

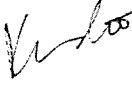
**CITY COUNCIL MEETING
TUESDAY, MAY 20, 2017**

DOCUMENTS RECEIVED AFTER PUBLISHED AGENDA

Item #1 WS 17-021

**Responses to Council Queries Related to
Proposed FY 2018 Budget**



TO: Mayor and Councilmembers
FROM: Kelly McAdoo, City Manager 
DATE: May 19, 2017
SUBJECT: Responses to Council Queries Related to proposed FY 2018 Budget

For your information, attached please find answers to various questions received from Council related to the FY 2018 proposed budget, in preparation for the Saturday, May 20, 2017 Budget Workshop.

Attachment A: Responses to Council Queries Related to FY 2018 Proposed Budget

**Attachment A: Responses to Council Queries
re: FY 2018 Proposed Budget**

#	QUESTIONS / COMMENTS	RESPONSE
1	Please clarify the 29.7% decline in Intergovernmental revenue?	<p>The decline in the Intergovernmental revenue has multiple components. First, we are projecting a conservative amount for mutual aid (Fire) in FY 2018 and the City saw the end of two significant Federal grants for the Police Department (Avoid 21 and COPS). Additionally, the FY 2018 proposed budget included a reduced amount for the Fairview FPD, as contract negotiations were underway during budget preparation, but were not complete. Terms for a service agreement between the City and Fairview Fire Protection District have been agreed to and will be presented for approval to the Board of Directors for the District on Monday May 22. Should that agreement be approved this revenue will be included in the budget provided for adoption, an increase of \$1.3 M in intergovernmental revenue over the amount included in the proposed document.</p>
2	Please clarify why supplies and services are higher in many of the budgets? (ex: City Attorney, City Clerk, Development Services, Finance, Fire, Affordable Housing, HPD)	<p><u>City Attorney's Office</u> – Increase related to additional resources needed for litigation related expenses (settlement of claims, lawsuits, and outside counsel). This increase in Supplies & Services is in the Risk Management – ISF.</p> <p><u>City Clerk</u> – Increase related to campaign forms and record storage.</p> <p><u>Development Services</u> - Increase related to increase in consultant services (Plan Checking Services).</p> <p><u>Finance</u> –In FY 2016 and FY 2017, adjustments were requested at mid-year to account for contract service costs that were previously shown as an offset to revenue, not as an expense. In FY 2018 the \$700,000 increase in the FY 2018 proposed budget is a result of budgeting correctly as an expense for the contract services. The services include Sales Tax consulting, Investment Advisory Services and Property Tax consulting and audit services.</p> <p><u>Affordable Housing</u> - Increase is to support expanded affordable housing activity and associated legal services.</p> <p><u>Hayward Police</u> – Increase in physical evidence processing services, as well as contract consulting services for vaccines in Animal Services.</p>

**Council Budget Work Session
Saturday, May 20, 2017
Budget Related Questions and Answers**

#	QUESTIONS / COMMENTS	RESPONSE
3	Items in the IT Capital improvements seem to be items we've funded in the past. Please clarify? What is the EBRCS subscription?	<p>Network Infrastructure has been, and will need to be variably funded each year as it pays for the continuous replacement of aging equipment. The increased request for this FY is due to the significant lack of funding in past years that have left systems falling out of warranty, support and maintenance. The City is currently operating technical equipment that, as it fails, have required the City to purchase replacements from the equivalent of IT junk yards. In FY2017, this type of purchase was done multiple times.</p> <p>The EBRCS stands for the East Bay Regional Communications System, which is the radio communication system used by both Police and Fire Departments. The EBRCS system requires an annual subscription, which in FY 2018, totals \$250k.</p>
4	What is contributing to the +\$8.86 million increase in non-dept/debt services expenditures this year?	This amount is made up of both debt service and "non-departmental" costs for Measure C. In FY 18 the breakdown is debt service of \$4,252,256 and non-departmental costs (staffing and liability insurance allocation) of \$4,318,419. This was presented differently in the FY 2017 Budget.
5	Please clarify the revenue item for red light cameras.	This revenue is a portion of red light fee revenue that the City receives from The Judicial Council of California and Superior Court of California.
6	What is included in Mayor and Council "fringe benefits" and why is it almost 20k higher this year?	Fringe benefits include: Medical, Dental, Vision, FICA, and Worker's Compensation. The increase is a result of a change in medical/benefit coverage.
7	Are the Integrated Library System (ILS) Annual Maintenance items listed in IT (\$120,652) and in the Library (\$106,652) budgets, different items?	No. The ILS item in IT and Library are not different items. The IT Department will include the ILS item in its budget, and the item will be removed from the Library. This adjustment will be addressed when the budget is provided for adoption.

Council Budget Work Session
Saturday, May 20, 2017
Budget Related Questions and Answers

#	QUESTIONS / COMMENTS	RESPONSE
8	Please clarify why \$32k in additional funding is requested for Library materials when there have been Measure C and fundraising dollars allocated for this purpose.	<p>The additional funding is requested for ongoing maintenance and replenishment of the new library's public circulating collection of books and media items. Each year the library purchases new books and media items as new titles are released, or when old ones wear out or are damaged, or as community needs change over time, etc. The old Main Library has room to house approximately 100,000 books and media items. The 21st Century Library facility will have room to house approximately 250,000 books and media items. In addition to the physically larger size of the library's public circulating collection, circulation (the rate at which the public borrows library materials) is expected to double, from approximately 400,000 items circulated per year in the old Main library now, to over 800,000 items projected to be circulated in the new 21st Century Library in the first year of operations. Measure C funds were specifically earmarked for construction of the new facility and a one-time increase of the circulating collection, but not necessarily for ongoing library operations or collection maintenance and replenishment. Fundraising provides a helpful boost to the library but the funds raised are limited and are typically restricted to specific one-time activities such as library programs for children and families, or one-time projects such as the new library grand opening.</p>
9	Will adding a Housing Manager position decrease our ability to fund affordable housing options?	<p>No. The Housing Manager position will increase the City's ability to fund its affordable housing goals by increasing the city's capacity to manage critically needed affordable projects, and in particular by positioning the City to compete for the "regional pools" of Measure A1 funding which include nearly \$50 million for rental housing development in mid-County, and over \$150 million in the County-wide competitive pools for homeownership projects, first-time homebuyer assistance, and innovation funds. Without this position, the City would be at stark disadvantage compared to other jurisdictions that also will be competing for these funds.</p>

