



CITY OF
HAYWARD
HEART OF THE BAY

CITY COUNCIL AGENDA
JUNE 26, 2012

MAYOR MICHAEL SWEENEY
MAYOR PRO TEMPORE BARBARA HALLIDAY
COUNCIL MEMBER OLDEN HENSON
COUNCIL MEMBER MARVIN PEIXOTO
COUNCIL MEMBER BILL QUIRK
COUNCIL MEMBER MARK SALINAS
COUNCIL MEMBER FRANCISCO ZERMEÑO

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CITY COUNCIL MEETING FOR JUNE 26, 2012
777 B STREET, HAYWARD CA 94541
WWW.HAYWARD-CA.GOV

**SPECIAL JOINT CITY COUNCIL/ REDEVELOPMENT SUCCESSOR AGENCY/
HOUSING AUTHORITY MEETING**
Council Chambers - 7:00 PM

CALL TO ORDER Pledge of Allegiance Council Member Quirk

ROLL CALL

PRESENTATION

Business Recognition Award – FolderGraphics, Inc.

PUBLIC COMMENTS: *(The Public Comment section provides an opportunity to address the City Council on items not listed on the agenda or Work Session, or Informational Staff Presentation items. The Council 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 Council is prohibited by State law from discussing items not listed on the agenda, your item will be taken under consideration and may be referred to staff.)*

NON-ACTION ITEMS: *(Work Session and Informational Staff Presentation items are non-action items. Although the Council may discuss or direct staff to follow up on these items, no formal action will be taken. Any formal action will be placed on the agenda at a subsequent meeting in the action sections of the agenda.)*

BOARDS AND COMMISSIONS

1. Appointments and Reappointments to the Hayward Youth Commission and Swearing In Ceremony of New Members (Report from City Clerk Lens)

[Staff Report](#)

[Attachment I Resolution](#)

WORK SESSION

2. Off The Grid - Weekly Gourmet Mobile Food Market (Report from City Manager David)

[Staff Report](#)

[Attachment I Off the Grid](#)

3. Scavenging in Residential and Business Recyclable and Trash Containers (Report from Public Works - Utilities and Environmental Services Director Ameri)

[Staff Report](#)
[Attachment I](#)

ACTION ITEMS: *(The Council will permit comment as each item is called for the Consent Calendar, Public Hearings, and Legislative Business. In the case of the Consent Calendar, a specific item will need to be pulled by a Council member in order for the Council to discuss the item or to permit public comment on the item. Please notify the City Clerk anytime before the Consent Calendar is voted on by Council if you wish to speak on a Consent Item.)*

CONSENT CALENDAR

4. Approval of Minutes of the City Council Meeting on June 12, 2012

[Draft Minutes](#)

5. Banking and Cash Management Services Agreement Extension

[Staff Report](#)
[Attachment I Resolution](#)

6. Adoption of City Salary Plans for Fiscal Year 2013

[Staff Report](#)
[Attachment I](#)
[Attachment II](#)

7. Electrical and Mechanical Improvements to High School Reservoir Project: Approval of Plans and Specifications, and Call for Bids

[Staff Report](#)
[Attachment I Resolution](#)
[Attachment II Project Location Map](#)

8. Adoption of Resolutions Approving Membership by the City of Hayward in the California State Association of Counties Excess Insurance Authority (“CSAC EIA”) and Appointing the City Manager to Act on the City’s Behalf in all Matters Relating to Such Membership and Approving an Agreement between the City of Hayward and the CSAC EIA for the Provision of an Excess Workers' Compensation Insurance Policy

[Staff Report](#)
[Attachment I](#)
[Attachment II](#)

9. Groundwater Data Collection Project: Authorization for City Manager to Execute a Memorandum of Agreement with the East Bay Municipal Utility District to Implement the South East Bay Plain Basin Groundwater Data Collection Improvement Project

[Staff Report](#)
[Attachment I Resolution](#)

JUNE 26, 2012



10. Resolution Authorizing Waiver of Cost of Living Adjustments to City Council Compensation and Continuation of Salary and Benefit Reductions

[Staff Report](#)
[Attachment I](#)

11. Adoption of Resolutions Approving Extensions and Modifications to Employment Agreements with the City Manager, City Attorney and the City Clerk and Authorizing the Mayor to Execute Those Agreements on Behalf of the Council

[Staff Report](#)
[Attachment I](#)
[Attachment II](#)
[Attachment III](#)
[Attachment IV](#)
[Attachment V](#)
[Attachment VI](#)

The following order of business applies to items considered as part of Public Hearings and Legislative Business:

- *Disclosures*
- *Staff Presentation*
- *City Council Questions*
- *Public Input*
- *Council Discussion and Action*

PUBLIC HEARING

12. Downtown Business Improvement Area Consideration of Annual Levy (**Report from Assistant City Manager Morariu**)

[Staff Report](#)
[Attachment I Resolution](#)

LEGISLATIVE BUSINESS

13. Approval of the FY 2013 & FY 2014 Biennial Operating Budget and Appropriations for FY 2013; Approval of the Ten-year Capital Improvement Program FY 2013-FY 2022 and Appropriations for FY2013; Approval of the Hayward Redevelopment Successor Agency Budget; Approval of the Hayward Housing Authority Budget; Approval of the FY2013 Gann Appropriations Limit (**Report from Finance Director Vesely**)

[Staff Report](#)
[Attachment I Resolution](#)
[Attachment II Resolution](#)
[Attachment III Resolution](#)
[Attachment IV Resolution](#)
[Attachment V Resolution](#)



14. Introduction of Ordinance to Amend the Hayward Municipal Code Section 11-3.255 Regarding Sewer Connection Fees to Allow for Longer Payment Terms (**Report from Public Works - Utilities and Environmental Services Director Ameri**)

[Staff Report](#)

[Attachment I Ordinance](#)

[Attachment II Sewer Connection Fee Agency Practices](#)

15. Consideration of a Community Workforce Agreement with the Alameda County Building Trades Council for City Public Works Projects (**Report from Assistant City Manager Morariu**)

[Staff Report](#)

[Attachment I Resolution](#)

[Attachment II Proposed Agreement Terms](#)

[Attachment III Draft Side letter to CWA](#)

COUNCIL REPORTS, REFERRALS, AND FUTURE AGENDA ITEMS

Oral reports from Council Members on their activities, referrals to staff, and suggestions for future agenda items

ADJOURNMENT

JULY 3, 2012 * MEETING CANCELED *****

NEXT SPECIAL MEETING – 7:00 PM, TUESDAY, JULY 10, 2012

PUBLIC COMMENT RULES: *The Mayor may, at the beginning of the hearing, limit testimony to three (3) minutes per individual and five (5) minutes per an individual representing a group of citizens or organization. Speakers will be asked for their name and their address before speaking and are expected to honor the allotted time. A Speaker Card must be completed by each speaker and is available from the City Clerk at the meeting.*

PLEASE TAKE NOTICE *that if you file a lawsuit challenging any final decision on any public hearing or legislative business item listed in this agenda, the issues in the lawsuit may be limited to the issues that were raised at the City's public hearing or presented in writing to the City Clerk at or before the public hearing.*
PLEASE TAKE FURTHER NOTICE *that the City Council has adopted Resolution No. 87-181 C.S., which imposes the 90 day deadline set forth in Code of Civil Procedure section 1094.6 for filing of any lawsuit challenging final action on an agenda item which is subject to Code of Civil Procedure section 1094.5.*

*****Materials related to an item on the agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office, City Hall, 777 B Street, 4th Floor, Hayward, during normal business hours. An online version of this agenda and staff reports are available on the City's website. Written comments submitted to the Council in connection with agenda items will be posted on the City's website. All Council Meetings are broadcast simultaneously on the website and on Cable Channel 15, KHRT. *****

JUNE 26, 2012



Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Interested persons must request the accommodation at least 48 hours in advance of the meeting by contacting the City Clerk at (510) 583-4400 or TDD (510) 247-3340.

Please visit us on:



JUNE 26, 2012



DATE: June 26, 2012
TO: Mayor and City Council
FROM: City Clerk
SUBJECT: Appointments and Reappointments to the Hayward Youth Commission

RECOMMENDATION

That the City Council adopts the attached resolution confirming the appointment of eight new members to the Hayward Youth Commission, appointment of two existing Hayward Youth Commission alternates, and the reappointment of five continuing Hayward Youth Commissioners.

BACKGROUND

On May 24, 2012, during the annual recruitment for the Hayward Youth Commission, representatives from the three local public agencies interviewed thirty applicants to fill vacancies. The representatives were: Council Members Zermeño and Salinas; Board Members Paul Hodges and Minane Jameson from the Hayward Area Recreation and Park District; and School Board Member Lisa Brunner from the Hayward Unified School District. Due to the number of qualified applicants, the three agencies recommended unanimously to increase the number of Hayward Youth Commission members from seventeen to twenty-one.

Subject to approval of increasing the number of members, the three agencies recommended eight new members for appointment and confirmed five reappointments. The three agencies also unanimously recommended appointing two 2011 Hayward Youth Commission alternates as full members of the Commission, Pedro Mendoza and Marcus Smith, due to their commitment to the Hayward Youth Commission, which they demonstrated by attending Commission meetings and participating in the Commission's activities.

On June 19, 2012ⁱ, the City Council unanimously approved the recommendation of the three agencies to increase the number of members of the Hayward Youth Commission from seventeen to twenty-one with provisions for four alternates. As vacancies occur throughout the year, appointments will be made from the alternate list of four candidates that was established.

COMMISSIONER	STATUS	SUCCEEDS	TERM EXPIRES
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New Appointments:

Balpreet Jhattu	New Appointment	Dayana Morales	June 2013
Thooba Samini	New Appointment	Claudia Canales	June 2014
Laila Mufty	New Appointment	Karra Gardin	June 2014
Amacalli Duran-Pereda	New Appointment	Alex Harmon	June 2014
Pedro Mendoza	New Appointment	Adriana Rojas	June 2014
Marcus Smith	New Appointment	Siyou Song	June 2014
Paul Guandique	New Appointment		June 2014
Joelynn Deng	New Appointment		June 2014
Harmanpreet Kaur	New Appointment		June 2014
Taufa Stefano	New Appointment		June 2014

Reappointments:

Malcolm DeFrantz	Reappointment		June 2014
Nadia Faraj	Reappointment		June 2014
Jahlan Loché	Reappointment		June 2014
Nina-Marie Tauscher	Reappointment		June 2014
Aaron Torres	Reappointment		June 2014

Alternate List:

Nubia Pina	Alternate
Kiana Capelli	Alternate
Christian Vernikoff	Alternate
Rachel Novak	Alternate

Prepared and Recommended by: Miriam Lens, City Clerk

Approved by:



Fran David, City Manager

Attachment:

Attachment I Resolution Establishing Appointments and Reappointments

ⁱ Item 6 – page 87 <http://www.hayward-ca.gov/CITY-GOVERNMENT/CITY-COUNCIL-MEETINGS/2012/CCA12PDF/cca061912full.pdf>

HAYWARD CITY COUNCIL

RESOLUTION NO. 12-

Introduced by Council Member _____

RESOLUTION APPOINTING AND REAPPOINTING
MEMBERS TO THE HAYWARD YOUTH COMMISSION

BE IT RESOLVED that the City Council of the City of Hayward confirms the following new appointments of the below-named persons as members of the Hayward Youth Commission, for the terms as designated:

Terms expire June 2014:

Thooba Samini (succeeds Claudia Canales)

Laila Mufty (succeeds Karra Gardin)

Amacalli Duran-Pereda (succeeds Alex Harmon)

Pedro Mendoza (succeeds Adriana Rojas)

Marcus Smith (succeeds Siyou Song)

Paul Guandique

Joelynn Deng

Harmanpreet Kaur

Taufa Stefano

Term expires June 2013:

Balpreet Jhattu (succeeds Dayana Morales)

BE IT FURTHER RESOLVED, that the City Council of the City of Hayward hereby confirms the following re-appointments of the below-named persons as members of the Hayward Youth Commission, for the terms as designated, and the list of alternatives:

REAPPOINTMENTS:

Terms expire June 2014:

- Malcolm DeFrantz
- Nadia Faraj
- Jahlan Loché
- Nina-Marie Tauscher
- Aaron Torres

ALTERNATE LIST:

- Nubia Pina
- Kiana Capelli
- Christian Vernikoff
- Rachel Novak

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2012

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

DATE: June 26, 2012
TO: Mayor and City Council
FROM: City Manager
SUBJECT: Off the Grid – Weekly Gourmet Mobile Food Market

RECOMMENDATION

That the City Council reviews this report and provides input regarding the proposed “Off the Grid” weekly gourmet food market.

BACKGROUND

Cities throughout the United States, such as Portland, Austin, and San Francisco, have successfully used attractive and eclectic gourmet food trucks as an interim use for vacant parcels and to attract people to under-used or under-serviced commercial neighborhoods. Portland, Berkeley, and other cities have found that appropriate food trucks can complement existing businesses by attracting pedestrian traffic with a non-traditional, communal eating experience, where customers can intermingle and interact directly with chefs. This current phenomenon is growing as new and innovative culinary entrepreneurs are utilizing stylish food trucks to launch cuisine that is appealing to a variety of palates.

Locally, in the East Bay, the cities of Berkeley, Oakland, Pleasanton, Alameda and several others have created special weekly, off-street events utilizing a group of gourmet food vendor trucks at one location. (Berkeley’s “Off the Grid” is Wednesdays from 5:00 to 9:00 pm on Shattuck Avenue at Rose Street; Pleasanton’s “Food Truck Mafia” is Fridays from 11:00 am to 2:00 pm at Stoneridge Mall; Oakland’s “Bites off Broadway” is Fridays from 5:30 to 8:30 pm at 365 45th Street; and Alameda’s “Off the Grid” is scheduled to begin on Saturday, June 2 from 1:00 to 5:00 pm at the Alameda Towne Center.)

Off the Grid has extensive experience in launching, permitting, and managing mobile gourmet food markets; and operates in fifteen markets in the Bay Area serving more than 15,000 people weekly. (www.offthegridsf.com) The company utilizes a variety of mobile media marketing tools to advertise and publicize their events, which typically attract technology-savvy, working professionals between twenty-five and fifty years old. The focus of this weekly experience is, of course, the variety and quality of food and the culinary experience of being directly involved with the chefs.

DISCUSSION

City staff has been working with Off the Grid for the last twelve months to establish a weekly gourmet food market in Hayward. After several meetings between operators and staff, Off the Grid has filed an application to create a weekly gourmet food market consisting of between eight to ten gourmet food vehicles located at the southeast corner of Mission Blvd and “D” Street, across from the Five Flags open space area (see attached map). The market would be open once per week for one year on Monday evenings between the hours of 5:00 pm and 9:00 pm, and would close at 8:00 pm during winter months.

This type of application can be approved via an Administrative Use Permit (AUP). However, given both the unique nature of the mobile gourmet food concept and the proposed location, staff wanted Council to review and comment on the proposed project and the location before the AUP is considered for approval by staff.

City staff is proposing to allow Off the Grid to manage this mobile gourmet food market at their requested location via the AUP process on a one-year basis, with an option of being renewed by mutual agreement. Based on their market research, the company has selected the southeast corner of Mission Blvd and “D” Street, across from the Five Flags open space area, as their preferred location. They noted this location is unparalleled when compared to other Hayward locations, as it is highly visible and is frequented daily by high volumes of vehicular traffic. The visibility of the market and its attraction also provides exposure to Hayward and assists the branding and marketing efforts of the City.

Off the Grid and staff have identified several viable and supporting parking options, such as the parking garage at B & Mission, which is less than a block and half away from the proposed Off the Grid site. Parking also exists along Main Street, C Street, Watkins Street, and other Downtown streets. Staff has carefully reviewed these parking/walking options with Off the Grid staff. The Off the Grid operators firmly believe that the parking is in reasonable proximity to their desired location, allows walkable access to the trucks, and is consistent with similar situations in other cities that have proven successful.

All Off the Grid markets have at least two staff on site at all times (one market manager and one event staff person); the individual trucks are staffed by independent operators. The staff’s function is to maintain the space, problem solve if issues occur, and handle setup, breakdown, and cleanup of the space.

“Off the Grid: Hayward” would be an alcohol-free market, operating rain or shine, approximately nine to eleven months of the year. The market would rotate vendors on a consistent basis in order to maximize interest, as well as to offer an opportunity to maximize truck participation. The company believes that their markets become vital parts of any community, and they are committed to creating spaces that encourage neighborhood interaction, activation of outdoor eating spaces, and providing value-priced, high quality food items in a family-friendly environment. Off the Grid would function similar to a Farmers Market, but would only focus on prepared foods.

Experience in other markets has shown that Off the Grid does not compete with existing brick and mortar restaurants, but complements them. Their current markets are located in places where restaurants are within close proximity and, often in these cases, the market and the restaurants are synergistic and support each other. Staff and Off the Grid have determined Monday evenings as the appropriate night for Hayward, as this is typically one of the lightest nights of the week for the restaurant business, creating even less perceived competition with Downtown restaurants. It would also provide pedestrian activation and interaction on the streets of Downtown Hayward on a historically slow night. Visitors to the weekly market would park primarily at the parking garage on Mission Blvd. between B and C Street as well as Watkins Street, Main Street, and other streets so people would be walking throughout Downtown with the opportunity to patronize other open businesses.

Off the Grid is prepared to launch the market once construction on Five Corners Park is complete and the City has accepted the space from its contractor. Public Works staff has estimated that the park and the related sidewalks will be completed by late July/early August. Staff is hopeful that the market could begin in early August at the latest. The preliminary site layout is included as Attachment I.

The additional traffic that this market will bring is minimal as attendance is typically staggered at these weekly markets and capitalizes on traffic already passing through the intersection. Although overall attendance during a four-hour period is projected to range between 800 to 1,000 people, the average time that visitors spend at these respective locations is between thirty to forty-five minutes. The current site configuration would also allow for some limited patron seating during the market operating hours.

FISCAL IMPACT

Each food vendor is required to remit food sales data and is responsible for remitting sales tax to the local jurisdiction. There are also fees associated with processing the yearly Administrative Use Permit as well as other associated fees, such as business licenses. Combined estimated direct revenues are approximately \$5,500, comprised of: Sales Tax based on estimated annual gross food sales of \$320,000 * 1% = \$3,200; Administrative Use Permit Fee = \$1,500; and Business License Fees from various Food Vendors = \$800. Additionally, estimated attendance at these weekly markets will range between 800 and 1,000 people. By having more pedestrians on the streets with an opportunity to shop and patronize other businesses, the likelihood of ancillary revenues at other local businesses is highly probable.

PUBLIC CONTACT

Over 250 public notices were sent to all businesses and residents within 500 feet, and also to restaurants within the Downtown core on May 18, 2012. The initial responses from restaurants such as Buffalo Bills, Bijou, and Restaurant Me have been positive. Venues that utilize social media, offer fun experiences, and cater towards entertainment are excited about the opportunity. Staff has received minimal written and verbal comments from the residential and business community and can share the responses at the City Council Work Session.

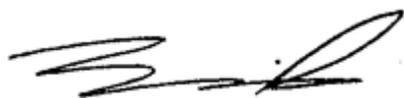
The CEDC considered the item at their June 4, 2012 meeting and were generally encouraged by the prospect of energizing the area and Downtown streets with pedestrian activity. The Committee agreed that outside dining experiences should be encouraged and the City should look at more ways to foster these environments. The CEDC wanted to ensure that the market does not open until the area is safe to accommodate pedestrian traffic and that appropriate measures are taken to discourage jaywalking. In addition, they wanted to discourage food vendors at the market that would compete (in terms of product offerings) with the restaurants directly adjacent to the proposed location. Overall, the Committee looks forward to the beginning of an exciting weekly activity that can provide greater exposure to Hayward.

NEXT STEPS

Staff will continue to work with Off the Grid to process the Administrative Use Permit, incorporating direction from City Council and the CEDC members into the AUP conditions of approval. Staff will also work closely with Public Works to ensure that the market will begin once all construction work is complete and the site is deemed to be safe to occupy.

Prepared and Recommended by: Sean Brooks, Economic Development Manager

Approved by:

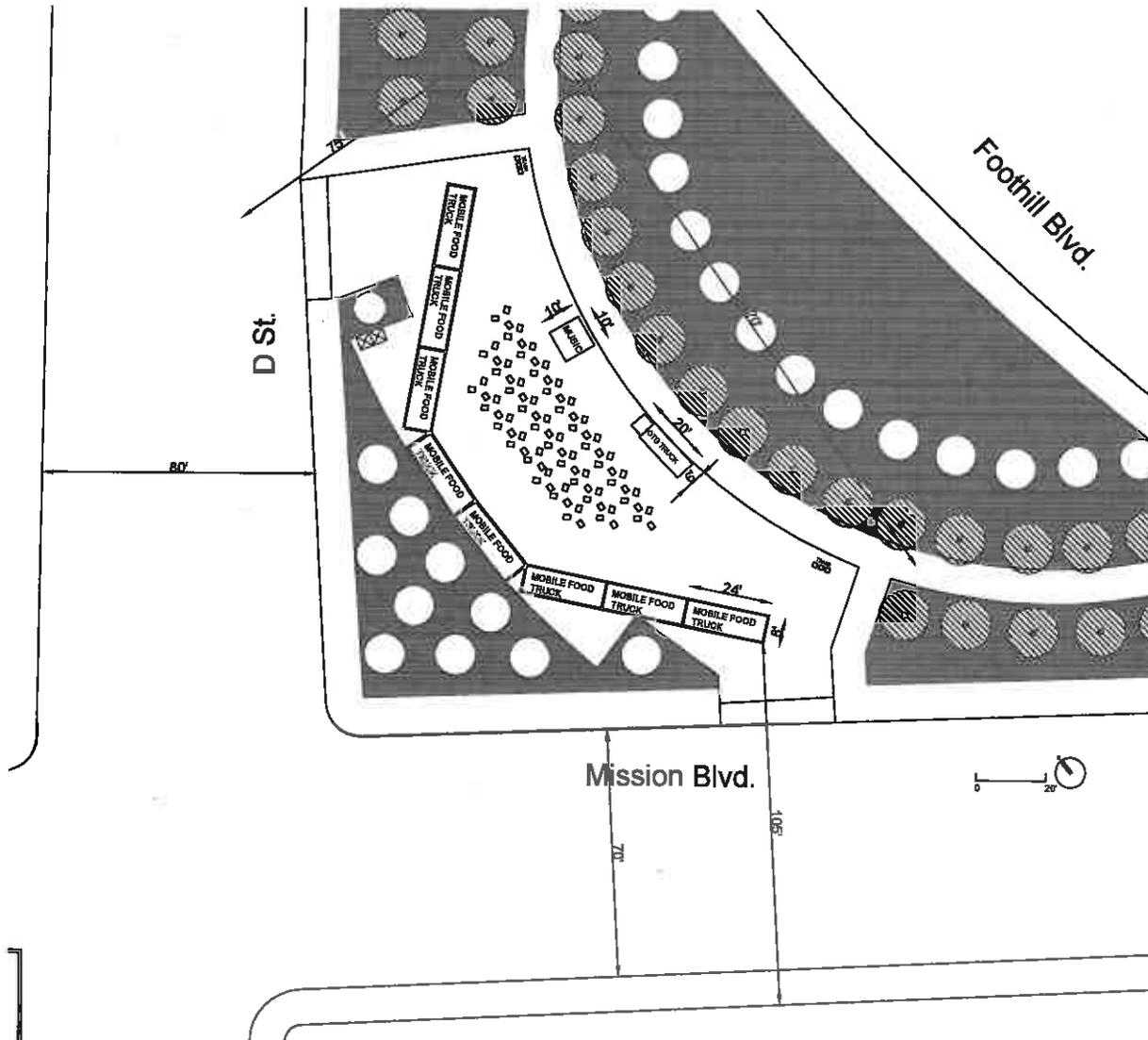


Fran David, City Manager

Attachments:

Attachment I Preliminary Map of Off the Grid Layout

Site Plan



DATE: June 26, 2012

TO: Mayor and City Council

FROM: Director of Public Works – Utilities & Environmental Services

SUBJECT: Scavenging in Residential and Business Recyclable and Trash Containers

RECOMMENDATION

That Council reviews and discusses the following information regarding the scavenging of residential and business recyclable and trash containers.

BACKGROUND

In general, scavenging refers to the act of removing recyclable material from recycling and garbage containers before the City’s contractors arrive to pick up the materials. Waste Management of Alameda County (WMAC) is the contractor responsible for commercial recycling; and Tri-CED is the contractor responsible for residential single-family and multifamily recycling.

Scavengers range from individuals, some of whom may be elderly and/or transient, and on foot, to organized teams driving a pickup truck down the block while “runners” hop off, retrieve the recyclable items, place them into the truck, and move on to the next set of containers. Some residents have reported instances of strangers trespassing on private property and removing items from the containers while they are still in their side yard storage areas. Problems related to “recycling scavengers” have been raised by both residents and business owners in many of the Neighborhood Partnership meetings, prompting the City Council to request that staff research and report on this issue.

Concerns about scavenging have been expressed throughout the City; it is not limited to specific neighborhoods, nor is it unique to Hayward. This illegal activity causes alarm among some residents for several reasons, chiefly that they feel vulnerable to more serious crimes (i.e., that their neighborhood or their home is being scoped out for other crimes of opportunity such as home burglaries, robberies, and home invasions). These same residents fear that scavengers are seeking materials for identify theft. There is also a sense that the recycled materials themselves, although not of any value to the residents and not even technically owned by them once they are placed curbside, have been “stolen.” Many residents have noted that scavenging activities detract from the appearance and overall livability of the neighborhood, and decreases their feeling of security and safety in their neighborhood.

DISCUSSION

It is important to note that scavenging is not a new issue, and is, in part, a sign of the times and a reflection of the poor economic conditions. The phenomenon is certainly not limited to Hayward. Cities large and small (e.g., San Jose, Oakland, and Livermore) and relatively affluent and less affluent (e.g., Palo Alto and Oakland) are all affected by it. While many consider it a social menace and a safety issue, some tolerate it and consider it a mere nuisance. In fact, some newspapers and magazines have written articles in support of the practice and shun communities' actions to clamp down on the practice. They believe that sorting through the recyclables left in the public right-of-way should not be against the law, and that such action is an expected sign of the times. Here is an example from The New America Foundation: <http://www.newamerica.net/node/9431>.

Hayward is a community that generally takes issue with scavenging and believes it is both a gateway crime and a degradation of quality of life in the neighborhoods. Given this community perspective and policy direction from Council, City staff has worked diligently over the years to implement enforcement and public outreach activities to reduce the incidence of scavenging, with limited success. All involved departments take the issue seriously and respond to the extent that resources allow. This report provides the results of staff's research into what other cities do to address scavenging, and describes the current anti-scavenging plan in place in Hayward.

The City Council adopted Hayward Municipal Code Section 5 Article 9, titled "Scavenging from Residential Property Prohibited." This ordinance stipulates that any materials placed in the City's recycling containers shall not be tampered with or removed by anyone other than the City, permittee, owner, or person in lawful possession of the residential property from which material is set out for collection ("permittee" refers to the City's contracted garbage and recycling hauler). Code Section 5-9.40 defines scavenging as an "infraction" and subject to a fine of \$100 for the first violation, and \$200 and \$500, respectively, for the second and third violations within a twelve-month period. After the third conviction for a violation within any twelve-month period, any subsequent violation within the twelve-month period may be punished as a misdemeanor.

The Hayward Police Department (HPD) receives complaints on a regular basis regarding scavenging of recyclables and, when possible, responds to in-progress complaints by sending officers to the area to locate, identify, and cite the violators. As may be expected, however, enforcement of these Municipal Code provisions is generally difficult, especially because the crime must be witnessed by the officer in order for the violator(s) to be cited, similar to issuing moving traffic violations. Many constituents have expressed that they are hesitant to "bother" HPD with these complaints, concerned that officers have more important issues to address. In response, City staff and officials have stressed the importance of reporting each occurrence as it provides essential information that helps the police identify patterns of behavior or activity in a specific geographic area that could assist in focusing enforcement efforts and lead to arrests.

Other Cities' Experiences and Approaches - Staff contacted representatives of some other jurisdictions, including the cities of Oakland, Berkeley, and Livermore in Alameda County, and Palo Alto and San Jose in Santa Clara County to learn from their experiences about any potential new and innovative approaches to managing the scavenging issue. Approaches to address this problem vary among jurisdictions, but most agencies agree that strict enforcement of the

jurisdiction's municipal code needs to be part of the overall strategy because scavenging is considered a gateway crime, a seemingly petty crime that can nonetheless impact quality of life and potentially lead to more serious criminal activity. Reporting all occurrences is a primary tool in helping to combat this potential crime of opportunity. As in Hayward, residents in other communities are encouraged to report all occurrences and with specific information about the date, time, and location of the incident, vehicle description, and description of the person(s) involved.

The most useful and specific information was provided by San Jose staff. Due to recent staffing reductions, San Jose PD has stopped dispatching officers to scavenging calls beginning last summer. Since then, San Jose staff has logged calls and tracked the location of scavenging incidents. If the call volume provides sufficient useful statistics, target strategies would be developed, such as resident outreach and neighborhood patrols focusing on scavenging hot spots.

The City of Berkeley has taken other proactive and practical steps to reduce the incidence of scavenging, such as: setting up citizen telephone hotlines that can be used to collect data; sending letters to the registered owners of vehicles used in scavenging to inform them of the penalties of the crime; implementing a visible education campaign to alert citizens that scavenging is illegal and to provide information about actions to take if scavenging is witnessed; and including information on the City's website. While Berkeley staff recognizes that other potential approaches, such as encouraging the placement of recycling containers at curbside on the morning of pickup, lockable containers, and increased police patrols, could be effective, they are considered impractical or cost prohibitive.

While it is understood that the number one strategy to deal with scavenging is to set out the carts in the morning of the service day, staff from all of the cities contacted realize that it is not realistic to ask customers to wait for the morning of the service day to do so, especially for those customers that receive their service between 6 a.m. and 7 a.m. Due to contractual agreements, it is not easy to change the service hours to a later start. Nonetheless, some cities, including San Jose, encourage residents to keep the recycling cart in the garage or other secure area on non-collection days, to place the recycling cart at curbside in the morning instead of the night before collection, and to cover glass and aluminum recyclables with paper and cardboard so that they are not visible and are harder to get. However, the City also urges the resident not to confront scavengers.

Hayward's Tools and Strategies to Address Scavenging

The City's scavenging prohibition ordinance discussed earlier provides the legal structure on which the City bases its anti-scavenging efforts. In order to more effectively enforce the Code and reduce scavenging, HPD has implemented internal procedures, as well as several public outreach strategies, including:

- Posting the recyclable/trash pick-up schedule on the HPD intranet so that officers are aware when the recycle containers are out in different neighborhoods throughout the community and assists officers in patrolling the designated areas in an attempt to locate and prevent scavenging;
- Distributing stickers to residents and businesses to place on the containers advising of the ordinance;

- Recommending to residents and businesses that they not place their containers curbside the night before, but rather in the morning before their pick-up is scheduled; and
- Encouraging residents and businesses to call the HPD's dispatch number (293-7000) whenever they observe scavenging from recycling and garbage containers.

While these activities may have had a limited amount of success in raising awareness, in general, they do not appear to have had a substantial impact on reducing the incidence of scavenging. The reasons for this are difficult to assess with certainty. As mentioned earlier, residents' reluctance to contact the police may be related to the belief of many that scavenging is not a "real crime" and that police resources are better utilized in addressing more serious issues. Also, scavengers are not deterred by City regulations because they may not be fully aware of them and/or they believe that the likelihood of being caught in the act is low.

In order to address some of these issues and to augment existing anti-scavenging activities, Utilities and Environmental Services staff will work with HPD to implement other near- and longer-term measures, based in part on strategies used in other communities. Measures include:

- Distribution of billing inserts in the City's water bill and/or garbage bill mailings with information regarding recommended actions for constituents regarding the scavenging issue;
- Adding more specific information to the City's website to educate residents about scavenging and steps they can take to reduce it in their neighborhoods;
- Implementation of a scavenging hotline, which will be located at the Police Department, to encourage residents to file reports as scavenging is occurring;
- Notifying vehicle owners of penalties related to scavenging, when license plate information is received by the City;
- Working collaboratively with neighborhood groups to get the word out on the importance of reporting scavenging activity consistently; and
- Further encouraging best practices, such as placement of containers at the curb on the morning of pickup (this may not be reasonable for many people as collection starts at 6:00 a.m.).

Staff will also review the current anti-scavenging ordinance and associated penalties to ensure that the financial impacts are sufficient to discourage large-scale scavenging activities. If it is determined that changes are necessary or helpful, staff will return to Council for review and direction.

While the measures described above should reduce the prevalence of scavenging, it is unrealistic to assume that they will eradicate the practice. More aggressive strategies, such as lockable recycling containers and increased police patrols in areas with high occurrences of scavenging, could be effective but would have significant implementation costs and could result in contractual issues, and may not be practical in the current economic climate. WMAC currently does not offer any carts with locking mechanisms. Container manufacturers are testing these carts, which may be available

in the future, but would likely be expensive. Likewise, providing the necessary staffing resources for additional police patrols much beyond what is provided now could be cost prohibitive. Staff can address this issue more effectively in a new Franchise Agreement after the current Agreement expires. Any costs associated with anti-scavenging activities would likely be incorporated into garbage and recycling rates.

