

CITY OF HAYWARD

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



CITY OF
HAYWARD
HEART OF THE BAY

Agenda

Wednesday, March 1, 2017

4:00 PM

City Hall, Conference Room 4A

Council Budget and Finance Committee

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 17-026](#) Approval of Meeting Minutes January 25, 2017

 Attachments: [Attachment I Draft Minutes January 25, 2017](#)

2. [RPT 17-033](#) FY 2017 Mid-Year Budget Review & General Fund Ten-Year
 Plan Update

 Attachments: [Attachment I Staff Report](#)
 [Attachment II General Fund Expenditure and Revenue](#)
 [Summary](#)
 [Attachment III General Fund Ten-Year Plan FY 2017 \(mid-year\)](#)

3. FY 2018 Proposed Budget Discussion (oral presentation)

4. [RPT 17-031](#) FY 2017 Meeting Schedule & Work Plan

 Attachments: [Attachment I Meeting Schedule & Work Plan](#)

FUTURE AGENDA ITEMS

COMMITTEE MEMBER/STAFF ANNOUNCEMENTS AND REFERRALS

ADJOURNMENT

NEXT REGULAR MEETING - 4:00PM, MONDAY, MARCH 20, 2017



CITY OF HAYWARD

Hayward City Hall
777 B Street
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File #: MIN 17-026

DATE: March 1, 2017

TO: Council Budget and Finance Committee

FROM: Director of Finance

SUBJECT

Draft Meeting Minutes from January 25, 2017 Regular Meeting

RECOMMENDATION

That the Committee approves the meeting minutes from the January 25, 2017 Regular Meeting.

ATTACHMENT

Attachment I Draft Minutes January 25, 2017



COUNCIL BUDGET & FINANCE COMMITTEE MEETING
Meeting Minutes of January 25, 2017

Call to Order: 4:03 pm

Members Present: Mayor Halliday, Councilmember Lamnin and Councilmember Salinas

Members Absent: None

Staff: Kelly McAdoo, Maria Hurtado, and Dustin Claussen

Guests: Cheryl Penick, Local 21 IFPTE
Rex Green

Public Comments: Mr. Green stated the City of Oakland is planning to start a publicly owned bank.

-
1. Approval of Meeting Minutes November 16, 2016. *Action: unanimous approval as submitted.*
 2. Review of Proposal from Management Partners to Update General Fund Ten-Year Plan Model. The Committee reviewed and recommended the City secure contract. .
 3. Discussion of FY 2018 Budget Process and Worksession Framework. The Committee considered and provided comments.
 4. Update on CalPERS and changes to the discount rate. The Committee considered and provided comments.
 5. FY 2017 Meeting Schedule & Work Plan. The Committee requested meetings be moved to the third Wednesday's of the month.

Committee Members/Staff Announcements and Referrals: None.

Adjournment: The meeting was adjourned at 5:14 pm



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777 B Street
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File #: RPT 17-033

DATE: March 1, 2017

TO: Council Budget and Finance Committee

FROM: Director of Finance

SUBJECT

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

RECOMMENDATION

That the Budget & Finance Committee reviews and provides comments on the report.

ATTACHMENT

- Attachment I Staff Report
- Attachment II General Fund Expenditure and Revenue Summary
- Attachment III General Fund Ten-Year Plan - FY 2017 Projected (mid-year)



DATE: March 1, 2017

TO: Council Budget & Finance Committee Members

FROM: Director of Finance

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

RECOMMENDATION

That the Budget & Finance Committee reviews and provides comments on the report.

SUMMARY

This report presents the mid-year review of the FY 2017 Adopted Budget and an update to the General Fund Ten-Year Plan for Committee consideration and comment before presentation to the full City Council. 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 General Fund revenues for year ending FY 2017 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 total \$5 million in the General Fund. Of this amount, \$3 million is tied to the restricted revenue mentioned above. The balance of \$2 million in expenditures is related to an increase to the transfer to the liability insurance fund for settlements (\$1.5 million), an increase to overtime (\$1.2 million - the majority of which is related to Police and Fire), and an increase to supplies and services (\$2.2 million). 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;
- \$258,000 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
Total Revenue/Resources	144,665	6,802	151,467
Expenditures			
Net Staffing Expense	118,023	(1,166)	116,858
Net Operating Expense	31,005	3,125	34,130
UUT Prior Year Payments Set-aside		3,027	3,027
Total Expenditures	149,029	4,986	154,015
Total Surplus/(Shortfall)	(4,364)	1,816	(2,548)