**Council Budget Work Session
Saturday, May 20, 2017
Budget Related Questions and Answers**

#	QUESTIONS / COMMENTS	RESPONSE
10	What are the expanded services proposed for Paratransit?	ACTC actively encourages cities to innovate, and regularly praises Hayward for having the widest variety of city-based transportation programs in the County. The expanded services include a vehicle access program in partnership with Community Resources for Independent Living (CRIL) that provides ADA-accessible vehicles for friends and family members of mobility-challenged seniors to use for family excursions and essential trips to medical appointments, shopping and other needs; and an expanded on-demand ADA-accessible ride-sharing service for mobility challenged seniors in partnership with Lyft called Lyft Concierge which provides the benefits and convenience of ride-sharing services in a format seniors can use, including a live phone dispatch service and specially trained drivers.
11	What are the critical obligations that are proposed to be addressed by the two additional staff members in Utilities and Environmental Services?	<p>In the past six years, we have added a \$14M bio-gas condition and Co-Generation system, a \$6M solar array and inverter system, converted a defunct gravity thickener and put it in service as a \$4M fourth primary clarifier, and are working on completing the installation of a reclaimed water system. WPCF is currently in the midst of designing a \$20M recycled water project as well as a \$5M bio-solids digester system improvements project. Throughout this, maintenance staffing has remained unchanged. The modest addition of one Utilities Maintenance Mechanic and one Electrician will allow WPCF to help maintain the added facilities and eventually keep in-house some of the needed maintenance work that is currently being farmed out to private maintenance firms, and perform the work more efficiently and expeditiously by City staff.</p> <p>The addition of these two positions will also improve the WPCF's ability to respond to system emergencies related to failure of any of the systems that must remain in operation 24/7, such as the main influent pumping plant ("Headworks"), facilities used for primary treatment ("Vacuator" and "Primary Clarifiers"), or secondary treatment ("Trickling Filters", "Blowers", and "Final Clarifies") or, in the case of the Electrician, resolving issues involving motor control centers ("MCCs"), main power to the plant, numerous electrical substations, co-generation system, or solar photovoltaic system. Electricians also address and resolve instrumentation problems and troubleshoot the Supervisory Control and Data Acquisition System ("SCADA"). Some of this work is currently farmed out to outside private entities with uncertain availability during regional emergencies, a longer response time, and the added disadvantage of not contributing to increasing the institutional knowledge.</p>

**Council Budget Work Session
Saturday, May 20, 2017
Budget Related Questions and Answers**

#	QUESTIONS / COMMENTS	RESPONSE
12	Enterprise Funds - Please segregate "Other capital expenditures" into fire station retrofit, fire training center and roads. (Page 50)	<u>Pending:</u> This will be addressed when the budget is provided for adoption.
13	Enterprise Funds - Please include the \$5.3 million emergency fund balance on the summary page for the airport. We don't want to be accused of "hiding" funds like to UC. (Page 56)	<u>Pending:</u> Public Works will update its budget pages to reflect the \$5.3M emergency fund reserve for the Adopted Budget.
14	Enterprise Funds - The fleet internal service fund balance is listed at \$700,000. But in your recommendations to balance the budget you state that it contains around \$12 million. Please help me understand the discrepancy. (Page 61)	<p>The \$700,000 listed fund balance represents the for the Fleet operating ISF. The Fleet ISF consists of three separate funds:</p> <ol style="list-style-type: none"> 1. Fleet ISF – Operating, 2. Fleet ISF – Capital Replacement, and 3. Fleet ISF – Fleet Enterprise Capital. <p>The \$12M fund balance includes all three Fleet ISFs.</p>
15	City Attorney's Office - Why is the supply and services line item going up by more than \$1 million? I don't see anything in the metrics or goals to explain the increase. (Page 89)	This is to support expenses related to high value cases currently anticipated to land in FY 2018. While the increase is significant over the originally adopted amount, it is closely aligned to the amount approved at mid-year FY 2017.

**Council Budget Work Session
Saturday, May 20, 2017
Budget Related Questions and Answers**

#	QUESTIONS / COMMENTS	RESPONSE
16	City Manager's Office - Can we begin to review and update the opportunity site list in 2018, including a review of surplus city properties? To be completed in 2019, perhaps? (Page 110)	Yes. Completion date is yet TBD, however, further information will be forthcoming from the Economic Development Team.
17	Development Services - Goal #9: Please provide the mural art GIS mapping overlay to Council. (Page 137)	Following link: http://arcg.is/LeLCb (if you click into a dot, you can see pictures captured, artist, installation info., etc.).
18	Development Services - Goal #4: Please elaborate on this item during the Saturday work session. (Page 141)	Updating the City's form-based codes. Staff will incorporate this into the Saturday DS department presentation at the Saturday Budget Work Session.
19	Development Services - What does this page summarize? Are these the LLD combined budgets? (Page 150)	Budget page is related to the Park Fund accounts, not LLDs.
20	Finance - Is the \$700,000 increase in supplies and services justified by the budget balancing efforts and the business license fee review? (Page 158)	In FY 2016 and FY 2017, adjustments were requested at mid-year to account for contract service costs that were previously shown as an offset to revenue, not as an expense. In FY 2018 the \$700,000 increase in the FY 2018 proposed budget is a result of budgeting correctly as an expense for the contract services. The services include Sales Tax consulting, Investment Advisory Services and Property Tax consulting and audit services.
21	Fire - What is the "real time performance dashboard"? (Page 171)	Chief Contreras will address during the Fire Department presentation at the Saturday Budget Work Session.
22	Human Resources – Goal #1: Status: Remove extra word "costs." (Page 181)	<u>Pending:</u> This will be addressed when the budget is provided for adoption.

**Council Budget Work Session
Saturday, May 20, 2017
Budget Related Questions and Answers**

#	QUESTIONS / COMMENTS	RESPONSE
23	Human Resources - Goal# 2 & 3 are duplicates. Neither list the 4 bargaining units. (Page 187)	<u>Pending:</u> This will be addressed when the budget is provided for adoption.
24	IT - Do we have a choice with the ILS or Sharepoint contract increases? (Page 199)	<p>Office 365 SharePoint = \$40,000 COHnet, our intranet site is housed on servers that are at the end of life and the site itself has become stale. The City is moving to a SharePoint Intranet site hosted by Microsoft for a dynamic site that can be easily updated with information relevant to today. It will be a hub where everyone will go to for information, fill out forms or provide information required by other departments.</p> <p>To help everyone with the transition to the new intranet we are going to require help in training all staff on the capabilities of SharePoint and how to navigate and use SharePoint. We are offering training when we launch the department sites and once a month after as refreshers of how to use the different applications of Office 365: OneDrive, SharePoint, Skype, Yammer and when to use what.</p> <p>SharePoint Storage = \$13,000 per year The servers that house the Department file shares are at the end of life and to maintain the servers out of warranty would cost \$100K+ per year. Microsoft charges for storage by GBs of data and this funding would pay for the additional storage required to move the terabytes of data current stored on what is known within the City as the T drive.</p>
25	Library & CS – Goal #1: Shouldn't the demolition of the old library and the construction of heritage Plaza be the responsibility of the Public Works engineering and transportation department? (Page 210)	Yes. Public Works is the Project Manager of the construction phase of the Library and LCS is the Project "owner" as ultimately the facility will be turned over to LCS after construction completion. The Project Manager and the Project Owner work collaboratively and in coordination to ensure the construction of the facility meets the operational needs. It is for this reason that this goal was included in the LCS department page.

