Effect" = 0, "Somewhat Less Likely" = -1, and "Much Less Likely" = -2.

**ROTATE QUESTIONS 7AND 0**

7. Voters will hear arguments from supporters *in favor of* the potential ballot measure we have been discussing. As I read each of the arguments *in favor of* the measure, please tell me if you would be more likely to vote “yes” on the measure, given the argument.

Supporters of the measure say: \_\_\_\_\_ [INSERT RANDOMLY SELECTED ITEM FROM THE LIST BELOW]. Does hearing this argument make you much more likely or somewhat more likely to vote “yes” on the measure--or does it have no effect?

	Mean Score	Much More Likely	Somewhat More Likely	No Effect	DK/NA
<b>7A. We need additional revenue to maintain our current levels of public safety.</b>	1.0	35%	31%	32%	1%
<b>7B. We need additional revenue to maintain our public library.</b>	0.8	25%	32%	41%	1%
<b>7C. The measure will maintain response time for police, fire, and emergency services.</b>	1.2	44%	29%	26%	1%
<b>7D. The measure will generate locally controlled funds for Hayward needs.</b>	0.9	29%	33%	36%	3%
<b>7E. With more than \$10 million dollar deficit, the City needs additional funds to avoid cuts to essential resident services.</b>	0.9	29%	32%	35%	3%
<b>7F. An oversight committee will monitor the new funds generated, so that they are used properly.</b>	1.0	36%	28%	33%	3%
<b>7G. Without the measure the City's reserves will be wiped out and essential services drastically cut.</b>	1.0	34%	30%	32%	5%
<b>7H. Over the last five years demand for city services has increased, but staffing has decreased. Now with the loss of revenue due to the recession, Hayward cannot maintain its current level of services to residents.</b>	0.9	28%	33%	36%	3%
<b>7I. The Hayward City Council has fought hard to keep taxes low. However, because of the slowing economy and rising demand for resident services, the City has no choice but to seek voter approval of additional tax revenue.</b>	0.8	24%	30%	44%	2%

Computation of Mean Scores: “Much More Likely” = +2, “Somewhat More Likely” = +1, “No Effect” = 0.

	Mean Score	Much More Likely	Somewhat More Likely	No Effect	DK/NA
<b>7J. This measure is good for the environment, as it encourages energy conservation and the use of green, alternative power.</b>	0.9	29%	28%	41%	2%
<b>7K. This measure is fair to all rate payers since it is based on an individual's actual utility usage.</b>	0.9	28%	31%	37%	4%
<b>7L. With this measure, everyone in the City will be paying their fair share, not just property owners or businesses.</b>	1.1	39%	29%	30%	2%
<b>7M. The measure has a cap on large commercial rates to prevent businesses from being forced to pay more than their share or be driven out of Hayward.</b>	0.8	25%	29%	43%	2%
<b>7N. Low income residents and lifeline users can apply for exemptions from the Utility User Tax.</b>	1.0	34%	28%	36%	2%
<b>7O. The money spent by the city of Hayward from this measure will help stimulate our local economy.</b>	1.0	34%	28%	36%	2%
<b>7P. The tax will end in 10 years and can only be extended by voters.</b>	1.0	35%	27%	36%	2%

Computation of Mean Scores: "Much More Likely" = +2, "Somewhat More Likely" = +1, "No Effect" = 0.

8. Voters will hear arguments from opponents *against* the potential ballot measure we have been discussing. As I read each of the arguments *against* the measure, please tell me if you would be more likely to vote “no” on the measure given that argument.

Opponents of the measure say: \_\_\_\_\_ [INSERT RANDOMLY SELECTED ITEM FROM THE LIST BELOW]. Does hearing this argument make you much more likely or somewhat more likely to vote “no” on the measure--or does it have no effect?

	Mean Score	Much More Likely	Somewhat More Likely	No Effect	DK/NA
8A. Local taxes are already too high in Hayward.	0.7	24%	24%	49%	3%
8B. Instead of increasing taxes, public services in Hayward should be paid from the City's current revenues and reserves, even if services have to be cut.	0.6	18%	24%	54%	5%
8C. The City cannot be trusted to manage any additional funds raised.	0.7	23%	20%	53%	4%
8D. The City should make cuts to staff salaries and benefits before raising taxes in the City.	0.8	25%	25%	46%	4%
8E. With all the graffiti around Hayward and the slow response times to service calls, the City cannot claim that it is maintaining service levels.	0.6	17%	22%	57%	4%
8F. With a historical financial crisis on our hands, and people losing jobs, homes, and value in their retirement plans, it is a really bad idea to raise taxes right now.	1.1	40%	24%	34%	2%
8G. The City should not tax residents on fixed incomes for the utilities they need to meet basic family needs.	1.0	36%	28%	33%	3%
8H. We can't afford a local tax in addition to the 1 and 1/2 percent state sales tax that the governor is proposing.	0.9	32%	24%	42%	2%
8I. The measure automatically covers any future technological advances or changes in Federal and State law without voter approval.	0.8	27%	24%	43%	6%

Computation of Mean Scores: “Much More Likely” = +2, “Somewhat More Likely” = +1, “No Effect” = 0.

