



CITY OF HAYWARD

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Cover Memo

File #: WS 16-039, **Version:** 1

DATE: June 14, 2016

TO: Mayor and City Council

FROM: City Manager

SUBJECT

Proposed FY 2017 Operating Budget and Capital Improvement Program - Worksession

RECOMMENDATION

That Council provides comments on the FY 2017 Operating Budget and reviews information in this report on follow-up items from the Saturday, May 21, 2016 and Tuesday May 24, 2016 budget work sessions.

BACKGROUND

The City commenced the FY 2017 budget development process in early February. Both the Budget & Finance Committee and the full City Council have held a number of budget-related meetings as part of this development process:

- February 22: Council Budget & Finance Committee reviewed the General Fund Ten-Year Plan
- March 1: City Council reviewed the FY 2016 Mid-Year Update and General Fund Ten-Year Plan
- March 2: Council Budget & Finance Committee reviewed the City debt portfolio and the City's Benefit Liabilities and funding plan
- April 4: The City Council reviewed the City debt portfolio and the City's Benefit Liabilities and funding plan
- April 4 & 19: Council Work Session and adoption of Community Agency Funding
- April 19: City Council adopted an update to the Master Fee Schedule for FY 2017
- May 3: City Manager presented the proposed FY2017 operating budget to the City Council

- May 21 (continued to 5/24 meeting): Budget work sessions including discussions on departmental budgets and related operational issues

DISCUSSION

Below are responses to some of the specific items Council made requests for information during previous work sessions.

Customs Agents at the Airport

Staff has inquired with the U.S. Customs and Border Patrol (CBP) about establishing a customs facility at Hayward Executive Airport (HWD) in response to tenant requests. Under new guidelines, to assign a CBP agent now requires the construction of a 5,000 sq. ft. building with offices, a holding cell, bulletproof glass, and other amenities. Staff is exploring the use of existing office space in the control tower building with CBP as a lower-cost alternative. Some of the construction costs may be grant-eligible. CBP also requires annual payment of approximately \$140,000 for an on-call agent, plus annual data processing costs of approximately \$20,000. Among other administrative requirements, approval by the Governor of California is necessary.

Staff will contact other general aviation airports and conduct a detailed cost/benefit analysis to determine the market for, and economic feasibility of, providing customs services at HWD. The completed study will be presented to the Council Airport Committee (CAC), and ultimately to the full Council next year, with the possible request to appropriate funding, if any, made as part of FY 2018 budget process.

Post-Drought Tree Planting

Staff plans to return to planting trees at a rate of 400-500 per year, as it did in non-drought years with no increase to the budget allocation for the Landscape Division of Maintenance Services. The use of grey water for landscape watering from the City's Water Pollution Control Facility should allow the City to avoid such reductions in tree planting activities during future droughts should they occur.

Historical Trend Data

Staff is currently working to design useful ways to present historical financial information in a more meaningful way. This will provide valuable context to Council without creating unusable cumbersome reports. This information will be presented to the Council Budget & Finance Committee for feedback in early FY 2017.

East Bay Regional Communications System (EBRCS) Funding

Staff has formed a Project Team workgroup to complete the following tasks:

- Develop the specific components of the City's needed communication system and equipment to assure quality and reliable internal communications as well as fully interoperable external communications
- Define a timeline by which the City will accomplish established goals

- Identify funding mechanism(s) to obtain necessary equipment and implement EBRCS

Performance Metric Improvement

Staff has identified two senior level positions in the Finance Department and the City Manager's Office to lead the improvement effort to create more useful and meaningful metrics to indicate performance level (s) and accomplishments. Once refined, new metrics will be drafted and brought to Council for feedback, with a target of FY 2018 reflecting a much improved set of citywide metrics/performance indicators.

Revised Council Priorities Page

The page in the draft budget book (behind the City Council Priorities tab) that identifies the Council priorities and contributing factors had the incorrect factors listed for the Thrive priority. An updated page is attached to this report and will be included in the final adopted budget document.

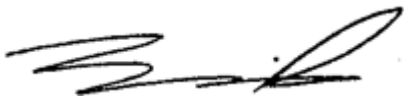
NEXT STEPS

The City Council will hold a public hearing on the FY 2017 budget before considering it for adoption on June 28, 2016:

- Tuesday, June 21 Public Hearing on FY 2017 Budget
- Tuesday, June 28 Adoption of FY 2017 Budget

Prepared and Recommended by: Dustin Claussen, Acting Director of Finance

Approved by:



Fran David, City Manager

Attachments:

Attachment I Updated Council Priorities Page