Council Budget Work Session
Saturday, May 20, 2017
Budget Related Questions and Answers

#	QUESTIONS / COMMENTS	RESPONSE
26	Library & CS – Goal #2: "Create and sustain a <u>Housing Affordability Division</u> within the department..."? Council cares about affordable housing, but I don't think we've instructed staff to go that far. (Page 210)	The re-alignment and centralization of affordable housing related services into one division is recommended an organizational restructure intended to meet the City's emerging need. This re-engineering effort intends to provide a coordinated service delivery, centralized point of contact, and align resources with service expectations and Council priorities, to include assistance with displacement issues, tenant-landlord problems, recent issues related to rent increases, housing discrimination, and a host of other displacement concerns that will require a coordinated response and service strategy.
27	Library & CS - Needs a performance measure for opening the new library in 2018. (Page 211)	Yes. Staff will develop a performance measure to address the opening of the new library and will be included prior to final adoption.
28	Library & CS – The ILS System maintenance is included in both the Library and IT department budgets. (Page 212)	The IT Department will include the ILS item in its budget, and the item will be removed from the Library. This adjustment will be addressed when the budget is provided for adoption.
29	Library & CS - Page 212 lists a new FTE for community program specialist. It lists the measure BB paratransit fund as a source of funding. But pages 223 & 224 do not show a corresponding salary increase. (Pages 212 & 242)	<p>This will be corrected when the budget is brought back for adoption.</p> <p>The cost of adding the new Community Programs Specialist position is being offset by eliminating the Senior Property Rehabilitation Specialist position. The budget book narrative erroneously does not list the eliminated position and resulting cost savings, which fully offset the cost of the new position.</p>

Council Budget Work Session
Saturday, May 20, 2017
Budget Related Questions and Answers

#	QUESTIONS / COMMENTS	RESPONSE
30	<p>Library & CS - The education services fund appears to be new this year. Please explain where this money is coming from and how this proposed budget differs from last year's allocation for the same services. Based on previous conversations, I would have estimated this fund at around \$250,000 so I'm surprised to see nearly \$1,000,000. (Page 229)</p>	<p>The Education Services is a "new" division but the expenses have historically been included in a different division within the LCS budget, therefore the creation of the Education Services Division has no fiscal impact and is created to more clearly describe the services within LCS.</p> <p>In previous fiscal years, the expenses related to Education Services were part of the Library Services and Administration funds (pp. 219 and 218, respectively). The new fund designation will more accurately reflect the operational structure of the department.</p>
31	<p>Maintenance - Has the set of litter and graffiti hot spots changed in the last year? I've noticed some of the areas that were getting cleaned up on a regular basis <u>seem</u> to be getting cleaned up less frequently in the last year. Note: I previously asked about this via email.</p>	<p>In regards to litter hot-spots, the locations selected and assigned to our Measure C litter crew from inception have not changed and we continue to monitor those locations on a regular basis. As the program, has progressed and as resident behavior changes, we add additional locations onto the list of locations which are responded to on a scheduled basis. Large scale dumping and graffiti, requests for service via Access Hayward continue to trend upwards, we attribute this to our outreach to the community and the City's encouragement to submit all requests. Total cubic yardage (trash) and square feet (graffiti) remain relatively flat in comparison, we attribute this trend to proactive measures and deterrents used by staff such as video surveillance, enforcement of the illegal dumping ordinance, mobile and fixed signage and overall community knowledge that these activities are illegal. We continue to see our heaviest activity in South Hayward in multi-family neighborhoods.</p>

**Council Budget Work Session
Saturday, May 20, 2017
Budget Related Questions and Answers**

#	QUESTIONS / COMMENTS	RESPONSE
32	Maintenance - Landscaping: based on current staffing levels for the landscaping division, what should be Council's expectation for the level of maintenance in LLD and other public landscape areas? I can expand on this on Saturday or 1-on-1.	Most of the landscape maintenance in both the LLD's and public landscape areas are being maintained by a contractor. It is the responsibility of the City's Landscape Manager to oversee these contracts and ensure the contractors comply. With respect to LLD and other city-owned areas that are maintained by the City's Landscape division, we are not requesting additional FTE in FY 2018. The entire MS Department continues to implement additional technological resources to field staff such as iPads to increase response time to resident requests.
33	Maintenance - Does metric #8 imply the 20% of our vehicles are out of service at any given time? (Page 244)	Yes. This metric is specific to the HPD Patrol fleet baseline of 45 cars. Due to a combination of causes such as preventative maintenance, vehicle accidents and Patrol cars secured for investigative purposes, our goal is to be sure that HPD has no less than 36 operational Patrol cars at any time during the FY. It is not uncommon for a vehicle involved in a collision which requires total replacement to be out of service 60-90 days until it's replacement arrives. For the reasons, the Fleet Division starts each FY with no less than four fully-outfitted Patrol cars in reserve status stored at the Corporation Yard. In the rare instance in which we have multiple vehicles out of service we simply insert reserve units until front-line vehicles are ready to be placed back into service.
34	Police – Goal #5 Are "winter storm, Hayward eyes program, etc." Council priorities? (Page 264)	The Winter Storm investigation and the Hayward Eyes program align with the Council priorities as they are aimed at increasing gang documentation and decreasing crime. Between October 2015 and November 2016 there were 6 gang murders and 6 separate gang related shootings between East Las Palmas (ELP) vs Latin Crew (LC) and Donald Block Gang (DBG). During our response to the gang violence which began with the re-focus of the Narcotics Unit in November 2016 there have been no gang related murders or shootings in the City of Hayward. It is also important to note that we prevented three homicides and one armed robbery from occurring during the operation of Winter-Storm.

**Council Budget Work Session
Saturday, May 20, 2017
Budget Related Questions and Answers**

#	QUESTIONS / COMMENTS	RESPONSE
35	Police – Goal #11: Is that a 47% decrease in auto accidents citywide? If so...that's impressive! (Page 266)	Reduce the number of traffic accidents at identified High Accident locations: During the FY, there was a 47% decrease in collisions at the identified high accident locations where directed enforcement was conducted. There was a 21% decrease in collisions City-wide this fiscal year compare to an 11% increase the previous FY.
36	Police – Goals #23: Decreased by how much? (Page 268)	Decrease the number of alcohol-related violations by licensed establishments: During FY15/16, 27 citations were issued to alcohol establishments compared to 17 citations issued to date this fiscal year.
37	Police - Goal #16: Does this aim for a reduction in traffic accidents citywide? Or only at identified high-traffic locations? (Page 273)	Reduce the number of traffic accidents City-wide. This was an inadvertent duplicate from Pg. 266 Goal #11 and this goal was intended to provide City-wide collision statistics, not just those at identified high accident locations. There was a 21% decrease in collisions City-wide this fiscal year to date compare to an 11% increase the previous FY. Due to increased staffing in the traffic bureau (2 additional officers), balanced Citywide and High-Collision Zone enforcement resulted in a DECREASE in BOTH categories, providing safer travel on our roadways, thus meeting the City Council objective of reducing traffic collisions. NOTEWORTHY: Per the National Highway Traffic Safety Administration, calendar year 2016 saw a record increase in injury and fatal collisions nationwide, but locally we managed to decrease these numbers. Lastly, the increased staffing also allowed the Traffic Bureau to respond to individual complaints by the community, building a partnership with them by making our traffic officers more accessible.
38	PWET - I am very hopeful that the intersection improvement study will provide an opportunity to review the way we manage our intersections. I see this as having great potential to enable us to move vehicles more efficiently through Hayward. (Page 293)	<u>Pending:</u> PW staff is researching further, and will address during Saturday's PD Presentation

**Council Budget Work Session
Saturday, May 20, 2017
Budget Related Questions and Answers**

#	QUESTIONS / COMMENTS	RESPONSE
39	PWET - Who is the deputy director of public works? (Page 298)	<u>Pending:</u> PW staff is researching further, and will address during Saturday's PD Presentation
40	PWET - Does the "all funds summary" truly reflects all funds? I don't see the CIP project funding listed here. Should they be? This appears to differ from how the utilities and environmental services department accounts for non-general fund expenses, for example. (Page 299)	<u>Pending:</u> PW staff is researching further, and will address during Saturday's PD Presentation
41	U&ES - Please include the COMPLETED, ONGOING, NEEDS IMPROVEMENT, etc. summaries that other departments utilized under "Status." (Page 305)	Status categories (completed, ongoing, etc.) have been included in the revised Department narrative document for the Adopted Budget.
42	U&ES – Goal #10: Is that Microvi's product? (Page 307)	The intended technology for this project is ZeeLung Membrane Aerated Bioreactor (MABR) for Wastewater, developed by GE, and implemented at the WPCF in cooperation with Black & Veatch consulting engineers. It is not Microvi's technology.
43	U&ES - Does the "Goal # or %" column represent how we did in FY 2017 on the departments performance metrics? (Page 308)	The Performance Metrics "Goal # or %" column has been updated in the Department narrative document for the Adopted Budget. The original version showed FY 2017 progress, but the revision now reflects the metrics and measurement values for FY 2018, which may be more appropriate and consistent with others.