BACKGROUND

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 II 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 is to repay 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 II 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. 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.
- ❑ 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 FY2016 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) \$258,000 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 summarizes in the Chart I below, the General Fund is impacted by \$41,526 in FY 2017 and \$371,611 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>\$ (13,704.09)</u>
Total Cost to General Fund	\$ 1,024.88	\$ 122,863.13
<u>Public Works-Engineering & 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>\$ 221,270.96</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 effective January 1, 2015. 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

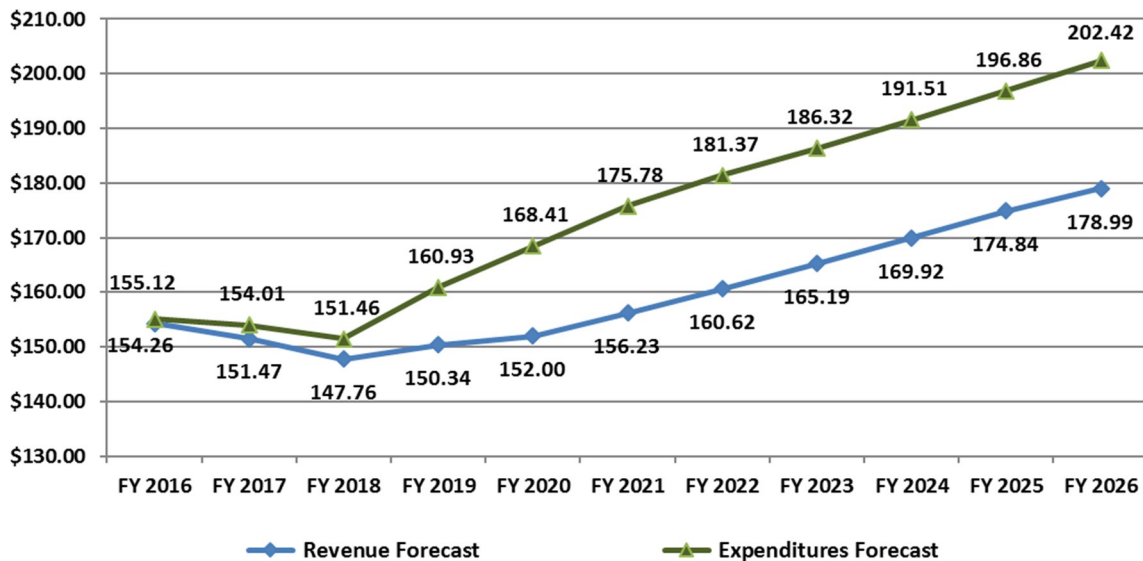
The updated General Fund Ten-Year Plan (Attachment II) includes a reduction to the projected structural gap in FY 2017 from \$4.4 million to \$2.5 million (inclusive of all mid-year adjustments – including one-time adjustments) that grows to over \$23 million by FY 2026 without additional balancing measures. 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. 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.

Chart 2: General Fund Ten-Year Forecast: Revenues & Expenditures
(Displayed in millions)



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. A more detailed description of these changes and their impact will be provided to the full Council on March 7, 2017 as part of the discussion of this item at the regularly scheduled Council meeting.

NEXT STEPS

Staff will implement any recommended changes to the reports and present the FY 2017 Mid-Year and updated General Fund 10 Year Plan to the full Council for review on March 7, 2017.