ECONOMIC IMPACT

Staff contacted the City’s recycling contractor, Tri-CED, to determine the economic impact to the firm as a result of scavenging. Tri-CED has conservatively estimated its loss to be about \$270,000 per year as a result of uncollected recyclable materials. It is noteworthy that some jurisdictions have performed studies and determined that the losses related to scavenging are between 13% and 19% of the value of the materials. Staff believes that the impact in Hayward is likely in this range. Using this estimate, the estimated figure from Tri-CED may be on the high side. Scavenging of commercial recyclables is not as prevalent as that seen in residential areas, given that the materials are generally in larger containers that are kept on the business’s property, but WMAC is not able to provide a specific dollar impact. For the sake of comparison, the \$270,000 figure provided by TriCED is about 1% of the total garbage and recycling rate revenues in the City.

FISCAL IMPACT

The fiscal impact to the City specifically associated with scavenging is not easily determined. Police Department resources are utilized to engage with every phone call, respond to calls for service, perform public outreach, and spend time documenting occurrences, but there is currently no tracking of hours spent related to scavenging. Staff will attempt to quantify the time spent on this issue over the next few months. The additional measures to reduce scavenging, as listed above, can be implemented without specific additional costs and absorbed in current departmental budgets.

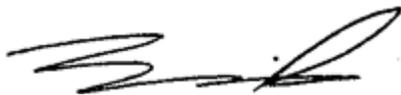
NEXT STEPS

Staff will continue to implement the strategies as outlined above.

Prepared by: Marilyn Mosher, Administrative Analyst III

Recommended by: Alex Ameri, Director of Public Works – Utilities & Environmental Services

Approved by:



Fran David, City Manager

Attachments:

Attachment I: Article 9 – Prohibition of Scavenging

ARTICLE 9

PROHIBITION OF SCAVENGING

Section	Subject Matter
5-9.00	PURPOSE AND INTENT
5-9.10	DEFINITIONS
5-9.20	OWNERSHIP OF RECYCLABLE MATERIALS
5-9.30	SCAVENGING FROM RESIDENTIAL PROPERTY PROHIBITED
5-9.40	INFRACTION
5-9.50	PROCEDURE NOT EXCLUSIVE

ARTICLE 9

PROHIBITION OF SCAVENGING

SEC. 5-9.00 PURPOSE AND INTENT. To reduce the waste stream generated by citizens of Hayward, the City has or intends to adopt certain residential recycling programs. Scavenging of recyclables from these programs undermines their economic viability and thereby undermines their success. The regulations in this article are intended to eliminate scavenging of recyclables.

SEC. 5-9.10 DEFINITIONS. Whenever the following words and phrases are used in this article, they shall have the definition or meaning established by this section, unless it is clearly apparent from the context in which the word or phrase appears, that a different definition or meaning is intended.

- a. City Agent means any person designated by the City Manager or City Council as being responsible for administering, directing, supervising, collecting, or providing for the disposal of recyclable material.
- b. Permittee means a recycling operator performing services pursuant to a permit issued by or a contract awarded by the City.
- c. Recyclable materials means paper, glass, cardboard, plastic, used motor oil, ferrous metal, aluminum, compostable yard matter, or other materials which may be recycled for use in an altered form that has been segregated from other solid waste and placed at a designated collection location for the purpose of collection and recycling.
- d. Recycling operator means a person or persons, firm, partnership, joint venture, association, or corporation engaged in the collection and recycling of waste and other discarded materials.
- e. Recycling shall have the meaning established by Government Code section 66716.5.

SEC. 5-9.20 OWNERSHIP OF RECYCLABLE MATERIALS. Recyclable materials placed at the curb of residential properties or placed for collection on residential properties for pick up by the City's permittee shall become the property of the permittee at the time of their placement in the City's recycling containers which are labeled "Hayward Recycles" or otherwise set out for collection under the City's recycling program. Such materials shall be deemed discarded by a property owner or occupant at the time of the material is placed in the container or otherwise set out for collection.

SEC. 5-9.30 SCAVENGING FROM RESIDENTIAL PROPERTY PROHIBITED. It shall be unlawful for any person to do the following with respect to the City's recycling containers (labeled "Hayward Recycles") used in the City's residential recycling program:

- a. Tamper or meddle with such a container;
- b. Tamper or meddle with the contents of any such container;

- c. Remove any such container for recyclable material from the location where the container has been placed for pick up by a permittee;
- d. Remove any recyclable materials from any such container.
- e. Remove any other recyclable materials set out for recycling collection under the City's recycling program.

Notwithstanding the foregoing, nothing in this section prohibits the permittee, owner or person in lawful possession of the residential property from which material is set out for recycling, the City, or the agents or employees of the foregoing from taking such actions necessary to accommodate the City's residential recycling program or the health and safety of the public. The permittee, the City, and their employees and agents are exempt from subsection d. of this section.

SEC. 5-9.40 INFRACTION. Any person violating any provision of this article shall be guilty of an infraction. Upon conviction of an infraction, a person shall be subject to payment of a fine, not to exceed the limits set forth in Government Code section 36900. After the third conviction for a violation of this article within any twelve-month period, any subsequent violation within the twelve-month period may be punished as a misdemeanor.

SEC. 5-9.50 PROCEDURE NOT EXCLUSIVE. The procedure provided in the provisions of this Article shall be cumulative and in addition to any other remedies provided in ordinances of this City or by State law and shall not prejudice or affect any other action, civil or criminal, to enforce any rights or prosecute or restrain any violations hereunder.



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The City Council Meeting was called to order by Mayor Sweeney at 7:00 p.m., followed by the Pledge of Allegiance led by Council Member Henson.

ROLL CALL

Present: COUNCIL MEMBERS Quirk, Zermeño, Halliday, Peixoto, Salinas,
Henson
MAYOR Sweeney
Absent: None

PUBLIC COMMENTS

Mr. Jim Drake, Franklin Avenue resident, noted that the Police Department had two sound meters. Mr. Drake expressed concern about the maintenance and related cost that the mini loop project will generate for the City.

Ms. Carol Markos, Castro Valley resident and President of the Hayward Arts Council (HAC), spoke on behalf of HAC members and appealed the recommended funding allocation of 15% of the amount requested. Ms. Markos spoke about the services that the HAC provides, the need for at least \$14,000, and urged Council to approve additional funding.

Ms. Gail Lundholm, Cinema Place Gallery Manager, appealed to Council to approve \$14,000 for the HAC. Ms. Lundholm spoke about the services the gallery provides and noted that in 2011 the Cinema Place Gallery brought in 22,970 people to downtown contributing to the Council's priority to revitalize the downtown area. She urged Council to approve additional funding.

Mr. Michael Wallace, San Leandro resident, requested that the Council reconsider the funding allocation for the arts so they could continue their service to the community. Mr. Wallace noted that the HAC provides a vital service to the community and mentioned that the closing of the Cinema Place Gallery would add another empty storefront to downtown.

Mr. Ken Rawdon, Diamond Ridge Drive resident, spoke in support of restoring funding for the HAC. Mr. Rawson noted that the HAC also gives back to the community by supporting local musicians at art receptions.

Mr. Richard Albert, Minnie Court resident, spoke in support of funding the HAC. Mr. Albert noted that he is an artist who was able to display his art at HAC shows.

Mr. David Eakin, Castro Valley resident, spoke in support of funding the Hayward Municipal Band. Mr. Eakin noted the band bridges generations and was important for the community.

Ms. Kathy Catanho, Castro Valley resident and Hayward property owner, spoke in favor of the Hayward Municipal Band and asked the City to partner with the band in getting the word out to increase community participation.

Ms. Lolita Morelli, Oakland resident and Hayward Municipal Band Manager, mentioned the band offers free concerts and provides an opportunity for families to come together. Ms. Morelli noted the band receives generous community support and requested Council for their continued support.

Mr. Nicholas Vigil, Blossom Way resident and member of the Hayward Municipal Band, urged Council to support the band to enable them to continue to provide quality entertainment to the community.

Mr. Marty Marinak, Walnut Creek resident and representing the Hayward Municipal Band, thanked Council's support over the years and noted the band provides free quality family entertainment. Mr. Marinak urged Council's continued support of the Hayward Municipal Band.

Ms. Barbara Bernstein, Executive Director of Eden Information & Referral, urged Council's continued support for 2-1-1 Information & Referral funding because it was a vital resource for the community. Ms. Bernstein pointed out that Hayward had the second highest call volume for the County.

Mr. Charlie Peters, Main Street resident and Clean Air Performance Professionals representative, submitted information for the record and provided Council with an update on Partial Zero-emission Vehicles (PZEV) and AB 523 and SB 1396 related to mandated ethanol in gas.

Ms. Barbara Berrner, Castro Valley resident and member of the HAC, commented on the work done by volunteers at the five art galleries. Ms. Berrner mentioned that the HAC encourages emerging artists to display their art work and also sponsors youth music programs.

Mr. Philip Lehrman, Armour Street resident, congratulated the incumbents for their reelection, noted that Council's decisions were closely monitored and mentioned that seniors and folks on a fixed income will unite and seek representation for future elections.

Mr. Kim Huggett, President of the Hayward Chamber of Commerce, invited everyone to the Thirteenth Annual Downtown Street Parties on June 21st, July 16th, and August 16th, and noted they were sponsored by the Hayward Chamber of Commerce, the City of Hayward, and the Downtown Business Improvement Area.

Ms. Amy Nelson Smith, Creole Place resident and Sun Gallery Board Member, noted the Sun Gallery operates a local non-profit gallery and an art education program. Ms. Smith expressed appreciation for any extra funding that the City was able to allocate for the Sun Gallery.

Ms. Carol Morgan, Mallard Court resident, spoke on behalf of the Youth Orchestra of Southern Alameda County (YOSAC), noting that YOSAC partners with the Hayward Unified School District and Eden United Church of Christ to provide services in Hayward. Ms. Morgan thanked the Council for its continued support and the Community Services Commission and staff for their guidance.



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Martinas Budustis, of Troop 876 at All Saints Church, thanked the Council for the new Cinema Place and all the renovations in downtown.

Ms. Eileen Brougham-Bond, Seventh Street resident, spoke on behalf of the Hayward Municipal Band, noting that the band provides free and therapeutic entertainment and appeals to a diverse population. Ms. Brougham-Bond added that the community needs the band.

Mr. Ronnie Stewart, Executive Director of the Hayward/Russell City Blues Festival, thanked Council for their continued support. Mr. Stewart announced the 13th Annual Hayward/Russell City Blues Festival on July 7 and 8, 2012, sponsored by the Bay Area Blues Society and the City of Hayward.

Ms. Valerie Caveglia, Hillcrest Avenue resident, representing the Sun Gallery, said the mission of the Sun Gallery was to provide art exhibitions and educational programs that reflected the diversity of the community. Ms. Caveglia urged the Council to consider additional funding for the Sun Gallery and noted that the Gallery's website had information for people wishing to make donations.

Mr. Doug Ligibel submitted a card but did not speak.

Ms. Carol Sturholm submitted a card but chose not to speak.

Ms. Peggy Guernsey, Delmar Avenue resident, spoke on behalf of the Zucchini Festival noting the Festival would be celebrating its 30th year of serving Hayward. Ms. Guernsey did not agree that the recommended funding allocation for the Zucchini Festival was equitable compared to the allocation for the Blues Festival. Ms. Guernsey requested that unallocated funds be given to the Zucchini Festival.

Mr. Ray Bonilla Jr., Delmar Avenue resident and Chair of the Neighborhoods, Arts & Events Committee of the Community Services Commission, thanked community leaders and agencies. Mr. Bonilla noted that the Commission had a challenging task submitting funding recommendations that were equitable and requested that Council accept the funding recommendations.

Mr. Ben Henderson, Chief Executive of East Bay Aviators, thanked Council Members Henson and Halliday for their support at the annual Executive Airport Open House and thanked the participating organizations for making it a successful event.

Ms. Patra Rae Nesselth Steffes, Bland Street resident, expressed support for both the Hayward Arts Council and the Sun Gallery, and mentioned events organized by the agencies. Ms. Rae Nesselth Steffes invited everyone to the HAC fundraiser on November 2, 2012, and the Sun Gallery fundraiser in September.

Ms. Lynn Foy Linnen, 7th Street resident and Chair of the Community Services Commission, spoke about the hard work of the Neighborhoods, Arts & Events Committee in making recommendations that enabled each organization to receive some funding. Ms. Linnen requested that the Council honor the funding recommendations.

WORK SESSIONS

1. FY 2013 & FY 2014 Recommended Biennial Budget Work Session #4 - Department Budget Presentations: Technology Services; Police

Staff report submitted by Finance Director Vesely, dated June 12, 2012, was filed.

Technology Services

Technology Services Director Priest provided a synopsis of the budget for his department which addressed staffing, accomplishments from FY 2012, goals for FY 2013 and 2014, and significant changes.

Council Member Henson commended the Technology Services Director Priest for his accomplishments and goals for the department. Technology Services Director Priest clarified the Public/Educational/Government (PEG) Cable Television revenue funding.

Council Member Halliday thanked Technology Services Director Priest and his staff for their hard work and congratulated him on his retirement. Ms. Halliday commended the Video Audio Specialist Tabari on his help with the 2011 Volunteer Dinner.

Mayor Sweeney thanked Technology Services Director Priest and congratulated him on his retirement.

Police Department

Police Chief Urban provided a synopsis of the budget for her department which addressed staffing, accomplishments from FY 2012, goals for FY 2013 and 2014, and significant changes.

In response to Council Member Peixoto, Police Chief Urban noted that the new Computer Aided Dispatch/Records Management System (CAD/RMS) provided data for the gang injunction and the data was being reviewed. In regards to the Redflex Photo Red Light Program, Chief Urban said staff was working closely with Alameda County to ensure that the City was receiving the appropriate revenue.

Council Member Zermeño thanked Police Chief Urban and noted he would prefer to see staffing levels returned to the 210 to 220 range.

Council Member Henson commended Police staff for their hard work and said he appreciated that the Police Department was taking the lead on the East Bay Regional Inoperability Communications



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System (EBRICS), and encouraged staff to continue moving forward to obtain available funding. Police Chief Urban thanked Mr. Henson for his leadership with that project.

In response to Council Member Salinas' request, Police Chief Urban mentioned the City's crime statistics were in line with nationwide rates, which showed an increase on property crime, auto theft, and home burglaries. Chief Urban mentioned Police staff was working in collaboration with the Hayward Unified School District (HUSD) to have training for HUSD security staff, to achieve continuity and professionalism in the level of service across all campuses.

Council Member Halliday pointed out Council had recognized the issue of home burglary by including it under the Council Priority of Safe. Ms. Halliday noted she would like to receive performance measures of how well the department was meeting objectives and goals. Ms. Halliday commented on the successful "Safety Expo" held at Southland Mall and that Council had received positive feedback from Southland Mall representatives.

Mayor Sweeney said that the Council Priorities needed to be reflected in the adopted budget under Core Services and Objectives. Mayor Sweeney directed staff to include residential burglary under Core Services.

In order to avoid conflict of interest, Mayor Sweeney noted he would participate in the Community Promotions, Neighborhood and Arts & Events portion of Work Session No. 2, but said he would recuse himself during the Social Services, Community Development Block Grant (CDBG), and Measure B-Paratransit items because he works for a non-profit agency, Spectrum Community Services, Inc., which was being considered for funding.

2. FY 2013 Community Agency Funding Recommendations for All Funds and Funding Categories, Including: Community Promotions; Neighborhoods, Arts & Events; Social Services; Community Development Block Grant (CDBG); and Measure B – Paratransit

Staff report submitted by Library and Community Services Director Reinhart, dated June 12, 2012, was filed.

Library and Community Services Director Reinhart provided a synopsis of the report and noted that Community Services Commission Members Linnen (Chairperson), Ray Bonilla Jr. (Chair, Application Review Committee for the Neighborhoods, Arts & Events Category), Ben Henderson, Linda Moore (Chair-Infrastructure Committee), Cynthia Chiasson (Application Review Committee), and Diane Fagalde (Application Review Committee) were present. Mr. Reinhart acknowledged the commissioners' hard work throughout the process.

Neighborhoods, Arts and Events Category

Council Member Quirk commented that by the number of public speakers it was evident that Hayward was a community that cared about art programs. Council Member Quirk suggested staff bring back a separate item, as part of the budget, to discuss increasing the amount of funds allocated for the arts. He suggested that the Hayward Arts Council could receive an additional \$5,700, the Municipal Band an additional \$7,500, and the Sun Gallery an additional \$14,000. He recommended that the funding allocations for these three agencies be made a priority each fiscal year similar to the funding distribution for Eden Information & Referral. Mr. Quirk noted that allocating the additional funds would be an insignificant change to the total budget.

Council Member Salinas mentioned the overwhelming positive community comments, how arts and music events brought the community together, and the great participation as reported by the Sun Gallery and Municipal Band. Mr. Salinas urged the City to continue to provide free access to City Hall's Rotunda to enable art and music groups to hold fundraisers and was in agreement with Council Member Quirk to increase the funding sought noting the increase was not significant to the overall budget as it provided value to the community.

Council Member Henson said he supported the arts and music programs and although he would be supportive of increasing funding for the agencies, he was concerned that such action would contradict the Community Services Commission's recommendation and would create an opportunity to have suggestions for other funding categories.

Council Member Zermeño noted that although City employees and Council underwent concessions to balance the budget during difficult economic times, he supported funding the arts and music with the condition that the agencies' members join the "Shop Hayward First" campaign and shop Hayward because that would generate more funding. He suggested that there should be two main funds; one for arts and another for music programs so that different like-agencies could draw from the same funding.

Council Member Halliday expressed she supported and appreciated the arts and music programs, and agreed with the speakers' comments and pointed out that a reason for the reduction in funding was due to the elimination of the redevelopment agency. Ms. Halliday suggested adding to the allocated \$75,000 funding recommendations an additional \$25,000 and the \$5,161 unallocated monies, to restore funding equity to the Hayward Arts Council and then distribute the remainder funds in accordance with the same formula that was utilized and noted no agency should receive more funding than what they requested. Ms. Halliday added that agencies receiving funding would need to write to their State representatives about how the State's action had impacted the City.

Council Member Peixoto was in agreement with Council Member Quirk's suggestion to discuss increasing the funding for arts and music as a separate item from the budget, but cautioned against giving special treatments to selected groups in future years.

Mayor Sweeney asked City Manager David to draft options and bring them back to Council at the next meeting. Mayor Sweeney said the Council seemed to support additional funding for the arts and music category and support flexibility in recognizing that there needs to be sacrifices made during difficult economic times and Council would need to make that determination.



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Community Promotions Category

Council Member Henson commented on the importance of the Community Promotions category and thought that at least \$50,000 should be in place for an entertainment fund. Mr. Henson suggested that the amount allocated for the Zucchini Festival be increased to \$5,000 given that the Zucchini Festival attracted approximately 18,000 participants and added to the City's coffers. He added that appropriate accountability should be a condition.

Council Member Zermeño concurred with Council Member Henson's suggestions to increase funding for the Zucchini Festival to \$5,000 and said he was also in support of funding the Blues Festival. He also favored the idea of establishing a Community Promotions fund.

Council Member Halliday was amenable to increasing the funding for the Zucchini Festival to \$3,000 or \$5,000. Ms. Halliday reiterated that her recommendation of additional funding to the neighborhood arts and community promotion categories would provide approximately \$100,000, and that could be distributed to the agencies to restore to equity.

Council Member Quirk mentioned that the Zucchini Festival was originally self-supporting and had only started to request funding a couple of years ago. He suggested the item be brought back next week for discussion.

Council Member Salinas expressed support for Council Member Henson's comments and was agreeable to have the Zucchini Festival item brought back for discussion and he welcomed any response from the community.

Mayor Sweeney noted that Council would like to see options for the Zucchini Festival.

Mayor Sweeney turned the gavel over to Mayor Pro Tempore Halliday at 9:55 p.m. to preside over the meeting and he left the Council Chambers.

Social Services Programs

Council Member Zermeño thanked the Community Services Commission for the funding recommendations. Mr. Zermeño discussed the possibility of offering a rent waiver to the Hayward Day Labor Center (HDLC), to allow them to function better.

In response to a question from Council Member Quirk, Director of the Hayward Day Labor Center Gabriel Hernandez requested that the Center's funding be increased to \$47,400, that the rent be waived, and that an additional \$30,000 be added to retain a position that would be eliminated without additional funds. Mr. Quirk pointed out that the rent could not be waived as that would affect another non-profit agency and he suggested that the item could be brought back as a separate item with an analysis of the impact to the HDLC.

Discussion ensued among Council and staff about funding for the Hayward Day Labor Center and it was decided that there was a significant difference between Social Services and the Arts & Music funding. There was agreement to accept the Community Services Commission's recommendation for Social Services funding.

Mayor Pro Tempore Halliday supported the funding recommendation for Eden Information & Referral.

Mayor Sweeney returned to the Council Chambers and Mayor Pro Tempore Halliday handed over the gavel for the Mayor to preside over the rest of the meeting.

CONSENT

Consent Item Nos. 10 and 11 were removed for further discussion.

3. Approval of Minutes of the City Council Meeting on May 22, 2012

It was moved by Council Member Henson, seconded by Council Member Zermeño, and carried unanimously to approve the minutes of the City Council Meeting of May 22, 2012.

4. Resignation of Gurjit Kaur from the Personnel Commission

Staff report submitted by City Clerk Lens, dated May 29, 2012, was filed.

It was moved by Council Member Henson, seconded by Council Member Zermeño, and carried unanimously, to adopt the following:

Resolution 12-085, "Resolution Accepting the Written Resignation of Gurjit Kaur from the Personnel Commission"

5. Downtown Business Improvement Area Annual Report and Proposed Budget for FY 2013

Staff report submitted by Redevelopment Project Manager Ortega, dated May 29, 2012, was filed.

It was moved by Council Member Henson, seconded by Council Member Zermeño, and carried unanimously, to adopt the following:

Resolution 12-086, "Resolution Accepting Annual Report and Declaring Intention to Levy Annual Charges for the Downtown Hayward Business Improvement Area for the Fiscal Year 2013 and Providing for Notice of Hearing Thereon"



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6. Approval of Loan of HOME Funds to Eden Housing Inc. for Rehabilitation of Leidig Court Apartments and Redocumentation of CDBG Investment

Staff report submitted by Housing Development Specialist Cortez, dated May 29, 2012, was filed.

It was moved by Council Member Henson, seconded by Council Member Zermeño, and carried unanimously, to adopt the following:

Resolution 12-087, “Resolution Authorizing the City Manager to Negotiate and Execute Loan Documents Between the City of Hayward and Eden Housing, Inc., for a \$325,000 Home Loan to Fund the Rehabilitation of Leidig Court Apartments and Further Authorizing the Redocumentation of Existing CDBG Funding Investment in the Property”

7. Pavement Reconstruction FY12 - Taxiway Delta at Hayward Executive Airport: Award of Contract

Staff report submitted by Assistant City Engineer Owusu, dated May 29, 2012, was filed.

It was moved by Council Member Henson, seconded by Council Member Zermeño, and carried unanimously, to adopt the following:

Resolution 12-088, “Resolution Increasing the Administrative Change Order Amount, and Awarding the Contract to Granite Rock Company (DBA Pavex Construction Division) for Pavement Reconstruction FY12 - Taxiway Delta at Hayward Executive Airport Project, Project No. 6813”

8. Sidewalk Rehabilitation and Wheelchair Ramps FY12 - Districts 6 & 9: Award of Contract

Staff report submitted by Assistant City Engineer Owusu, dated May 29, 2012, was filed.

It was moved by Council Member Henson, seconded by Council Member Zermeño, and carried unanimously, to adopt the following:

Resolution 12-089, “Resolution Increasing the Administrative Change Order Amount and Awarding the Contract to Rosas Brothers Construction for the Sidewalk Rehabilitation and Wheelchair Ramps

Project Nos. 5179 and 5168”

9. Signal Timing and Controller Replacement Program on Clawiter Corridor: Approval of Contracts for Purchase of Traffic Control Equipment

Staff report submitted by Transportation Manager Frascinella, dated May 29, 2012, was filed.

It was moved by Council Member Henson, seconded by Council Member Zermeño, and carried unanimously, to adopt the following:

Resolution 12-090, “Resolution Approving Purchase Orders for Traffic Signal Controllers, Video Detection Systems and Traffic Control Software for the Signal Timing and Controller Replacement Program for Clawiter Road, Project No. 5703”

10. Report and Special Assessment for Residential Rental Inspection Fees Past Due

Staff report submitted by Supervising Housing Inspector Bragg, dated May 29, 2012, was filed.

It was moved by Council Member Zermeño, seconded by Council Member Halliday, and carried unanimously, to adopt the following with an amendment to Attachment II of the report by including two additional pages:

Resolution 12-094, “Resolution Confirming the Report and Special Assessment List and Authorizing Transmittal of Assessments to the County Auditor for Collection Associated with Overdue Residential Rental Inspection Fees for Calendar Year 2011 and through April 30, 2012”

11. Report and Assessment for Community Preservation Fees Past Due

Staff report submitted by Neighborhood Partnership Manager Bristow, dated May 29, 2012, was filed.

Mayor Sweeney pulled this item and opened the public comments section at 10:12 p.m. to allow two speakers to comment on the item.

Reverend Bruce Green, Union City resident and Chairman of Hayward-Ghazni Sister City Committee, requested that the Mohammadia Islamic Center on C Street be allowed to perform community service in lieu of the Community Preservation fees that the Center owes. Reverend Green mentioned speaking with Pastor Chuck Horner, who was willing to provide assistance.



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777 B Street, Hayward, CA 94541
Tuesday, June 12, 2012, 7:00 p.m.**

Mr. Maim Vasel, C Street resident speaking on behalf of the Mohammadia Islamic Center, mentioned the majority of the Center's community was elderly and lacked resources and he requested the Council's assistance.

Mayor Sweeney closed the public comments section at 10:17 p.m.

Assistant City Manager Morariu explained that there was a graffiti tag on the building at 492 C Street, the owners were properly notified and were unable to abate the graffiti, the abatement was conducted by staff, and the Center was billed, and then went through an unsuccessful administrative appeal process. Ms. Morariu added that the item before Council was to approve placing past due Community Preservation fees as a special assessment on the properties' property taxes. Ms. Morariu noted the current ordinance did not allow for community service in lieu of payment of fees, and suggested that staff meet with the property owner and set up a payment plan and/or options.

Reverend Green confirmed for Council Member Henson that the building was a religious center. Assistant City Manager Morariu said she would need to research the building's classification as religious centers do not pay property taxes.

Council Member Henson offered a motion to move the staff recommendation with the exception of community preservation charges related to the Mohammadia Center property at 492 C Street. Council Member Quirk seconded the motion.

It was moved by Council Member Henson, seconded by Council Member Quirk, and carried unanimously, to adopt the following, with the exception of community preservation charges related to the Mohammadia Center property at 492 C Street.

Resolution 12-095, "Resolution Confirming the Report and Special Assessment List Associated with Overdue Community Preservation Charges for the Period from January 1, 2011 through April 30, 2012"

12. Special Assessment Hearing and Report for Vehicle Abatement Fees Past Due

Staff report submitted by Neighborhood Partnership Manager Bristow, dated May 29, 2012, was filed.

It was moved by Council Member Henson, seconded by Council Member Zermeño, and carried unanimously, to adopt the following:

Resolution 12-091, "Resolution Confirming the Report and Special Assessment List Associated with Overdue Vehicle Abatement Charges for the Period from January 1, 2011 through April 30, 2012"

13. Adoption of a Resolution to Approve an Amendment to the Hayward Police Management Unit Memorandum of Understanding

Staff report submitted by Human Resources Director Robustelli, dated May 29, 2012, was filed.

It was moved by Council Member Henson, seconded by Council Member Zermeño, and carried unanimously, to adopt the following:

Resolution 12-092, “Resolution Approving an Amendment to the Hayward Police Management Unit Memorandum of Understanding”

14. Adoption of a Resolution Authorizing Amendment of the Salary and Benefits Resolution for the Unrepresented Management, Human Resources and City Attorney Employees

Staff report submitted by Human Resources Director Robustelli, dated May 29, 2012, was filed.

It was moved by Council Member Henson, seconded by Council Member Zermeño, and carried unanimously, to adopt the following:

Resolution 12-093, “Resolution Authorizing an Amendment of the Salary and Benefits Resolution for the Unrepresented Management, Human Resources and City Attorney Employees”

PUBLIC HEARING

15. Maintenance District No. 1 – Storm Drainage Pumping Station and Storm Drain Conduit - Pacheco Way, Stratford Road and Ruus Lane - Approve the Engineer's Report, Confirm the Assessment Diagram and Assessment, and Order the Levy and Collection of Assessments for Fiscal Year 2013

Staff report submitted by Development Review Engineer Nguyen, dated May 29, 2012, was filed.

Development Services Director Rizk announced the report and introduced Development Review Engineer Nguyen who provided a synopsis of the report.

There being no public comments, Mayor Sweeney opened and closed the public hearing at 10:28 p.m.

Council Member Peixoto mentioned that the property owners living in the district will need to know that the assessment amount may be increased at some point in the future and that staff will need to conduct outreach.



**MINUTES OF THE CITY COUNCIL MEETING
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Council Member Halliday expressed the importance of educating property owners about flood insurance.

It was moved by Council Member Halliday, seconded by Council Member Henson, and carried unanimously, to adopt the following:

Resolution 12-096, “Resolution Approving the Engineer’s Report, Confirming the Assessment Diagram and Assessment, and Ordering Levy and Collection of Assessments for Fiscal Year 2013 for Maintenance District No. 1: Storm Drain Pumping Station and Storm Drain Conduit – Pacheco Way, Stratford Road, and Ruus Lane (MD No. 1)”

16. Maintenance District No. 2 – Eden Shores Storm Water Facilities and Water Buffer - Approve the Engineer's Report, Confirm the Assessment Diagram and Assessment, and Order the Levy and Collection of Assessments for Fiscal Year 2013

Staff report submitted by Development Review Engineer Nguyen, dated May 29, 2012, was filed.

Development Services Director Rizk announced the report and introduced Development Review Engineer Nguyen who provided a synopsis of the report.

There being no comments, Mayor Sweeney opened and closed the public hearing at 10:33 p.m.

Development Review Engineer Nguyen confirmed for Council Member Henson that the capital reserve fund balance was approximately \$350,000, and if necessary, approximately \$20,000 from the capital reserve funds could be used to pay for the replacement of any pumps.

It was moved by Council Member Henson, seconded by Council Members Peixoto and Halliday, and carried unanimously, to adopt the following:

Resolution 12-097, “Resolution Approving the Engineer’s Report, Confirming the Assessment Diagram and Assessment, and Ordering Levy and Collection of Assessments for the Fiscal Year 2013 for Maintenance District No. 2: Eden Shores Water Buffer Zone and Pre-Treatment Pond (MD No. 2)”

17. Consolidated Landscaping and Lighting District No. 96-1, Zones 1 through 13 – Approving the Engineer’s Report, Confirming the Assessment Diagrams and Assessments, and Ordering the Levy and Collection of Assessments for Fiscal Year 2013

Staff report submitted by Development Review Engineer Nguyen, dated May 29, 2012, was filed.

Development Services Director Rizk announced the report and introduced Development Review Engineer Nguyen who provided a synopsis of the report.

There being no public comments, Mayor Sweeney opened and closed the public hearing at 10:38 p.m.

Council Member Halliday congratulated the Zone 3-Prominence neighborhood for increasing their assessment a few years ago for landscaping projects and thanked staff for working closely with them. Development Services Director Rizk mentioned that the Prominence Landscape Committee (PLC) had been proactive.

It was moved by Council Member Halliday, seconded by Council Member Quirk, and carried unanimously, to adopt the following:

Resolution 12-098, "Resolution Approving the Engineer's Report, Confirming the Assessment Diagrams and Assessments, and Ordering Levy and Collection of Assessments for Fiscal Year 2013 of the Landscaping and Lighting District No. 96-1, Zones 1-13"

18. Denial of a Proposed Walmart Market Grocery Store at the 34,000-square-foot Building Formerly Occupied by Circuit City at 2480 Whipple Road

Staff report submitted by Development Services Director Rizk, dated May 29, 2012, was filed.

Development Services Director Rizk said staff, per Council's direction, had prepared findings for denial for Council's consideration. Mr. Rizk added that per Council's direction, staff would come back in the fall with a definition of regional and sub-regional market base.

There was Council consent to hear testimony from individuals who had submitted speaker cards and a two-minute limit was established for each speaker.

Mayor Sweeney opened the public hearing at 10:45 p.m.

Mr. Kim Huggett, President of the Hayward Chamber of Commerce, expressed concern about the City's economic development and noted that the Council's decision would demonstrate the limits that are placed on businesses. He noted that the Chamber of Commerce Government Relations Council and Board of Directors voted unanimously to approve the initial Planning's assessment and economic rejuvenation of the site.

Mr. Phil Lehrman, Armour Street resident, noted he submitted letters for the record, mentioned he signed the appeal regarding the Planning Commission's decision, and urged Council to give the citizens of Hayward the opportunity to shop at Walmart. He requested to be allowed to speak if there was a procedural matter.



**MINUTES OF THE CITY COUNCIL MEETING
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Mr. Ralph Farias submitted a card but did not speak.

Ms. Carol Sturholm, El Dorado Avenue resident, urged Council to approve the recommendation.

Mr. Jerry Higgins, Spanish Ranch I resident, said the regional and sub-regional zoning designation had been in place for 17 years, rezoning was not necessary, and that the zoning was not just for Circuit City but the entire shopping center. He said the market would generate jobs for Hayward and asked that Hayward citizens be allowed to determine where they want to shop, and he pointed out the sales tax revenue from the building of the store will greatly benefit Hayward.