**Council Budget Work Session
Saturday, May 20, 2017
Budget Related Questions and Answers**

#	QUESTIONS / COMMENTS	RESPONSE
44	U&ES - Am I reading correctly that 0% of the departments \$76 million budget is covered by the general fund? If so, that is tremendous! (Page 309)	In FY 2017 the U&ES Department has \$50,571 in expenditures budgeted in the GF, which consists of Solid Waste Program costs, as detailed below: a. \$47,642 – salary and benefits b. \$2,929 – miscellaneous supplies The remainder of the Department’s expenditures are budgeted in the Water, Wastewater, & Stormwater Enterprise Funds, or the Recycling Special Revenue Fund.

Passport Program



United States Department of State

*San Francisco Passport Agency
450 Golden Gate Ave
3rd Floor
San Francisco, CA 94102*

May 8, 2017

Hayward City Council
Hayward City Hall
777 B St.
Hayward, CA 94541

Dear Hayward City Council,

I am writing today to express my appreciation for the public service that the Hayward City Clerk's Office provides by offering passport acceptance services.

This August will mark the 10 year anniversary of the Clerk's Office's designation as a passport acceptance facility. For a period of about 3 years, the Clerk's Office was the only office providing passport services to the people of Hayward, and it remains one of only two passport acceptance facilities in the city of Hayward.

The Clerk's Office continues to provide a valuable service to the community by accepting revenue-generating passport applications during this high-volume period. You may have seen news reports regarding a surge in passport applications this year. The Bay Area was especially hard hit, and most acceptance facilities have seen a large increase in passport applications. The Hayward City Clerk's Office is vital to providing passport services to the city of Hayward and surrounding areas.

The excellent customer service the Clerk's Office provides is a credit to the City of Hayward, and I look forward to continuing the passport partnership.

Please do not hesitate to contact me at the number below with any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sara Parham', with a stylized flourish at the end.

Sara Parham
Customer Service Manager
San Francisco Passport Agency
415.538.2741
parhamst@state.gov



CITY OF MILPITAS

455 EAST CALAVERAS BOULEVARD, MILPITAS, CA 95035-5479
GENERAL INFORMATION: 408-586-3000 www.ci.milpitas.ca.gov

May 19, 2017

City of Hayward
Attn: Mayor and City Council
777 B Street
Hayward, CA 94541

RE: Continued Service for US passport application

Dear Mayor Halliday and Members of the City Council:

I'm writing to offer my support for the continuation of the valuable service offered in the City Clerk's office at the City of Hayward, namely the US Passport Application Acceptance Agency. Having more than one facility in any Bay Area city for citizens to apply for passports is essential. Demand for US passports has skyrocketed over the past year, and I for one have been urging the Passport office in San Francisco to add more facilities, especially in the city to our north, Fremont (currently, only one Post Office available there).

Allowing diverse and multiple facilities for American citizens to apply for US passports is necessary during the burgeoning economy with more people than ever naturalizing as US citizens, wanting to travel. Because I manage a program here at the City of Milpitas, I know that there would be a negative impact on the local Post Office if a City chose to cease passport service, or even if the City Clerk's office chose to reduce hours of service. My office accepts close to 2,000 passport applications each year, and I anticipate increasing that number in the next fiscal year with additional staffing. Meanwhile, the Milpitas post office accepts close to 10,000 applications.

If any facilities in the Bay Area stop offering passport application acceptance, the burden increases on all other facilities. For example, the City Clerk's office at the City of Union City used to offer the service and stopped about 7 years ago. That immediately caused more demand on your City and Milpitas as the closest City Halls to receive customers. If City of Hayward chose to stop the service, the burden would fall to cities such as Oakland, San Ramon and even Milpitas 20 miles away.

Also, since I am a resident of your City, I want to refer my friends, family and neighbors to the City of Hayward City Clerk as a comfortable and handy place to apply for their passports.

Please continue to offer US Passport Application Acceptance at City Clerk's office in Hayward.

Sincerely,

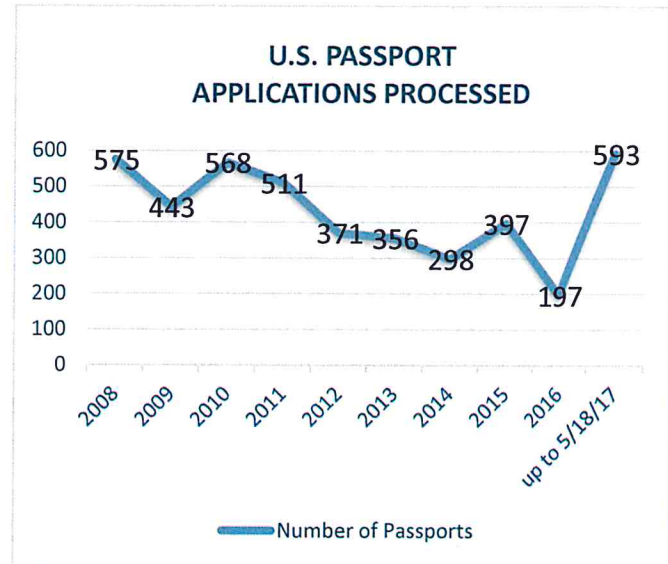
Mary Lavelle, CMC
Milpitas City Clerk
and resident of Hayward

PUBLIC SERVICE: U.S. PASSPORT PROGRAM

PURPOSE: Continue the U.S. Passport Program in the City Clerk's Office by adding a 1.0 FTE entry level staff for the provision of passport services, and offset the staffing cost by the revenue generated from the self-sufficient program.

BACKGROUND

- The City Clerk's Office became a U.S. passport acceptance facility in 2008.
- Passport fees are set by the U.S. Department of State with a \$25 per application fee payable to acceptance facilities.
- Processing takes approximately 15 minutes per application.
- Passport revenue from 2008 to present has fluctuated over the years based on number of applications processed, staff availability and competing core service priorities.
- Since December 2016, the demand for U.S. passports has drastically increased due to the new administration and recent immigration policy, and more individuals becoming naturalized U.S. citizens.
- The Passport Program continues to attract individuals to downtown and helps revitalize the local economy.



- The City Clerk's Office and the Hayward Post Office are the only acceptance facilities in Hayward (passport applicants have come to Hayward from as far as Tracy and San Jose).
- There are only five municipalities in Alameda County (Alameda, Albany, Berkeley, Hayward, Livermore) and 15 post offices that provide passport services.