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

Recommended by: Dustin Claussen, Director of Finance

Approved by:

Kelly McAdoo, City Manager

		A	B	C	D	E
		FY 2015	FY 2016	FY 2017	FY 2017	Change \$
	(in the 1,000's)	Actuals	Actual	Adopted	Projected	(D-B)
Revenue						
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	Total Revenue	132,223	148,733	140,641	147,443	(1,290)
18	Transfers in	3,177	5,529	4,025	4,025	(1,504)
19	Total Revenue/Resources	135,400	154,262	144,665	151,467	(2,795)
Expenditures						
21	Salary	63,732	67,497	71,806	68,759	1,262
22	Overtime	6,973	7,778	5,530	7,059	(719)
23	Wages Subtotal	70,705	75,275	77,336	75,818	543
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	Benefits Subtotal	37,753	42,322	48,230	45,344	3,022
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	Net Staffing Expense	106,855	114,304	118,023	116,858	2,554
35	Maintenance & Utilities	1,007	907	1,025	756	(151)
36	Supplies & Services	9,760	8,900	6,940	8,863	(37)
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*				113	113
44	Capital Improvement Program FY 2015		3,420			
45	Non-Personnel Expenses Subtotal	30,281	34,790	31,005	34,130	(660)
46	UUT Prior Period Payment Offset	-	6,023	-	3,027	(2,996)
47	Total Expenditures	137,136	155,117	149,029	154,015	(1,102)
48	Subtotal Recurring Surplus/(Shortfall)	(1,736)	(855)	(4,364)	(2,548)	(1,693)
49	<i>*Transfers Out of General Fund Total</i>	<i>10022</i>	<i>12753</i>	<i>8603</i>	<i>10074</i>	