Mr. John Nunes, Mission Boulevard resident, spoke on behalf of approximately 2,000 union members who work and live in Hayward. Mr. Nunes asked Council to confirm the denial of the appeal made by the applicant and he added that the site was not appropriate for a neighborhood serving commercial anchor.

Mayor Sweeney closed the public hearing at 10:55 p.m.

Council Member Quirk thanked the speakers, noted there was a disagreement on the definition of a regional/sub-regional use determination, and mentioned the applicant could return with an application for a grocery store asking for an exception to the regional/sub-regional restriction.

Council Member Quirk offered a motion per staff recommendation and Council Member Henson seconded the motion.

Council Member Henson concurred with Council Member Quirk and mentioned that staff would come back in the fall with the definition for regional/sub-regional. He noted the purpose of including the language “denial without prejudice” was to allow the applicant to reapply. He noted that he casted the vote on the interest of the City.

Mayor Sweeney noted he would support the motion. Mayor Sweeney noted that Council did an exceptional job in demonstrating that the proposed use did not meet the regional/sub-regional requirement. He agreed with Council Member Henson and noted that decisions must be made by keeping in mind what is good for the City.

It was moved by Council Member Quirk, seconded by Council Member Henson, and carried with the following vote, to adopt the following:

AYES: Council Members Quirk, Peixoto, Henson
MAYOR Sweeney
NOES: Council Members Zermeño, Salinas, Halliday
ABSENT: None
ABSTAINED: None

Resolution 12-099, "Resolution Denying a Proposed 34,000 Square Foot Walmart Market Grocery Store at 2480 Whipple Road in the Former Circuit City Store Space"

ADJOURNMENT

Mayor Sweeney adjourned the meeting at 11:03 p.m., in memory of LeRoy Pegis, a graduate of Hayward High School and California State University Hayward, member of All Saints Catholic Church, member of the Faro-Hayward Sister City Committee, active in the Portuguese community, and a member of the Funabashi-Hayward Sister City Committee. LeRoy Pegis had retired as Superintendent of Recreation from Hayward Area Recreation and Park District after thirty-one years of service. Mayor Sweeney asked staff to work with the family to find a suitable place to plant a tree in his memory.

The meeting was also adjourned in memory of Tony Barbosa, a native of Hayward, a Hayward business owner of Golden Bay Title, a star athlete, and a graduate of Hayward High School. Tony Barbosa joined the Navy to serve the country during the Korean War and worked in the real estate industry.

APPROVED:

Michael Sweeney, Mayor, City of Hayward

ATTEST:

Miriam Lens, City Clerk, City of Hayward

DATE: June 26, 2012
TO: Mayor and City Council
FROM: Director of Finance
SUBJECT: Banking and Cash Management Services Agreement Extension

RECOMMENDATION

That the City Council adopts the attached resolution authorizing the City Manager to execute a one-year extension of the City's existing agreement with Bank of the West for banking transaction and cash management services.

BACKGROUND

On April 6, 2006, the City issued a banking services request for proposal (RFP) which ultimately resulted in a five-year agreement with Bank of the West for banking transaction and cash management services. Council extended this agreement through August 1, 2012, at which time the current agreement will expire.

DISCUSSION

Consistent with best practices to refresh banking proposals at regular intervals, staff will be preparing a RFP to once again solicit proposals for banking and cash management services in the coming year. While staff intended to issue this RFP during fiscal year 2012, the project was given a lower priority given the high quality of services currently being provided by Bank of the West, as well as the demand of other higher priority projects. These other projects include: an intensive two-year budget process to address the City's \$14.9 million FY 2013 General Fund deficit that involved participating in significant labor negotiations; response to the dissolution of the Redevelopment Agency and creation of the Successor Agency; the RFP process for investment management services (where no contract for these services existed previously); and response to multiple audits, both City-initiated and in response to County requirements under the dissolution of the RDA.

Services from Bank of the West have been more than satisfactory under this contract. Therefore, due to the imminent expiration of the current bank agreement, staff is recommending a one year extension of the current agreement with Bank of the West. This extension will provide continued service of City-wide operations while providing enough time for a complete

assessment of needed services and solicitation of proposals from financial institutions.

FISCAL IMPACT

There is no fiscal impact during this extension period. The City's banking services costs with Bank of the West average around \$92,000 per year (approximately \$200 for bank fees and \$92,000 for credit card fees).

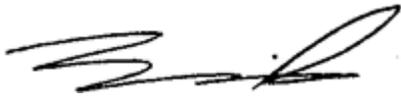
NEXT STEPS

During the next several months, staff will develop an RFP for banking and cash management services. That RFP will be distributed to financial institutions in late October /early November 2012 with a deadline of January 2013 for return of proposals. Staff will then proceed with review and analysis of the proposals, leading to a final selection and award of contract by approximately May 2013.

Prepared by: Greg Lawson, Accounting Manager

Recommended by: Tracy Vesely, Director of Finance

Approved by:



Fran David, City Manager

Attachments:

Attachment I: Resolution

HAYWARD CITY COUNCIL

RESOLUTION NO. 12-

Introduced by Council Member _____

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A ONE-YEAR EXTENSION TO THE EXISTING BANKING AND CASH MANAGEMENT CONTRACT WITH BANK OF THE WEST

BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized and directed to execute a one-year extension of the existing banking and cash management contract with Bank of the West, in a form to be approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2012

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

DATE: June 26, 2012
TO: Mayor and Council
FROM: Human Resources Director
SUBJECT: Adoption of City Salary Plans for Fiscal Year 2013

RECOMMENDATION

That the City Council adopts a resolution approving the Salary Plan for Fiscal Year 2013, which designates all classifications and the corresponding salary range for employment in the City government of the City of Hayward as of July 1, 2013, superseding Resolution No. 11-124 and all amendments thereto.

BACKGROUND

On June 26, 2012, the City Council will adopt the FY 2013 budget that sets forth the number and title of positions allocated to each City department. At the June 7, 2012 meeting, the Personnel Commission reviewed and adopted a classification plan for each position in the City's classified service and recommended to the Council the approval of the salary plan for Fiscal Year 2013.

The terms and conditions of employment for classifications in represented bargaining units are detailed in approved Memoranda of Understanding (MOU's) and/or Side Letters of Agreement (Side Letters). The terms and conditions of employment for classifications in the unrepresented unit are detailed in the Salary and Benefit Resolution for Unrepresented Management Employees, Human Resources and City Attorney Employees (Resolution). The MOU's, Side Letters, and Resolution set forth annual salaries for FY 2013 for all the classifications referenced in each.

DISCUSSION

As required by the Municipal Code, the Salary Plan for FY 2013 (Attachment II) has been updated to reflect all of the classifications and corresponding salaries in the City's classified and unclassified service including those changes proposed early during the FY 2013 budget process. The proposed changes presented in the budget process include those that resulted from reorganizations within the Mayor's Office, City Manager's Office, Fire Department, Police Department, Human Resources Department, Finance Department, Library & Community Services Department, and Technology Services Department. A second revision of the Salary Plan, including additions proposed later in the budget process, will be presented for approval in September 2012.

City Manager's Office

As part of the FY 2013 budget process, staff analyzed the functions of the Community Preservation and Rental Housing Inspection programs and discovered potential efficiencies that could be achieved through the consolidation of the functions. Currently, there is one manager overseeing Community Preservation/Code Enforcement with four inspectors and one manager overseeing Rental Housing with two inspectors. Staff has proposed a reorganization in the City Manager's Office that will result in the consolidation of the two management positions into the new classification of Code Enforcement Supervisor. The Code Enforcement Supervisor classification will be a new position that incorporates the responsibilities that were previously assigned to two manager classifications. This position is represented by the Hayward Association of Management Employees ("HAME"), and the salary is set internally the same as the Community Preservation Supervisor, which is \$39.78 - \$48.35 per hour.

The Community & Media Relations Officer position is a new classification. The duties are consistent with that of similar positions as compared to our market survey agencies. As part of the FY 2013 budget process, this position has been added to the City Manager's Office with the intent that the position will support the City's growing focus on Economic Development and will encompass a much broader range of duties than those of the traditional Public Information Officer classification. The position will also play a key role in advancing the City's online presence and social media strategy, both of which have been languishing and are critical areas of economic development and citizen engagement in today's increasingly technology-intensive world. The added staff capacity in this role will enable the City to publicize what we are doing and what we've accomplished in a much more proactive way, through award applications, securing press attention in trade and industry magazines, and maintaining a robust on-line presence. The position is Unrepresented with a salary range of \$40.34-\$49.04 per hour.

Fire Department

The Fire Technician I/II and Fire Services Supervisor positions are new classifications created as part of a reorganization within the Fire Department. The Fire Technician I/II classification will replace the current Permit Technician and Senior Secretary positions within the Fire Department. These positions will provide a more flexible staffing model that will allow the Department to more efficiently deploy administrative and technical level resources to meet the specialized needs of the Fire Department's operations. These positions are represented by Service Employees International Union 1021 ("SEIU"). The salary range for the Fire Technician I is set internally at 10% below the Fire Technician II classification, at \$25.30 - \$30.77 per hour. The salary range for the Fire Technician II is set internally at the Permit Technician salary range, which is \$27.85 - \$33.85 per hour.

The Fire Services Supervisor position is a supervisory level position which plans, organizes, directs, supervises and implements all administrative, fire permitting and fee operations within the Department. It is distinguished from similar City-wide positions because it has full responsibility for specialized fire services programs, such as the hazardous materials program and the California Certified Unified Program Agency (CUPA) unit. This position will report directly to the Fire Chief and will supervise the newly created Fire Technician I/II classifications. The Fire Services

Supervisor position is represented by HAME and the salary is set internally at the EMS Coordinator salary range, which is \$43.05 - \$52.32 per hour.

Mayor's Office/ Human Resources Department

The Human Resources Administrative Secretary position was created by the Human Resources Department in FY 2009 to provide highly responsible, confidential and complex clerical, secretarial and administrative support for the professional staff of the Human Resources Department, including executive level support for the Director of Human Resources. This is an advanced journey level class that is distinguished from other Administrative Secretaries in the City because of the highly sensitive and confidential nature of the work performed related to personnel matters and employer-employee labor relations. This position is in the unrepresented bargaining unit and the salary range is set as listed in the current approved classification plan at \$30.88 - \$37.53 per hour.

In Fiscal Year 2012, the Human Resources Department, the City Manager's Office and the Mayor's Office piloted a program of shared resources involving this position to achieve budgetary savings. All three offices are fast paced environments and have work load demands that proved to be challenging under a shared resources model. As a result, the shared resources pilot program is to be discontinued and this position has been recommended for full funding in the Human Resources Department for Fiscal Years 2013 and 2014.

Finance Department

The Finance Technician and Financial Analyst positions were created as new classifications to bring a greater level of technical and analytical financial support to the Finance Department. The Finance Department is eliminating an Administrative Secretary position and adding the Finance Technician position in order to achieve a higher level of administrative and technical finance-related work. This new technician position will focus on coordinating various aspects of the finance operations, including the preparation of the City budget document and coordinating/processing financial documents. The position will also provide technical support to the different financial operations of the department, including budget, revenue collection/billing, payroll, and accounting. The Finance Technician position is represented by SEIU and the salary range is set at the Senior Account Technician salary range, which is \$31.21 - \$37.94 per hour.

The Finance Department is eliminating the Budget Officer position and adding two Financial Analyst positions. This will greatly enhance the analytical capacity of the Department, as the Department currently has no financial analyst support. The Financial Analyst classification will provide key budgetary and accounting analytical support to the Department. The change from the Budget Officer position allows greater flexibility in the type of analytical work assigned – as the classification will be utilized for Department support beyond the budget function. The Finance Analyst classification is represented by HAME. The salary range for this classification is set internally at 10% below the salary range for the Budget Officer classification, at \$41.22 - \$50.10 per hour.

Public Works Department

The Environmental Services Manager position was created to be a new classification as part of the reorganization of the Public Works Department into two separate units, which was effective on January 1, 2012. The Utilities and Environmental Services Unit retained responsibility for management of the City's water and wastewater systems, solid waste and recycling services, and water pollution source control programs. The Utilities and Environmental Services Unit also assumed responsibility for the majority of sustainability programs that are central to the City Council's Clean and Green priorities.

An evaluation was completed to determine the staffing resources needed to both carry out these responsibilities and consolidate management of other environmental programs, such as recycling and water pollution source control. It was determined that creation of an Environmental Services Manager, with overall responsibility for the City's environmental programs, would be the most efficient means of implementing the City Council's priorities and managing ongoing critical efforts related to recycling, water conservation, and water pollution source control. The Environmental Services Manager position is represented by HAME. The salary range for this classification is set internally at 15% above the Water Pollution Control Administrator position at \$51.28 - \$62.33 per hour.

Technology Services Department

The Information Technology Analyst I/II positions were created to be new classifications as part of a reorganization within the Technology Services Department. These are flexibly staffed classifications that perform both technical and professional duties within the Technology Services Department. These positions provide for a more broad based classification that enables the Department to flexibly deploy professional level resources related to all facets of information technology including, but not limited to, network infrastructure management, design and implementation of computer applications, technical and customer support, forecasting and management of technology replacement and complex project management.

These positions are represented by International Federation of Professional & Technical Engineers-Local 21 ("Local 21"). The salary range for the Technology Analyst I classification is set at \$35.06 - \$42.61 per hour, which is 10% below the Technology Analyst II classification. The salary range for the Information Technology Analyst II classification is set at the Programmer Analyst salary range, which is \$38.56 - \$46.87 per hour.

Library & Community Services Department

The Education Services Coordinator position was created as a new classification in the Library and Community Services Department to provide highly responsible planning, implementation, and coordination in the area of education services. Education services is an area of the Department's service delivery plan, which has experienced significant growth in recent years and is projected to continue to grow and expand in the years to come. This is a specialized journey-level classification that is similar in scope, responsibilities, requirements and skills to the Literacy Program Coordinator position. The Education Services Coordinator is distinguished from the Literacy Program

Coordination position by its broader focus on educational service delivery across all age groups, especially children in grades K-12. The Education Services Coordinator classification is represented by Local 21 and the salary is set at the Literacy Program Coordinator salary range, which is \$27.76 - \$33.75 per hour.

Police Department

The Police Programs Analyst position was created as a new classification to bring a greater level of analytical support to the Police Department. The classification is a journey level professional position that provides a wide variety of professional, administrative, and technical analysis, including: performing administrative, budgetary, and statistical analysis; coordinating and conducting special studies; developing and implementing Department policies, procedures, methods and systems; ensuring re-accreditation with the Commission on Accreditation for Law Enforcement Agencies (CALEA); and administering Department budgets and contracts. This position is represented by HAME and the salary is set at the Administrative Analyst II classification, which is \$38.38 - \$46.65 per hour.

The Communications Administrator position was retitled to align with the approved City's Classification Plan. This position is a Section Head and reports to the Operations Support Services Manager, who is the Division Head. The Classification Plan provides for a titling convention of "Administrator" for responsibilities at the level of Section Head. As a result, the classification should be reflected as an Administrator and not a Manager. The classification is represented by HAME and the salary is set internally to be the same as the salary for the Property/Evidence Administrator classification, which is \$42.57 - \$51.75 per hour.

Through negotiations with the Police Management Unit, the City has reached an agreement to maintain an internal fifteen percent (15%) differential between salary ranges for the classifications of Captain and Lieutenant. The job duties and responsibilities of the Operations Support Services Manager, which supervises non-sworn staff, are at the level of the Captain. The salary for the Operations Support Services Manager is set at the salary for the Captain classification based on the assigned duties and responsibilities.

FISCAL IMPACT

The changes to the City's Classification Plan from the above-described reorganizations will positively impact the Hayward community because they will maintain the current level of service with greater efficiency and utilization of resources. If all positions were to be filled immediately upon adoption of the budget, the changes in salaries and full time equivalency due to the above described reorganizations would result in an increase to the General Fund of 2.95 FTE at a cost of approximately \$172,000 to the General Fund. However, as staff will need time to recruit and allow time for attrition through turnover and retirements, the full cost of the proposed changes will not be realized in FY 2013, and the FY 2013 impact is likely to be cost-neutral.

Prepared and Recommended by: Frances Robustelli, Human Resources Director

Approved by:



Fran David, City Manager

Attachments:

- Attachment I: FY 2013 Resolution Adopting the FY2013 Salary Plan
- Attachment II: FY 2013 Salary Plan

HAYWARD CITY COUNCIL

RESOLUTION NO.

Introduced by Council Member _____

RESOLUTION APPROVING THE FY 2013 SALARY PLAN
DESIGNATING POSITIONS OF EMPLOYMENT IN THE CITY
GOVERNMENT OF THE CITY OF HAYWARD AND SALARY
RANGE; AND SUPERSEDING RESOLUTION NO. 11-124 AND
ALL AMENDMENTS THERETO

BE IT RESOLVED by the City Council of the City of Hayward, as follows:

Section 1. That a revised Positions and Salaries Schedule relating to the positions of employment in the City of Hayward, and the hourly rates of pay for those positions, is hereby set forth in Attachment “I,” attached hereto and made a part hereof. The positions enumerated under the columns headed “Class Title” are hereby designated as the positions of employment in the City of Hayward, and the hourly rates of pay shown in the columns under the heading “Hourly Salary Range” are the salary rates or the maximum rates of pay for such positions.

Section 2. Salaries paid to occupants of said positions shall be administered in accordance with the resolutions, Personnel Rules and Memoranda of Understanding and Side Letter Agreements approved by the City Council and currently in effect.

Section 3. All class titles used herein refer to the specifications of the position classification plan as reviewed by the Personnel Commission of the City of Hayward, or as set forth in the City Charter.

Section 4. The City Manager may approve in advance of an established effective date, payment to certain classifications of all or a portion of a general salary increase previously approved by the City Council. Such advance payments shall be made only for those management classifications where the salary range is less than 10 percent above an immediately subordinate classification. The amount of advance payment approved by the City Manager shall not exceed the amount required to establish a 10 percent salary differential between the affected classifications. The City Manager shall advise the City Council and each bargaining unit in advance of any payments made pursuant to the provisions of this section.

Section 5. The salary ranges set forth in Attachment “I” shall be revised to reflect salary changes provided in any Memorandum of Understanding, Side Letters of Agreement, or resolution setting forth the wages, hours, and other terms and conditions of employment for a bargaining unit or group of unrepresented employees of the City. Any revisions made pursuant to the provisions of this section shall be incorporated into a document prepared by the Human Resources Director and distributed to affected employees or their representatives that reflects the

date of the revision and cites both the authority provided by this section and the provision of the memorandum or resolution being effectuated by the revision.

Section 6. This resolution supersedes Resolution No. 11-124 and all amendments thereto.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2012

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST:

City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

**SALARY PLAN FOR ALL CLASSIFICATIONS
(PER MUNI CODE SEC.2-4.30)
FY 2012**

ATTACHMENT II
Recommended by
Personnel Commission
on June 7, 2012
Approved by Council
on (DATE)

Classification Title	Hourly Salary Range					Job Code	Service Type
	A	B	C	D	E		
CITY WIDE ADMINISTRATIVE/ANALYTICAL SUPPORT							
ADMINISTRATIVE ANALYST III	42.64	44.77	47.01	49.36	51.83	723	Classified
ADMINISTRATIVE ANALYST II	38.38	40.30	42.31	44.43	46.65	724	Classified
ADMINISTRATIVE ANALYST I	34.90	36.65	38.48	40.40	42.42	744	Classified
EXECUTIVE ASSISTANT	34.79	36.39	38.03	39.66	41.41	418	Unclassified
ADMINISTRATIVE SECRETARY (CONFIDENTIAL)	32.17	33.49	34.80	36.09	37.53	420	Classified
ADMINISTRATIVE SECRETARY	30.62	31.89	33.14	34.38	35.76	108	Classified
SENIOR SECRETARY (CONFIDENTIAL)	29.40	30.51	31.77	32.93	34.22	414	Classified
SENIOR SECRETARY	27.99	29.09	30.27	31.38	32.59	107	Classified
ADMINISTRATIVE ASSISTANT	27.30	28.67	30.10	31.60	33.18	743	Classified
SECRETARY (CONFIDENTIAL)	25.91	27.07	28.45	29.79	31.13	413	Classified
SECRETARY	24.63	25.76	27.05	28.31	29.66	106	Classified
ADMINISTRATIVE CLERK II (CONFIDENTIAL)	23.85	24.82	25.80	26.93	28.28	401	Classified
ADMINISTRATIVE CLERK II	22.71	23.63	24.59	25.69	26.95	102	Classified
ADMINISTRATIVE CLERK I (CONFIDENTIAL)	21.01	22.07	23.20	24.46	25.71	400	Classified
ADMINISTRATIVE CLERK I	19.99	21.04	22.11	23.28	24.50	101	Classified
ADMINISTRATIVE INTERN				15.00	20.00	907	Classified
MAIL CLERK			12.47	13.12	13.76	134	Classified
CITY WIDE MAINTENANCE							
ELECTRICIAN II	39.14	40.70	42.30	44.09	45.92	329	Classified
ELECTRICIAN I	35.59	37.06	38.53	40.15	41.77	328	Classified
CITY WIDE CLASSIFICATIONS							
SENIOR PERMIT TECHNICIAN	31.66	32.96	34.24	35.74	37.56	179	Classified
PERMIT TECHNICIAN	28.55	29.69	30.88	32.21	33.85	180	Classified
CITY ATTORNEY DEPARTMENT							
CITY ATTORNEY					88.99	1216	Unclassified
ASSISTANT CITY ATTORNEY	59.90	62.90	66.05	69.35	72.82	1134	Classified
DEPUTY CITY ATTORNEY II	41.91	44.01	46.21	48.52	50.95	1179	Classified
DEPUTY CITY ATTORNEY I	34.56	36.29	38.10	40.00	42.00	1178	Classified
LEGAL SECRETARY II	28.89	30.57	32.87	33.56	35.29	416	Classified
LEGAL SECRETARY I	26.02	27.39	28.83	30.38	32.00	415	Classified
CITY CLERK DEPARTMENT							
CITY CLERK					54.84	1225	Unclassified
DEPUTY CITY CLERK	32.63	34.26	35.97	37.77	39.66	747	Classified
CITY MANAGER DEPARTMENT							
OFFICE OF THE CITY MANAGER							
CITY MANAGER					107.04	1297	Unclassified
ASSISTANT CITY MANAGER	73.72	77.41	81.28	85.34	89.61	1122	Unclassified
DEPUTY CITY MANAGER	64.02	67.22	70.58	74.11	77.82	1121	Unclassified
ASSISTANT TO CITY MANAGER	46.10	48.41	50.83	53.37	56.04	1126	Classified
COMMUNITY AND MEDIA RELATIONS OFFICER	40.34	42.36	44.48	46.70	49.04	1103	Classified
MANAGEMENT FELLOW					16.82	1128	Classified
CODE ENFORCEMENT SUPERVISOR	39.78	41.77	43.86	46.05	48.35	786	Classified
ECONOMIC DEVELOPMENT							
ECONOMIC DEVELOPMENT MANAGER	56.50	59.32	62.29	65.40	68.67	709	Classified
ECONOMIC DEVELOPMENT COORDINATOR	50.82	53.36	56.03	58.83	61.77	711	Classified
ECONOMIC DEVELOPMENT SPECIALIST	40.53	42.57	44.65	46.92	49.21	669	Classified
NEIGHBORHOOD PARTNERSHIP SERVICES							
NEIGHBORHOOD DEVELOPMENT MANAGER	56.50	59.32	62.29	65.40	68.67	799	Classified
NEIGHBORHOOD PARTNERSHIP MANAGER	50.82	53.36	56.03	58.83	61.77	703	Classified
COMMUNITY PRESERVATION INSPECTION SUPERVISOR	39.78	41.77	43.86	46.05	48.35	715	Classified
SENIOR COMMUNITY PRESERVATION INSPECTOR	36.15	37.96	39.86	41.84	43.95	620	Classified
COMMUNITY PRESERVATION INSPECTOR	32.22	33.83	35.55	37.35	39.24	617	Classified

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REDEVELOPMENT AGENCY							
REDEVELOPMENT DIRECTOR	56.50	59.32	62.29	65.40	68.67	795	Classified
REDEVELOPMENT PROJECT MANAGER	50.82	53.36	56.03	58.83	61.77	794	Classified
HOUSING MANAGER	50.82	53.36	56.03	58.83	61.77	726	Classified
HOUSING DEVELOPMENT SPECIALIST	40.53	42.57	44.65	46.92	49.21	674	Classified
REDEVELOPMENT SPECIALIST	40.53	42.57	44.65	46.92	49.21	649	Classified
HOMEOWNERSHIP COORDINATOR	35.60	37.39	39.19	41.18	43.20	605	Classified
DEVELOPMENT SERVICES DEPARTMENT							
DEVELOPMENT SERVICE ADMINISTRATION							
DIRECTOR OF DEVELOPMENT SERVICES	66.64	69.97	73.47	77.14	81.00	1116	Unclassified
BUILDING DIVISION							
CITY BUILDING OFFICIAL	56.50	59.32	62.29	65.40	68.67	740	Classified
HOUSING REHABILITATION COORDINATOR	37.35	39.29	41.29	43.32	45.44	662	Classified
SUPERVISING BUILDING INSPECTOR	47.97	50.37	52.89	55.53	58.31	741	Classified
SENIOR BUILDING INSPECTOR/STRUCTURAL	40.04	42.17	44.30	46.40	48.71	663	Classified
SENIOR BUILDING INSPECTOR/PLUMBING-MECHANICAL	40.04	42.17	44.30	46.40	48.71	659	Classified
SENIOR BUILDING INSPECTOR/ELECTRICAL	40.04	42.17	44.3	46.4	48.71	658	Classified
BUILDING INSPECTOR	34.57	36.19	38.04	39.97	42.59	656	Classified
SUPERVISING HOUSING INSPECTOR	47.97	50.37	52.89	55.53	58.31	748	Classified
SENIOR HOUSING INSPECTOR	36.15	37.96	39.86	41.84	43.95	657	Classified
HOUSING INSPECTOR	31.64	33.20	34.83	36.60	38.42	660	Classified
SUPERVISING PLAN CHECKER AND EXPEDITOR	40.93	42.98	45.13	47.39	49.76	798	Classified
PLAN CHECKING ENGINEER	46.81	49.08	51.55	54.23	57.00	610	Classified
SENIOR PLAN CHECKER	40.04	42.17	44.30	46.40	48.71	611	Classified
PLAN CHECKER	36.41	38.33	40.27	42.19	44.29	609	Classified
PLANNING DIVISION							
PLANNING MANAGER	56.50	59.32	62.29	65.40	68.67	797	Classified
PRINCIPAL PLANNER	50.82	53.36	56.03	58.83	61.77	720	Classified
SENIOR PLANNER	45.52	47.80	50.19	52.70	55.34	796	Classified
ASSOCIATE PLANNER	40.65	42.64	44.77	47.07	49.32	650	Classified
ASSISTANT PLANNER	33.36	34.99	36.87	38.67	40.65	624	Classified
JUNIOR PLANNER	29.57	31.14	32.60	34.23	35.90	622	Classified
GRAPHICS/PLANNING ILLUSTRATOR	28.12	29.48	31.04	32.59	34.17	627	Classified
DEVELOPMENT REVIEW ENGINEER	49.19	51.65	54.23	56.94	59.79	781	Classified
DEVELOPMENT REVIEW SPECIALIST	35.54	37.27	39.29	41.22	43.32	604	Classified
LANDSCAPE ARCHITECT	45.52	47.80	50.19	52.70	55.34	753	Classified
FINANCE DEPARTMENT							
ADMINISTRATION DIVISION							
DIRECTOR OF FINANCE	70.42	73.94	77.64	81.52	85.60	1118	Unclassified
BUDGET OFFICER	45.34	47.61	49.99	52.49	55.11	700	Classified
FINANCIAL ANALYST	41.22	43.28	45.44	47.71	50.10	712	Classified
AUDITOR	45.34	47.61	49.99	52.49	55.11	745	Classified
COLLECTIONS OFFICER	33.40	35.11	36.90	38.75	40.67	653	Classified
ACCOUNTING MANAGER	45.34	47.61	49.99	52.49	55.11	730	Classified
REVENUE MANAGER	45.34	47.61	49.99	52.49	55.11	729	Classified
FINANCE SUPERVISOR	41.2	43.26	45.42	47.69	50.07	734	Classified
SENIOR ACCOUNTANT	41.2	43.26	45.42	47.69	50.07	749	Classified
SENIOR ACCOUNTING TECHNICIAN	31.24	32.78	34.38	36.11	37.94	100	Classified
ACCOUNTING TECHNICIAN	28.39	29.82	31.28	32.83	34.49	140	Classified
FINANCE TECHNICIAN	31.21	32.77	34.41	36.13	37.94	115	Classified

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SENIOR ACCOUNT CLERK	26.11	27.38	28.56	29.95	31.34	156	Classified
ACCOUNT CLERK	23.80	24.84	26.02	27.22	28.58	155	Classified
SENIOR CUSTOMER ACCOUNT CLERK	26.11	27.38	28.56	29.95	31.34	130	Classified
CUSTOMER ACCOUNT CLERK	23.80	24.84	26.02	27.22	28.58	125	Classified
PURCHASING DIVISION							
PURCHASING AND SERVICES MANAGER	47.23	49.59	52.07	54.67	57.40	739	Classified
PURCHASING TECHNICIAN	28.39	29.82	31.28	32.83	34.49	110	Classified
PURCHASING ASSISTANT	28.03	29.18	30.33	31.46	32.68	111	Classified
MAIL AND PURCHASING CLERK	21.55	22.63	23.69	24.92	26.15	112	Classified
FIRE DEPARTMENT							
SWORN							
FIRE CHIEF	73.92	77.62	81.50	85.58	89.86	1101	Unclassified
DEPUTY FIRE CHIEF (40 HR)	66.16	69.37	72.78	76.37	80.19	1006	Classified
FIRE MARSHAL (40 HR)	60.14	63.17	66.23	69.50	72.90	1003	Classified
FIRE TRAINING OFFICER (40 HR)	59.98	62.98	66.13	69.44	72.91	1007	Classified
BATTALION CHIEF (56 HR)	39.05	41.01	42.99	45.10	47.34	1004	Classified
BATTALION CHIEF (40 HR)	54.67	57.43	60.22	63.18	66.28	1005	Classified
STAFF FIRE CAPTAIN (40 HR)			54.76	57.40	60.26	244	Classified
FIRE CAPTAIN (56 HR)			35.57	37.26	39.13	245	Classified
FIRE CAPTAIN (40 HR)			49.79	52.16	54.77	246	Classified
FIRE PREVENTION INSPECTOR (40 HR)	42.24	44.26	46.48	48.70	51.14	230	Classified
FIRE PREVENTION INSPECTOR (56 HR)	30.15	31.61	33.20	34.78	36.53	231	Classified
APPARATUS OPERATOR (56 HR)	28.52	29.93	31.41	32.92	34.60	220	Classified
APPARATUS OPERATOR (40 HR)	39.93	41.90	44.35	46.10	48.40	221	Classified
FIREFIGHTER (56 HR)	26.91	28.22	29.65	31.08	32.62	215	Classified
FIREFIGHTER (40 HR)	37.69	39.50	41.51	43.46	45.66	216	Classified
FIREFIGHTER TRAINEE (40 HR)	34.26	35.91				973	Classified
PROFESSIONAL STAFF							
HAZARDOUS MATERIALS PROGRAM COORDINATOR	47.97	50.37	52.89	55.53	58.31	705	Classified
FIRE PROTECTION ENGINEER	46.81	49.08	51.55	54.23	57.00	640	Classified
EMERGENCY MEDICAL SERVICES COORDINATOR	43.05	45.20	47.46	49.83	52.32	710	Classified
HAZARDOUS MATERIALS INVESTIGATOR	39.45	41.42	43.49	45.67	47.93	676	Classified
ENVIRONMENTAL SPECIALIST	39.45	41.42	43.49	45.67	47.93	677	Classified
FIRE SERVICES SUPERVISOR	43.05	45.20	47.46	49.83	52.32	701	Classified
FIRE TECHNICIAN II	27.85	29.24	30.70	32.24	33.85	113	Classified
FIRE TECHNICIAN I	25.30	26.57	27.90	29.30	30.77	109	Classified
HUMAN RESOURCES DEPARTMENT							
DIRECTOR OF HUMAN RESOURCES	67.45	70.82	74.36	78.08	81.98	1119	Unclassified
HUMAN RESOURCES MANAGER	42.98	45.13	47.39	49.76	52.25	1156	Classified
EMPLOYEE BENEFITS ADMINISTRATOR	39.09	41.04	43.09	45.24	47.50	1142	Classified
SENIOR HUMAN RESOURCES ANALYST	39.09	41.04	43.09	45.24	47.50	1155	Classified
HUMAN RESOURCES ANALYST II	35.70	37.48	39.33	41.30	43.36	1177	Classified
HUMAN RESOURCES ANALYST I	29.60	31.08	32.63	34.26	35.97	1176	Classified
HUMAN RESOURCES ADMINISTRATIVE SECRETARY	30.88	32.42	34.04	35.74	37.53	1175	Classified
HUMAN RESOURCES TECHNICIAN	27.49	28.86	30.30	31.81	33.40	1174	Classified
LIBRARY AND COMMUNITY SERVICES DEPARTMENT							
ADMINISTRATION DIVISION							
DIRECTOR OF LIBRARY AND COMMUNITY SERVICES	67.52	70.90	74.45	78.17	82.08	1120	Unclassified
COMMUNITY SERVICES							
SOCIAL SERVICES PLANNING MANAGER	50.82	53.36	56.03	58.83	61.77	785	Classified
COMMUNITY DEVELOPMENT SPECIALIST	40.53	42.57	44.65	46.92	49.21	647	Classified
COMMUNITY PROGRAMS SPECIALIST	37.35	39.29	41.29	43.32	45.44	670	Classified
COMMUNITY PROGRAMS AIDE	24.24	25.37	26.60	27.83	29.15	648	Classified
SENIOR PROPERTY REHABILITATION SPECIALIST	41.08	43.21	45.41	47.64	49.97	673	Classified