OUR CUSTOMERS

- Everyone, including Hayward residents and business owners
 - Note: Between April 1, 2016 and March 31, 2017, there were 6,011 passport applications submitted that listed zip codes 94544 and 94541.

- City staff and their families
- Council Members and members of the City's boards, committees, commissions, and task forces

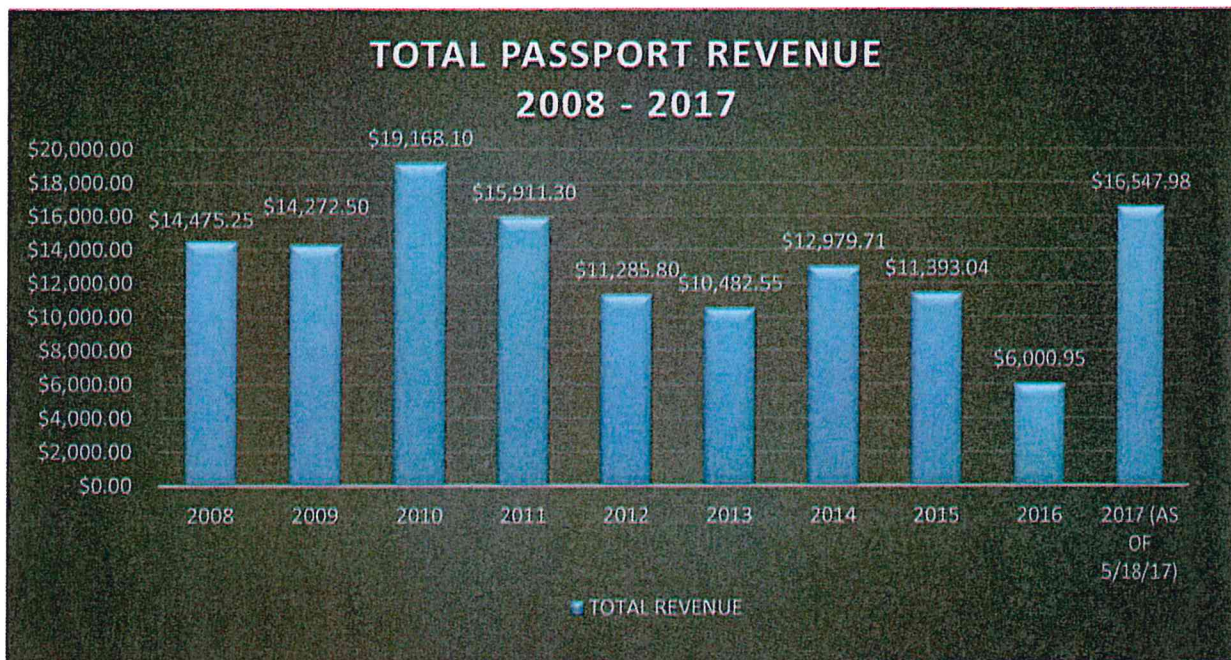
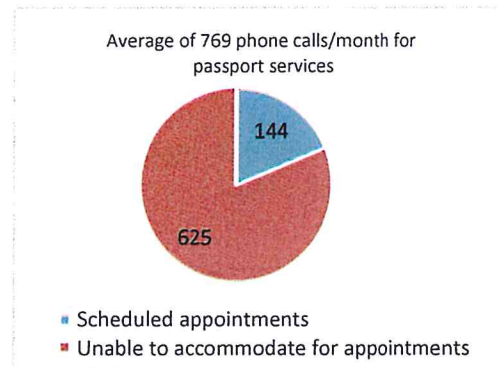
PUBLIC SERVICE: U.S. PASSPORT PROGRAM

PILOT PROJECT:

Due to a high demand for passport services and high volume of telephone calls, the City Clerk's Office embarked on a pilot project at the end of December 2016. Using salary savings, the office added a temporary part-time Admin Clerk to help continue the Passport Program.

Statistics (January 23 to May 18, 2017):

- 39 telephone calls per day related to passports and 769 calls per month
- Average of five minutes spent per passport call
- 625 callers per month who could not be accommodated for passport appointments
- 144 appointments per month
- 593 passport applications processed (1/23 – 5/18)
- \$16,547.98 revenue generated (1/1 – 5/18)
- 0.5 FTE (Temporary Admin Clerk) dedicated to passport services (staffing cost of \$9,074.57 for the period of 1/23 to 5/12)



Program Model:

- The City of Sacramento has served as a passport acceptance facility since 2004.
- The revenue generated by the City of Sacramento fluctuated from 2004 to 2012 and experienced a steady increase from 2012 to present with a total revenue of \$92,137 in FY15-16.
- The City of Sacramento is a self-sufficient passport acceptance facility. Revenue generated from the program goes to pay an entry level staff to provide the service and to support citywide technology efforts.

PUBLIC SERVICE: U.S. PASSPORT PROGRAM

RECOMMENDATION

- Continue to provide passport services, but not at the current staffing level of 4.0 FTE. Salary savings used for the temporary Admin Clerk will be depleted at the end of June 2017.
- Change the Passport Program to operate as a self-sufficient program for the duration of FY 2018 to address the high demand for passport services.
- Evaluate the Passport Program at the end of FY 2018 to assess the number of passport applications processed and revenue generated.
- Add a 1.0 FTE Admin Clerk at first step (lowest paid employee) to continue to provide passport services, and offset the estimated staffing cost of \$77,577 with the \$86,400 projected revenue. The estimated cost of 0.5 FTE Admin Clerk at first step is \$41,710.



- Based on data collected, the office projects to receive an average of 14 applications per day, 66 per week, 288 per month, and 3,456 applications per year.
- Based on data collected, the office projects a revenue estimated at \$350 per day, \$1,650 per week, \$7,200 per month, and \$86,400 per year.

COMMENTS FROM THE PUBLIC

A total of 26 written comments were received from the public in favor of continuing the Passport Program. The comments captured the following sentiments:



PUBLIC COMMENTS

Jerry Turney

CAC Chairman, Senior Zermeno ask us to organize as task force and work with the CAC going forward.

We have formed an eight person team we call The 206 Hangar Group.

We have a representative cross

section of pilots on this team which includes engineers, accounting firms, master mechanics and a historian.

All of the pilots are professionals and are eager to promote the long term viability of general aviation at the Hayward Executive Airport.

Our concern is the long lasting effect of this year's process. We were given no warning that protocols had changed. Administrators have been non-responsive. We are enthusiastic about working collaboratively, but don't have the time of day for any of this if we are going to be jerked around as we were in 2007.

Let's put something together that is defensible working together. The ball is in your court.

Thank you in advance for helping us put our heads together on this interesting and important work.

Good morning,

We pointed out to the Council that 2017 is **not** a *fair market value* rent increase year.

Some reply that the past two rent increases were raised according to the *consumer price index*. Accordingly, this year is a *market year*.

Hold on!

The 2013 rents were raised 4% but CPI was 1.8%.

Then the 2015 rents were raised 4% but CPI was 1.9%.

So, no, 2013 and 2015 were *not* CPI years. *Some Council Members are not calculating CPI IAW the AMP formula, circa 1999.*

We don't have a clue what the 4% referred to, but it certainly wasn't based on the 2013 or 2015 *consumer price index*.

So what was that? That question takes us to the heart of our struggle. We are trying to figure out what the City Council is doing. The staggering 2017 10% hangar rent increase just doesn't add up.