General Fund Ten-Year Plan - FY 2017 update

		PY2	PY1	Year 1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
		Actual	Actual	Adopted	MY Revised	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
		FY 2015	FY 2016	FY 2017	Change	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
1	Revenue														
2	Annual Property Tax	39,637	41,828	44,405	929	45,334	46,536	47,932	49,370	51,326	53,361	55,477	57,676	59,963	61,615
3	RPTTF Pass-Thru & Annual Remittance	1,866	2,331	1,600	800	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
4	One-time RPPTF	625	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Property Tax	42,128	44,159	46,005	1,729	47,734	48,936	50,332	51,770	53,726	55,761	57,877	60,076	62,363	64,015
6	Sales Tax	31,058	33,059	32,600	801	33,401	31,624	32,902	34,232	35,616	37,057	38,576	40,158	41,803	43,473
7	UUT	15,681	16,017	16,543	-	16,543	16,623	16,664	16,706	16,748	16,790	16,832	16,874	16,924	16,975
8	UUT Prior Period Payment		6,023	-	3,027	3,027	-	-	-	-	-	-	-	-	1
9	Franchise Fees	10,128	10,139	9,362	0	9,362	9,155	8,934	9,219	9,513	9,818	10,132	10,456	10,790	11,048
10	Property Transfer Tax Recurring	5,710	4,800	4,800	0	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,801
11	Property Transfer Tax One-Time (effective FY 2016)		3,049	2,354	646	3,000	3,180	3,244	3,308	3,375	3,442	3,511	3,581	3,653	3,726
12	Business License Tax	2,603	2,623	2,846	0	2,846	2,903	3,193	3,257	3,322	3,389	3,456	3,526	3,596	3,668
13	Transient Occupancy Tax	2,033	2,591	2,036	0	2,036	2,077	2,118	2,161	2,204	2,248	2,293	2,339	2,385	2,385
14	Emergency Facilities Tax	1,887	2,153	1,840	0	1,840	1,849	1,859	1,868	1,877	1,887	1,896	1,906	1,915	1,915
15	Charges for Services	9,939	12,218	11,137	650	11,787	11,360	11,587	11,819	12,055	12,296	12,542	12,793	13,049	13,310
16	Other Revenue	622	959	452	(52)	400	400	400	400	400	400	400	400	400	400
17	Intergovernmental	7,904	8,893	8,038	0	8,038	8,038	7,538	5,567	5,567	5,567	5,567	5,567	5,567	5,567
18	Fines and Forfeitures	2,413	1,899	2,014	0	2,014	2,055	2,096	2,138	2,180	2,224	2,268	2,314	2,360	2,360
19	Interest and Rents	117	151	614	0	614	621	628	636	643	650	658	666	673	681
20	Total Revenue	132,223	148,733	140,641	6,802	147,443	143,620	146,294	147,879	152,027	156,327	160,808	165,454	170,279	174,326
21	Transfers in	3,177	5,529	4,025	0	4,025	4,141	4,044	4,123	4,205	4,289	4,379	4,469	4,560	4,660
22	Total Revenue/Resources	135,400	154,262	144,665	6,802	151,467	147,760	150,337	152,002	156,232	160,617	165,187	169,922	174,840	178,986
23	Expenditures		-			0.54									
24	Salary	63,732	67,497	71,806	(3,047)	68,759	72,616	75,305	76,810	78,312	79,876	81,439	83,066	84,692	86,350
25	Overtime	6,973	7,778	5,530	1,529	7,059	5,641	5,754	5,869	5,986	6,106	6,228	6,352	6,479	6,609
26	Wages Subtotal	70,705	75,275	77,336	(1,518)	75,818	78,257	81,059	82,678	84,298	85,982	87,667	89,419	91,171	92,959
27	Medical Benefits	9,250	10,031	12,065	(1,578)	10,487	12,656	13,283	13,948	14,652	15,399	16,190	17,029	17,918	18,861
28	Dental Benefits	947	927	990	(111)	879	1,009	1,030	1,050	1,071	1,093	1,114	1,137	1,159	1,183
29	Retiree Medical (payments to current retirees)	2,248	2,810	2,846	(0)	2,846	2,903	2,961	3,020	3,081	3,142	3,205	3,269	3,335	3,401
30	Worker's Compensation	5,324	5,732	6,343	(343)	6,000	6,470	6,600	6,732	6,866	7,004	7,144	7,287	7,432	7,581
31	Other Benefits	1,976	2,133	2,067	(0)	2,067	2,109	2,160	2,205	2,254	2,309	2,362	2,417	2,475	2,535
32	PERS	18,008	20,689	23,919	(854)	23,065	23,936	27,382	30,821	33,029	35,331	37,052	38,875	40,794	42,816
33	Benefits Subtotal	37,753	42,322	48,230	(2,886)	45,344	49,084	53,415	57,776	60,953	64,277	67,068	70,014	73,113	76,377
34	Vacancy Savings (wages & benefits)	-		(2,860)		-	(2,700)	(2,000)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,499)
35	Interdepartmental (ID) Charges to other funds	(3,731)	(4,451)	(4,832)	428	(4,404)	(4,898)	(4,898)	(4,898)	(4,898)	(4,898)	(4,898)	(4,898)	(4,898)	(4,898)
36	Unemployment Self-Insurance	68	52	150	(50)	100	150	150	150	150	150	150	150	151	152
37	Salaries & Benefits Subtotal	104,795	113,198	118,023	(1,166)	116,858	119,894	127,726	134,206	139,003	144,011	148,486	153,185	158,037	163,090
38	Transfer to OPEB Liability Trust Fund*	2,060	1,106	-	-	-	1,000	2,000	3,000	4,000	5,000	5,100	5,202	5,306	5,412
40	Net Staffing Expense	106,855	114,304	118,023	(1,166)	116,858	120,894	129,726	137,206	143,003	149,011	153,586	158,387	163,343	168,503
41	Maintenance & Utilities	1,007	907	1,025	(269)	756	1,035	1,046	1,056	1,067	1,077	1,088	1,099	1,110	1,110
42	Supplies & Services	9,760	8,900	6,940	1,924	8,863	7,079	7,220	7,365	7,512	7,662	7,815	7,972	8,131	8,294
43	Internal Service Fees	11,553	13,336	14,413	0	14,413	14,560	14,708	14,858	15,010	15,163	15,318	15,474	15,632	15,791
44	Minor Capital Outlay	0	0	25	-	25	-	-	-	-	-	-	-	-	-
45	Transfer to Debt Service Fund*	3,302	3,445	3,710	(142)	3,568	3,707	3,707	3,707	3,707	3,707	3,707	3,707	3,707	3,708
46	Transfer to Liability Insurance Fund*	2,385	2,338	2,889	1,500	4,389	2,947	3,006	3,066	3,127	3,190	3,253	3,319	3,385	3,453
47	Transfer to Economic Development Fund (from RPTTF)*	350	-	350	-	350	350	350	350	350	350	350	350	350	350
48	Transfer to Capital Improvement Program Fund*	1,925	2,444	1,654	-	1,654	887	1,168	799	2,003	1,206	1,206	1,206	1,206	1,206
	Transfer to Stormwater Fund					113									
49	Transfer to Capital Improvement Program FY 2015		3,420		-	-									
50	Net Operating Expense	30,281	34,790	31,005	3,125	34,130	30,564	31,204	31,200	32,775	32,354	32,737	33,125	33,520	33,911
51	UUT Prior Year Payments Set-aside		6,023		3,027	3,027									
52	Expenditures Subtotal	137,136	155,117	149,029	4,986	154,015	151,457	160,930	168,407	175,778	181,365	186,323	191,512	196,864	202,413
53	Mid Year Adjustments														
56	Total Expenditures	137,136	155,117	149,029	4,986	154,015	151,457	160,930	168,407	175,778	181,365	186,323	191,512	196,865	202,415
57	Total Surplus/(Shortfall)	(1,736)	(855)	(4,364)	1,816	(2,548)	(3,697)	(10,593)	(16,404)	(19,546)	(20,749)	(21,136)	(21,590)	(22,025)	(23,429)
58	* Transfers Out of the General Fund Total	10,022	9,333	8,603		9,961	8,890	10,230	10,921	13,187	13,452	13,616	13,783	13,954	14,128
59															
61	Beginning Fund Balance	33,420	31,684	30,829		30,829	28,281	24,584	13,991	(2,413)	(21,959)	(42,708)	(63,844)	(85,434)	(107,459)
62	Change to Reserves	(1,736)	(855)	(4,364)		(2,548)	(3,697)	(10,593)	(16,404)	(19,546)	(20,749)	(21,136)	(21,590)	(22,025)	(23,429)
64	Ending Fund Balance	31,684	30,829	26,465		28,281	24,584	13,991	(2,413)	(21,959)	(42,708)	(63,844)	(85,434)	(107,459)	(130,888)
65	% of Expenditures (Council Policy is minimum of 20%)	23%	20%	18%		18%	16%	9%	-1%	-12%	-24%	-34%	-45%	-55%	-65%