9. Now that you have heard a little more about the potential ballot measure, let me read you a summary of the measure again.

To preserve our quality of life, local economy, and maintain city services and facilities, including:

- Maintaining fire and police service levels and response times;
- Maintaining neighborhood appearance and graffiti removal services;
- Maintaining youth services that keep kids away from crime, gangs, and drugs;
- Maintaining emergency and disaster preparedness services; and
- Maintaining streets, sidewalks, and street lighting;

Shall the City of Hayward enact a 6.75 percent Utility User Tax on electricity, gas, cable, landline telephone, cellular and related telecommunications usage?

If the election were held today, would you vote yes or no on this measure? [GET ANSWER, THEN ASK:] Would that be definitely [yes/no] or probably [yes/no]?

	June 2009 (Statewide)	June 2009 (Non-Statewide)	Mail Ballot 2009	November 2009
<b>Sample size</b>	<b>600</b>	<b>400</b>	<b>441</b>	<b>282</b>
<b>Margin of error</b>	<b>3.9%</b>	<b>4.8%</b>	<b>4.6%</b>	<b>5.7%</b>
<b>Definitely Yes</b>	23%	23%	24%	21%
<b>Probably Yes</b>	24%	26%	24%	24%
<b>Probably No</b>	18%	17%	17%	19%
<b>Definitely No</b>	33%	33%	32%	35%
<b>DK/NA</b>	2%	2%	3%	2%

**Demographic Questions**

A. To begin, how many years have you lived in the City of Hayward?

<b>Less than one year</b>	1%
<b>One to five years</b>	11%
<b>Six to ten years</b>	13%
<b>Eleven to fifteen years</b>	10%
<b>More than fifteen years</b>	65%

B. Do you currently own or rent your home?

<b>Own</b>	80%
<b>Rent</b>	18%
<b>Refused</b>	2%

C. What ethnic group do you consider yourself a part of or feel closest to? [IF RESPONDENT HESITATES, READ LIST]

<b>Caucasian/White</b>	53%
<b>Latino(a)/Hispanic</b>	15%
<b>African-American/Black</b>	10%
<b>Asian-American</b>	7%
<b>Pacific Islander</b>	3%
<b>Two or more races</b>	3%
<b>Native American</b>	1%
<b>Other</b>	2%
<b>DK/NA</b>	6%

D. Please stop me when I reach the category that best describes your total household income before taxes in 2008.

<b>Less than \$20,000</b>	6%
<b>\$20,000 to less than \$30,000</b>	7%
<b>\$30,000 to less than \$40,000</b>	10%
<b>\$40,000 to less than \$50,000</b>	8%
<b>\$50,000 to less than \$60,000</b>	7%
<b>\$60,000 to less than \$75,000</b>	11%
<b>\$75,000 to less than \$100,000</b>	14%
<b>\$100,000 to less than \$150,000</b>	13%
<b>\$150,000 to less than \$200,000</b>	4%
<b>More than \$200,000</b>	2%
<b>DK/NA</b>	17%

E. Gender:

<b>Male</b>	46%
<b>Female</b>	54%



**FROM VOTER SAMPLE SHEET**

## F. Age:

<b>18 to 29</b>	5%
<b>30 to 39</b>	10%
<b>40 to 49</b>	15%
<b>50 to 64</b>	36%
<b>65 and older</b>	34%

## G. Party:

<b>Democrat</b>	68%
<b>Republican</b>	18%
<b>Other</b>	3%
<b>DTS</b>	11%

## H. Voting History:

	<b>No</b>	<b>Poll</b>	<b>Mail</b>
<b>A. Voted Recall 10/03</b>	20%	56%	25%
<b>B. Voted 6/04</b>	33%	44%	24%
<b>C. Voted 11/04</b>	6%	56%	38%
<b>D. Voted 11/05</b>	5%	51%	44%
<b>E. Voted 6/06</b>	29%	32%	39%
<b>F. Voted 11/06</b>	7%	42%	51%
<b>G. Voted 2/08</b>	40%	22%	38%
<b>H. Voted 06/08</b>	33%	24%	43%
<b>I. Voted 11/08</b>	2%	41%	57%

## I. Times Voted - INTERVIEWERS: PLEASE COUNT THE NUMBER OF TIMES VOTED IN QH.

<b>3 of 9</b>	3%
<b>4 of 9</b>	3%
<b>5 of 9</b>	11%
<b>6 of 9</b>	13%
<b>7 of 9</b>	18%
<b>8 of 9</b>	14%
<b>9 of 9</b>	36%

## J. Absentee Voter:

<b>Never Voted Absentee</b>	34%
<b>1 of 9</b>	8%
<b>2 of 9</b>	5%
<b>3 of 9</b>	5%
<b>4 of 9</b>	6%
<b>5 of 9</b>	6%
<b>6 of 9</b>	10%
<b>7 of 9</b>	11%
<b>8 of 9</b>	6%
<b>9 of 9</b>	10%