We are pilots. Perhaps this will help. Our world is different. We operate on correct procedures with a reliable understanding of numbers.

So, we don't just climb in our airplane and take off? That would never happen.

We ask the tower for permission to taxi. We ask the tower for permission to take off.

The tower says, Mooney 175KT, cleared to San Jose, squawk 4321, fly runway heading, climb to 400', turn left to 160, climb to 2000', expect higher in 5 min.

We repeat back word for word what the tower said. Approximate won't cut it. We have to be exact.

If we mess up, the tower corrects us until we get it right.

If we still can't get it right, the tower directs us to the run up area for further instruction. Getting it right is a big deal.

This 10% hangar rent isn't right, and that is a big deal. The 10% rent increase is NOT cleared for take off July 1, 2017. We are not good to go.

Let's return to the run up area and get the 2017 hangar rent increase right.

Please delay the July 1 rent increase until we can work together and get the numbers right.

Thank you,

Jerry Turney, The 206 Hangar Group
(8) wyldrydes@me.com

Hayward Hanger Rent History, 2005-2017

CPI formula: $(2015 \text{ CPI} + 2016 \text{ CPI}) / 2 \times .75 = 2017 \text{ CPI}$

		ANNUAL DATA	1999 CPI FORMULA	RENT INCREASES	
<u>CPI</u>	<u>2005</u>	<u>2.0%</u>		2.7%	
	<u>2006</u>	<u>3.4%</u>			%
<u>FMV</u>	<u>2007</u>	<u>3.8%</u>	<u>2.0%</u>	2.9%-23%	<u>RENT 2.9-23% CAC: 3%?!)</u>
	<u>2008</u>	<u>0.0%</u>			
<u>CPI</u>	<u>2009</u>	<u>2.6%</u>	2.9%	2.9%	<u>actual</u>
	<u>2010</u>	<u>1.5%</u>			
FMV	2011	2.9%	1.5%	1.7%	actual
	2012	2.2%			
CPI	2013	2.6%	1.8%	4.0%	actual
	2014	2.7%			
FMV	2015	3.2%	1.9%	4.0%	actual
	2016	3.0%			
CPI	2017		2.3%	10.0%	

TO: Aircraft Owners And Pilots Association Public Comments
May 20, 2017 May 20, 2017

Ms. McCaffrey,

Fellow AOPA member Tom Camp recently contacted you about new-shocking-hangar rent developments at our Hayward Executive Airport. We have a long, active, and nurturing general aviation community that has thrived for 75 years. We are under siege oddly by our 1990's AOPA Award-winning airport manager, Doug McNealy, Director of public works, Mr. Fakhrai, and the Hayward City Council.

In response, we have organized a task force, aka The 206 Hangar Group. I have added you to our contact list so you can keep track of our efforts as we support general aviation viability at our airport.

#

For context, you should know the Hayward Airport was deeded to the City in 1947. The airport was built as a WWII fighter training facility and was home to P-38s and P-51s during the war.

75 years ago, the City received the title to the airport and its nearly 1,000 acres. Beginning in 1961 and through 2005, airport management has sold off more than 400 of those 1000 acres for non-aviation related business. The City was obligated to invest the sale-of-land money in the capital development of the airport.

In 1951, the airport built ten hangars which are highly prized rentals to this day. In 1968, 48 additional hangars were constructed. In 1983, the final 148 general aviation hangars were constructed. Thus our task force name: The 206 Hangar Group.

Today, the 206 hangars are the largest generators of airport revenue, with 2016 hangar rent revenue reaching \$1,070,000. We generate more airport income than the biggest FBOs by a considerable margin. The 206: APP, 4:1, The 206: Meridian, 4:1, The 206: Ascend Development, 10:1, The 206: Bud Field Aviation, 38:1 or The 206: Airport Plaza, 6000:1. The 206 Hangars comprise the economic "big dog" at the Hayward airport.

#

In 1999, management hired a consultant to develop the Airport Master Plan (AMP). The AMP was published in 2002. It is thorough, including copies of the 1947 deeds of trust, airport history, plus a listing of early developments. The AMP observed types and levels of aviation activities historically and forecast probable operations for a future generation. Perhaps most importantly, the report sets forth long-term development plans, and recommendations for City owned hangar expansion as a method of ensuring long-term airport financial stability. Thus, the AMP is our canonical work on which we anchor our observations and ground our monitoring of transitory management personnel who sometimes briefly inhabit airport offices.

The City Manager took office in 2016. The public works director assumed his position in 2013; the airport manager was hired in 2011. My fifty years at the airport makes me one of the younger ones compared to Ben Henderson, the leader of the Bay Area Black Pilots Association, or the four Tuskegee Pilots who made Hayward their home. Our long, rich legacy is under siege by "newbies," and we desperately need all the help we can get.

#

Two decades ago, the AMP set out a formula to normalize the process for increasing hangar rents. That formula made rent increases bi-annual with the increase alternating between the area consumer price index (CPI) and the fair market value (FMV). So, rents would be adjusted according to the market every four years with the increase in the middle two years controlled by local CPI (2017-CPI,1.8%; 2015-FMV, 4%; 2013-CPI 4%; 2011-1.6%)

We have rent increase records back to 1991. During the past twenty years, hangar rent increased regularly, but unremarkable, until 2007. That year—like this year—a consultant was hired to determine the fair market value (FMV) of the 206 hangars. In 2007, (and similarly in 2015) the expert claimed mysteriously, that our hangars were 40% below market value. They were not. This year, the complaint is, the 206 hangars are 50% below market value. They are not.

We have pointed out to the Council that increases are biannual and alternate between CPI and FMV and have done so since 1999. FMV is elective, a manager may use it every four years or not, as they see fit. But two decades of past practice shows 2007 was the first time the administration used FMV as an assessment to raise rents.

The 2017 twist is, the airport manager allegedly used consumer price index (CPI) during the last two FMV years, which is his option because FMV was designed as a safety feature that would protect airport revenue during a time of hyperinflation such as in the 1980s. People who participated in the formulation of FMV recall the concern was CPI during a time like the 1980s 21% interest rates would skyrocket hangar prices destroying general aviation roll at the airport (Source: California Airways, circa 1990).

The consultants claim in 2007 that rents were 40%—in 2017 are 50%—below market rate. That is misleading. Two years ago, when they could have "adjusted" the rate, they used 4%. We can only wonder why, if we are 50% behind the market, management will raise rents 4%. Unfortunately, the administration and Council now is asking us to believe that we have fallen behind 50% in two years. That is just not plausible.

#

More than a few pilots believe administrators and Council are laying the groundwork which will ultimately destroy general aviation and our hangars at the Hayward airport. This year's troubled consultant's report unfortunately provides a shield for the 50% rent increase. The Council plans to spread this rent hike--a draconian general aviation killer--with torturous 10% rent hikes, 2017 to 2021.

The final nail in the coffin Hayward's general aviation coffin may be next year's shady consultant's report. This one will *evaluate* supposed maintenance needs of our steel boxes--the 206 hangar. The report will recommend "required" maintenance for the steel boxes/hangars. It will estimate the cost of that maintenance. It will opine whether the cost is justified given the age of the steel hangars. The report will recommend destruction is it feels the "cost/benefit" is too expensive. *Here's the big deal.* The next report--2018--will recommend the **best use** of the land of the *demolished hangars*.