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PROPERTY REHABILITATION SPECIALIST	37.35	39.29	41.29	43.32	45.44	665	Classified
PARATRANSIT COORDINATOR	35.60	37.39	39.19	41.18	43.20	664	Classified
EDUCATIONAL SERVICES COORDINATOR	27.76	29.15	30.61	32.14	33.75	644	Classified
LIBRARY SERVICES DIVISION							
LIBRARY OPERATIONS MANAGER	36.01	37.81	39.70	41.68	43.76	768	Classified
SUPERVISING LIBRARIAN I	36.01	37.81	39.70	41.68	43.76	736	Classified
LIBRARIAN II	30.65	32.18	33.75	35.46	37.13	626	Classified
LIBRARIAN I	27.79	29.19	30.64	32.10	33.75	625	Classified
LEAD LIBRARY ASSISTANT	25.17	26.45	27.71	29.07	30.59	191	Classified
SENIOR LIBRARY ASSISTANT	23.24	24.27	25.39	26.51	27.79	189	Classified
LIBRARY ASSISTANT	21.06	22.04	23.03	24.09	25.22	187	Classified
SENIOR LIBRARY PAGE					16.47	199	Classified
LIBRARY PAGE					15.03	198	Classified
LITERACY PROGRAM COORDINATOR	27.79	29.19	30.64	32.10	33.75	623	Classified
MAINTENANCE SERVICES DEPARTMENT							
ADMINISTRATION DIVISION							
DIRECTOR OF MAINTENANCE SERVICES	67.62	71.00	74.55	78.28	82.19	1113	Unclassified
FACILITIES MANAGEMENT							
FACILITIES AND BUILDING MANAGER	48.18	50.59	53.12	55.78	58.57	760	Classified
FACILITIES LEADWORKER	43.30	45.02	46.78	48.71	50.79	300	Classified
FACILITIES MAINTENANCE SUPERVISOR	35.68	37.46	39.33	41.30	43.37	792	Classified
FACILITIES PAINTER II	31.95	33.25	34.55	35.98	37.48	330	Classified
FACILITIES PAINTER I	29.07	30.24	31.47	32.79	34.08	324	Classified
FACILITIES CARPENTER II	31.82	33.08	34.47	35.89	37.39	327	Classified
FACILITIES CARPENTER I	28.94	30.14	31.38	32.65	34.01	326	Classified
AUDITORIUM LEADWORKER	26.24	27.22	28.30	29.44	30.64	304	Classified
STOREKEEPER - EXPEDITER	25.86	26.93	27.94	29.01	30.13	371	Classified
FACILITIES SERVICEWORKER II	23.51	24.45	25.45	26.34	27.39	320	Classified
FACILITIES SERVICEWORKER I	21.42	22.20	23.08	24.03	24.88	318	Classified
FLEET MANAGEMENT DIVISION							
EQUIPMENT MANAGER	48.18	50.59	53.12	55.78	58.57	738	Classified
FLEET MANAGEMENT SUPERVISOR	43.70	45.89	48.18	50.59	53.12	771	Classified
SENIOR EQUIPMENT MECHANIC	32.42	34.04	35.74	37.53	39.40	305	Classified
EQUIPMENT MECHANIC II	29.49	30.87	32.43	34.13	35.82	312	Classified
EQUIPMENT MECHANIC I	26.85	28.20	29.63	31.10	32.62	310	Classified
EQUIPMENT SERVICE ATTENDANT	22.86	23.76	24.75	25.58	26.57	308	Classified
EQUIPMENT PARTS STOREKEEPER	24.78	26.09	27.35	28.72	30.17	307	Classified
LANDSCAPE MAINTENANCE DIVISION							
LANDSCAPE MAINTENANCE MANAGER	48.18	50.59	53.12	55.78	58.57	752	Classified
LANDSCAPE MAINTENANCE SUPERVISOR	43.70	45.89	48.18	50.59	53.12	761	Classified
GRUNDSKEEPER III	32.41	33.72	35.08	36.56	37.99	343	Classified
TREE TRIMMER	29.16	30.32	31.55	32.67	33.95	340	Classified
GRUNDSKEEPER II	28.42	29.55	30.76	31.84	33.07	342	Classified
GRUNDSKEEPER I	25.81	26.84	27.97	28.93	30.08	338	Classified
STREET MAINTENANCE DIVISION							
STREETS MAINTENANCE MANAGER	48.18	50.59	53.12	55.78	58.57	756	Classified
STREETS MAINTENANCE SUPERVISOR	43.70	45.89	48.18	50.59	53.12	764	Classified
SENIOR MAINTENANCE LEADER	33.03	34.35	35.73	37.25	38.71	367	Classified
MAINTENANCE LEADER	29.00	30.13	31.38	32.48	33.73	360	Classified
SENIOR SWEEPER EQUIPMENT OPERATOR	28.57	30.00	31.50	33.07	34.72	306	Classified
SWEEPER EQUIPMENT OPERATOR	27.09	28.00	29.12	30.36	31.56	362	Classified
MAYOR AND COUNCIL DEPARTMENT							
MAYOR				Annual Salary:	39,960.00	1300	Unclassified
CITY COUNCIL				Annual Salary:	24,975.00	1301	Unclassified

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POLICE DEPARTMENT							
SWORN							
CHIEF OF POLICE	76.21	80.02	84.02	88.22	92.63	1102	Unclassified
POLICE CAPTAIN	65.79	69.08	73.23	76.89	80.73	802	Classified
POLICE LIEUTENANT				66.67	69.91	555	Classified
POLICE SERGEANT			55.06	57.72	60.67	545	Classified
INSPECTOR	47.29	49.65	52.08	54.55	57.22	520	Classified
POLICE OFFICER	41.95	43.96	46.10	48.33	50.62	515	Classified
POLICE OFFICER TRAINEE	29.95	31.44				174	Classified
PROFESSIONAL STAFF							
CRIME ANALYST	42.64	44.77	47.01	49.36	51.83	731	Classified
POLICE PROGRAMS ANALYST	38.38	40.30	42.31	44.43	46.65	704	Classified
COMMUNITY SERVICE OFFICER	26.23	27.37	28.69	30.00	31.43	169	Classified
POLICE RECORDS CLERK II	24.92	25.91	26.95	28.14	29.52	120	Classified
POLICE RECORDS CLERK I	21.90	23.04	24.26	25.48	26.84	119	Classified
FIELD OPERATIONS DIVISION							
CRIME PREVENTION SUPERVISOR	30.19	31.49	32.98	34.50	36.14	190	Classified
SENIOR CRIME PREVENTION SPECIALIST	28.77	29.97	31.42	32.86	34.42	186	Classified
CRIME PREVENTION SPECIALIST	26.16	27.27	28.55	29.89	31.29	188	Classified
TRAFFIC SAFETY ASSISTANT					12.43	901	Classified
SPECIAL OPERATIONS DIVISION							
YOUTH AND FAMILY SERVICES ADMINISTRATOR	54.90	57.65	60.53	63.56	66.74	790	Classified
COUNSELING SUPERVISOR	43.05	45.20	47.46	49.83	52.32	737	Classified
FAMILY COUNSELOR I	34.80	36.52	38.36	40.12	42.21	632	Classified
PROPERTY/EVIDENCE ADMINISTRATOR	42.57	44.70	46.94	49.29	51.75	725	Classified
PROPERTY AND EVIDENCE SUPERVISOR	38.71	40.65	42.68	44.81	47.05	776	Classified
POLICE ID SPECIALIST	30.68	32.21	33.83	35.53	37.21	652	Classified
CRIME SCENE TECHNICIAN	27.37	28.59	29.91	31.26	32.76	175	Classified
PROPERTY TECHNICIAN	26.23	27.37	28.69	30.00	31.43	170	Classified
SUPPORT SERVICES DIVISION							
OPERATIONS SUPPORT SERVICES MANAGER	65.79	69.08	73.23	76.89	80.73	1104	Classified
PUBLIC SAFETY INFORMATION SYSTEMS ADMINISTRATOR	40.08	42.08	44.18	46.39	48.71	708	Classified
ANIMAL SERVICES ADMINISTRATOR	41.44	43.51	45.69	47.97	50.37	714	Classified
ANIMAL SERVICES SUPERVISOR	28.85	30.14	31.54	32.99	34.56	144	Classified
VETERINARY TECHNICIAN	29.79	31.27	32.83	34.49	36.20	103	Classified
ANIMAL SHELTER SUPERVISOR	23.83	24.88	25.84	26.95	28.31	145	Classified
SENIOR ANIMAL CONTROL OFFICER	27.48	28.69	30.05	31.42	32.91	184	Classified
ANIMAL CONTROL OFFICER	24.81	26.09	27.28	28.56	29.90	185	Classified
SENIOR ANIMAL CARE ATTENDANT	22.67	23.69	24.61	25.68	26.96	183	Classified
ANIMAL CARE ATTENDANT	20.65	21.52	22.38	23.36	24.51	181	Classified
COMMUNICATIONS ADMINISTRATOR	42.57	44.70	46.94	49.29	51.75	775	Classified
COMMUNICATIONS SUPERVISOR	35.33	37.11	38.96	40.89	42.96	141	Classified
SENIOR COMMUNICATIONS OPERATOR	33.64	35.34	37.12	38.95	40.91	164	Classified
COMMUNICATIONS OPERATOR	30.65	32.21	33.80	35.51	37.30	165	Classified
RECORDS ADMINISTRATOR	40.46	42.48	44.60	46.83	49.17	707	Classified
RECORDS SUPERVISOR	28.36	29.64	31.15	32.54	34.08	143	Classified
SENIOR POLICE RECORDS CLERK	26.99	28.23	29.66	30.97	32.48	121	Classified
JAIL ADMINISTRATOR	40.46	42.48	44.60	46.83	49.17	706	Classified
JAIL SUPERVISOR	31.53	32.85	34.44	36.05	37.78	142	Classified
SENIOR JAILER	30.01	31.29	32.81	34.32	35.97	168	Classified

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PUBLIC WORKS DEPARTMENT							
ADMINISTRATION DIVISION							
DIRECTOR OF PUBLIC WORKS	74.50	78.23	82.14	86.25	90.56	1111	Unclassified
DEPUTY DIRECTOR OF PUBLIC WORKS	64.13	67.34	70.71	74.25	77.96	1112	Classified
SENIOR UTILITY SERVICE REPRESENTATIVE	32.19	33.79	35.40	37.21	39.03	373	Classified
STOREKEEPER - EXPEDITER	25.86	26.93	27.94	29.01	30.13	371	Classified
AIRPORT DIVISION SUMMARY							
AIRPORT MANAGER	56.50	59.32	62.29	65.40	68.67	713	Classified
AIRPORT OPERATIONS MANAGER	45.23	47.49	49.86	52.35	54.97	732	Classified
SENIOR AIRPORT MAINTENANCE WORKER	30.35	31.47	32.72	34.06	35.43	302	Classified
NOISE ABATEMENT ANALYST	27.79	29.19	30.64	32.10	33.75	643	Classified
AIRPORT MAINTENANCEWORKER	27.57	28.58	29.70	30.94	32.21	303	Classified
AIRPORT ATTENDANT	20.64	21.55	22.34	23.32	24.48	301	Classified
ENGINEERING/TRANSPORTATION DIVISION							
ASSISTANT CITY ENGINEER	56.56	59.39	62.36	65.48	68.75	721	Classified
DESIGN AND CONSTRUCTION SERVICES MANAGER	53.97	56.67	59.50	62.48	65.50	787	Classified
SENIOR CIVIL ENGINEER	49.19	51.65	54.23	56.94	59.79	788	Classified
ASSOCIATE CIVIL ENGINEER	43.75	45.95	48.18	50.63	53.10	606	Classified
ASSISTANT CIVIL ENGINEER	37.69	39.63	41.66	43.68	45.85	602	Classified
JUNIOR CIVIL ENGINEER	32.78	34.39	36.05	37.82	39.75	601	Classified
REAL PROPERTY MANAGER	41.46	43.53	45.71	48.00	50.40	763	Classified
REAL PROPERTY ASSOCIATE	36.80	38.72	40.67	42.64	44.75	667	Classified
REAL PROPERTY ASSISTANT	31.36	32.92	34.50	36.22	38.05	666	Classified
ENGINEERING TECHNICIAN	29.91	31.35	32.94	34.59	36.24	668	Classified
SENIOR UTILITIES ENGINEER	49.19	51.65	54.23	56.94	59.79	765	Classified
SURVEY ENGINEER	45.52	47.80	50.19	52.70	55.34	778	Classified
SURVEYOR	35.58	37.34	39.20	41.14	43.21	612	Classified
TRANSPORTATION MANAGER	50.82	53.36	56.03	58.83	61.77	757	Classified
ASSOCIATE TRANSPORTATION ENGINEER	43.75	45.95	48.18	50.63	53.10	608	Classified
ASSISTANT TRANSPORTATION ENGINEER	37.69	39.63	41.66	43.68	45.85	615	Classified
JUNIOR TRANSPORTATION ENGINEER	32.78	34.39	36.05	37.82	39.75	616	Classified
SENIOR TRANSPORTATION PLANNER	45.52	47.80	50.19	52.70	55.34	770	Classified
ASSOCIATE TRANSPORTATION PLANNER	40.65	42.64	44.77	47.07	49.32	671	Classified
SUPERVISING CONSTRUCTION INSPECTOR	47.97	50.37	52.89	55.53	58.31	780	Classified
SENIOR CONSTRUCTION INSPECTOR	40.04	42.17	44.30	46.40	48.71	642	Classified
CONSTRUCTION INSPECTOR	33.55	35.27	36.92	38.79	40.76	661	Classified
RECYCLING-SOLID WASTE							
SOLID WASTE MANAGER	42.64	44.77	47.01	49.36	51.83	727	Classified
RECYCLING SPECIALIST	31.64	33.20	34.83	36.60	38.42	636	Classified
WATER POLLUTION CONTROL FACILITY (WPCF)							
WATER POLLUTION CONTROL FACILITY MANAGER	54.76	57.50	60.37	63.39	66.56	759	Classified
WPCF OPERATIONS AND MAINTENANCE MANAGER	49.44	51.91	54.51	57.24	60.10	717	Classified
WPCF MAINTENANCE SUPERVISOR	44.59	46.82	49.16	51.62	54.20	719	Classified
WPCF OPERATIONS SUPERVISOR	44.59	46.82	49.16	51.62	54.20	718	Classified
WPCF LEAD OPERATOR	34.66	36.04	37.46	38.94	40.51	351	Classified
WPCF OPERATOR	31.51	32.77	34.08	35.41	36.84	350	Classified
OPERATOR-IN-TRAINING	28.84	29.99	31.24	32.30	33.56	347	Classified
LAB SUPERVISOR	44.59	46.82	49.16	51.62	54.20	702	Classified
LABORATORY TECHNICIAN	32.49	33.71	35.01	36.45	37.81	637	Classified

**SALARY PLAN FOR ALL CLASSIFICATIONS
(PER MUNI CODE SEC.2-4.30)
FY 2012**

ATTACHMENT II
Recommended by
Personnel Commission
on June 7, 2012
Approved by Council
on (DATE)

Classification Title	Hourly Salary Range					Job Code	Service Type
	A	B	C	D	E		
WATER POLLUTION SOURCE CONTROL							
ENVIRONMENTAL SERVICES MANAGER	51.28	53.84	56.53	59.36	62.33	738	Classified
WATER POLLUTION CONTROL ADMINISTRATOR	44.59	46.82	49.16	51.62	54.20	769	Classified
SENIOR WATER POLLUTION SOURCE CONTROL INSPECTOR	37.15	39.08	41.04	42.98	45.17	680	Classified
WATER POLLUTION SOURCE CONTROL INSPECTOR	33.76	35.52	37.14	39.05	40.99	679	Classified
TECHNICAL INTERN					15.00	908	Classified
WATER DISTRIBUTION							
UTILITIES SUPERINTENDENT	60.24	63.25	66.41	69.73	73.22	735	Classified
UTILITIES OPERATIONS AND MAINTENANCE MANAGER	49.44	51.91	54.51	57.24	60.10	716	Classified
UTILITIES OPERATIONS AND MAINTENANCE SUPERVISOR	46.82	49.16	51.62	54.20	56.91	773	Classified
UTILITIES FIELD SERVICES SUPERVISOR	46.82	49.16	51.62	54.20	56.91	784	Classified
WATER INSTALLATION AND MAINTENANCE SUPERVISOR	38.78	40.72	42.76	44.90	47.14	793	Classified
SENIOR UTILITY CUSTOMER SERVICE LEADER	33.63	34.98	36.37	37.91	39.42	378	Classified
CROSS CONNECTION CONTROL SPECIALIST	29.47	30.49	31.69	33.00	34.31	376	Classified
WATER METER MECHANIC	28.64	29.74	30.97	32.24	33.53	375	Classified
WATER METER READER	25.60	26.61	27.70	28.71	29.85	369	Classified
BACKFLOW/CROSS CONNECTION TESTER	24.77	25.95	27.16	28.48	29.85	370	Classified
UTILITIES MAINTENANCE SUPERVISOR	44.59	46.82	49.16	51.62	54.20	766	Classified
UTILITIES SERVICE WORKER	28.24	29.36	30.57	31.64	32.87	368	Classified
GENERAL MAINTENANCE							
EQUIPMENT OPERATOR	28.39	29.43	30.60	31.84	33.13	361	Classified
MAINTENANCE WORKER	26.33	27.39	28.53	29.50	30.68	357	Classified
LABORER	22.72	23.56	24.50	25.50	26.42	336	Classified
SENIOR UTILITY LEADER	35.35	36.77	38.23	39.88	41.46	377	Classified
UTILITY LEADER	31.06	32.30	33.64	34.82	36.16	374	Classified
UTILITY WORKER	28.24	29.36	30.57	31.64	32.87	372	Classified
UTILITIES MAINTENANCE MECHANIC	32.39	33.64	34.96	36.37	37.84	325	Classified
TECHNOLOGY SERVICES DEPARTMENT							
DIRECTOR OF TECHNOLOGY SERVICES	67.71	71.10	74.65	78.38	82.30	1105	Unclassified
INFORMATION SYSTEMS MANAGER	50.57	53.10	55.76	58.55	61.48	772	Classified
DATA AND SYSTEMS COORDINATOR	45.50	47.78	50.17	52.68	55.31	728	Classified
NETWORK SYSTEMS SPECIALIST	40.90	42.95	45.10	47.35	49.72	755	Classified
GEOGRAPHIC INFO SYSTEMS COORDINATOR	39.30	41.26	43.22	45.40	48.41	635	Classified
PROGRAMMER ANALYST	38.58	40.47	42.57	44.67	46.87	628	Classified
WEB SPECIALIST	38.02	39.94	41.92	44.01	46.21	634	Classified
INFORMATION TECHNOLOGY ANALYST II	38.56	40.49	42.51	44.64	46.87	655	Classified
INFORMATION TECHNOLOGY ANALYST I	35.06	36.81	38.65	40.58	42.61	646	Classified
NETWORK/MICROCOMPUTER SPECIALIST	35.02	36.77	38.60	40.52	42.58	630	Classified
INFORMATION SYSTEMS SUPPORT TECHNICIAN	28.68	30.11	31.65	33.22	34.83	633	Classified
COMPUTER OPERATOR ANALYST	32.42	34.03	35.69	37.50	39.37	629	Classified
COMPUTER OPERATOR	27.33	28.66	30.13	31.63	33.14	631	Classified
DATA SYSTEMS OPERATOR	24.65	25.78	27.05	28.33	29.67	160	Classified
AUDIO VIDEO SPECIALIST	27.33	28.66	30.13	31.63	33.14	641	Classified
VIDEO ASSISTANT					15.00	645	Classified

DATE: June 26, 2012

TO: Mayor and City Council

FROM: Director of Public Works – Utilities & Environmental Services

SUBJECT: Electrical and Mechanical Improvements to High School Reservoir Project:
Approval of Plans and Specifications, and Call for Bids

RECOMMENDATION

That Council adopts the attached resolution approving the plans and specifications for the Electrical and Mechanical Improvements to High School Reservoir Project and calling for bids to be received on July 24, 2012.

BACKGROUND

The Hayward water system is divided into various elevation zones. The High School Reservoir, a reinforced concrete tank built in 1920 with a one million gallon storage capacity, serves the northern-most portion of the 250-foot zone. In late 2010, this tank was upgraded with replacement roofing. A remaining item to be addressed is the length of time water remains in the tank before it is consumed and water in the tank is refreshed.

The normal water pressure of the City’s distribution system is generally higher than the pressure head in the tank because of the tank’s relatively low elevation. As a result, the water remains in the tank until a drop in pressure occurs within the system. Sometimes, the system’s drop in pressure is not significant or long enough to allow adequate water turnover in the tank. When water remains in the tank, unused for long periods of time, it eventually loses its chloramine disinfection residual, which would make the water susceptible to potential contamination. Such an event occurred in early 2011 and water had to be drained from the tank. To prevent future occurrences, Utilities staff has since stopped filling the reservoir and has temporarily taken it out of service.

In order to put the High School Reservoir back into service, the City plans to install a pumping system at the reservoir that will create adequate pressure to allow the water in the tank to be pumped back into the distribution system while it is still of high quality. The new pumping system will also include electrical and communication equipment, which will permit the City’s Supervisory Control and Data Acquisition (SCADA) system to remotely monitor and control the pumps and the tank’s water level.

In January 2012, the City entered into a professional service agreement with consultant firm Psomas for design and construction administration services for the Electrical and Mechanical Improvements

to High School Reservoir Project. To supply power to the new pumping system and communications equipment, the City has worked with PG&E to install conduits and a transformer to provide electrical service to the High School Reservoir site. This installation was completed in February 2012.

DISCUSSION

As part of this project, a new pump will be installed, along with associated piping and valves, to allow the water in the High School Reservoir to be circulated back into the distribution system for use while it is still fresh. An electrical panel, Programmable Logic Controller (PLC), and antenna will be put in place to supply power to the equipment and permit the City’s SCADA system to remotely operate the pump and valves and to control the reservoir’s water level. To protect the equipment and site from vandalism, a concrete vault will be constructed to house the pump. Site lighting and alarms will also be installed to surround the reservoir. The project also includes installation of an emergency shut-off valve (also known as sudden loss valve) to preserve water in the reservoir in case of an earthquake or other catastrophic event.

The project is categorically exempt from environmental review under the California Environmental Quality Act (CEQA). The Public Resources code states that CEQA does not apply to any project involving the maintenance, repair, restoration, reconditioning, replacement, removal, or demolition of an existing pipeline or drinking water facility.

FISCAL AND ECONOMIC IMPACT

The estimated project costs are as follows:

Connect PG&E Electrical Service to Reservoir Site	\$ 90,000
Inspection and Testing - PG&E Service Installation	15,000
Design and Construction Administration Services – Consultant	55,000
Design Administration – City Staff	20,000
Construction Contract	330,000
Inspection and Testing	<u>30,000</u>
Total	\$540,000

The FY 2012 Capital Improvement Program includes \$400,000 for the Electrical and Mechanical Improvements to the High School Reservoir Project in the Water System Capital Improvement Fund. After bids are received, an additional appropriation from the fund balance will be requested, as appropriate.

PUBLIC CONTACT

Although access to the High School Reservoir work site will require going through the Creekwood Apartment parking area from City Center Drive, parking will not be affected. Prior to and during construction, staff will work closely with the property owner to notify apartment residents of the work schedule and potential impacts.

SCHEDULE

Open Bids	July 24, 2012
Award Contract	September 11, 2012
Begin Work	October 2012
Complete Work	February 2013

Prepared by: Thomas Lam, Associate Civil Engineer

Recommended by: Alex Ameri, Director of Public Works – Utilities and Environmental Services

Approved by:



Fran David, City Manager

Attachments:

- Attachment I: Resolution
- Attachment II: Project Location Map

HAYWARD CITY COUNCIL

RESOLUTION NO. 12-

Introduced by Council Member _____

RESOLUTION APPROVING PLANS AND SPECIFICATIONS FOR THE ELECTRICAL AND MECHANICAL IMPROVEMENTS TO HIGH SCHOOL RESERVOIR PROJECT, PROJECT NO. 7137, AND CALL FOR BIDS

BE IT RESOLVED by the City Council of the City of Hayward as follows:

1. That those certain plans and specifications for the Electrical and Mechanical Improvements to High School Reservoir Project, Project No. 7137, on file in the office of the City Clerk, are hereby adopted as the plans and specifications for the project;
2. That the City Clerk is hereby directed to cause a notice calling for bids for the required work and material to be made in the form and manner provided by law;
3. That sealed bids therefore will be received by the City Clerk's office at City Hall, 777 B Street, Hayward, California 94541, up to the hour of 2:00 p.m. on Tuesday, July 24, 2012, and immediately thereafter publicly opened and declared by the City Clerk in Conference Room 4D, City Hall, Hayward, California;
4. That the City Council will consider a report on the bids at a regular meeting following the aforesaid opening and declaration of same.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2012

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

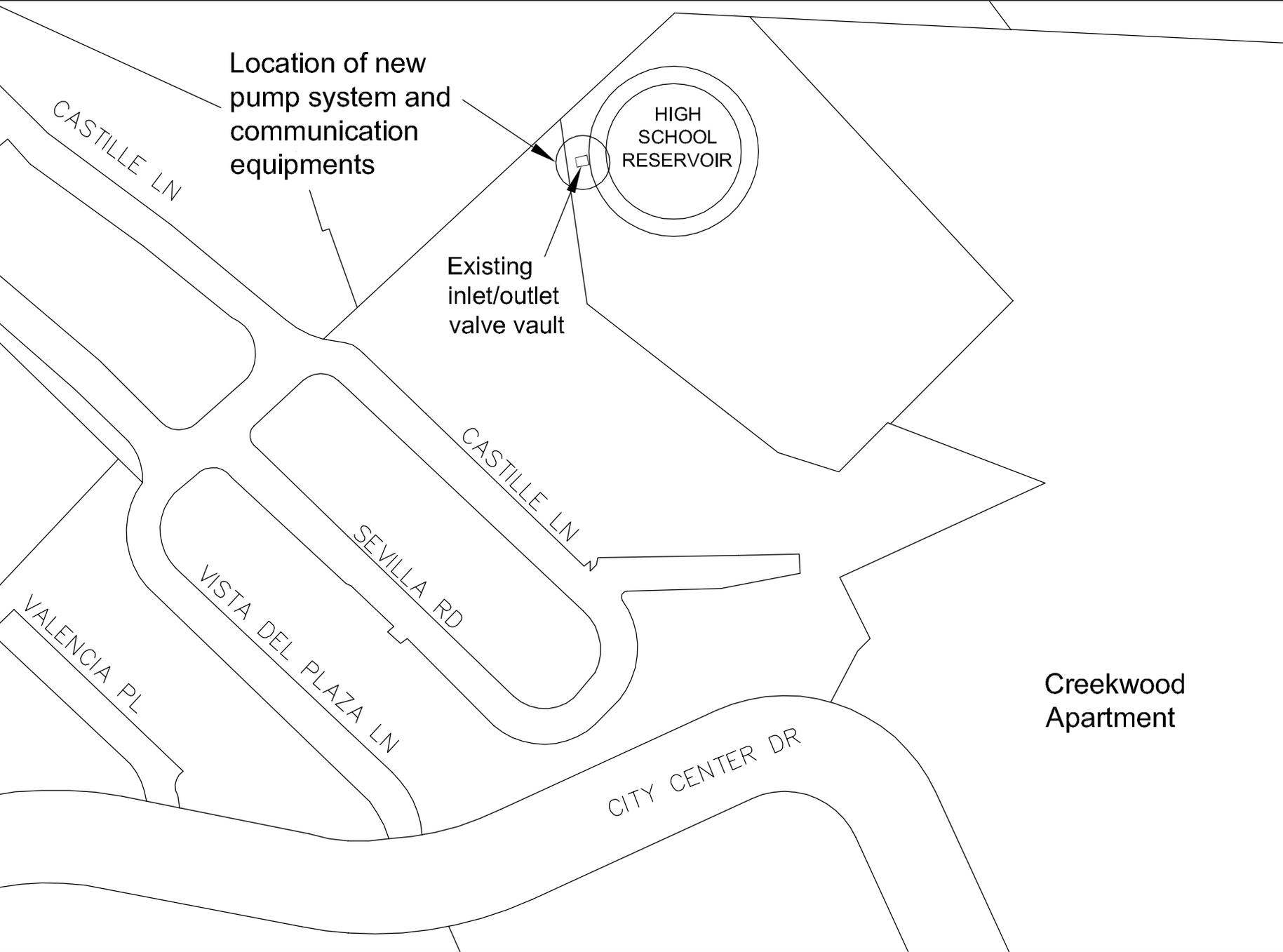
ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward



DATE: June 26, 2012

TO: Mayor and City Council

FROM: Director of Human Resources

SUBJECT: Adoption of Resolutions Approving Membership by the City of Hayward in the California State Association of Counties Excess Insurance Authority (“CSAC EIA”) and Appointing the City Manager to Act on the City’s Behalf in all Matters Relating to Such Membership and Approving an Agreement between the City of Hayward and the CSAC EIA for the Provision of an Excess Workers' Compensation Insurance Policy

RECOMMENDATION

That the City Council adopts the attached Resolutions: (1) approving membership by the City of Hayward in the California State Association of Counties Excess Insurance Authority (“CSAC EIA”) and appointing the City Manager to act on the City’s behalf in CSAC EIA; and (2) approving an agreement between the City of Hayward and CSAC EIA for the provision of an excess workers’ compensation insurance policy.

BACKGROUND

Staff is actively working on reform of the City’s Worker’s Compensation Program to achieve efficiencies and cost savings. A comprehensive analysis of the City’s program began in January 2011. The City is self-insured for workers’ compensation and currently pays 100% of all costs associated with employee claims “out of pocket.” These costs vary and include salary continuation for the injured worker as well as medical, hospital, prescription, and legal fees. Depending on the severity of the injury, a single claim could cost over \$1 million. The City does not currently have an excess workers’ compensation policy.

Excess worker’s compensation coverage lessens the financial impact of a high value claim by paying expenses that exceed the self-insured retention (SIR) or deductible amount named in the policy. CSAC EIA offers a low-cost option for providing excess insurance policies to its members. Since 1979, CSAC EIA has dramatically reduced excess insurance costs by using the combined purchasing power created by the group. CSAC EIA is accredited by the California Association of Joint Powers Authorities and is recognized as a highly successful and effective organization.

DISCUSSION

In the aftermath of the September 11, 2001 terrorist attacks and the millions of dollars in claims filed, excess insurance premiums increased significantly. Due to the increased premiums, the City opted not to renew its policy in FY 2003.

One component of the analysis of the workers' compensation program was to evaluate the feasibility of obtaining an excess insurance policy. The average cost incurred on a workers compensation claim is approximately \$14,000. Over the last ten years, the highest value single claim filed was \$642,000. Although a single claim typically will not exceed the SIR for excess coverage, a single event, such as an earthquake, multi-alarm fire, a riot or a shooting of one or more persons could result in injury to multiple employees and cost millions of dollars.

The likelihood of an event exceeding the SIR is not predictable. However, Hayward is on an earthquake fault and it is very possible that the City could experience a large scale earthquake. The potential injuries resulting from a large scale earthquake include injuries to employees who are harmed during the earthquake by falling debris and harm to public safety and rescue workers who are injured during evacuation and recovery efforts. Furthermore, the City of Hayward has experienced incidents where multiple claims were filed from a single event (e.g., officer-involved shooting cases that resulted in claims from the officer directly involved, officers that witness the event and the dispatchers that work on the call) that when combined exceed \$750,000.

As excess insurance coverage applies on an event basis and not a claim basis, if a single event involving multiple claims occurs, all of the claims from that single event would be added together to meet the SIR. This would limit the City's "out of pocket" expenses for that event to the amount of the SIR.

In determining whether it is feasible to purchase excess insurance, staff considered the likelihood that a single event with multiple injuries would occur, the City's vulnerable financial position, the community's expectation that the City operate in a fiscally responsible manner, and the cost effectiveness of an excess insurance policy. Staff worked with JT2, the City's current worker's compensation third party claims administrator (TPA), to obtain quotes for an excess insurance policy. The request for quotes was marketed by Wells Fargo Benefit Services and Alliant Insurance. Through this process approximately six companies that offer excess insurance policies were asked to provide a quote. Two of the companies declined to quote because the City does not have an existing policy and four quotes were received. The quotes ranged in price from \$210,000 to \$550,000 with various SIR levels. The table below summarizes the quotes received:

Table 1: Comparison of Quotes for Excess Policy

Company	Premium	Self-Insured Retention (Deductible)	Confidence Level ¹	Other Services
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¹ A confidence level is the statistical certainty that an actuary believes funding will be sufficient. For example,

Company	Premium	Self-Insured Retention (Deductible)	Confidence Level¹	Other Services
Midlands (NY Magic)	\$550,000	\$1 Million	100%	None quoted
Arch Insurance Company	\$275,000	\$2 Million	100%	None quoted
Safety National	\$211,663	\$1 Million	100%	Training
CSAC	\$210,000	\$750,000	80%	Training, member forums, conferences, legislative tracking and lobbying

In determining which quote would best meet the City’s needs, staff considered the history of the company, the amount of premium increases experienced, confidence level, potential assessments when the confidence level is below 100%, retention level, training provided, annual assessed premium, and cost effectiveness. Safety National offered a competitive price and some online training programs with a 100% confidence level and a \$1 million SIR. However, CSAC EIA offers the most cost effective policy that also provides training and networking opportunities.