CITY OF HAYWARD

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

File #: RPT 17-031

DATE: March 1, 2017

TO: Council Budget and Finance Committee

FROM: Director of Finance

SUBJECT

FY 2017 Meeting Schedule & Work Plan

RECOMMENDATION

That the Committee receives and comments on the FY 2017 Council Budget and Finance Committee Meeting Schedule & Work Plan.

ATTACHMENT

Attachment I Meeting Schedule & Work Plan



COUNCIL BUDGET AND FINANCE COMMITTEE
FY 2017 Meeting Schedule & Workplan
March 1, 2017

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

Meeting Time: 4:00 P. M.

Meeting Dates: The Council Budget & Finance Committee generally meet monthly on the 3rd 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.

DATE	SUGGESTED TOPICS (subject to change)
September 28, 2016	FY 2016 annual audit process (external auditor) User Fee Study Update
October 26, 2016	Investment portfolio update (external investment manager) Review of the 2016 Community Survey Questionnaire (external consultant)
November 23, 2016 November 16, 2016 (special)	FY 2017 Statement of Investment Policy Review and Delegation of Authority General Fund Ten-Year Plan Review incl FY 2016 Preliminary YE Results FY 2018 Budget Process Plan and Development Calendar
December 28, 2016 December 21, 2016 (special)	FY 2018 Budget Development Process
January 25, 2017	Review of Proposal from Management Partners to Update General Fund Ten-Year Plan Model Discussion of FY 2018 Budget Process and Worksession Framework Update on CalPERS
February 22, 2017 March 1, 2017	FY 2017 Mid-Year Review & General Fund Ten-Year Plan Update FY 2018 Proposed Budget Discussion
March 22, 2017 March 20, 2017 (Monday)	City debt portfolio review Annual Benefit Liabilities Review (Funding & Risk Mgmt.) FY 2018 budget framework
April 26, 2017 April 17, 2017 (Monday)	Preview of FY 2018 CIP & Ten-Year CIP Discussion on Mayor and City Council Department budget FY 2018 budget process update
May 24, 2017 May 17, 2017	FY 2018 Proposed Budget discussion
June 28, 2017 June 21, 2017	TBD
July 26, 2017 July 19, 2017	FY 2018 budget process debrief Biennial budget process discussion Measure C Annual Report

Non-scheduled future agenda topics:

- Performance Measurement
- Affordable Care Act – Health Care Exchange