Note: Last year's report, complete with photographs, said our steel box hangars are in "**good**" **condition**. If a demolish recommendation is made, we know 2017's "good condition" was phony or 2018 is phony. Most people know, a steel box will not deteriorate in 12 months. You can't have it ways.

#

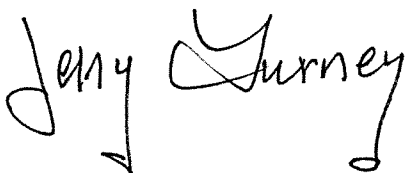
What is the engine driving our airport drama? Ten years ago, we should point out, there were three jets and turboprop AC based at Hayward. Today there are Sixty-five. Very likely, one hundred and thirty jets are in the future of our airport. That is a safe bet because this year APP Jet Center and the Meridian FBO opened for business.

Selling off 40% of the airport's property years ago has made today's airport land a premium asset. Unfortunately, the airport's largest economic engine--206 City hangars--are bizarrely in the crosshairs of our transitory airport administrators. We are amazed but not amused.

The question facing general aviation pilots in 2017 is, will these painful hangar rent hikes be the coffins, the 2018's maintenance report drives the nails in?

If so, Hayward's general aviation's 75-year history will face the same death blow the City's 1963 bulldozers delivered to our airport's neighbor, Russell City-RIP.

Jerry Turney, The 206 Hangar Group
HWD 1963-present
Izz2011

A handwritten signature in black ink that reads "Jerry Turney". The signature is stylized with a large, looped "J" and a cursive "Turney".

The public works director's annual 10% hangar rent hike explanation.
Source: City Council Chamber CCTV @ 1:50:00-1:20:00

Public Comments
May 20, 2017

Mayor Halliday
cc: CAC Chairman, City Council members

With respect, please rescind the May 2, 2017 airport hangar 10% rent increase. According to Mr. Fakhrai-PWD, 2017 airport hangar rent increase is a Consumer Price Index (CPI) adjustment year.

According to Mr. Fakhrai, May 2, 2017, the next fair market value (FMV) year for hangar rent adjustments is 2019.

Thank you in advance for the Council's correction.

Jerry Turney, 206 Hangar Group Task Force
HWD 1963-present

City Council meeting, May 2, 2017, Council Chamber CCTV transcript

Public Works Director: "The last two adjustments that were done were done by CPI and they were done by 4%. In 2007, there was a range of adjustment that was done, anywhere between 2.9% and 23%. In 2003, there was approximately 12% across the board adjustment that was done. However, in the year 2011, the adjustment was only 1.6%, small amounts. So there have been precedents in adjusting the rates a...fair market value and CPI."

According to Mr. Fakhari (above) hangar rent increase history is:

(2019 FMV)
2017 CPI@1.8%
2015 FMV@4%
2013 CPI@4%
2011 FMV@1.6%
2009 CPI
2007 FMV@2.9% to 23%
2005 CPI
2003 FMV@12%
2001 CPI
1999 CPI/FMV formula created

Jerry Turney
206 Hangar Group
May 20, 2017

Public Comments
May 20, 2017

**Hayward airport 1991-2013
Standard T-hangar Rent History***

1991 CPI	3.8%	\$208 to	\$216	
1992 CPI	3.2%	\$216	\$223	
1993 CPI	1.8%	\$223	\$227	
1994 CPI	1.8%	\$227	\$231	
1995 CPI	2.2%	\$231	\$236	
1999* CPI	3.0%	\$236	\$243	(AMP rent formula created)
2001 CPI	6.6%	\$243	\$260	
2003 FMV	4.8%	\$260	\$273	
2005 CPI	2.9%	\$273	\$281	
2007 FMV**	6.4%	\$281	\$300	(Halliday/Turney)
2009 CPI	3.0%	\$300	\$309	
2011 FMV	1.6%	\$309	\$314	
2013 CPI	4.0%	\$314	\$327	
2015 FMV	4.0%	\$327	\$340	
2017 CPI	1.8%	\$340	\$346	
2017 McNeeley	10.0%	\$340	\$374	
2018 McNeeley	10.0%	\$374	\$411	
2019 McNeeley	10.0%	\$411	\$542	
2020 McNeeley	10.0%	\$452	\$497	
2021 McNeeley	10.0%	\$497	\$596	

1991 Standard T-Hangar Rent History, F. Ludwig

1999* CPI/FMV, AMP formula yr#1

2007 (CAC 3%) consultant: 40% (settled 2.9%-23%)**

Jerry Turney
206 Hangar Group
May 22 2017

May 20, 2017

Public Comments
May 20, 2017

Rent History BLS, 2005-2016

		ANNUAL	ALL	RENT	
		DATA	FORMULA	INCREASES	
<u>CPI</u>	<u>2005</u>	<u>2.0%</u>		2.7%	
	<u>2006</u>	<u>3.4%</u>			%
<u>FMV</u>	<u>2007</u>	<u>3.8%</u>	2.0%	2.9%-23%	<u>RENT 2.9-23% CAC: 3%?!)</u>
	<u>2008</u>	<u>0.0%</u>			
<u>CPI</u>	<u>2009</u>	<u>2.6%</u>	2.9%	2.9%	
	<u>2010</u>	<u>1.5%</u>			
FMV	2011	2.9%	1.5%	1.7%	
	2012	2.2%			
CPI	2013	2.6%	1.8%	3.9%	
	2014	2.7%			
FMV	2015	3.2%	1.9%	4.0%	
	2016	3.0%			
CPI	2017		2.3%	10.0%	

Rent increase, 2013 & 2015

Public Comments
May 20, 2017

	BUREAU LABOR STATISTICS	HANGAR RENT INCREASE
2013 CPI	1.8%	3.9%
2015 FMV	3.2%	4.0%
2017 CPI	2.3%	10.0%

Jerry Murney
206 Hangar Group
May 20, 2017

May 20, 2017
Rent History

Public Comments
May 20, 2017

| City of Hayward
Hangar Rent Rates, Standard T-Hangar

December 1991,	from \$208.00 to \$216.00	3.8% Increase	
December 1992,	from \$216.00 to \$223.00	3.2%	"
December 1993,	from \$223.00 to \$227.00	1.8%	"
December 1994,	from \$227.00 to \$231.00	1.8%	"
December 1995,	from \$231.00 to \$236.00	2.2%	"
June	1999 from \$236.00 to \$243.00	3.0%	"
May	2001 from \$243.00 to \$260.00	6.6%	"
June	2003 from \$260.00 to \$273.00	4.8%	"
June	2005 from \$273.00 to \$281.00	2.9%	"
October	2007 from \$281.00 to \$300.00	6.4%	"
August	2009 from \$300.00 to \$309.00	3.0%	"
July	2011 from \$309.00 to \$314.00	1.6%	"
June	2013 from \$314.00 to \$327.00	4.0%	"

Jerry Charney
206 Hangar Group

Public Comments
May 16, 2017

Public Comments
May 20, 2017

Mistake Were Made and The Unintended Consequences.

Managers and Council, fast-tracking the unprecedented 10% rent hike on airport hangars, overlooked a basic detail: 2017 is not a FMV year.

Most people know that the Airport Master Plan (AMP) put a rent increase formula in place nearly twenty years ago. This formula stabilized rent increases for two decades.

The good public works director correctly observed to the Council May 2, 2017, that the last FMV was 2015. The 2002 AMP formula increased rents bi-annually, alternating between a CPI (1.8% 2017) and FMV (10% 2017) rate.