Membership in CSAC EIA provides the City with access to membership forums and conferences that provide an opportunity to discuss important issues in the workers’ compensation arena, including legislative tracking and lobbying. Local municipalities that are CSAC EIA members include: City of Concord, City of Oakland, Alameda County, City of Stockton, City of Fremont, and City of Palo Alto. CSAC EIA demonstrated a reputable financial history, having imposed no assessments on participating members in the last seven years, and instead, giving dividend payments to members for the last two years. Dividends are paid to CSAC EIA members when the CSAC EIA Board determines that the funding position of the program is healthy and projected equity exceeds the confidence level. In FY 2009-2010, the Board declared a dividend of \$2,100,000, which was distributed to members based on their percentage of pool premium over a ten year period. In addition, the CSAC EIA SIR is \$750,000, which is \$250,000 less than Safety National. This would limit the City’s “out of pocket” expenses to \$750,000 for all claims arising from a single event. Although the CSAC EIA has a confidence level rating of 80%, this rating satisfies California regulations for self-insurance groups.

FISCAL IMPACT

Premiums for the excess workers’ compensation insurance policy will be paid through the Workers’ Compensation Internal Service Fund, which is adopted annually and included as part of the City’s Operating Budget. Each fiscal year, departments are charged an internal service fee, which is a percentage of total program costs by job type and calculated based on a prior three year utilization

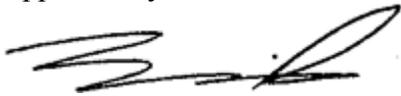
an 80% confidence level means that the actuary believes funding will be sufficient in eight years out of ten. Confidence levels are determined based on mathematical models. Insurance coverages that are low frequency and high severity (such as excess liability) are subject to greater risk than insurance coverages that are high frequency and low severity (such as automobile physical damage). Therefore, they need a greater margin to attain a given confidence level.

average. Costs associated with workers' compensation, including TPA services, medical expenses, legal services, salary continuation, claim expenses, program related training, and ergonomic equipment and supplies, are paid through this fund.

In FY 2011, the workers' compensation budget was \$5.5 million. The FY 2012 budget is \$5.8 million. Historically, the budget has increased each year in relation to increased healthcare costs. However, there is no increase in the FY 2013 proposed budget because improvements to the program, including reduced contract costs, effective return to work programs, and bill review have resulted in savings. It is anticipated that these savings will be sufficient to fund the premium for the excess policy in FY 2013.

Prepared and Recommended by: Frances M. Robustelli, Director of Human Resources

Approved by:



Fran David, City Manager

Attachments:

Attachment I: Resolution approving the City of Hayward becoming a member of the California State Association of Counties Excess Insurance Authority ("CSAC EIA") and appointing the City Manager to act on the City's behalf before CSAC EIA

Attachment II: Resolution approving an agreement between the City of Hayward and CSAC EIA for the provision of an Excess Workers' Compensation Insurance Policy

HAYWARD CITY COUNCIL

RESOLUTION NO. 12-

Introduced by Council Member _____

RESOLUTION APPROVING THE CITY OF HAYWARD TO BECOME A MEMBER OF THE CALIFORNIA STATE ASSOCIATION OF COUNTIES EXCESS INSURANCE AUTHORITY AND APPOINTING THE CITY MANAGER TO ACT IN ALL MATTERS RELATING TO THE CITY OF HAYWARD AND THE CALIFORNIA STATE ASSOCIATION OF COUNTIES EXCESS INSURANCE AUTHORITY

WHEREAS, Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (Section 6500 et seq.) permits two or more public agencies by agreement to exercise jointly powers common to the contracting parties; and

WHEREAS, the City of Hayward desires to join together with the California State Association of Counties Excess Insurance Authority (“CSAC EIA”) for the purpose of jointly funding and/or establishing excess and other insurance programs; and

WHEREAS, the CSAC EIA requires that each member agency appoint a person in a position of authority to act on the member’s behalf in matters relating to the member and CSAC EIA; and

WHEREAS, Article VII, Section 701 of the City Charter provides that the City Manager is responsible to the Council for the proper administration of all affairs of the City.

NOW THEREFORE, BE IT RESOLVED that the City Council does hereby approve becoming a member of the CSAC Excess Insurance Authority (EIA) and except as to actions that must be approved by the City Council, the City Manager is hereby appointed to act in all matters relating to the City of Hayward and CSAC EIA.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2012

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

HAYWARD CITY COUNCIL

RESOLUTION NO. 12-

Introduced by Council Member _____

RESOLUTION APPROVING AN AGREEMENT BETWEEN THE CITY OF HAYWARD AND THE CALIFORNIA STATE ASSOCIATION OF COUNTIES EXCESS INSURANCE AUTHORITY FOR THE PROVISION OF AN EXCESS WORKERS' COMPENSATION INSURANCE POLICY

WHEREAS, the City of Hayward is self-insured for workers' compensation claims; and

WHEREAS, managing expenses related to workers' compensation claims is fiscally responsible; and

WHEREAS, an excess insurance policy will serve to limit the amount that the City has to pay in response to a workers' compensation claim by paying for those claim costs in excess of the self-insured retention level of the policy; and

WHEREAS, the City of Hayward requested quotes for excess workers compensation insurance policies and the California State Association of Counties Excess Insurance Authority ("CSAC EIA") was identified as the most cost effective way to obtain the insurance policy.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward does hereby authorize and direct the City Manager to execute an agreement with CSAC EIA, effective July 1, 2012 for the provision of an excess workers compensation policy, in a form approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2012

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

DATE: June 26, 2012

TO: Mayor and City Council

FROM: Director of Public Works – Utilities & Environmental Services

SUBJECT: Groundwater Data Collection Project: Authorization for City Manager to Execute a Memorandum of Agreement with the East Bay Municipal Utility District to Implement the South East Bay Plain Basin Groundwater Data Collection Improvement Project

RECOMMENDATION

That Council adopts the attached resolution authorizing the City Manager to execute a Memorandum of Agreement with the East Bay Municipal Utility District to implement the South East Bay Plain Basin Groundwater Data Collection Improvement Project.

BACKGROUND

Since 1962, Hayward has received all of its drinking water supplies from the San Francisco Public Utilities Commission's regional water system, the main source of which is snowmelt from the Sierra Nevada Mountains. Prior to 1962, Hayward actively used ground water for its potable water source. Although groundwater is no longer used on an ongoing basis, the City has constructed five emergency wells, which could provide water for a short duration in the event of an emergency. The wells are not, however, intended for long-term use.

Despite the fact that Hayward does not use the groundwater beneath the City water service area and staff does not foresee utilizing it as such, groundwater is an important and valuable local water resource in need of management and protection to ensure its long-term viability. Groundwater management plans (GMPs) are typically developed for this purpose. GMPs document the:

- conditions within a groundwater basin;
- quality and quantity of groundwater;
- appropriate monitoring and management activities;
- groundwater protection actions; and
- groundwater sustainability

A critical step towards developing a comprehensive and effective GMP is to collect, analyze, and evaluate groundwater data. Hayward's five emergency wells provide excellent monitoring locations; however, due to other priorities and limited staff resources, the City has not been able to move forward with this effort. There is an opportunity to work collaboratively with the East Bay

Municipal Utility District (EBMUD), with whom Hayward shares a groundwater basin, to secure grant funding from the State of California Department of Water Resources (DWR) for the purpose of gathering additional information about the groundwater and to establish baseline water quality and reference data to manage the basin. The purpose of the recommended action is limited to a joint data collection effort and not approval of a GMP.

DISCUSSION

The East Bay Plain Groundwater Basin spans from the Carquinez Strait in the north to the southern end of the City of Hayward in the south. The most productive part of this groundwater basin is located in the south, the so-called South East Bay Plain Basin, a portion of which lies under Hayward and a portion under the EBMUD service area. EBMUD is currently developing a GMP for the Basin and engaging a group of stakeholders, including Hayward, in the process. Because the Basin overlaps the two service areas, there is value in Hayward's participation in developing the GMP. While staff cannot say at this point whether it will be beneficial for Hayward to actually adopt the final GMP produced by EBMUD, there is value in Hayward's participation, as the Basin overlaps the two service areas.

Meanwhile, it has been proposed that Hayward and EBMUD jointly implement a project, subject to the availability of grant funding, to improve the data collection effort that is so critical to an effective GMP. EBMUD is intending to submit a Local Groundwater Assistance (LGA) grant application to DWR for up to \$250,000 to accomplish the following objectives:

- develop groundwater management infrastructure for key areas of the basin, including improvements to the monitoring instrumentation in the Hayward wells;
- establish basin-wide reference data to monitor land surface changes;
- collect water quality data to assess the current state of basin water;
- improve the database by adding water level data, groundwater pumping data, and other pertinent information; and
- improve the groundwater model for groundwater management purposes.

LGA grants are highly competitive, and applications that have a multi-agency component tend to be more successful. It is unlikely that Hayward would be able to access these funds without partnering with another public agency. Given EBMUD and Hayward's mutual interest in managing the South East Bay Plain Basin, a collaborative effort is prudent and will strengthen the chances for a successful application.

Hayward would benefit from this data collection effort primarily through the upgrade of dedicated well-monitoring instrumentation that would be capable of logging water level data for use in determining optimal groundwater pumping rates. Hayward will also have access to the water quality data and other key information that is compiled, as well as the database and groundwater model used to effectively manage the groundwater basin and analyze the impact of any future groundwater development.

To demonstrate to DWR that Hayward and EBMUD are fully committed to implementing the project cooperatively, a Memorandum of Agreement (MOA) is needed to identify the roles and responsibilities of each agency. Under the terms of the draft MOA, Hayward would be responsible

for providing information and documents as needed to complete the grant application and to meet reporting requirements if the grant is awarded. If the grant application is successful, Hayward would also provide staffing to assist with installing the well monitoring equipment, accessing sites for survey work, and performing water quality sampling and data entry tasks. It is expected that the actual field work would not exceed the equivalent of one staff member for ten days. In addition, Hayward staff would assist in consultant selection and project administration. No other financial commitment would be required. The selection of consultants, if the grant is awarded, would be a joint effort between the two agencies. EBMUD would be responsible for preparing and submitting the grant application, negotiating with DWR to develop a grant agreement, and meeting all of the requirements of the grant agreement.

If a grant of less than \$250,000 is awarded, project tasks will be implemented in a descending order of criticality, with installation of updated monitoring equipment in Hayward wells near the top of the priority list. In the event that the grant application is not successful and the agencies receive no funding from DWR, the MOA will be terminated and the project will not be implemented.

ECONOMIC IMPACT

There is no economic impact to the community that is expected to result from this action. However, demonstrating sensitivity to emergency preparedness, particularly in the area of water supply, helps make Hayward a more attractive location for businesses and industry.

FISCALIMPACT

As noted, Hayward’s contribution to the Groundwater Data Collection Project will be in the form of staff resources for a limited amount of field work, as well as project administration and coordination. No direct expenditures are anticipated. The cost of staff time for field work will be in the range of \$5,000. Project administration and coordination, as needed, will be managed as part of Public Works – Utilities and Environmental Services’ normal workload.

PUBLIC CONTACT

No specific public contact is anticipated for this project. If the grant application is successful, all work would occur on City property, without impact to neighboring communities.

NEXT STEPS

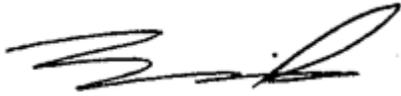
Assuming City Council approval, staff will finalize the memorandum of agreement with EBMUD. The following schedule has been developed for this project:

Milestone	Completion Date
Submit grant application	July 2012
Receive decision from DWR re grant funds	October 2012
Install well monitoring equipment	March 2014
Develop water quality assessment	December 2014
Implement groundwater model improvements	June 2015

Prepared by: Marilyn Mosher, Administrative Analyst III

Recommended by: Alex Ameri, Director of Public Works – Utilities & Environmental Services

Approved by:

A handwritten signature in black ink, appearing to read 'Fran David', written over a horizontal line.

Fran David, City Manager

Attachments:

Attachment I – Resolution

HAYWARD CITY COUNCIL

RESOLUTION NO. 12-_____

Introduced by Council Member _____

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE
A MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF
HAYWARD AND EAST BAY MUNICIPAL UTILITY DISTRICT, FOR
IMPLEMENTATION OF THE SOUTH EAST BAY PLAIN BASIN
GROUNDWATER DATA COLLECTION IMPROVEMENT PROGRAM

WHEREAS, groundwater resources of the South East Bay Plain Groundwater Basin are an important potential source of water for the people, environment and economy of the East Bay, including areas with the jurisdiction of both the City of Hayward and the East Bay Municipal Utility District (EBMUD); and

WHEREAS, both the City of Hayward and EBMUD recognize the potential for improved groundwater management in the South East Bay Plain Groundwater Basin and are interested in mutually participating in project and programs that aid in the understanding of basin hydrogeology, basin water quality, and water level elevation; and

WHEREAS, the City of Hayward and EBMUD are interested in proceeding collaboratively to investigate the potential benefits of collecting and retaining groundwater data, thereby establishing baseline conditions and expanding knowledge of the basin; and

WHEREAS, a memorandum of agreement is needed to facilitate preparation of a Proposition 84 Local Groundwater Assistance Grant Application to the State of California Natural Resources Agency, Department of Water Resources for funding that shall be used to support the South East Bay Plain Basin Groundwater Data Collection Improvement Program.

NOW, BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized and directed to execute, on behalf of the City of Hayward, a Memorandum of Agreement with the East Bay Municipal Utility District for implementation of the South East Bay Plain Basin Groundwater Data Collection Improvement Program, in a form approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2012

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____

City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

DATE: June 26, 2012

TO: Mayor and City Council

FROM: Director of Human Resources

SUBJECT: Resolution Authorizing Waiver of Cost of Living Adjustments to City Council Compensation and Continuation of Salary and Benefit Reductions

RECOMMENDATION

That Council adopts the attached Resolution affirming their waiver of a cost of living increase to their salaries for FY 2013 and continuing the reductions previously implemented under Resolution 11-089.

BACKGROUND

When the City commenced the two-year budget process, we faced a General Fund gap of \$15 million in FY 2013 that would grow to \$19.4 million in FY 2014 if we did nothing to solve the problem. Significant progress has been made toward implementing recurring, structural change – largely attributed to employee salary and benefit concessions.

The City's employee groups have all given back in salary and/or benefits in order to assist the City with reducing these projected budget gaps. The concessions made by employees include waiving cost of living increases in multiple future years, agreeing to changes in employee contributions to pension benefits, and increasing employee contributions to medical and other fringe benefits.

The Mayor and Council recognize the significant concessions given by City employees. In the past, the Mayor and Council have led employees in the City's cost savings efforts by being among the first to forego cost of living adjustments, authorizing salary reductions, and agreeing to reductions in City contributions to health and other insurance benefits. The Mayor and Council have expressed their intention to continue this leadership and to ensure that the concessions they have previously given continue to be in line with those given by employees.

DISCUSSION

The City has been engaged in discussions with each of its employee groups to negotiate changes to compensation packages in order to achieve on-going savings. Through these discussions, each of the City's employee groups has entered into agreements that provide for on-going structural changes to employee benefit programs. These agreed upon changes will result in a savings of

approximately \$7.4 million to the City's General Fund during FY 2013. These savings will assist the City in resolving the budget deficit identified for FY 2013.

Under Hayward Municipal Code (Code) Section 2-1.10, the Mayor and members of the Council are eligible for annual adjustments to their compensation in an amount equivalent to the percent increase in the Consumer Price Index (CPI) for the Bay Area, up to a maximum increase of five percent (5%). In addition, as set by resolution, the Mayor and Council have participated in health and dental programs on the same terms as the City's unrepresented management employees.

During each of the past eight years, the Mayor and Council have agreed to forego any cost of living increases that may have been due under the Code. In addition, the Mayor and Council have agreed to reductions in the City's contributions towards health and dental programs. As a result of these reductions, the contributions received by the Mayor and Council are less than the contributions provided to the City's unrepresented management employees.

For the current fiscal year, pursuant to Resolution No. 11-089, the Mayor and Council agreed to waive any CPI adjustment to salaries for FY 2012 and agreed to a 0.1% salary reduction. Resolution No. 11-089 also reduced the City's contribution towards medical and dental benefits for the Mayor and Council. Currently, the Mayor and Council pay 20% of the cost of participation in City-sponsored health insurance programs and 50% towards the cost of participation in dental programs. These contributions are greater than the contributions made by any other group of City employees participating in the same programs.

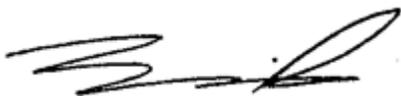
The Mayor and Council have indicated that they would like to continue their leadership in making the structural changes necessary to achieve on-going budget savings by continuing the reductions to their salary and benefits. To that end, the Mayor and Council have indicated that for FY 2013 they would like to continue to waive any cost of living adjustment provided for by the Code. The Mayor and Council have also expressed their willingness to extend this waiver through FY 2014 and FY 2015. This would be consistent with the cost of living waivers agreed to by the City's unrepresented employees and employees represented by the Hayward Association of Management Employees. In addition, the Mayor and Council have indicated they would like to continue the current reductions to salary and cost-sharing of health insurance and dental insurance premiums.

FISCAL IMPACT

The concessions made by the Mayor and Council represent an estimated \$36,181 in General Fund savings for FY 2013.

Prepared and Recommended by: Frances M. Robustelli, Director of Human Resources

Approved by:



Fran David, City Manager

Attachments:

Attachment I: Resolution Authorizing Waiver of Cost of Living Adjustments to City Council Compensation and Continuation of Salary and Benefit Reductions

HAYWARD CITY COUNCIL

RESOLUTION NO. 12-

Introduced by Council Member _____

RESOLUTION AUTHORIZING WAIVER OF COST OF LIVING
ADJUSTMENTS TO CITY COUNCIL COMPENSATION AND
CONTINUATION OF SALARY AND BENEFIT REDUCTIONS

WHEREAS, the City of Hayward is facing a projected General Fund deficit of \$14.9 million for FY 2013, which is projected to grow to \$19 million in FY 2014 if no changes are made; and

WHEREAS, the City requested employees consider changes to wage and benefit packages that would result in on-going structural reductions in personnel costs; and

WHEREAS, the City's Employee Groups have recognized the fiscal challenges that the City is facing and the essential need for ongoing and structural change to employee salaries and benefits; and

WHEREAS, the City's Employee Groups have entered into agreements providing for concessions to employee salaries and benefits; and

WHEREAS, the Mayor and City Council recognize the need to reduce the costs associated with employee salaries and benefits and the need for structural changes; and

WHEREAS, Hayward Municipal Code Chapter 2, Article 1, Section 2-1.10 provides that, effective July 1 of each fiscal year, the salary for the Council "shall be increased by an amount equivalent to the percent increase in the 'Consumer Price Index San Francisco-Oakland Metropolitan Area – All Items,' published by the Bureau of Labor Statistics, United States Department of Labor, for the twelve month period ending June of each fiscal year";

WHEREAS, the Mayor and Council have waived any such adjustments to their salary for the past eight years; and

WHEREAS, the Mayor and Council, as set forth in Resolution No. 11-089, have previously agreed to a reduction to salary and to sharing the costs of premiums for health and insurance benefits; and

NOW, THEREFORE, BE IT RESOLVED that, as part of the City's efforts to balance its budget for FY 2013 and to contribute towards addressing the budget deficit projected for future years, the City Council hereby approves a waiver of any increase to their salaries for FY 2013

and agrees to continue the salary reduction and insurance premium cost-sharing provisions detailed in Resolution No. 11-089.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2012

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

DATE: June 26, 2012

TO: City Council

FROM: Mayor

SUBJECT: Adoption of Resolutions Approving Extensions and Modifications to Employment Agreements with the City Manager, City Attorney and the City Clerk and Authorizing the Mayor to Execute Those Agreements on Behalf of the Council

RECOMMENDATION

That the City Council adopts the attached resolutions authorizing extensions and modifications to employment agreements between the City of Hayward and the City Manager, City Attorney and the City Clerk and authorizing the Mayor to execute those agreements on behalf of the Council.

BACKGROUND

The City of Hayward is facing a projected \$14.9 million shortfall in the General Fund for FY 2013, which will grow to \$19.4 million in FY 2014 if no changes are made. The City will also have an average deficit of \$20 - \$30 million annually over the next ten years if the City does not implement on-going structural change. As employee costs comprise 80% of the General Fund budget, a reduction of personnel expenditures is necessary to help preserve the services provided to the citizens of Hayward.

The City's employee groups have all given back in salary and/or benefits in order to assist the City with reducing these projected budget gaps. The concessions made by employees include waiving cost of living increases in multiple future years, agreeing to changes in employee contributions to pension benefits, and increasing employee contributions to medical and other fringe benefits.

The City Manager, City Attorney and City Clerk recognize the concessions given by City employees. In the past, the City Manager, City Attorney and City Clerk have participated in concessions to the same extent as the City's Unrepresented Management employees. The proposed employment agreements with the City Manager, City Attorney and City Clerk will provide for their continued participation in these concessions through FY 2013.

DISCUSSION

The current employment agreements with the City Manager, City Attorney, and City Clerk will expire on June 30, 2012, unless renewed on or before that date. These agreements provide for cost savings to the City during FY 2012 by linking salary and benefit reductions for the City Manager, City Attorney and City Clerk to the same reductions applicable to the City's Unrepresented Management employees.

The performance of the City Manager, City Attorney and City Clerk was recently reviewed. Based on these performance reviews, the Council has expressed a desire to extend the term of employment for the City Manager, City Attorney and City Clerk through June 30, 2013. In entering into this extension, the City Manager, City Attorney and City Clerk all recognize the continued fiscal difficulties faced by the City. To that end, they have all committed to participating in the City's cost savings efforts during FY 2013 by agreeing to the same salary and benefit terms that will be applicable to the City's Unrepresented Management employees, which included waivers of any cost of living adjustments to salary and accepting reduced City contributions to benefits. All other terms and conditions of employment would remain the same.

FISCAL IMPACT

The savings from the renegotiated employment agreements for the City Manager, City Attorney and City Clerk represents an estimated \$76,554 in General Fund savings for FY 2013.

Approved by:



Michael Sweeney, Mayor

Attachments: **Attachment I:** Resolution Approving the Extension and Modification of the City Manager's Employment Agreement and Authorizing the Mayor to Execute the Agreement on Behalf of the Council
 Attachment II: Resolution Approving the Extension and Modification of the City Attorney's Employment Agreement and Authorizing the Mayor to Execute the Agreement on Behalf of the Council
 Attachment III: Resolution Approving the Extension and Modification of the City Clerk's Employment Agreement and Authorizing the Mayor to Execute the Agreement on Behalf of the Council
 Attachment IV: City Manager's Employment Agreement
 Attachment V: City Attorney's Employment Agreement
 Attachment VI: City Clerk's Employment Agreement

HAYWARD CITY COUNCIL

RESOLUTION NO. 12-

Introduced by Council Member _____

RESOLUTION APPROVING THE EXTENSION AND MODIFICATION OF THE CITY MANAGER'S EMPLOYMENT AGREEMENT AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT ON BEHALF OF THE COUNCIL

WHEREAS, the City of Hayward and the City Manager E. Frances David entered into an employment agreement on February 1, 2011; and

WHEREAS, the employment agreement will expire on June 30, 2012 unless renewed by the parties on or before June 30, 2012; and

WHEREAS, the City Council wishes to renew the agreement, subject to the modification that the City Manager agrees to the same employees savings commitment that applies to the City's unrepresented management employees for Fiscal Year 2013; and

BE IT RESOLVED by the City Council of the City of Hayward that the Council hereby approves the extension and modification of the City Manager's employment agreement on file in the office of the City Clerk, and authorizes the Mayor to execute the agreement on behalf of the City Council.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2012

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney

HAYWARD CITY COUNCIL

RESOLUTION NO. 12-

Introduced by Council Member _____

RESOLUTION APPROVING THE EXTENSION AND MODIFICATION OF THE CITY ATTORNEY’S EMPLOYMENT AGREEMENT AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT ON BEHALF OF THE COUNCIL

WHEREAS, the City of Hayward and the City Attorney Michael Lawson entered into an employment agreement on June 21, 2011; and

WHEREAS, the employment agreement will expire on June 30, 2012 unless renewed by the parties on or before June 30, 2012; and

WHEREAS, the City Council wishes to renew the agreement, subject to the modification that the City Attorney agrees to the same employees savings commitment that applies to the City’s unrepresented management employees for Fiscal Year 2013; and

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Hayward that the Council hereby approves the extension and modification of the City Attorney’s employment agreement on file in the office of the City Clerk, and authorizes the Mayor to execute the agreement on behalf of the City Council.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2012

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney

HAYWARD CITY COUNCIL

RESOLUTION NO. 12-

Introduced by Council Member _____

RESOLUTION APPROVING THE EXTENSION AND MODIFICATION OF THE CITY CLERK’S EMPLOYMENT AGREEMENT AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT ON BEHALF OF THE COUNCIL

WHEREAS, the City of Hayward and the City Clerk Miriam Lens entered into an employment agreement on June 21, 2011; and

WHEREAS, the employment agreement will expire on June 30, 2012 unless renewed by the parties on or before June 30, 2012; and

WHEREAS, the City Council wishes to renew the agreement, subject to the modification that the City Clerk agrees to the same employees savings commitment that applies to the City’s unrepresented management employees for Fiscal Year 2013; and

BE IT RESOLVED by the City Council of the City of Hayward that the Council hereby approves the extension and modification of the City Clerk’s employment agreement on file in the office of the City Clerk, and authorizes the Mayor to execute the agreement on behalf of the City Council.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2012

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney

Hayward City Manager Employment Agreement: July 1, 2012 through June 30, 2013

Introduction

This Agreement, entered into for convenience purposes this 26th day of June 2012, by and between the City of Hayward, a chartered California City and municipal corporation (hereinafter called "Employer"), and E. Frances David, (hereinafter called "Employee"), an individual, who has the education training and experience in local government management. The effective date of this Agreement is July 1, 2012.

Section 1 Term

Employee's current agreement with Employer shall remain in effect until June 30, 2012. The term of this Agreement is July 1, 2012, through June 30, 2013. Thereafter, this Agreement shall be renewed on or before its anniversary date for terms of one (1) year until terminated by either party or modified by mutual agreement as hereinafter provided. The anniversary date is every June 30.

Section 2 Duties and Authority

Employer agrees to employ Employee as City Manager to perform the functions and duties specified in Article VII sections 700 et seq. of the Hayward City Charter and such other lawful and appropriate duties and functions as directed by the City Council. Employee shall be a member in good standing of the International City/County Management Association (ICMA) and shall adhere to ICMA principles and tenets. Employee shall maintain current her ICMA Credentialed Manager standing for the term of employment. The Employer agrees to pay Employee's ICMA dues.

Section 3 Compensation

The Employer agrees to pay Employee an annual base salary of \$222,642.86. This salary is the same as Employee's base salary during Fiscal Year 2012. During the term of this Agreement, Employer agrees to pay Employee on the same schedule as other City of Hayward employees, which is currently bi-weekly.

Section 4 Health Disability Life Insurance and Other Benefits

Upon commencing employment, Employer agrees to provide and to pay the premiums for health, hospitalization, surgical, vision, dental, and comprehensive medical insurance for Employee and her dependents equal to that which is provided to all unrepresented management employees of Employer.

Similarly, Employer agrees to obtain and to make required premium payments for short term and long term disability insurance coverage for Employee while this Agreement is in effect.

Employer shall also pay for term life insurance for Employee in an amount equal to Employee's gross annual salary (including all salary increases during the life of this Agreement) or Employer's maximum allowable amount of term life insurance coverage under Employer's contract with its insurer, if said amount is less than Employee's gross annual salary. Employee shall have the right to choose the beneficiary on such policies.

In addition to the benefits set forth herein, all actions taken by the City Council relating to benefits for Unrepresented Management Employees shall be considered actions granting the same level of benefits to Employee, unless mutually agreed otherwise between Employer and Employee.

Employer provides employees with access to a deferred compensation plan. Employer will not provide an employer contribution to the deferred compensation plan.

Section 5 Vacation and Sick Leave

Upon commencing employment, Employee was credited with the existing sick and vacation leave hours of accrued leave as reflected in the existing City of Hayward account for Employee from her previous positions as Assistant City Manager and Acting City Manager. Employee shall continue to accrue sick and vacation leave on an annual basis at the rate specified in Employee's current agreement or at the rate afforded Unrepresented Management Employees, whichever is higher, unless and until this Agreement is amended.

Employee shall be entitled to eighty (80) hours of administrative leave annually as provided in the Salary and Benefits Resolution for Unrepresented Management Employees. Employee shall be entitled to take a total of thirty-five (35) work days combined leave (i.e., vacation and administrative leave) annually, and shall take no more than fifteen (15) work days of said leave at any one time, exclusive of holidays recognized by Employer, to which Employee shall also be entitled.

In the event of termination, either voluntarily or involuntarily, Employee shall be compensated for accrued sick and vacation time as of the date of termination as provided in the Salary and Benefits Resolution for Unrepresented Management Employees.

Section 6 Automobile and Monthly Expense Allowance

Employee shall not be entitled to any additional compensation for the work-related use of her personal automobile related to the duties of City Manager; nor shall she be entitled to any cellular phone allowance. Employer agrees to provide Employee mileage reimbursement as the same level as provided for Unrepresented Management employees.

Section 7 Retirement

Employee shall be required to pay the Employee portion of the PERS contribution by paying eight percent (8%).

Section 8 Employee Savings Commitment

Effective the pay period including July 1, 2012, Employee shall contribute equivalent to the same percentage of employee cost savings as the Executive members of the Unrepresented Management Employees, unless and until this Agreement is amended. Furthermore, any employee cost savings achieved through increased employee contributions towards PERS retirement contributions or medical plan premiums shall be credited towards the overall percentage cost savings established for the Unrepresented Management Employees.

Section 9 Termination

Termination of this Agreement may occur under any of the following circumstances:

- A. If a majority of the governing body votes to terminate Employee at a duly authorized public meeting;
- B. If Employer, citizens, or Legislature acts to amend any provisions of the Charter, Ordinances, or appropriate enabling legislation pertaining to the role, powers, duties, authority, and responsibilities of Employee's position, and such amendment substantially changes the form of government, Employee shall have the right to declare that such amendment constitutes termination;
- C. If Employee resigns following an offer by Employer to accept resignation, whether such offer is formal or informal, then Employee may declare a termination as of the date of Employee's acceptance of such formal or informal offer;
- D. If either party fails to cure a breach of contract as declared by either Employer or Employee within a 30-day period after the declaration of such breach of contract, provided written notice of such breach of contract is provided in accordance with provisions of Section 17;
- E. If Employee is convicted of a felony or misdemeanor involving moral turpitude, or if it is established that Employee's performance constitutes malfeasance or gross dereliction of duty;
- F. If Employee fails or refuses to follow a direct, lawful order by Employer; and
- G. If Employee violates one or more tenets or ethical principles of ICMA.

Section 10 Severance

- A. Except as expressly provided herein, severance shall be paid to Employee when employment is terminated in Section 8. If Employee is terminated, Employer shall provide a minimum severance payment equal to ninety (90) days salary and benefits at the then-current rate of pay. This severance shall be paid in a lump sum unless otherwise agreed to by Employer and Employee. Severance does not include life insurance. Employee shall also be compensated for all accrued sick leave, vacation time, all paid holidays and executive leave as provided in the Salary and Benefit Resolution for the Unrepresented Management Employees.
- B. If Employee is terminated under any of the circumstances set forth in items E, F, or G of the preceding Paragraph 8, Employer is not obligated to pay severance.

Section 11 Resignation

In the event that Employee voluntarily resigns her position with Employer, Employee shall provide a minimum of ninety (90) days' notice unless the parties agree otherwise.

Section 12 Performance Evaluation

Employer will review the performance of the Employee in December 2011, and at least annually in each succeeding year thereafter. Performance reviews will include at least the identification of mutually agreed upon goals to be achieved by Employee in the ensuing year, as well as a review of compensation for the coming year.

Section 13 Hours of Work

It is recognized that Employee must devote a great deal of time outside the normal office hours on business for Employer, and to that end Employee shall be allowed to establish an appropriate work schedule.

Section 14 Outside Activities

The employment provided for by this Agreement shall be Employee's sole employment, unless otherwise agreed to by Employer prior to Employee engaging in any such other employment.

Section 15 Indemnification

Beyond that required under Federal, State or Local Law, Employer shall defend, save harmless and indemnify Employee against any tort, professional liability claim, or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties as City Manager or resulting from the exercise of judgment or discretion in connection with the performance of program duties or responsibilities unless the act or omission involved willful or wanton conduct. Employer shall indemnify Employee against any and all losses, damages, judgments, interest, settlements, fines, court costs, and other reasonable other costs and expenses of legal proceedings including attorneys'

fees, and any liabilities incurred by, imposed upon, or suffered by such Employee in connection with or resulting from any claim, action, suit, or proceeding, actual, or threatened, arising out of or in connection with the performance of her duties. Any settlement of any claim must be made with prior approval of Employer in order for indemnification, as provided in this Section, to be available.

Section 16 Bonding

Employer shall bear the full cost of any fidelity or other bonds required of Employee under any law or ordinance.