## K. Household Party Type:

<b>Democrat (1)</b>	30%
<b>Democrat (2+)</b>	27%
<b>Republican (1)</b>	7%
<b>Republican (2+)</b>	7%
<b>Other (1)</b>	6%
<b>Other (2+)</b>	3%
<b>Democrat &amp; Republican</b>	5%
<b>Democrat &amp; Other</b>	11%
<b>Republican &amp; Other</b>	3%
<b>Democrat, Republican &amp; Other</b>	1%

## L. Registration Date:

<b>1992 or before</b>	28%
<b>1993 to 1996</b>	9%
<b>1997 to 2000</b>	11%
<b>2001 to 2004</b>	21%
<b>2005 to 2006</b>	14%
<b>2007 to present</b>	16%

## M. Likely Statewide June 2009 Voter:

<b>Yes</b>	100%
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## N. Likely June 2009 Voter (non-statewide election):

<b>Yes</b>	58%
<b>No</b>	42%

## O. Likely Voter by Mail 2009 voter:

<b>Yes</b>	73%
<b>No</b>	27%

P. Likely November 2009 voter:

Yes	47%
No	53%

Attachment III: Clifford Moss Scope of Work

- Review relevant background material on Client's needs and continue collaborating with pollster to interpret survey results for optimal client communications.
- Assess Client's existing public communications efforts.
- Develop a strategy and plan to engage local opinion leaders, stakeholders and community members on City issues - and obtain their input on Client needs.
- Guide Client in early (preliminary) communications planning work with volunteers.
- Assist with ongoing communications to keep Client leaders (at City Hall) informed.
- Recommend a strategy, tools, calendar and budget to guide stakeholder and public communications and messaging for possible UUT renewal.
- Provide guidance as Client implements above public communications strategy.
- 
- Collaborate with Client and other consultants to finalize Client's measure if warranted
- Prepare Client for information-only communications environment (web, content, fact sheets, FAQs, etc.).
- Assist with internal communications to keep Client leaders informed.
- Provide ongoing project-related strategic counsel as needed.

Total Not to Exceed Contract Amount: \$50,000



# CITY OF HAYWARD

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

## Staff Report

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**File #:** RPT 15-029

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**DATE:** October 7, 2015

**TO:** Council Budget and Finance Committee

**FROM:** Director of Finance

**SUBJECT**

Meeting Schedule & Work Plan FY 2016

**RECOMMENDATION**

That the Committee receives and comments on the updated FY 2016 Council Budget & Finance Committee Meeting Schedule and Work Plan.

**BACKGROUND AND DISCUSSION**

Each year the Council Budget & Finance Committee establishes a meeting schedule and work plan. As workloads shift and priorities emerge, this schedule/plan is periodically updated. An updated plan is included with each meeting agenda for Committee review.

*Prepared and Recommended by:* Tracy Vesely, Director of Finance

Approved by:

Fran David, City Manager

Attachments:

Attachment I

FY 2016 Meeting Schedule and Work Plan



**COUNCIL BUDGET AND FINANCE COMMITTEE**  
**FY 2016 Meeting Schedule & Workplan**  
**October 7, 2015**

Meeting Location: 777 B STREET - CITY HALL - 4<sup>TH</sup> FLOOR CONFERENCE ROOM 4A  
 HAYWARD, CALIFORNIA

Meeting Time: 4:30 P. M.

Meeting Dates: The Council Budget and Finance Committee generally meet monthly on the first Wednesday of the month, except for August, due to City Council Break. Special meetings will be scheduled as determined necessary by the Committee or the City Manager.

<b>DATE</b>	<b>SUGGESTED TOPICS (subject to change)</b>
September 2, 2015	Cancelled
October 7, 2015	FY 2015 annual audit process (external auditor) Measure A renewal & City revenue generating options Measure C financing update
November 4, 2015	Investment portfolio update (external investment manager) FY 2016 Statement of Investment Policy review FY 2015 preliminary year-end Upcoming budget process: two-year budget?
December 2, 2015	General Fund Ten-Year Plan assumption review FY 2015 annual audit update FY 2016 first quarter review
January 6, 2016	FY 2015 CAFR review (external auditor) General Fund Ten-Year Plan review Preliminary FY 2016 Mid-year review
February 3, 2016	FY 2017 budget calendar City debt portfolio review
March 2, 2016	Annual benefit liabilities review (funding & risk mgmt.)
April 6, 2016	Preview of FY 2017 & FY 2018 CIP budget & Ten-Year CIP Preview of FY 2017 & FY 2018 Annual Operating Budget
May 4, 2016	FY 2017 & FY 2018 budget update
June 1, 2016	Budget policies review Benefit Liabilities funding plan review
July 6, 2016	FY 2017 & FY 2018 budget debrief

**Non-scheduled future agenda topics:**

1. Affordable Care Act review
2. Master Fee Study & Impact Fees Review