"Huston, we have a problem!"

2017 is not a FMV year. 2015 was the last FMV rent increase. FMV happens every four years as it alternates with CPI. The next FMV year is 2019.

Airport history reveals two significant problems with not repairing the May 2, 2017 adoption of the 2017 10% rent hike plan.

- 1) Rent increases are bi-annual, not yearly, and
- 2) FMVs are separated by four years, not two.

Please review the Hayward Hangar Rent History, 1991-2021 (over).

The 2017-2021 projections are based on the public works director's May 2, 2017 explanation to the City Council. According the Council's CCTV record, the Director said rents would increase 10% per year until hangar rents are at FMV.

However, the Mayor said, the 10% increase is for one year. She said, staff will review the impact of the (unprecedented) 10% hangar rent increase (+\$107,000).

Mistakes are made. CAC Chairman refuses, as of May 16, to correct the 2017 FMV hangar rent hike blunder. CM Mendall also refused to correct the 2017 FMV mistake.

Apparently the City Council inexplicably chooses to ignore Airport Master Plan policy, procedures, and past-practice by instituting a 10% rent hike in a 1.8% CPI year. The facts controlling the 2017 rent hikes are unimpeachable. The Council's actions are indefensible.

Know the truth and make the Council free.

Jerry Turney, 206 Hangar Task Force
Hayward Airport, 1963-present



over

Rent History 199-2017

Hayward Airport

Standard T-hangar Rent History, 1991-2021*

1991 CPI	3.8%	\$208 to	\$216	
1992 CPI	3.2%	\$216	\$223	
1993 CPI	1.8%	\$223	\$227	
1994 CPI	1.8%	\$227	\$231	
1995 CPI	2.2%	\$231	\$236	
**1999 CPI	3.0%	\$236	\$243	(AMP rent formula created)
2001 CPI	6.6%	\$243	\$260	
2003 FMV	4.8%	\$260	\$273	
2005 CPI	2.9%	\$273	\$281	
***2007 FMV	6.4%	\$281	\$300	(Halliday/Turney)
2009 CPI	3.0%	\$300	\$309	
2011 FMV	1.6%	\$309	\$314	
2013 CPI	4.0%	\$314	\$327	
2015 FMV	4.0%	\$327	\$340	
2017 CPI	1.8%	\$340	\$346	
*2017 McNeeley plan	10.0%	\$340	\$374	
*2018 McNeeley plan	10.0%	\$374	\$411	
*2019 McNeeley plan	10.0%	\$411	\$542	
*2020 McNeeley plan	10.0%	\$452	\$497	
*2021 McNeeley plan	10.0%	\$497	\$596	

*1991-2013 Standard T-Hangar Rent History, F. Ludwig

**1999 CPI/FMV, AMP formula yr#1

***2007 (CAC 3%) consultant: 40% (settled 2.9%-23%)

*2017-2021, McNeeley Plan

Jerry Turney, 206 Hangar Task Force
Hayward Airport, 1963-present



May 18, 2017

Public Comments
May 2017

Mayor Halliday
cc: CAC Chairman, City Council members

With respect, please rescind the May 2, 2017 airport hangar 10% rent increase. According to PWD Mr. Fakhrai, 2017 airport hangar rent increase is a Consumer Price Index (CPI) adjustment year.

Mr. Fakhrai's history of hangar rent --May 2, 2017—(transcribed below) reveals the next fair market value (FMV) year for hangar rent adjustments is 2019, not 2017.

Thank you in advance for the Council's correction. The proper CPI hangar rent increase for 2017 is 1.8%.

Jerry Turney, 206 Hangar Group Task Force
HWD 1963-present

Mr. Fakhari's hangar rent history:

City Council meeting, May 2, 2017, Council Chamber CCTV transcript 1:50:00-1:20:00

Public Works Director: *"The last two adjustments that were done were done by CPI and they were done by 4%. In 2007, there was a range of adjustment that was done, anywhere between 2.9% and 23%. In 2003, there was approximately 12% across the board adjustment that was done. However, in the year 2011, the adjustment was only 1.6%, small amounts. So there have been precedents in adjusting the rates a...fair market value and CPI."*

According to Mr. Fakhari (above) hangar rent increase history is:

(2019 FMV)
2017 CPI@1.8%
2015 FMV@4%
2013 CPI@4%
2011 FMV@1.6%
2009 CPI ?
2007 FMV@2.9% to 23%
2005 CPI ?
2003 FMV@12%
2001 CPI ?
(1999 CPI/FMV formula created)

Jerry Turney
206 Hangar Group

Letter to the City Council

Public Comments
May 2017

From: JET machine
Subject: Mistakes were made, again
Date: May 19, 2017 at 3:48 PM
To:

Bcc: Council Member Elisa Marquez elisa.marquez@hayward-ca.gov, Council Member Al Mendall al.mendall@hayward-ca.gov, CAC Chair Zermeno francisco.zermeno@hayward-ca.gov, Mayor Barbara Halliday barbara.halliday@hayward-ca.gov, Council Member Sara Lamin sara.lamin@hayward-ca.gov, Council Member Marvin Peixoto marvin.peixoto@hayward-ca.gov, Council Member Mark Salinas mark.salinas@hayward-ca.gov

	BUREAU LABOR STATISTICS	HANGAR RENT INCREASE
2013 CPI	1.8%	3.9%
2015 FMV	3.2%	4.0%
2017 CPI	2.3%	10.0%

Council Members,

The 206 Hangar Group pointed out **2017 is NOT a fair market value year.**

The administration replied saying the *past two rent increases (2013 & 2015)* were based on **consumer price index (CPI)**.

The San Francisco San Jose Oakland Bureau of Labor Statistics reveals that was NOT the case. Note-AMP formula uses this data.

The **2013 CPI** rent increase formula is LOWER than the **actual** rent increase as was the **2015 FMV** increase.

We can draw two conclusions from the data.

1) The administration increased rents by **FMV in 2013 AND 2015** because in both cases, the rent **increases exceeded the consumer price index!**

2) **In 2013 and 2015**, the administration using FMV concluded hangar **rents were NEAR the fair market value.**

The problematic 2017 rent increase study fails to account for either of these facts. The 10% rent increase is a mistake.

Please rescind the May 2, 2017 10% airport hangar rent increase.

Sincerely,
Jerry Turney, The 206 Hangar Rent Group
HWD 1963-present

Jerry Turney
206 Hangar Group

SALE OF LAND HANGAR RENTS

Public Comments
May 20, 2017

In 1961, the FAA released
28 acres of the Hayward
Airport for sale at the fair
market value, and the City is
obligated to devote **the
entire sum** from the sale
“for the:

- a) **development**
- b) **maintenance, and**
- c) **operation” of the
airport.**

Derry Tunney
206 Hangar Group

OVER

SALE OF LAND HANGAR RENTS

Public Comments

INVESTMENTS KEEP
HANGAR RENTS *BELOW*
FAIR MARKET SHARE.

In 1966, the FAA released
368 acres of the Hayward
Airport for sale or long
term lease. The City is
obligated to use the
funds from the sale
exclusively for the:

- a) development
- b) improvement
- c) operations, or
- d) maintenance of
the airport.

Jerry Turney
206 Hangar Court
May 20, 2017

SALE
of 40%
of Airport
LAND
1961-0

Jerry Tunney
206 Hangar &

Jerry Turney
206 Hangar Camp