Section 17 Other Terms and Conditions of Employment

Employer may set such other terms and conditions of employment, as it may determine from time to time, relating to the performance of Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the Hayward City Charter, or any other law.

Section 18 Notices

Notice pursuant to this Agreement shall be given by depositing in the custody of the United States Postal Service postage prepaid addressed as follows:

(1) EMPLOYER: Mayor of the City of Hayward
Hayward City Hall
777 B Street
Hayward California 94541

(2) EMPLOYEE: E. Frances David
Address on File

Alternatively, notice required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as the date of deposit of such written notice in the course of transmission in the United States Postal Service.

Section 18 General Provisions; Integration; Severability

This Agreement sets forth and establishes the entire understanding between Employer and Employee relating to the employment of the Employee by the Employer. Any prior discussions or representations by or between the parties are merged into and rendered null and void by this Agreement. The parties by mutual written agreement may amend any provision of this Agreement during the life of the Agreement. Such amendments shall be incorporated into and made a part of this Agreement.

The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both parties subsequent to the expungement or judicial modification of the invalid provision.

Dated June 26, 2012

Executed by:

Michael Sweeney
Mayor, City of Hayward

E. Frances David
Employee (City Manager)

ATTEST:

City Clerk of the City of Hayward

APPROVED AS TO FORM

City Attorney of the City of Hayward

City Attorney Employment Agreement: July 1, 2012 through June 30, 2013

Introduction

This Agreement, entered into for convenience purposes this 1st day of July 2012, by and between the City of Hayward, a chartered California City and municipal corporation (hereinafter called "Employer"), and Michael Lawson, (hereinafter called "Employee"), an individual, who is licensed to practice law in the State of California, a member in good standing of the California Bar Association and possesses the extensive knowledge and training required to perform the duties of City Attorney. The effective date of this Agreement is July 1, 2012.

Section 1 Term

Employee's current agreement with Employer shall remain in effect until June 30, 2012. The term of this Agreement is July 1, 2012, through June 30, 2013. Thereafter, this Agreement shall be renewed on or before its anniversary date for terms of one (1) year until terminated by either party or modified by mutual agreement as hereinafter provided. The anniversary date is every June 30.

Section 2 Duties and Authority

Employer agrees to employ Employee as City Attorney to perform the functions and duties specified in Article VIII section 808 et seq. of the Hayward City Charter and such other lawful and appropriate duties and functions as directed by the City Council. Employee shall be licensed to practice law in the State of California for the duration of employment. The Employer agrees to pay Employee's cost of annual bar association membership.

Section 3 Compensation

The Employer agrees to pay Employee an annual base salary of \$185,103.20. This salary is the same as Employee's base salary during Fiscal Year 2012. During the term of this Agreement, Employer agrees to pay Employee in equal installments on the same schedule as other City of Hayward employees, which is currently bi-weekly.

Section 4 Health, Disability, Life Insurance and Other Benefits

Upon commencing employment, Employer agrees to provide and to pay the premiums for health, hospitalization, surgical, vision, dental and comprehensive medical insurance for Employee and his dependents equal to that which is provided to all unrepresented management employees of Employer.

Similarly, Employer agrees to obtain short term and long term disability insurance coverage for Employee while this Agreement is in effect. Employer shall obtain term life insurance for Employee in an amount equal to Employee's gross annual salary (including all salary increases

during the life of this Agreement) or Employer's maximum allowable amount of term life insurance coverage under Employer's contract with its insurer, if said amount is less than Employee's gross annual salary. Employee shall have the right to choose the beneficiary on such policies.

In addition to the benefits set forth herein, all actions taken by the City Council relating to benefits for Unrepresented Management Employees shall be considered actions granting the same level of benefits to Employee, unless mutually agreed otherwise between Employer and Employee.

Employer agrees to pay the equivalent cost of the above stated benefits at the same benefit plan level as provided for Unrepresented Management Employees.

Employee is not eligible for a vehicle allowance. Employer agrees to provide Employee mileage reimbursement at the same level as provided for Unrepresented Management employees.

Employer provides employees with access to a deferred compensation plan. Employer will not provide an employer contribution to the deferred compensation plan.

Section 5 Vacation and Sick Leave

Employee shall be entitled to a total of twenty-five (25) days of vacation annually, exclusive of holidays recognized by the Employee, to which the Employee shall also be entitled.

Employee shall continue to accrue sick a leave on an annual basis at the rate afforded Unrepresented Management Employees, unless and until this Agreement is amended.

Employee shall be entitled to eighty (80) hours of administrative leave annually as provided in the Salary and Benefits Resolution for Unrepresented Management Employees.

Employee shall take no more than fifteen (15) work days of vacation or administrative leave at any one time, exclusive of holidays recognized by Employer, to which Employee shall also be entitled. Upon approval of the Council, leave may be extended beyond the fifteen (15) work day limit established above.

In the event of termination, either voluntarily or involuntarily, employee shall be compensated for accrued sick and vacation time as of the date of termination as provided in the Salary and Benefits Resolution for Unrepresented Management Employees.

Section 6 Retirement

Employee shall be required to pay the Employee portion of the PERS contribution by paying eight percent (8%).

Section 7 Employee Savings Commitment

Effective the pay period including July 1, 2012, Employee shall contribute equivalent to the same percentage of employee cost savings as the Executive members of the Unrepresented Management Employees, unless and until this Agreement is amended. Furthermore, any

employee cost savings achieved through increased employee contributions towards PERS retirement contributions or medical plan premiums shall be credited towards the overall percentage cost savings established for the Unrepresented Management Employees.

Section 8 Termination

Termination of this Agreement may occur under any of the following circumstances:

- A. If a majority of the governing body votes to terminate Employee at a duly authorized public meeting;
- B. If Employer, citizens, or Legislature acts to amend any provisions of the Charter, Ordinances, or appropriate enabling legislation pertaining to the role, powers, duties, authority, and responsibilities of Employee's position, and such amendment substantially changes the form of government, Employee shall have the right to declare that such amendment constitutes termination;
- C. If Employee resigns following an offer by Employer to accept resignation, whether such offer is formal or informal, then Employee may declare a termination as of the date of Employee's acceptance of such formal or informal offer;
- D. If either party fails to cure a breach of contract as declared by either Employer or Employee within a 30-day period after the declaration of such breach of contract, provided written notice of such breach of contract is provided in accordance with provisions of Section 17;
- E. If Employee is convicted of a felony or misdemeanor involving moral turpitude, or if it is established that Employee's performance constitutes malfeasance or gross dereliction of duty;
- F. If Employee fails or refuses to follow a direct, lawful order by Employer

Section 9 Severance

- A. Except as expressly provided herein, severance shall be paid to Employee when employment is terminated in Section 8. If Employee is terminated, Employer shall provide a minimum severance payment equal to six (6) months salary and benefits at the then-current rate of pay. This severance shall be paid in a lump sum unless otherwise agreed to by Employer and Employee. Severance does not include life insurance. Employee shall also be compensated for all accrued sick leave, vacation time, all paid holidays and executive leave as provided in the Salary and Benefit Resolution for the Unrepresented Management Employees.
- B. If Employee is terminated under any of the circumstances set forth in items E, or F of the preceding Paragraph 8, Employer is not obligated to pay severance.

Section 10 Resignation

In the event that Employee voluntarily resigns her position with Employer, Employee shall provide a minimum of ninety (90) days' notice unless the parties agree otherwise.

Section 11 Performance Evaluation

Employer will review the performance of the Employee in March 2012, and at least annually in each succeeding year thereafter. Performance reviews will include at least the identification of mutually agreed upon goals to be achieved by Employee in the ensuing year, as well as a review of compensation for the coming year.

Section 12 Hours of Work

It is recognized that Employee must devote a great deal of time outside the normal office hours on business for Employer, and to that end Employee shall be allowed to establish an appropriate work schedule.

Section 13 Outside Activities

The employment provided for by this Agreement shall be Employee's sole employment, unless otherwise agreed to by Employer prior to Employee engaging in any such other employment.

Section 14 Indemnification

Beyond that required under Federal, State or Local Law, Employer shall defend, save harmless and indemnify Employee against any tort, professional liability claim, or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties as City Clerk or resulting from the exercise of judgment or discretion in connection with the performance of program duties or responsibilities unless the act or omission involved willful or wanton conduct. Employer shall indemnify Employee against any and all losses, damages, judgments, interest, settlements, fines, court costs, and other reasonable other costs and expenses of legal proceedings including attorneys' fees, and any liabilities incurred by, imposed upon, or suffered by such Employee in connection with or resulting from any claim, action, suit, or proceeding, actual, or threatened, arising out of or in connection with the performance of her duties. Any settlement of any claim must be made with prior approval of Employer in order for indemnification, as provided in this Section, to be available.

Section 15 Bonding

Employer shall bear the full cost of any fidelity or other bonds required of Employee under any law or ordinance.

Section 16 Other Terms and Conditions of Employment

Employer may set such other terms and conditions of employment, as it may determine from time to time, relating to the performance of Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the Hayward City Charter, or any other law.

Section 17 Notices

Notice pursuant to this Agreement shall be given by depositing in the custody of the United States Postal Service postage prepaid addressed as follows:

- (1) EMPLOYER: Mayor of the City of Hayward
Hayward City Hall
777 B Street
Hayward California 94541
- (2) EMPLOYEE: Michael Lawson

Alternatively, notice required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as the date of deposit of such written notice in the course of transmission in the United States Postal Service.

Section 18 General Provisions; Integration; Severability

This Agreement sets forth and establishes the entire understanding between Employer and Employee relating to the employment of the Employee by the Employer. Any prior discussions or representations by or between the parties are merged into and rendered null and void by this Agreement. The parties by mutual written agreement may amend any provision of this Agreement during the life of the Agreement. Such amendments shall be incorporated into and made a part of this Agreement.

The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both parties subsequent to the expungement or judicial modification of the invalid provision.

Dated: June 26, 2012

Executed by:

Michael Sweeney _____
Mayor, City of Hayward

Michael Lawson _____
Employee (City Attorney)

ATTEST:

City Clerk of the City of Hayward

City Clerk Employment Agreement: July 1, 2012 through June 30, 2013

Introduction

This Agreement, entered into for convenience purposes this 1st day of July 2013, by and between the City of Hayward, a chartered California City and municipal corporation (hereinafter called "Employer"), and Miriam Lens, (hereinafter called "Employee"), an individual, who has the education, training and experience in local government records management associated with City Clerk duties. The effective date of this Agreement is July 1, 2013.

Section 1 Term

Employee's current agreement with Employer shall remain in effect until June 30, 2012. The term of this Agreement is July 1, 2012, through June 30, 2013. Thereafter, this Agreement shall be renewed on or before its anniversary date for terms of one (1) year until terminated by either party or modified by mutual agreement as hereinafter provided. The anniversary date is every June 30.

Section 2 Duties and Authority

Employer agrees to employ Employee as City Clerk to perform the functions and duties specified in Article VIII section 800 et seq. of the Hayward City Charter and such other lawful and appropriate duties and functions as directed by the City Council. Employee shall be a Certified Municipal Clerk by the International Institute of Municipal Clerks (IICM) and Employee shall maintain current standing for the term of employment. Employee shall adhere to the IICM Code of Ethics. The Employer agrees to pay Employee's cost for certification.

Section 3 Compensation

The Employer agrees to pay Employee an annual base salary of \$114,067.20. This salary is the same as Employee's base salary during Fiscal Year 2012. During the term of this Agreement, Employer agrees to pay Employee in equal installments on the same schedule as other City of Hayward employees, which is currently bi-weekly.

Section 4 Health Disability Life Insurance and Other Benefits

Upon commencing employment, Employer agrees to provide and pay the premiums for health, hospitalization, surgical, vision, dental, and comprehensive medical insurance for Employee and her dependents equal to that which is provided to all unrepresented management employees of Employer.

Similarly, Employer agrees to obtain short term and long term disability insurance coverage for Employee while this Agreement is in effect. Employer shall obtain term life insurance for Employee in an amount equal to Employee's gross annual salary (including all salary increases during the life of this Agreement) or Employer's maximum allowable amount of term life insurance coverage under Employer's contract with its insurer, if said amount is less than

Employee's gross annual salary. Employee shall have the right to choose the beneficiary on such policies.

In addition to the benefits set forth herein, all actions taken by the City Council relating to benefits for Unrepresented Management Employees shall be considered actions granting the same level of benefits to Employee, unless mutually agreed otherwise between Employer and Employee.

Employer agrees to pay the equivalent cost of the above stated benefits at the same benefit plan level as provided for Unrepresented Management Employees.

Employee is not eligible for a vehicle allowance. Employer agrees to provide Employee mileage reimbursement at the same level as provided for Unrepresented Management employees.

Employer provides employees with access to a deferred compensation plan. Employer will not provide an employer contribution to the deferred compensation plan.

Section 5 Vacation and Sick Leave

Employee shall continue to accrue sick and vacation leave on an annual basis at the rate afforded Unrepresented Management Employees, unless and until this Agreement is amended.

Employee shall be entitled to eighty (80) hours of administrative leave annually as provided in the Salary and Benefits Resolution for Unrepresented Management Employees.

Employee shall take no more than fifteen (15) work days of vacation or administrative leave at any one time, exclusive of holidays recognized by Employer, to which Employee shall also be entitled. Upon approval of the Council, leave may be extended beyond the fifteen (15) work day limit established above.

In the event of termination, either voluntarily or involuntarily, Employee shall be compensated for accrued sick and vacation time as of the date of termination as provided in the Salary and Benefits Resolution for Unrepresented Management Employees.

Section 6 Retirement

Employee shall be required to pay the Employee portion of the PERS contribution by paying eight percent (8%).

Section 7 Employee Savings Commitment

Effective the pay period including July 1, 2012, Employee shall contribute equivalent to the same percentage of employee cost savings as the Executive members of the Unrepresented Management Employees, unless and until this Agreement is amended. Furthermore, any employee cost savings achieved through increased employee contributions towards PERS retirement contributions shall be credited towards the overall percentage cost savings established for the Unrepresented Management Employees.

Section 8 Termination

Termination of this Agreement may occur under any of the following circumstances:

- A. If a majority of the governing body votes to terminate Employee at a duly authorized public meeting;
- B. If Employer, citizens, or Legislature acts to amend any provisions of the Charter, Ordinances, or appropriate enabling legislation pertaining to the role, powers, duties, authority, and responsibilities of Employee's position, and such amendment substantially changes the form of government, Employee shall have the right to declare that such amendment constitutes termination;
- C. If Employee resigns following an offer by Employer to accept resignation, whether such offer is formal or informal, then Employee may declare a termination as of the date of Employee's acceptance of such formal or informal offer;
- D. If either party fails to cure a breach of contract as declared by either Employer or Employee within a 30-day period after the declaration of such breach of contract, provided written notice of such breach of contract is provided in accordance with provisions of Section 17;
- E. If Employee is convicted of a felony or misdemeanor involving moral turpitude, or if it is established that Employee's performance constitutes malfeasance or gross dereliction of duty;
- F. If Employee fails or refuses to follow a direct, lawful order by Employer; and

Section 9 Severance

- A. Except as expressly provided herein, severance shall be paid to Employee when employment is terminated in Section 8. If Employee is terminated, Employer shall provide a minimum severance payment equal to ninety (90) days salary and benefits at the then-current rate of pay. This severance shall be paid in a lump sum unless otherwise agreed to by Employer and Employee. Severance does not include life insurance. Employee shall also be compensated for all accrued sick leave, vacation time, all paid holidays and executive leave as provided in the Salary and Benefit Resolution for the Unrepresented Management Employees.
- B. If Employee is terminated under any of the circumstances set forth in items E, or F of the preceding Paragraph 8, Employer is not obligated to pay severance.

Section 10 Resignation

In the event that Employee voluntarily resigns her position with Employer, Employee shall provide a minimum of ninety (90) days' notice unless the parties agree otherwise.

Section 11 Performance Evaluation

Employer will review the performance of the Employee in February 2012, and at least annually in each succeeding year thereafter. Performance reviews will include at least the identification of

mutually agreed upon goals to be achieved by Employee in the ensuing year, as well as a review of compensation for the coming year.

Section 12 Hours of Work

It is recognized that Employee must devote a great deal of time outside the normal office hours on business for Employer, and to that end Employee shall be allowed to establish an appropriate work schedule.

Section 13 Outside Activities

The employment provided for by this Agreement shall be Employee's sole employment, unless otherwise agreed to by Employer prior to Employee engaging in any such other employment.

Section 14 Indemnification

Beyond that required under Federal, State or Local Law, Employer shall defend, save harmless and indemnify Employee against any tort, professional liability claim, or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties as City Clerk or resulting from the exercise of judgment or discretion in connection with the performance of program duties or responsibilities unless the act or omission involved willful or wanton conduct. Employer shall indemnify Employee against any and all losses, damages, judgments, interest, settlements, fines, court costs, and other reasonable other costs and expenses of legal proceedings including attorneys' fees, and any liabilities incurred by, imposed upon, or suffered by such Employee in connection with or resulting from any claim, action, suit, or proceeding, actual, or threatened, arising out of or in connection with the performance of her duties. Any settlement of any claim must be made with prior approval of Employer in order for indemnification, as provided in this Section, to be available.

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Employer shall bear the full cost of any fidelity or other bonds required of Employee under any law or ordinance.

Section 16 Other Terms and Conditions of Employment

Employer may set such other terms and conditions of employment, as it may determine from time to time, relating to the performance of Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the Hayward City Charter, or any other law.

Section 17 Notices

Notice pursuant to this Agreement shall be given by depositing in the custody of the United States Postal Service postage prepaid addressed as follows:

- (1) EMPLOYER: Mayor of the City of Hayward
Hayward City Hall

777 B Street
Hayward California 94541

(2) EMPLOYEE: Miriam Lens
Address on File

Alternatively, notice required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as the date of deposit of such written notice in the course of transmission in the United States Postal Service.

Section 18 General Provisions; Integration; Severability

This Agreement sets forth and establishes the entire understanding between Employer and Employee relating to the employment of the Employee by the Employer. Any prior discussions or representations by or between the parties are merged into and rendered null and void by this Agreement. The parties by mutual written agreement may amend any provision of this Agreement during the life of the Agreement. Such amendments shall be incorporated into and made a part of this Agreement.

The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both parties subsequent to the expungement or judicial modification of the invalid provision.

Dated June 26, 2012

Executed by:

Michael Sweeney
Mayor, City of Hayward

Miriam Lens
Employee (City Clerk)

ATTEST:

City Clerk of the City of Hayward

APPROVED AS TO FORM

City Attorney of the City of Hayward

DATE: June 26, 2012
TO: Mayor and City Council
FROM: Assistant City Manager
SUBJECT: Downtown Business Improvement Area Consideration of Annual Levy

RECOMMENDATION

That the City Council holds a public hearing regarding the proposed 2013 levy for the Downtown Business Improvement Area; and adopts the attached resolution (Attachment I) authorizing the levy and collection of assessments within the Downtown Business Improvement Area (DBIA) for the calendar year 2013.

BACKGROUND

The DBIA exists for the purpose of undertaking improvements and activities designed to promote the business environment in downtown Hayward. Most retail, service, professional, and financial institutions within the boundaries of the DBIA are assessed an annual levy, which is collected by the City's Finance Department. The levy amount, as shown in the attached resolution, varies by business license category and by the zone in which the business is located. Non-profit business licenses holders located within the DBIA are not subject to payment of business license fees and are therefore exempt from the levy.

In accordance with State law, the levy may be approved each year by City Council only after the adoption of an annual report submitted by the DBIA Advisory Board, and after holding a public hearing regarding the proposed levy. On June 12, 2012, the City Council accepted the DBIA Annual Report and FY 2013 budget recommendations submitted by the DBIA Advisory Board.

DISCUSSION

The DBIA's Annual Report recommended no changes to DBIA district boundaries, benefit zones, or the method of the levy at this time. The DBIA levy was last modified in June 2001. DBIA assessments are expected to remain at the same level in FY 2013, as in the current year. Given the unstable economic climate, the Advisory Board does not recommend an increase in membership assessments.

FISCAL AND ECONOMIC IMPACT

The DBIA levy is collected from downtown businesses in conjunction with the annual invoicing for the City's business licenses. Staffing for the DBIA is provided by the City.

The DBIA approved budget is \$55,000. As of May 16, 2012, \$51,575.50 in assessment fees has been collected and the Revenue Department estimates up to \$54,000 will be collected by the end of June 2012. The balance of the budget in the amount of \$1,000 will come from the DBIA's reserve fund, which has grown to an estimated balance of \$122,400.

The elimination of Redevelopment Agencies (RDAs) severely impacts the frequency and level of services offered in the DBIA assessment area as over 50% of the annual DBIA budget historically came from RDA funds. This year, the annual budget was reduced from \$110,000 to \$55,000. Over the course of the next year, the DBIA Advisory Board will evaluate the most strategic use of their limited funds, and how to use the budget reserve to achieve their vision and goals of maintaining a clean, safe, and inviting downtown environment. The DBIA Advisory Board will also seek input from the DBIA membership to ensure that budget priorities best reflect their desired services.

PUBLIC CONTACT

The DBIA Advisory Board met on the following dates: July 6, 2011; October 5, 2011; January 19, 2012; March 1, 2012, and April 4, 2012. These regularly scheduled meetings and the addition of special meetings, allowed the DBIA board to hear updates on the dissolution of the Redevelopment Agency, and develop and approve a FY 2013 budget. On March 1, 2012, a quorum of the DBIA Advisory Board adopted a motion approving the proposed FY 2013 budget. The City Council approved the Annual Report and FY 2013 budget recommendations on June 12, 2012.

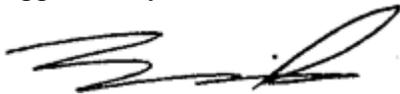
NEXT STEPS/SCHEDULE

Notice for the June 26, 2012 public hearing was published by the City Clerk on June 16 2012, seven days prior to the public hearing. If the levy is adopted, the City will issue the billing in January 2013.

Prepared by: Gloria Ortega, Redevelopment Project Manger

Recommended by: Kelly McAdoo Morariu, Assistant City Manager

Approved by:



Fran David, City Manager

Attachments:

Attachment I: Resolution

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

RESOLUTION CONFIRMING THE ANNUAL REPORT AND
AUTHORIZING THE DOWNTOWN BUSINESS
IMPROVEMENT AREA (DBIA) LEVY FOR CALENDAR
YEAR 2013

WHEREAS, on June 12, 2012, the City Council accepted the FY 2013 DBIA
Annual report; and

WHEREAS, the Council established June 26, 2012, as the date for the public
hearing on the levy and provided for oral and written protests at that hearing; and

WHEREAS, the DBIA Advisory Board recommended no changes to the DBIA
district boundaries, benefit zones or the method of the levy.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of
Hayward finds as follows:

1. The resolution of intention was appropriately adopted and the required
notice of the assessment hearing given.
2. The hearing has been held and all oral and written protests considered.
3. There has not been a majority protest to the levy.
4. All properties in the district will derive benefit from the levy in proportion
to the levy amounts.

BE IT FURTHER RESOLVED that the Council hereby confirms the DBIA
Annual Report and levies the assessments contained in the report.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2012

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
 MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward



CITY OF
HAYWARD
HEART OF THE BAY

DATE: June 26, 2012

TO: Mayor and City Council
Redevelopment Successor Agency Board of Directors
Housing Authority Board of Directors

FROM: Director of Finance

SUBJECT: Approval of the FY 2013 & FY 2014 Biennial Operating Budget and Appropriations for FY 2013; Approval of the Ten-year Capital Improvement Program FY 2013-FY 2022 and Appropriations for FY2013; Approval of the Hayward Redevelopment Successor Agency Budget; Approval of the Hayward Housing Authority Budget; Approval of the FY2013 Gann Appropriations Limit

RECOMMENDATION

That the City Council, Successor Redevelopment Agency Board of Directors, and the Housing Authority Board of Directors approve the FY 2013 & FY 2014 Biennial Operating Budget and Appropriations for FY 2013 as presented and recommended by the City Manager and adopt the respective attached resolutions:

1. Approving and appropriating the FY 2013 & FY 2014 Biennial Operating Budget;
2. Approving and appropriating the Redevelopment Successor Agency Budget;
3. Approving and appropriating the Housing Authority Budget;
4. Approving and appropriating the Capital Improvement Program (CIP) Budget;
5. Approving the Gann Appropriations Limit

BACKGROUND

The City Manager presented the Recommended FY 2013 & FY 2014 Biennial Operating Budget to City Council on May 8, 2012. Since that time, Council has held four budget work sessions (May 15, May 22, May 29, and June 12, 2012). These work sessions included formal presentations of both the recommended operating and CIP budgets, a time for public input, Council discussion, and responses by Department Directors to specific budget and program questions. In addition to the budget-focused work sessions, Council held a public hearing on the recommended budget on June 19 to receive further public input.

This report transmits to City Council the biennial operating and CIP budgets for adoption as contained in the Recommended FY 2013 & FY 2014 Biennial Operating Budget and the Recommended Ten-year Capital Improvement Program FY 2013-FY 2022, and as amended herein.

DISCUSSION

Because our community, like most other California communities, continues to struggle toward economic recovery, balancing this two-year budget requires some difficult choices. Depressed property values, unemployment, and low consumer confidence continue to drive the sluggish economy, resulting in significant revenue losses for the City.

While all City operating funds face similar economic pressures, none are as impacted as the City's General Fund. As we commenced our budget process, we faced a General Fund gap of \$15 million in FY 2013 that would grow to \$19.4 million in FY 2014 if we did nothing to solve the problem. The City has carried a structural General Fund gap for the last decade, often balancing the budget with one-time remedies. The FY 2013 & FY 2014 Biennial Operating Budget represents a balanced plan to address the City's long-term General Fund structural gap with recurring budget balancing measures – largely driven by the incredible contributions and sacrifices of our City employees. The plan consists of structural savings from compensation and benefit concessions, some operating expenditure cuts, some new revenue, and a limited use of the General Fund Reserve. The use of the Reserve (a one-time balancing measure) is intended to mitigate the need for further program and service reductions during this two-year budget, while phasing in concession agreements with the bargaining groups and identifying additional long-term balancing measures.

Council Priorities

The City's recommended budget is a direct reflection of City Council priorities and the spending plan for the biennial budget is designed to support and implement those priorities. The recommended budget has been adjusted over the last month to more clearly link spending with Council priorities. For example, funding in the Public Works – Engineering & Transportation Department has been modified to better address key Council priorities related to improved lighting and traffic synchronization throughout the City, as well as noise abatement at the airport. A point of discussion during the budget work sessions was to ensure that the funding level for the Police Department supports critical program areas such as improving public safety in targeted areas of Hayward, continued use of the SMASH program, and a continued focus on reducing residential burglaries. While no new funding was added to support these priority areas, the proposed budget adequately funds the program operations of the Police Department in support of these critical goals.

The final budget document will assure that the relationship between the priorities established by Council and staff's responsibility to manage resources to implement those priorities is clearly reflected in the budget.

Changes to the FY 2013 & FY 2014 Recommended Biennial Operating Budget

The budget process commenced on May 8 with the presentation of the FY 2013 & FY 2014 Recommended Biennial Operating Budget and has progressed with four Council budget work sessions and a public hearing. Through this informative and engaged public process, Council has reviewed the budget document and has requested several changes to better align proposed expenditures with Council priorities. In addition, staff has identified several corrections. All of these changes were summarized in the June 19, 2012 report to City Council on the budget (Attachment VI). The only additional change is the funding for the General Plan Update (discussed later in this report) from the General Fund Reserves.

Below is a summary of the proposed changes to the FY 2013 & FY 2014 Recommended Biennial Operating Budget (net of revenues and expenditure adjustments):

Table 1

Net Changes to Total City budget	FY 2013	FY 2014
Changes to General Fund	913,620	1,073,154
Changes to Special Revenue Funds	(431,670)	(67,428)
Changes to Enterprise Funds	620,260	3,655,014
Changes to Internal Service Funds	35,132	35,132
Net Changes to Total City Budget	1,137,342	4,695,872

Gann Appropriation Limit

Each year in June, concurrent with the adoption of the budget, Council must approve an appropriations limit for the following fiscal year pursuant to the State constitution. The State of California Constitution, Article XIII B, more commonly known as the Gann Appropriations Limit, requires that an appropriations limit be established annually by the City Council. As approved by the California voters in November 1979, this places limits on the amount of revenue that can be spent by government agencies. The limit is based on actual appropriations during FY 1979 (the “base” year) and is increased each year using population and inflation growth factors.

The City of Hayward’s calculated appropriations limit for FY 2013 is \$226,378,611. The City’s FY 2013 budgeted appropriations subject to the limit total \$74, 542, 885, which means the City’s appropriations are \$151,835,726 below the limit. The documentation that supports this calculation has been on file with the City Clerk for the past fifteen days as required by the Constitution.

Capital Improvement Program (CIP)

The City’s Capital Improvement Program (CIP) budget has followed a similar review and public process as the operating budget. On April 25, the Council Budget and Finance Committee reviewed and discussed the CIP. On May 10, the Planning Commission held a public hearing and found the document in conformance with the General Plan. On May 15, the Council reviewed the CIP along with the operating budget in work session.

On June 19, the Council directed staff to fund the General Plan Update using a transfer from the General Fund Reserves of \$1.1 million in both FY 2013 and FY 2014 to the CIP budget. This transfer is now included in both the operating and CIP budgets. However, this appropriation may be subject to change when staff brings a final funding plan and timeline for the General Plan Update back to Council in July for final approval. Ultimately, this expense will be offset by revenue generated from the General Plan Fee.

FISCAL IMPACT

The below table summarizes the FY 2013 & FY 2014 Biennial Operating and CIP Budgets.

Table 2

City Recommended Operating Budget	FY 2013	FY 2014
General Fund	123,524,626	127,093,267
Special Revenue Funds (excluding Agency Funds)	5,600,444	4,830,293
Debt Service Funds (excluding Agency debt service)	3,845,443	3,849,826
Enterprise Funds	71,933,826	77,608,475
Internal Service Funds	23,467,544	24,019,458
	228,371,883	237,401,319
Redevelopment Successor Agency Operating Fund	6,809,307	7,911,868
Redevelopment Successor Agency Debt Service	4,012,458	4,015,793
	10,821,765	11,927,661
Housing Authority Fund	128,334	92,967
Housing Authority Homeownership Loans Fund	602,030	-
	730,364	92,967
Total City Operating Budget	239,924,012	249,421,947
Total CIP Budget	107,175,000	47,507,000
Total Citywide Budget	347,099,012	296,928,947

The proposed changes to the General Fund (primarily related to the cost of the General Plan Update) result in an increased projected use of the General Fund Reserve for FY 2013 and FY 2014.

Table 3

Use of General Fund Reserve	FY 2013	FY 2014	2-Year Total
Recommended budget	4,484,000	5,553,000	10,037,000
Adjustments	1,112,433	1,227,648	
Revised Projected Use of Reserve	5,596,433	6,780,648	12,377,081

PUBLIC CONTACT

On May 15, May 22, May 29, and June 12, 2012, the Council held work sessions to discuss and receive input on the FY 2013 & FY 2014 budgets. On June 19, 2012, the Council conducted a public hearing to discuss and receive further public input. A public notice was published in The Bay Area News Group – Daily Review on June 9 and June 14, 2012 announcing the date, time, location, and subject matter of the public hearing held on June 19, 2012.

A notice advising residents about the Planning Commission's public hearing on the CIP was published in the *Daily Review* newspaper more than the requisite ten days in advance. Furthermore, staff members from Alameda County Transportation Commission (ACTC) were contacted in the

event that any members from the organization's Measure B Citizen Watchdog Committee were interested in learning more about City projects funded through Measure B.

The FY 2013 & FY 2014 Recommended Biennial Operating Budget is currently available for public review in the City Clerk's Office at City Hall, at the Main Library and the Weekes Branch, and on the City's website at: [FY 2013 & FY 2014 Recommended Operating Biennial Budget](#)

A schedule of the budget work sessions, including a tentative schedule of departments to be discussed at each session, was made available for public information on the City's website at: <http://www.hayward-ca.gov/CITY-GOVERNMENT/DEPARTMENTS/FINANCE/>

The Recommended Capital Improvement Program is currently available for public review in the Engineering and Transportation Division and City Clerk's Office at City Hall, at the Main Library and the Weekes Branch, and on the City's website at:

http://www.hayward-ca.gov/CITY-GOVERNMENT/DEPARTMENTS/PUBLIC-WORKS/documents/2012/FULL_VERSION_OF_APRIL_CIP.pdf

Prepared and Recommended by: Tracy Vesely, Director of Finance

Approved by:



Fran David, City Manager

Attachments:

- I. FY 2013 Operating Budget Resolution
- II. FY 2013 Successor Redevelopment Agency Budget Resolution
- III. FY 2013 Housing Authority Budget Resolution
- IV. FY 2013 Gann Appropriations Limit Resolution
- V. FY 2013 Capital Improvement Program Budget Resolution
- VI. June 19, 2012 report: [Public Hearing for the FY 2013 & FY 2014 Biennial Operating Budget for the City of Hayward, Hayward Successors Redevelopment Agency, and Hayward Housing Authority; and the Proposed Capital Improvement Program Budget for Fiscal Years 2013 through 2022](#)

HAYWARD CITY COUNCIL

RESOLUTION NO. 12-

Introduced by Council Member _____

RESOLUTION APPROVING THE OPERATING BUDGET OF
THE CITY OF HAYWARD FOR FISCAL YEARS 2013 AND
2014; ADOPTING APPROPRIATIONS FOR FISCAL YEAR
2013

WHEREAS, the City Manager has submitted to the City Council of the City of Hayward estimates of revenues from all sources and estimates of expenditures required for the proper conduct of the activities of the City of Hayward for fiscal years 2013 and 2014 contained in those documents entitled "City of Hayward Recommended Operating Budget Fiscal Years 2013 and 2014," with adjustments to the Recommended Budget as approved at the June 19, 2012 Council Public Hearing; and

WHEREAS, four Council Work Sessions and a public hearing were held by the City Council of the City of Hayward, at which time all interested persons were afforded an opportunity to be heard on matters pertaining to the budget recommended by the City Manager.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward as follows:

1. That the budget presented by the City Manager in the document entitled "City of Hayward Recommended Biennial Operating Budget Fiscal Years 2013 and 2014" including Council Priorities and Service Delivery Outcomes, with adjustments to the Recommended Budget as outlined in the June 19, 2012 Public Hearing Budget Report is hereby approved and adopted as the budget of the City of Hayward for FY 2013 and FY 2014. Copies of the budget documents and the staff reports presented by the City Manager are on file in the office of the City Clerk and are hereby referred to, incorporated herein, and made a part of this resolution as though set forth in full.
2. That except as may be otherwise provided, any and all expenditures relating to the objectives described in the budget are hereby approved and authorized and payments therefore may be made by the Director of Finance of the City of Hayward without further action of Council.
3. That for the purposes of determining whether the City Manager is authorized to execute a contract for a commodity or service pursuant to City Charter section 701 subsection 8, the City Manager shall have the authority to expend such funds and enter into and execute any and all contracts and documents necessary to carry out the priorities and service delivery outcomes of the Council's appropriations as set forth in this budget.

4. The City Manager shall have the authority to bind and prepay all coverage and to negotiate and execute all documents necessary to obtain the insurance, third party administration services, loss fund stabilization and defense of claims budgeted for in the Liability Insurance Fund. In consultation with the City Attorney, the City Manager and/or City Attorney shall be authorized to represent the City on the board of the Exclusive Risk Management Authority of California and take any and all actions necessary or appropriate to advance the City’s interests in connection with risk management services and procuring of insurance coverage.
5. The Director of Finance is hereby authorized to transfer the amounts from one fund to another as indicated in Exhibit A at such time as he/she may determine, giving consideration to the intended purposes for which the transfers are made and available balances in each of the funds.
6. The amounts as reflected in Exhibit B are hereby appropriated for expenditure.
7. Any monies received during FY 2013 as a consequence of a grant application approved by the City Council are hereby appropriated for the purposes for which the grant has been approved. Such appropriation includes authorization for the City Manager to expend such monies and for the Director of Finance to make payments therefore in accordance with the terms and conditions and for the purposes of the grant.
8. The Director of Finance is directed to comply with GASB 31 (Unrealized investment gains and losses) and is authorized to make such entries as are required to the City’s financial records. In addition, the Director of Finance is authorized to make such changes to the budget as are required by GASB 31.
9. There are hereby appropriated the following amounts to Reserves and Designations of Fund Balances, which the Director of Finance shall enter upon the records and reflect in the financial statement of the City:

<u>General Fund</u>	<u>FY 2013</u>
Designated for:	
Economic Uncertainty	4,743
Liquidity	5,000
Emergencies	5,000
Contingencies	5,000
Total Designated Fund Balance	19,743
Proposed Use of the Reserve	5,596
Total Reserved and Designated	\$25,339

In addition to the above specified amounts, the balances in each fund that are not otherwise appropriated are hereby appropriated to Contingency Reserves in those funds. Expenditures from Reserves or Designated Fund Balances shall require the approval of the City Council.

- 10. The Director of Finance is hereby authorized and directed to distribute the above appropriations, transfers, and reserves to the various accounts of the City in accordance with generally accepted accounting principles and consistent with the purposes and objectives as outlined in the approved budget.
- 11. Any contract for professional service included in the annual budget that will cost more than \$25,000 shall be executed by the City Manager only upon approval of the contract by the City Council given at a meeting of the City Council.
- 12. The City Manager is hereby authorized to enter into a revolving loan Credit Agreement with Bank of the West, in a form which is satisfactory to the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA June 26, 2012

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST:

City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

General Fund Transfers In

100	9801	215	Cost Allocation From Recycling Fund	(72,573)
100	9801	225	Cost Allocation From CDBG Fund	(44,040)
100	9801	241	Cost Allocation From Low & Mod Fund	(40,531)
100	9801	246	Cost Allocation From Paratransit	(11,132)
100	9801	602	Cost Allocation From StormWater	(90,363)
100	9801	611	Cost Allocation From Sewer Revenue	(418,725)
100	9801	621	Cost Allocation From Water	(824,700)
100	9801	631	Cost Allocation From Airport	(114,181)
100	9801	710	Cost Allocation From Workers Comp	(152,438)
100	9801	711	Cost Allocation From Liability Insurance	(327,546)
100	9801	720	Cost Allocation From Facilities Fund	(108,187)
100	9801	725	Cost Allocation From Tech Services Fund	(131,713)
100	9801	730	Cost Allocation From Equipment Mgmt	(113,170)
100	9804	210	Tranfer From Gas Tax Fund	(1,140,000)
100	9835	278	Tranfer From Citizens Option Pub	(184,000)
100	9840	273	Transfer-Byrnes Justice Assist Grant	(86,000)
100	9892	870	Misc Transfer From CFD #1 Trustee	(8,000)
Transfers In Total				(3,867,299)

General Fund Transfers Out

100	9905	410	Transfer To Capital Projects	1,101,000
100	9905	415	Transfer To Police Capital FD	170,000
100	9905	416	Transfer to Fire Capital FD	797,000
100	9909	711	Liability Insurance Allocation	2,330,829
100	9919	420	Capital Transfer To Transp Sys Improve	350,000
100	9921	417	Supplemental To Maintenance Services	10,000
100	9921	726	Supplemental To Tech Rplcmt Fund	209,000
100	9937	320	D/S ABAG 2001-02 (ABAG 33)	96,115
100	9947	320	D/S City Hall Debt Service	2,624,175
100	9967	330	D/S Promissory Note-Fire S Equipment	100,000
100	9992	320	Misc Trsfr To COP	1,665
100	9992	710	Misc Trsfr To Workers Comp Fund	310,000
100	9992	731	Misc Trsfr To Fleet Capital	500,000
Transfers Out Total				8,599,784

Recycling Fund

215	9901	100	Trsfr Out Cost Allocation to General Fund	72,573
215	9909	711	Trsfr Out Liability Insurance Allocation	12,555
Recycling Fund				85,128

HRLP Revolving Loan Program-Admin

223	9892	229	Trsfr In Misc Trsfr From FTHBP Fund	(201,597)
223	9909	711	Trsfr Out To Liability Insurance Allocation	6,278
HRLP Revolving Loan Program-Admin				(195,319)

Community Development Block Grant Fund (CDBG)

225	9901	100	Trsfr Out Cost Allocation to General Fund	44,040
225	9909	711	Trsf Out To Liability Insurance Allocation	6,277
Com Devel Block Grant Fund (CDBG)				50,317

Small Business Loan Delivery Fund

227	9909	711	Trsfr Out To Liability Insurance Allocation	3,138
Small Business Loan Delivery Fund				3,138

HRLP Revolving Loan Fund				
229	9992	223	Trsfr Out Misc Trsfr To Hrlp Rvlvg Loan	201,597
HRLP Revolving Loan Fund				201,597
Housing Authority-Low/Mod HSG				
241	9892	247	Trsfr In From First Time Homebuyer	(602,030)
241	9892	433	Trsfr In From RT 238 Admin	(738,672)
241	9892	470	Trsfr In From Successor Agency	(1,292,172)
241	9901	100	Trsfr Out Cost Alloc To General Fund	40,531
241	9909	711	Trsfr Out To Liability Insurance Fund	9,415
Housing Authority-Low/Mod HSG				(2,582,928)
Housing Mortgage Bond Fund				
245	9909	711	Trsfr Out To Liability Insurance Allocation	3,138
Housing Mortgage Bond Fund				3,138
Housing Mortgage Bond Fund				
246	9901	100	Trsfr Out Cost Alloc To General Fund	11,132
246	9909	711	Trsfr Out To Liability Insurance Allocation	3,138
Housing Mortgage Bond Fund				14,270
Housing Authority-Low/Mod Home Loans				
247	9992	241	Trsfr Out To Housing Authority	602,030
Housing Auth-Low/Mod Home Loans				602,030
Narcotics Asset Seizure-DOT				
272	9931	415	Trsfr Out To Police Capital	174,000
Narcotics Asset Seizure-DOT				174,000
Byrnes Justice Assist Grant Fund				
273	9940	100	Trsfr Out Byrnes Justice Assist G	86,000
Byrnes Justice Assist Grant Fund				86,000
Citizen's Option in for Public Safety Fund				
278	9935	100	Trsfr Out To Gen'l Fr Citizens Opt	184,000
Citizen's Opt in for Public Safety Fund				184,000
Successor Agency RDA Debt Svc				
312	9817	470	Trsfr In D/S-Tabs RDA Success Agency	(3,368,982)
312	9847	470	Trsfr In D/S-06Tabs Fr RDA Suc Agency	(636,340)
312	9892	470	Trsfr In Misc Trsfr Fr Success Agency	(4,500)
Successor Agency RDA Debt Svc				(4,009,822)
Certificates of Participation Fund				
320	9837	100	Trsfr In D/S ABAG 2001-02 (ABAG 33)	(96,115)
320	9847	100	Trsfr In D/S City Hall Debt Service	(2,624,175)
320	9892	100	Trsfr In Misc Trsfr From General Fund	(1,665)
Certificates of Participation				(2,721,955)
Successor Agency-RDA of COH				
470	9917	312	Trsfr Out D/S-Tabs RDA Suc Agcy Dbt Svc	3,368,982
470	9947	312	Trsfr Out D/S-06Tabs RDA Suc Agency	636,340
470	9992	241	Trsfr Out To Housing Authority	1,292,172
470	9992	312	Trsfr Out Misc Trsfr-D/S Tabs Suc Agency	4,500
Successor Agency-RDA of COH				5,301,994

Stormwater Maint. & Operations Fund

602	9901	100	Trsfr Out Cost Allocation To Gen Fund	90,363
602	9909	711	Trsfr Out To Liability Insurance Alloc	34,537
Stormwater Maint. & Operations Fund				124,900

Sewer Revenue Fund

611	9817	613	Trsfr In D/S ABAG 2001-02 (ABAG XXIV)	(78,846)
611	9837	616	Trsfr In D/S07 Sewer Rev Refund Bds	(367,228)
611	9877	613	Trsfr In D/S CA SWRCB Loan/Sewer	(219,714)
611	9877	613	Trsfr In D/S CA SWRCB Loan/Sewer	(1,363,750)
611	9892	616	Trsfr In Misc Trsfr Fr WWTP Replace	(500)
611	9901	100	Trsfr Out Cost Allocation to Gen Fund	418,725
611	9908	614	Trsfr Out Capital Reserves to Sewer	1,000,000
611	9908	616	Trsfr Out Capital Reserves to WWTP	2,000,000
611	9919	726	Trsfr Out Capital Trsfr to Tech Serv ERP	124,500
611	9932	613	Trsfr Out Connect Fee Tran To Sewer Imp	2,000,000
Sewer Revenue Fund				3,513,187

Wastewater Revenue & Oper. Fund

612	9909	711	Trsfr Out To Liability Insurance Allocation	367,747
612	9970	732	Trsfr Out To Fleet Mgmt-Ent Capital	350,000
Wastewater Revenue & Oper. Fund				717,747

Water Maintenance & Oper. Fund

621	9817	622	Trsfr In D/S 1996 HPFA Fr Water Imprv	(78,846)
621	9837	622	Trsfr In D/S 04 Water Sys Transfer	(301,309)
621	9892	631	Trsfr In Misc Trsfr From Airport	(189,119)
621	9901	100	Trsfr Out Cost Alloc To General Fund	824,700
621	9909	711	Trsfr Out To Liability Insurance Allocation	292,738
621	9916	623	Trsfr Out Capital Reserves To Water	2,000,000
621	9919	726	Trsfr Out Capital Trsfr to Tech Serv ERP	152,500
Water Maintenance & Oper. Fund				2,700,664

Airport Operations Fund

631	9901	100	Trsfr Out Cost Alloc To General Fund	114,181
631	9909	711	Trsfr Out To Liability Insurance Allocation	66,568
631	9916	632	Trsfr Out Cap Reserves To Airport Capital	1,300,000
631	9919	726	Trsfr Out Cap Trsfr to Tech Serv ERP	26,000
631	9992	621	Trsfr Out Misc Trsfr to Water Maintenance	189,119
Airport Operations Fund				1,695,868

Workers' Compensation Fund

710	9805	100	Trsfr In From General Fund	(310,000)
710	9901	100	Trsfr Out Cost Allocation To Gen Fund	152,438
710	9909	711	Trsfr Out To Liability Insurance Alloc	6,277
Workers' Compensation Fund				(151,285)

Risk Management Fund

711	9809	100	Trsfr In Liab Ins Alloc-General Fund	(2,330,829)
711	9809	215	Trsfr In Liab Ins Alloc-Recycling	(12,555)
711	9809	223	Trsfr In Liab Ins Alloc-HRLP Rev L P	(6,278)
711	9809	225	Trsfr In Liab Ins Alloc-Block Grant	(6,277)
711	9809	227	Trsfr In Liab Ins Alloc-Bus Develop	(3,138)
711	9809	241	Trsfr In Liab Ins Alloc-Low & Mod Hsg	(9,415)

FY 2013 Fund Transfers To/From

EXHIBIT A

711	9809	245	Trsfr In Liab Ins Alloc-Housing Mortg	(3,138)
711	9809	246	Trsfr In Liab Ins Alloc-Meas B2 PRTRNST	(3,138)
711	9809	602	Trsfr In Liab Ins Alloc-Stormwater	(34,537)
711	9809	612	Trsfr In Liab Ins Alloc-WWTP M & O	(367,747)
711	9809	621	Trsfr In Liab Ins Alloc-Water M & O	(292,738)
711	9809	631	Trsfr In Liab Ins Alloc-Airport	(66,568)
711	9809	710	Trsfr In Liab Ins Alloc-Workers Comp	(6,277)
711	9809	720	Trsfr In Liab Ins Alloc-Facilities FD	(31,683)
711	9809	725	Trsfr In Liab Ins Alloc-Tech Services FD	(56,167)
711	9809	730	Trsfr In Liab Ins Alloc-Equip Mgmt	(43,360)
711	9901	100	Trsfr Out Cost Alloc to General Fund	327,546
<i>Risk Management Fund</i>				(2,946,299)

Facilities Management Fund

720	9901	100	Trsfr Out Cost Alloc To General Fund	108,187
720	9909	711	Trsfr Out To Liability Insurance Alloc	31,683
720	9919	721	Trsfr Out Cap Proj Trsfr To Fac Cap FD	160,000
<i>Facilities Management Fund</i>				299,870

Technology Services Fund

725	9901	100	Trsfr Out Cost Alloc To General Fund	131,713
725	9909	711	Trsfr Out To Liability Insurance Alloc	56,167
<i>Technology Services Fund</i>				187,880

Fleet Management Fund

730	9901	100	Trsfr Out Cost Alloc To General Fund	113,170
730	9909	711	Trsfr Out To Liability Insurance Fund	43,360
730	9992	731	Trsfr Out Misc Trsfr to Fleet Mgmt Cap	520,000
<i>Fleet Management Fund</i>				676,530

Comm. Facility Dist. #1-Trustee Fund

870	9992	100	Trsfr Out Misc Trsfr To General Fund	8,000
870	9992	871	Trsfr Out To CFD #1 Adm FD	27,000
<i>Comm. Facility Dist. #1-Trustee Fund</i>				35,000

Comm. Facility Dist. #1 -Adm Fund

871	9892	870	Trsfr In Misc From CFD #1 Trustee	(27,000)
<i>Comm. Facility Dist. #1 -Adm Fund</i>				(27,000)

General Fund

100 123,524,626

Special Revenue Funds

213	Recycling Fund	122,500
214	Recycling Fund	40,000
215	Recycling Fund	601,610
223	HRLP Revolving Loan Prog	581,597
225	CDBG	717,747
227	Small Business Loan	34,015
228	Home Loan Fund	255,270
229	Revolving Fund Loan	351,597
231	Small Business Revolving	273,360
245	Housing Mortgage Bond Fund	248,562
246	Paratransit Fund	987,748
261	Park Dedication - Zone A	15,260
262	Park Dedication - Zone B	15,260
263	Park Dedication - Zone C	15,260
264	Park Dedication - Zone D	15,260
265	Park Dedication - Zone E	15,260
270	Downtown Bus Improvement	55,000
272	DOT	174,000
273	Byrne Justice Assistance	86,000
278	Citizen's Option for Public Safety	184,000
818	MD 2	88,230
820	LLD Zone 6	9,725
821	LLD Zone 9	1,815
822	LLD Zone 10	157,445
823	LLD Zone 11	143,658
824	LLD Zone 12	44,915
825	LLD Zone 13	6,295
831	LLD Zone 1	6,780
832	LLD Zone 2	7,775
833	LLD Zone 3	110,845
834	LLD Zone 4	20,815
835	LLD Zone 5	5,195
836	MD 1	35,195
837	LLD Zone 7	164,195
839	LLD Zone 8	8,255

Special Revenue Fund Total 5,600,444

Enterprise Funds

602	Stormwater	2,685,682
611	Wastewater Revenue	12,396,808
612	Wastewater	10,979,273
621	Water	41,925,300
631	Airport	3,929,263
628	Regional Intertie	17,500

Enterprise Fund Total 71,933,826

Debt Service Funds

312	SRDA Debt Service	4,012,458
320	Certificate of Participation	2,722,208
529	LID 16 Debt Service	246,063
534	LID 17 Debt Service	37,585
870	CFD #1	823,429

871	CFD #1 Adm Fund	16,158
	<i>Debt Service Fund Total</i>	<u>7,857,901</u>

Internal Service Funds

710	Worker's Compensation	5,873,683
711	Risk Management	2,575,202
720	Facilities	3,525,813
725	Technology Services	4,331,528
730	Fleet	4,563,910
740	Employee Benefits	<u>2,597,408</u>
	<i>Internal Service Fund Total</i>	<u>23,467,544</u>

REDEVELOPMENT SUCCESSOR AGENCY OF THE CITY OF HAYWARD

RESOLUTION NO. RSA- 12-

Introduced by Agency Member _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HAYWARD, ACTING AS THE GOVERNING BOARD OF THE SUCCESSOR AGENCY FOR THE REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD, APPROVING THE BUDGET OF THE REDEVELOPMENT SUCCESSOR AGENCY OF THE CITY OF HAYWARD AND ADOPTING APPROPRIATIONS FOR FISCAL YEAR 2013

WHEREAS, the City Manager has submitted to the Successor Agency of the Redevelopment Agency (the “Redevelopment Successor Agency”) of the City of Hayward estimates of revenue from all sources and estimates of expenditures required for the proper conduct of the activities of the Redevelopment Successor Agency of the City of Hayward for fiscal year 2013; and

WHEREAS, a public hearing was held by the Redevelopment Successor Agency of the City of Hayward, at which time all interested persons were afforded an opportunity to be heard on matters pertaining to the recommended budget.

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Successor Agency of the City of Hayward that:

1. The budget presented by the City Manager is hereby approved and adopted as the budget of the Redevelopment Successor Agency of the City of Hayward for FY 2013. The budget presented by the City Manager and approved by this resolution appears on pages 115, of the document entitled FY 2013 & FY 2014 Recommended Biennial Operating Budget, which is hereby referred to, incorporated herein, and made a part of this resolution as though set forth in full.
2. Any and all expenditures relating to the objectives described in the budget are hereby approved and authorized and payments therefore may be made by the Finance Director of the City of Hayward.

3. The following amounts are hereby appropriated for expenditure:

I. Hayward Redevelopment Successor Agency (SRDA) Fund (470) Expenditures

Operating Expenses

Salary & Benefits	279,404
Charges to/from other programs	(24,963)
Supplies & Services	123,322
Maintenance & Utilities	25,390
Loan Interest	31,141
Principal Retirement	768,859
Project Expenditures	304,160

Total Operating Expenses **1,507,313**

SRDA Fund Transfers

470 9917 312 Funding for SRDA Debt Service, 2004 TABS	3,368,982
470 9947 312 Funding for SRDA Debt Service, 2006 TABS	636,340
470 9992 241 Transfer to Housing Authority	1,292,172
470 9992 312 Funding for SRDA Debt Service, misc charges	4,500

Transfers out of the SRDA Op Fund **5,301,994**

II. Hayward Redevelopment Successor Agency Debt Service Fund (312) Expenditures

Operating Expenditures

Supplies & Services	7,136
Loan Interest	2,400,322
Principal Retirement	1,605,000

Net Operating Expense **4,012,458**

4. Except as limited in paragraph 6 of this resolution, the City Manager is authorized without further action from Council to enter into a contract or agreement for any commodity or service included in the annual budget of the Redevelopment Successor Agency.
5. For the purposes of determining whether the City Manager has the authority to execute a contract for a commodity or service pursuant to section 4 above, the City Manager shall have the authority to expend such funds and enter into and execute any and all contracts and documents necessary to carry out the objectives of the Redevelopment Successor Agency's appropriations as set forth in this budget.
6. Any contract for professional service included in the annual budget that will cost more than \$25,000 shall be executed by the City Manager only upon approval of the contract by the Redevelopment Successor Agency Board given at a meeting of the Redevelopment Successor Agency.

HAYWARD, CALIFORNIA _____

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
CHAIR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST:

Secretary of the Redevelopment Successor Agency of the
City of Hayward

APPROVED AS TO FORM:

General Counsel

HAYWARD HOUSING AUTHORITY

RESOLUTION NO. 12-____

Introduced by Board Member _____

RESOLUTION CONFIRMING THE PROPOSED HAYWARD
HOUSING AUTHORITY BUDGET FOR FISCAL YEAR 2013

WHEREAS, the Executive Director has submitted to the Hayward Housing Authority Board of Directors estimates of revenues from all sources and estimates of expenditures required for the proper conduct of the activities of the Hayward Housing Authority for fiscal year 2013 contained in those documents entitled "FY 2013 & FY 2014 Recommended Biennial Operating Budget" with adjustments to the Recommended Budget as specified in the budget report of June 19, 2012; and

WHEREAS, a public hearing was held by the Housing Authority Board of Directors, on June 19, 2012, at which time all interested persons were afforded an opportunity to be heard on matters pertaining to the budget recommended by the Executive Director; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Hayward Housing Authority as follows:

1. That the budget for FY2013 presented by the Executive Director in the document entitled FY 2013 & FY 2014 Recommended Biennial Operating Budget, with adjustments to the Recommended Budget as outlined in the June 19, 2012 budget report, is hereby accepted and confirmed as the budget of the Hayward Housing Authority for FY 2013. Copies of the budget documents and the staff reports presented by the Executive Director are on file in the office of the City Clerk and are hereby referred to, incorporated herein, and made a part of this resolution as though set forth in full.
2. The following amounts are hereby appropriated for expenditure:

Fiscal Year 2013 Expenditure Budget

Housing Authority Fund (Fund 241)	\$	128,334
Housing Authority-Home Ownership Loans (Fund 247)	\$	602,030
Total:	\$	730,364

3. The Director of Finance is directed to comply with GASB 31 (Unrealized investment gains and losses) and is authorized to make such entries as are required to the Housing Authority's financial records. In addition, the Director of Finance is authorized to make such changes to the budget as are required by GASB 31.

IN BOARD, HAYWARD, CALIFORNIA, June 26, 2012

ADOPTED BY THE FOLLOWING VOTE:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ATTEST:

Clerk of the Hayward Housing Authority

APPROVED AS TO FORM:

General Counsel

HAYWARD CITY COUNCIL

RESOLUTION NO. 12-

Introduced by Council Member _____

RESOLUTION ESTABLISHING THE APPROPRIATIONS
LIMIT FOR FISCAL YEAR 2013

WHEREAS, on November 6, 1979, the citizens of the State of California approved Proposition 4, which added Article XIII B to the Constitution of the State of California to place various limitations on the fiscal powers of State and local government; and

WHEREAS, on June 5, 1990, the citizens of the State of California approved Proposition 111, which provided new Proposition 111 adjustment formulas; and

WHEREAS, Senate Bill 1352, enacted by the Legislature of the State of California, provides for the implementation of Article XIII by defining various terms in this article; and

WHEREAS, pursuant to the requirements of Senate Bill 1352, the City Council, on June 19, 2012 adopted a Resolution that gave notice, as required by law, that the City Council would establish the City of Hayward appropriations limit for FY 2013 by a Resolution of the City Council on June 26, 2012.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward adopt a Resolution establishing the appropriations limit at \$226,378,611 for FY 2013 pursuant to Article XIII B of the Constitution of the State of California based on the calculations for the appropriations limit.

BE IT FURTHER RESOLVED, that in accordance with the requirements of State law regarding the appropriations limit, the annual adjustment factors for 2013 shall be the City of Hayward population growth and the California per capita income factor.

IN COUNCIL, HAYWARD, CALIFORNIA June 26, 2012

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST:

City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

HAYWARD CITY COUNCIL

RESOLUTION NO. 12-_____

Introduced by Council Member _____

RESOLUTION APPROVING CAPITAL IMPROVEMENT
PROJECTS FOR FISCAL YEAR 2013

WHEREAS, the City Manager has submitted to the City Council of the City of Hayward estimates of revenues from all sources and estimates of expenditures required for the proper conduct of the activities of the City of Hayward for Fiscal Year 2013 contained in those documents entitled “City of Hayward Fiscal Year 2013 Recommended Budget” and “Ten-Year Capital Improvement Program FY13 – FY22”; and

WHEREAS, a public hearing was held by the City Council of the City of Hayward on June 19, 2012, at which time all interested persons were afforded an opportunity to be heard on matters pertaining to the Capital Improvement Program budget recommended by the City Manager; and

WHEREAS, by Resolution No.12-_____, dated June 26, 2012, the City Council adopted the budget and appropriated funds for operating expenses for Fiscal Year 2012.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward as follows:

1. That the Capital Improvement Projects for Fiscal Year 2013, as embodied in the Ten-Year Capital Improvement Program FY13 – FY22, are hereby adopted as the Capital Improvement Program for Fiscal Year 2013. Copies of the budget documents and the staff reports presented by the City Manager are on file in the office of the City Clerk and are hereby referred to, incorporated herein, and made a part of this resolution as though set forth in full.
2. That except as may be otherwise provided, any and all expenditures relating to the objectives described in the Capital Improvement Program budget are hereby approved and authorized and payments therefore may be made by the Director of Finance without further action of Council.
3. That for the purposes of determining whether the City Manager is authorized to execute a contract for a commodity or service pursuant to City Charter section 701 subsection 8, the City Manager shall have the authority to expend such funds and enter into and execute any and all contracts and documents necessary to carry out the objectives of the Council's appropriations as set forth in this Capital Improvement Program budget.
4. The following are hereby approved for expenditure:

I. CAPITAL PROJECTS EXPENDITURE APPROPRIATIONS

Gas Tax Fund (210)	6,192,000
Measure B Tax Fund [Local Transportation] (211)	2,140,000
Measure B Tax Fund [Pedestrian & Bicycle] (212)	515,000
Capital Improvement Fund (410)	2,109,000
Street System Improvement Fund (413)	10,300,000
Police Capital Project (415)	300,000
Fire Capital Project (416)	1,044,000
Maintenance Services Capital (417)	10,000
Library and Community Services Capital (418)	700,000
Transportation System Improvement Fund (420)	538,000
Route 238 Fund (430)	24,810,000
Sewer Capital Improvement Fund (613)	18,145,000
Sewer Replacement Fund (614)	2,345,000
Wastewater Treatment Plant Replacement Fund (616)	13,668,000
Water Improvement Fund (622)	9,206,000
Water Replacement Fund (623)	6,753,000
Airport Capital Fund (632)	3,404,000
Facilities Internal Service Fund (721)	416,000
Technology Services Internal Service Fund (726)	1,700,000
Fleet Management General Fund (731)	1,033,000
Fleet Management Enterprise (732)	947,000
TOTAL: ALL CAPITAL FUNDS	106,275,000

5. The Director of Finance is hereby authorized to transfer the following amounts from one fund to another as indicated below at such time as she may determine, giving consideration to the intended purposes for which the transfers are made and available balances in each of the funds.

II. FUND TRANSFERS

FROM FUND:	TO FUND:	AMOUNT:
Gas Tax (210)	General (100)	1,140,000
Route 238 (430)	Gas Tax (210)	200,000
General (100)	Capital Fund (410)	1,101,000
Gas Tax (210)	Street System Improvements (413)	1,486,000
Route 238 (430)	Street System Improvements (413)	250,000
General (100)	Police Capital Project (415)	170,000
Narcotics Asset Forfeiture (272)	Police Capital Project (415)	174,000
General (100)	Fire Capital Project (416)	797,000
General (100)	Maintenance Services Capital (417)	10,000

General (100)	Transp System Improvement (420)	350,000
Sewer Operations (611)	Sewer Capital (613)	2,000,000
Water System Capital (622)	Sewer Capital (613)	2,000,000
Technology Svcs Operating (725)	Sewer Capital (613)	405,000
Sewer Operations (611)	Sewer Replacement (614)	1,000,000
Sewer Operations (611)	WPCF Replacement (616)	2,000,000
Water Operating (621)	Water System Replacement (623)	2,000,000
Water System Capital (622)	Water System Replacement (623)	500,000
Airport Operations (631)	Airport Capital (632)	1,300,000
Facilities Operating (720)	Facilities Capital (721)	160,000
General (100)	Tech Svcs Capital (726)	209,000
Capital Fund (410)	Tech Svcs Capital (726)	320,000
Sewer Operations (611)	Tech Svcs Capital (726)	124,500
Water Operating (621)	Tech Svcs Capital (726)	152,500
Airport Operating (631)	Tech Svcs Capital (726)	26,000
General (100)	Fleet Capital (731)	500,000
Fleet Operating (730)	Fleet Capital (731)	520,000
Stormwater Operating (602)	Fleet Management Enterprise (732)	85,000
Sewer Operating (612)	Fleet Management Enterprise (732)	590,000
Water Operating (621)	Fleet Management Enterprise (732)	286,000
Airport Operations (631)	Fleet Management Enterprise (732)	71,000

In order to provide for completion of work on projects previously authorized but not completed as of June 30, 2011, in addition to the above appropriations for capital expenditures, appropriation balances remaining as of June 30, 2012, for capital projects previously authorized but uncompleted, are hereby appropriated for expenditure in fiscal year 2013.

6. Any monies received during Fiscal Year 2013 as a consequence of a grant application approved by the City Council are hereby appropriated for the purposes for which the grant has been approved. Such appropriation includes authorization for the City Manager to expend such monies and for the Finance Director to make payments therefore in accordance with the terms and conditions and for the purposes of the grant.
7. The Director of Finance is hereby authorized and directed to distribute the above appropriations to the various accounts of the City in accordance with generally accepted accounting practices and consistent with the purposes and objectives as outlined in the approved budget.
8. The budget for capital projects for Fiscal Year 2013, as contained in the document entitled "Ten-Year Capital Improvement Program FY13 – FY22," is hereby approved.
9. Any contract for professional service included in the annual budget that will cost more than \$25,000 shall be executed by the City Manager only upon approval of the contract by the City Council given at a meeting of the City Council.

IN COUNCIL, HAYWARD, CALIFORNIA

June 26, 2012

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST:

City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

DATE: June 26, 2012

TO: Mayor and City Council

FROM: Director of Public Works – Utilities & Environmental Services

SUBJECT: Introduction of Ordinance to Amend the Hayward Municipal Code Section 11-3.255 Regarding Sewer Connection Fees to Allow for Longer Payment Terms

RECOMMENDATION

That Council introduces the attached ordinance amending the Hayward Municipal Code Section 11-3.255, regarding sewer connection fees, to allow for longer payment terms, and to clarify provisions related to standard residential units and sewer capacity entitlements.

SUMMARY

Sanitary sewer connection fees and water facilities fees are paid for connection to the public wastewater and water systems, and, in the case of sewer connection fees, for an increase in discharge to the system from non-residential customers. The Hayward Municipal Code (HMC) currently allows for the payment of non-residential sewer connection fees over a three-year period, if the fee exceeds \$25,000. Water facilities fees are payable in full when an applicant applies for water service. In an additional effort to attract business, staff recommends that the City Council amend the HMC to allow for longer payment periods for large sewer connection fees, subject to the approval of the City Manager. No changes are recommended for payment of water facilities fees. The proposed revisions also include some minor language changes to clarify certain provisions regarding sewer connection fees.

BACKGROUND

Sewer connection fees are paid by those wishing to connect a facility to the sanitary sewer system (in the case of a new connection), or for increased discharge to the sanitary sewer system (in the case of an existing connection). Water facilities fees are paid by those who wish to connect a new facility to the water distribution system. Connection fees provide a mechanism for new customers to “buy-in” to a share of the existing facilities and to pay for a portion of the cost of constructing new facilities needed to accommodate future wastewater discharge. The costs of existing infrastructure and future improvements are allocated to new development on a systematic and equitable basis so that adequate funding is available for improvements needed to accommodate growth without shifting the burden to existing rate payers.

HMC Section 11-3.255, which governs the assessment and collection of sewer connection fees, allows for the payment of non-residential fees that exceed \$25,000 over a three-year period. HMC Section 11-2.35 governs the collection of water facilities fees (also known as water connection fees) and requires that facilities fees be paid in full at the time that an applicant applies for a water service connection.

At the public hearing for adoption of FY 2012 sewer and water rates and fees, the City Council directed staff to evaluate options to allow longer payment periods for large connection fees. Staff took this opportunity to survey other service providers to learn more about their policies and practices related to connection fees. This research confirms that most sewer agencies, but not all, offer some form of payment agreement similar to Hayward for sewer connection fees, and in some cases, payment terms of longer than three years are allowed. Attachment II summarizes other nearby agency practices with respect to payment of large non-residential sewer connections fees. Water agencies typically require the payment of facilities fees in full at the time of application connection.

Sewer Connection Fees - The current sewer connection fee for a single-family home is \$7,700 and is based on average domestic discharge. Sewer connection fees for commercial and industrial development are individually calculated and commensurate with the volume and characteristics of the proposed discharge. Fees are determined based on information submitted by the business, if available, or on discharge from a comparable business. Staff works closely with businesses to ensure that calculations are as realistic and representative of the discharge as possible; however, in cases where the fee is under- or over-estimated, the Hayward Municipal Code allows for either refunds (within one year of initiation of discharge) or additional assessment of fees, as may be warranted based on actual experience of the customer.

While the sewer connection fees are necessary to generate the revenue needed to ensure a reliable and adequately sized sewer system, there is potential for very large fees to impact business development in Hayward, particularly in the current economic climate. In recognition of this fact, the City Council approved a temporary provision in 2009 to reduce by 50% the carbonaceous biochemical oxygen demand (CBOD) and suspended solids (SS) concentrations, the two constituents by which waste strength is measured, for the purpose of calculating non-residential sewer connection fees. This action effectively reduced the cost of a sewer connection fee for food-related businesses by as much as one-third.

In 2011, the City Council extended the provision for another two years and approved 70% reductions in CBOD and SS concentrations. This approach has especially benefitted food-related businesses, including restaurants. This effectively further reduces the sewer connection fee to about one-half of what it would otherwise be. To staff's knowledge, Hayward is the only sewer agency in this area to make such accommodations.

Water Facilities Fees - The current standard residential water facilities fee is \$7,618 for a meter size of up to one inch. Facilities fees for non-residential connections, as well as residential connections that exceed one inch, are based on the water service size needed to deliver adequate water supplies to the facility. The majority of new development is served by a two-inch meter or smaller, which means that the facilities fee would be less than \$50,000. In rare instances, a larger service may be needed, in which case, a three-inch meter is typically sufficient to meet water demand.

Until just recently, with the construction of the Russell City Energy Center, the largest meter installed over the last three years was three inches (with a current facilities fee of \$97,493), including one that was related to a development with an overall valuation of over \$50 million. In theory, customer meters of up to ten inches could be made available. Facilities fees for these larger sizes are included in the Master Fee Schedule.

As a practical matter, there are no ten-inch meters currently in place for domestic water use, and only a handful of eight-inch meters; with the only eight-inch meter installed in recent years being for the Russell City Energy Center, with a fee of about \$460,000.

DISCUSSION

Current and Proposed Payment Alternatives for Sewer Connection Fees - The sewer connection fee is typically paid in full prior to discharge from a new business to the wastewater system. In addition to a one-time payment option, City Council approved, in 2003, a provision allowing for the payment of sewer connection fees in excess of \$25,000 in monthly installments, with interest, over a period not to exceed three years. When this provision was adopted nearly ten years ago, these were appropriate and reasonable terms. However, as the cost for sewer capacity has increased over the years, some non-residential fees are such that a three-year term may result in substantial monthly payments, particularly for food-related businesses, and, thus, significantly affect cash flow. These businesses typically have high wastewater strength because of the nature of their processes and significant volume due to stringent local, regional, and State health and safety-related cleaning requirements.

As a point of information and to give the Council a sense of the magnitude of this issue, the following table provides a summary of the non-residential sewer connection fees that have been assessed over the last three years. As shown, fewer than ten sewer connection fees have exceeded \$100,000.

Fee Amount	Number Paid
\$0 to \$100,000	39
\$101,000 - \$200,000	4
\$201,000 - \$500,000	4
More than \$500,000	1

Staff recommends that the City Council amends the Municipal Code to allow for longer payment periods for non-residential sewer connection fees not-to-exceed ten years, subject to approval by the City Manager, with interest rates to be determined by length of the payment agreement, current and projected Local Agency Investment Fund (LAIF) returns, and other commonly used public investment interest rates. Staff would develop internal guidelines and standard terms and conditions to ensure that the provision is implemented fairly and consistently, but with sufficient flexibility to work collaboratively with businesses to reduce the near-term impacts of large sewer connection fees, to assess the reasonableness of requested payment terms, and to continue to aggressively pursue economic development in Hayward

Longer payment terms also provide greater opportunity for the discharger and staff to measure actual wastewater discharge and to adjust the term of the agreement accordingly, if appropriate, based on actual experience, rather than solely by applicant or staff estimations. For example, a discharger may find during the term of the agreement that the wastewater discharge volume from a new facility is actually less than that estimated at the time of the fee calculation, due to water conservation practices, technological advances, and/or improved business practices. Specific language can be incorporated into the document that allows the City to terminate the agreement, once sufficient sewer system capacity has been purchased. Such flexibility may encourage businesses to invest in water conservation and waste reduction measures and helps ensure that customers are purchasing only the system capacity they need.

Collection of unpaid connection fees is not considered a major concern. If a business closes, or the customer defaults for any reason, the amount of sewer capacity for the property is limited to the amount purchased to date. Each of these businesses will be required to enter into a binding agreement with the City to pay their sewer connection fees in installments or risk consequences, including restrictions on their water service. Additionally, most of these businesses are issued a formal discharge permit, and a non-payment of sewer connection fees can place them in violation status regarding their discharge. Over the course of the last fifteen years, a handful of businesses failed to complete making their payments; their capacity rights were capped at the levels at which they had made payment.

Current and Proposed Payment Terms for Water Facilities Fees - Water facilities fees are payable in full at the time that an applicant applies for water service. As noted above, the HMC does not provide for the payment of this fee over time, nor was staff able to identify any water agencies that follow this practice. To provide context, the following table summarizes the non-residential water facilities fees that have been paid in the past three years.

Meter Size	Current Facilities Fee	Number Installed
5/8 inch	\$6,094	15
3/4 inch	\$9,142	17
1 inch	\$15,236	21
1.5 inch	\$30,468	31
2 inch	\$48,746	10
3 inch	\$97,493	6
4 inch	\$152,340	0
6 inch	\$304,623	0
8 inch	\$487,443	1

While payment agreements for sewer connection fees are fairly common among sewer agencies and provide sensible, low-risk opportunities to reduce the upfront costs of business development, the same cannot be said for water facilities fees. Staff contemplated the possibility of allowing water facilities fees to be paid over time and contacted other agencies to learn more about their practices. For various

reasons, staff does not recommend utilizing payment agreements for this purpose. The following issues were considered in formulating the recommendation:

1. Water facilities fees are based strictly on the size of service(s) required to meet water demand of a proposed development or business. Property developers are typically very familiar with the calculation methodology, the calculations are based on standard plumbing code criteria, and both methodology and calculations are readily verifiable. Therefore, there is not the degree of uncertainty or estimation that exists with new sewer connection fees. Developers and other businesses include this fee in their financial analysis as a standard cost of doing business, and typically do not require payment arrangements to manage this cost.
2. It is very rare that a meter larger than three inches is installed, and a two-inch meter or smaller is more commonly sufficient to meet water demand. The current facilities fee for a two-inch meter is about \$48,800 and about \$97,500 for a three-inch meter. Larger meters are typically associated with very large businesses, and the water facilities fee is a small part of their development cost. For example, even the largest restaurants in Hayward do not use more than a two inch meter.
3. There are potential issues of non-compliance with agreed-to payment terms. Other than a potentially prolonged and costly collection effort, the City has little recourse for collecting the balance owed if a business chooses to stop paying before a water facilities agreement is fully paid. Unlike a typical large sewer discharger, a water customer is not necessarily on a discharge permit and, thus, is not subject to a notice of violation regarding exceeding its discharge limit. It would be impractical and unconventional to ask the next business to pay the remaining share, because there is an expectation that an existing water connection is fully available without additional cost.

Given all of these factors, staff believes that payment agreements are more effectively utilized for sewer connection fees and suggests limiting their use to that purpose. At this time, it is recommended that no changes be made to the HMC to allow extended payment terms for payment of water facilities fees.

Other Changes to Sewer Connection Fee Provisions - While sewer connection fee payment terms are the main focus of this report, staff is also taking this opportunity to recommend some minor text changes to indicate that a standard residential sewer connection fee, charged for a single-family dwelling unit, applies to townhomes and planned development living units. This change essentially codifies existing practice and does not represent any change to the way sewer connection fees are administered.

ECONOMIC IMPACT

The extended periods for payment of sewer connection fees will benefit businesses with relatively large sewer capacity needs by allowing these customers to capitalize the cost and reduce initial financial obligations while improving cash flow. Sewer connection fees have a direct relationship to the wastewater volume and strength discharged, and the proposed Municipal Code changes will enable businesses to gauge their sewer capacity needs and pay for and buy the appropriate amount for their business and not more. While this same argument can be made for water facilities fees, these costs are usually the much lower of the two, are typically required to be paid in full as a standard

practice among all water agencies, are, in all cases, one-time fees that are based on meter size and do not vary by the actual water demand on the meter, and, finally, allow no practical options for collection in the event that a customer does not fulfill a payment agreement obligation.

FISCAL IMPACT

Connection fees are used to pay for capital improvements to the water and sewer system. The City relies on revenues from these fees to construct the facilities needed to serve increased system demands. While extended payment arrangements would impact the funds available for these projects, staff believes that these impacts can be mitigated with careful planning and prudent oversight of expenditures. In addition, history shows that the default rate on sewer connection payment agreements is typically very low.

PUBLIC CONTACT

All legal noticing requirements applicable to amending the Municipal Code change have been met. Since the recommended actions will affect only a few customers, staff did not implement extensive targeted outreach. However, the benefits of payment agreements for sewer connection fees have been discussed at the development focus group meetings and with individual customers, and no negative impacts were identified. Staff will continue to work with customers, as appropriate, to make them aware of payment options.

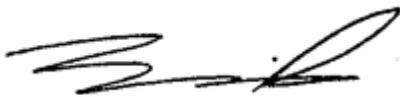
NEXT STEPS

If the City Council approves the introduction of the Ordinance to amend the Municipal Code as described in this report, the amendments would be adopted on July 17 and become effective thirty days after that date. Staff would work with affected customers to implement the payment terms in accordance with the adopted thresholds.

Prepared by: Marilyn Mosher, Administrative Analyst III

Recommended by: Alex Ameri, Director of Public Works – Utilities and Environmental Services

Approved by:



Fran David, City Manager

Attachments:

Attachment I - Ordinance

Attachment II - Summary of Agency Practices Related to Sewer Connection Fees

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 11, ARTICLE 3,
SECTION 11-3.255 OF THE HAYWARD MUNICIPAL CODE
RELATING TO SEWER SYSTEM CONNECTION FEES

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HAYWARD
DOES ORDAIN AS FOLLOWS:

Upon adoption of this Ordinance, Article 11, Chapter 3, Section 11-3.255 of the Hayward Municipal Code, relating to Sewer System Connection Fees, is hereby amended to read as follows:

SEC. 11-3.255 SEWER SYSTEM CONNECTION FEES

- (a) Authority to Assess Connection Fees. Any customer (new or existing) of the municipal sanitary sewer system who installs new or additional fixtures, processes, or equipment, or otherwise causes an increase in wastewater discharge into the City sewer, is required to pay to the City a sewer connection fee. No connection shall be made to the sewer system, and no increase in wastewater discharge strength or volume shall occur from an existing connection, until the City has approved such discharge and applicable sewer connection fee has been paid. Fees shall be paid in accordance with the following:

Residential Users: One standard residential connection fee shall be assessed for each new single family, duplex, triplex or fourplex, townhouse, and each planned development living unit. One multi-family residential sewer connection fee shall be assessed for each unit in a multiple-family building (that is, a building with five or more dwelling units, excluding townhouses) and each mobile home living unit.

Commercial, Industrial, Institutional and Other Users: The sewer connection fee will be calculated in accordance with the number of gallons of daily capacity required to serve the customer and the pounds per year of carbonaceous biochemical oxygen demand (CBOD) and suspended solids (SS) in the proposed discharge.

Sewer Connection Fees shall be adopted by resolution of the Hayward City Council.

- (b) **Minimum Connection Fee.** The minimum sewer connection fee for commercial, industrial, institutional properties will be no less than that of a single family dwelling unit.
- (c) **Sewer Connection Fee Credits.** In determining sewer connection fees for a facility, the City shall credit applicants with the capacity previously paid for and purchased for the property. If documentation is not available regarding purchased capacity, the City shall determine the likely purchased capacity. No other credit shall be granted.
- (d) **Additional Connection Fees for Existing Customers.** In the event that average discharge volume or waste strength from a non-residential customer is higher than the estimated volume or strength on which the original sewer capacity fee was based, or there is an increase in discharge, the City of Hayward may, at its sole discretion: 1) assess additional sewer connection fees if sufficient sewer system capacity is available; or 2) require the user to reduce its discharge to volume and strength within its authorized discharge. Additional connection fees will be calculated at the rates in effect at the time that additional capacity is purchased.
- (e) **Existing Uses Not Subject to Payment of Sewer Connection Fees.** Existing sewer uses, or so-called “grandfathered” uses, which initiated operations prior to 1996, shall not be subject to payment of sewer connection fees as long as the following conditions are met:
 - 1. The property boundaries are not expanded; and
 - 2. The use of the property does not change; and
 - 3. 50% or more of the ownership remains the same; and
 - 4. The volume and waste strength of discharge from the property does not increase.
- (f) **Connection Fee Nonrefundable.** All sewer connection fees as herein provided are non-refundable. Exceptions may be made if, within one year of payment of sewer connection fees, the average discharge volume or waste strength from a non-residential user is significantly lower than the estimated volume or strength on which a sewer connection fee was based. Wastewater discharge from properties for which refunds have been granted will be limited to the volume and/or waste strength as adjusted after the refund has been made. Such refunds must be requested by the payer of the sewer connection fee, and are subject to approval by the City. In the event that a refund is granted, any subsequent increase in discharge from the facility will be subject to the City’s review and approval in accordance with d. above.

- (g) Payment Schedule. Sewer connection fees in excess of Twenty Five Thousand Dollars (\$25,000) may be made in monthly payments, over a term not to exceed one hundred twenty (120) months with interest, with the term and rate of interest to be approved by the City Manager.

- (h) Sewer Capital Improvement Fund. All revenues derived from Sewer System connection fees shall be deposited in a special fund titled “Sewer Capital Improvement Fund” and used only for sewer system purposes authorized in that Fund.

Capacity Rights and Transferability. Sewer system capacity rights and the right to connect to the public sewer shall run with the property and shall not be transferred to, or used for any property other than the property for which sewer connection fees were paid, unless the City Manager specifically authorizes such a transfer.

INTRODUCED at a regular meeting of the City Council of the City of Hayward, held the _____ day of _____, 2012, by Council Member _____.

ADOPTED at a regular meeting of the City Council of the City of Hayward, held the _____ day of _____, 2012, by the following votes of the said City Council.

AYES:

NOES:

ATTEST:

ABSENT:

Summary of Agency Practices Related to Payment of Non-Residential Sewer Connection Fees

Agency and Service Area	Payment Options for Non-Residential Sewer Connection Fees
City of Hayward (Current)	<ul style="list-style-type: none"> • Payment term of up to three years allowed for fees that exceed \$25,000.
City of Hayward (Proposed)	<ul style="list-style-type: none"> • Payment term for fees that exceed \$25,000, of a duration and interest rate to be approved by the City Manager.
Union Sanitary District (serving Fremont, Union City, Newark)	<ul style="list-style-type: none"> • Industrial sewer connection fees paid over 4 years
Castro Valley Sanitary District (serving Castro Valley)	<ul style="list-style-type: none"> • Does not have a formal program, but in rare cases, allows large connection fees to be paid over time with a promissory note.
City of San Leandro	<ul style="list-style-type: none"> • Staff indicated a willingness to work with customers who request a payment arrangement, but to date, no agreements have been requested or entered into.
City of Livermore	<ul style="list-style-type: none"> • Payment term of up to 5 years allowed for industrial sewer connection fees
Dublin San Ramon Services District (serving Dublin and San Ramon)	<ul style="list-style-type: none"> • Fees between \$25,000 and \$100,000: Payment term of up to 10 years, with 5% interest rate. • Fees over \$100,000: Customers are referred to an outside financing program, the Statewide Community Infrastructure Program, administered by a third party.
Central Contra Costa Sanitary District (serving Concord, Walnut Creek, and other Contra Costa cities)	<ul style="list-style-type: none"> • Two alternatives: <ul style="list-style-type: none"> ○ A capacity use agreement allows fees to be added to the property tax bill for 15 years ○ Payment agreement with 6% interest and no defined term, but typically much shorter than 15 years

DATE: June 26, 2012

TO: Mayor and City Council

FROM: Assistant City Manager

SUBJECT: Consideration of a Community Workforce Agreement with the Alameda Building and Construction Trades Council for City Public Works Projects

RECOMMENDATION

That Council considers and takes appropriate action related to a potential Community Workforce Agreement (CWA) with the Alameda Building and Construction Trades Council for the City's Public Works Projects. If Council chooses to proceed with the agreement, staff has attached a resolution that would authorize the City Manager to negotiate and execute an agreement with the Building Trades Council and affiliated parties (Attachment I) based on the terms outlined on Attachments II and III. Attachment III is a side letter that would be executed concurrently with the agreement and would provide guidance for the evaluation of performance under the CWA during the term of the agreement.

SUMMARY

During the establishment of the Council priorities this past winter, Council directed staff to negotiate a Community Workforce Agreement (CWA) with the Alameda Building Trades Council. Over the years, CWAs (or Project Labor Agreements, PLAs) have been utilized in the construction industry to manage labor issues related to major construction projects. Several local agencies have implemented CWAs for public works projects, including Hayward Unified School District and the City of Berkeley.

Staff has been working diligently with representatives from the Building Trades Council since March to negotiate the various terms and conditions of a potential CWA for the City of Hayward should Council wish to consider one for adoption. Attachment II outlines the terms of the proposed CWA as they have currently been negotiated. Staff and the Building Trades Council have drafted a good portion of the language for the agreement and stand poised to expeditiously execute the agreement based on Council direction. There is consensus on all terms of the agreement with the exception of language proposed in the side letter to the agreement (Attachment III). The intent of the side letter is to provide guidance regarding disputed project definitions and the criteria to be used in evaluating and analyzing the agreement.

Staff recommends that the Council first provide direction on whether they wish to enter into a CWA with the terms and conditions generally outlined in Attachment II. If yes, then staff requests input on the provisions of the side letter, particularly the language in Item 2. Again, this is the one remaining item of dispute in the negotiations. The intent of this language is to preserve the Council's right to exempt projects from the CWA that would otherwise be subject to the agreement, if staff and the Building Trades Council cannot agree on whether or not a project should be subject to the CWA.

BACKGROUND

While California General Law cities are constrained by the elements of the Public Contract Code when bidding construction projects, charter cities, like Hayward, have much more latitude to establish local bidding criteria to address other legitimate municipal concerns. Some charter cities have chosen to simply adopt local hire ordinances or require the payment of prevailing wages, while others have gone a step further to adopt CWAs, or Project Labor Agreements (PLAs), to govern either individual, large scale construction projects or to more generally cover public works projects in a community. Hayward already requires the payment of prevailing wages on its public works projects. Based on Council direction during the establishment of the FY 2013 priorities, staff has been working with the Alameda County Building Trades Council over the past few months to negotiate the terms of a possible CWA covering public works projects in the City, should Council want to consider such an agreement.

Over the years, CWAs/PLAs have been utilized in the construction industry to manage labor issues related to major construction projects. They are a type of collective pre-hire bargaining agreement between project managers or owners and organized labor that outline a variety of employment and other working conditions with the express purpose of providing peaceful settlement of labor disputes and grievances without strikes or lockouts, thereby allowing for the timely and cost-effective completion of projects. Typically, these types of agreements include the following types of provisions:

- 1) Requirements that contractors on a project use local union hiring halls to hire trades workers for the projects;
- 2) Requirements that workers pay union dues and other benefit trust fund contributions;
- 3) Management rights regarding employment procedures, including hiring, discipline, etc;
- 4) Grievance and arbitration procedures to allow for timely resolution of disputes;
- 5) Standardized work rules and regulations; and
- 6) Provisions governing requirements around apprenticeships.

CWAs also typically include a "local hire" provision, which is a probable community benefit of these types of agreements. Local hire typically means that provisions are included in the agreement that require or encourage contractors to hire local residents for governmental construction projects. For communities with significant portions of their populations employed in the building and construction trades, this can create local jobs if implemented and administered correctly and effectively. Local hire can also be implemented independently of CWAs, typically through adoption of an ordinance.

There has been significant debate over the years regarding the effectiveness of these types of agreements and the impact of these agreements on project costs. One of the fundamental characteristics of a CWA is that the agreements typically require all workers on a construction project to agree to union representation, thereby clearly identifying a bargaining representative. This raises a key concern with these types of agreements, namely that the number of contractors bidding on jobs will be reduced because non-union contractors will have a more difficult time meeting the requirements of the CWA in a cost-competitive manner. CWAs do not preclude non-union contractors from bidding on projects, but it does require them to consent to the terms and conditions spelled out in the agreement.

The reduced competition resulting from a lower number of potential bidders on a project has led to the argument that this increases project costs. Some studies have indicated that reduced competition can lead to potential cost increases of between 10-13%¹. However, this is an issue that has been analyzed and debated on both sides with no clear and definitive conclusions. Recent Bureau of Labor Statistics figures indicate that, nationally, only 13% of the labor force is represented by unions. This fact clearly needs to be weighed against the other possible benefits stemming from a CWA.

Locally and throughout the state, cities and other public agencies have had a wide range of experiences with CWAs or PLAs. At the Federal level, these types of agreements were entirely prohibited on federal and federally funded construction projects from 2001 to 2009 pursuant to Executive Order. In 2009, a new Executive Order was issued that encouraged PLAs on large-scale construction projects where the total cost to the Federal Government is \$25 million or more. These types of agreements have been historically used on larger scale construction projects until recently when some cities have negotiated agreements to apply more broadly to smaller public works projects on a citywide basis.

The Hayward Unified School District adopted such an agreement in June 2009 to apply specifically to five school construction and modernization projects funded by Measure I bond funds. This agreement has been held up as a successful example that has met the key objectives of the agreement, including exceeding the 40% local hire goal as established in the agreement. Another local agreement that is more consistent with the type of agreement staff has been negotiating is the agreement adopted by the City of Berkeley in January 2011. The Berkeley agreement applies to City public works projects exceeding \$1 million for a term of three years. The Berkeley agreement includes a side letter that indicates the agreement will be reviewed after one year based on certain criteria and that the project cost threshold for application of the CWA could be lowered to \$250,000. The Berkeley agreement also requires contractors to make contributions to fund the implementation and management of the local hire program based on the number of hours worked on a project, allowing the City to recapture a portion of the administrative costs required to implement these types of agreements.

¹ Vasquez, Glazer, Bruworld, 2011. *Measuring the Loss of Project Labor Agreements on School Construction in California*. National University's Institute on Policy Research.
<http://www.nusinstitute.org/assets/resources/pageResources/Measuring-the-Cost-of-Project-Labor-Agreements-on-School-Construction-in-California.pdf>

The Berkeley City Council recently completed their one year review of the CWA and decided to extend the \$1 million threshold for another year because the local hire goals in the agreement were not met during the initial evaluation period. Staff has discussed the successes and challenges of both the HUSD and Berkeley agreements with staff from both agencies. These two agreements have largely formed the basis for the negotiations Hayward staff has undertaken with the Building Trades over the past few months.

DISCUSSION

As mentioned above, staff has been working diligently with representatives from the Alameda Building Trades Council to negotiate the various terms and conditions of a potential CWA for the City of Hayward should Council wish to consider one for adoption. Attachment II outlines the most recent terms of the proposed CWA that have been negotiated. Staff and the Building Trades Council have drafted a good portion of the language for the agreement and stand poised to expeditiously execute the agreement based on Council direction. There is consensus on all terms of the agreement with the exception of language proposed in the side letter to the agreement. The intent of the side letter is to provide guidance regarding disputed project definitions and the criteria to be used in evaluating and analyzing the agreement.

Staff recommends that the Council first provide direction on whether they wish to enter into a CWA with the terms and conditions generally outlined in Attachment II. If yes, then staff requests input on the provisions of the side letter, particularly the language in Item 2. This is the one remaining item of dispute in the negotiations. The intent of the language in side letter Item 2 is to preserve the Council's right to exempt projects from the CWA if staff and the Building Trades Council cannot agree on whether or not a project should be subject to the agreement.

Further discussion of the terms of the proposed CWA and the side letter follows.

General CWA Terms and Conditions:

Term: Staff is proposing an initial agreement term of eighteen months. This will provide an opportunity to implement the CWA on several projects and to evaluate the subsequent experiences and data.

Covered Projects: If a project is funded by the General Fund or Enterprise Funds and the estimated construction contract cost is more than \$1 million, the project would be subject to the CWA. This includes on-site construction, demolition, site preparation and construction trucking work. Off-site fabrication and other specialty work would be covered by the CWA if this work is covered under an existing master labor agreement between the trade unions and contractor representatives. The CWA would only apply to projects awarded by the City and not projects awarded/managed by another third party public agency where the City has contributed funding. The City retains the right under the CWA to award the contract to the lowest responsible bidder.

In addition, if the City is successful in passing a bond measure to fund major infrastructure work during the term of the agreement, the CWA would apply to all projects funded by the bond, regardless of project cost (the \$1 million threshold would not apply).

No Work Stoppages, Job Actions, etc. By entering into this agreement, the Unions would agree that there will be no strikes, sympathy strikes, work stoppages, slowdowns of any kind, picketing, hand billing or other methods of advising the public that there is a labor dispute at a job site or other City facility because of a dispute on the project. There is an exception to this that allows the Unions to withhold labor from the project if a contractor fails to pay contributions to Union trust funds.

Union Hiring Hall: Contractors working on projects covered by this agreement must agree to abide by the requirements and referral systems of the respective Union hiring hall when filling jobs on a project. Contractors retain the right to reject any applicant referred to them and, if the Union referral facilities are unable to fill the requirements of the contractor within 72 hours of a request being made, the contractor can obtain employees from other sources. In addition, the contractor can utilize a certain number of its “core” construction employees (capped at five per contractor or subcontractor) on projects, provided that the contractor utilizes one employee from the Union referral system for each “core” employee hired up to the cap.

Local Hire: There would be a goal in the agreement that 30% of the hours worked on a project be performed by Hayward residents and/or HUSD graduates, through good faith efforts. Contractors would also be required to hire one Hayward resident as a “first period apprentice” for the first \$1 million of construction costs with one additional apprentice for every \$5 million thereafter (capped at two per craft). If contractors fail to meet the 30% threshold, a 10% contract retention is withheld until the deficiency is remedied. There are numerous methods by which a contractor could remedy this situation including a determination that the contractor is a non-qualified bidder for future work, the contractor commits to employing Hayward residents on non-City projects, and the acceptance of Hayward residents as new apprentices. Local hire provisions cannot apply to any Federally-funded transportation projects under the Federal Highway Act, regardless of the contract amount. As described below, a Joint Administrative Committee would be responsible for monitoring and enforcing the local hire provisions.

Joint Administrative Committee: The CWA would be implemented by a five-member Joint Administrative Committee comprised of two union representatives, two City representatives, and a contractor representative. The Committee would meet quarterly to review CWA and project compliance.

Substance Abuse Policy: Pursuant to the requirements of SB 922, there must be a substance abuse policy adopted in conjunction with any CWA. This proposed CWA requires Unions to abide by the testing policies established in their respective master labor agreements. If no such policy exists, then the City’s policy (as attached to the agreement) would be implemented.

Side letter and CWA Evaluation Period: Throughout the negotiations, staff has been mindful of numerous concerns related to the CWA, both real and perceived. These concerns include, among others: administrative burden on City project managers related to implementation and monitoring of the CWA; effectiveness of the local hire provisions; and potential impacts on number of bidders per

contract and increased costs for projects. If the Council directs staff to proceed with the CWA, the Building Trades Council and staff have negotiated a side letter to the above described agreement that would allow staff to return to Council after eighteen months of experience with the CWA to reevaluate the impacts and effectiveness of the agreement. As part of this evaluation, the Building Trades would like to revisit the dollar threshold of projects to which the CWA applies. The eighteen-month timeline would likely allow sufficient time for an analysis of the implementation of the CWA. Attachment III provides the draft language for the side letter and outlines the specific criteria upon which staff and the Building Trades Council will evaluate the effectiveness of the Hayward CWA.

As mentioned earlier in the report, staff and the Building Trades have reached agreement on the key deal points of the agreement with the exception of the language in Item 2 of the side letter (Attachment III). Given that staff has not implemented this type of agreement before, staff has concerns that there may be projects that arise during the term of the agreement where implementation of a CWA may not be in the best interest of the City or the community for a variety of reasons. Staff proposes to retain the right to ask the Council to exempt a project from the CWA if the circumstances warrant. Under the proposed language, staff and the Building Trades would meet in good faith to discuss the exemption. However, if the parties fail to reach a consensus, staff would be able to bring the project to the Council for review and consideration. Staff does not anticipate utilizing this mechanism very often for a couple of reasons. First and foremost, there will likely be limited examples where projects would need to be exempted from the CWA. Secondly, the desired goal would be to reach consensus with the Building Trades on these exemptions without the necessity of bringing the items to Council for direction. The Building Trades have requested that there be mutual consent between the parties on any exemption, necessitating Building Trades approval of an exemption and precluding the City Council from making a final determination in cases where there is any dispute.

ECONOMIC AND FISCAL IMPACT

There has been much debate over the years regarding the fiscal impacts of CWAs/PLAs. There are academic studies on both sides of the issue indicating that the application of CWAs does or does not add costs to construction projects. Staff's primary concern related to the CWA is the administrative burden on City project managers for implementing and monitoring the agreement. As such, one criteria for review of the CWA after eighteen months will be the administrative costs of implementing the CWA (defined in the side letter). Staff will track time spent implementing the CWA, which will become part of the analysis of the agreement at the end of the initial eighteen month term.

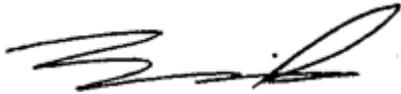
Another key concern is that the CWA will reduce the number of bidders on projects, thereby increasing the contract costs. To address this concern, staff and the Building Trades have negotiated Item 3 in the side letter, which allows staff to rebid the project if there are less than three responsive Bay Area bidders, the bids exceed the engineer's estimate by 10% or more and there is evidence (anecdotal or other) that the reason for the low number of bids is the CWA.

NEXT STEPS

If the Council so directs, staff will proceed to finalize negotiations on the CWA based on the direction provided by Council and the City Manager will execute the agreement. Once the agreement is executed, Public Works staff would implement the elements of the CWA and then report back to Council within eighteen months of execution on the elements outlined in the side letter.

Prepared by: Kelly McAdoo Morariu, Assistant City Manager

Approved by:



Fran David, City Manager

Attachments:

Attachment I:	Resolution
Attachment II:	Potential CWA term sheet
Attachment III:	Side letter regarding review of CWA

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

RESOLUTION AUTHORIZING THE CITY MANAGER TO
NEGOTIATE AND EXECUTE A COMMUNITY
WORKFORCE AGREEMENT WITH THE ALAMEDA
BUILDING AND CONSTRUCTION TRADES COUNCIL,
LOCAL UNIONS AND CONTRACTORS

WHEREAS, the successful completion of the City’s construction projects is of utmost concern to the City Council; and

WHEREAS, the interests of the public, the City, contractors and the Alameda Building and Construction Trades Council and its affiliated unions (collectively the “Building Trades Council”) are best served when construction proceeds in an orderly manner without disruption by strikes, sympathy strikes, work stoppages, picketing, lockouts, slowdowns or other interference with work; and

WHEREAS, it is in the best interest of the City and its residents to enter into a Community Workforce Agreement with contractors who are awarded certain public works projects and for the Building Trades Council to provide stability on said projects and employment and training opportunities for Hayward residents; and

WHEREAS, under the proposed Community Workforce Agreement, the City has the absolute right to award its public works contracts to the lowest responsive and responsible bidder; and

WHEREAS, State law authorizes the use of project labor agreements, such as the proposed Community Workforce Agreement, provided that the agreement includes specific taxpayer protections, which provisions have been incorporated into the proposed Community Workforce Agreement.

ATTACHMENT II
COMMUNITY WORKFORCE AGREEMENT (CWA) – KEY DEAL POINTS
City of Hayward
June 26, 2012

CWA Subject Areas	City of Hayward Proposal
<i>Projects Covered by the CWA</i>	<p>If funded by infrastructure bonds, all new construction covered – no \$ threshold on these projects. If funded by General Fund and Enterprise Funds, all new construction costing more than \$1 million.</p> <p>On-site construction, demolition, site preparation, construction trucking work (e.g., delivery of ready-mix, asphalt, etc.) covered.</p> <p>Repair and maintenance of City facilities not included unless it meets the threshold criteria.</p> <p>Off-site fabrication included if this work is legally covered in existing Master Agreements on the day the CWA is signed.</p> <p>Specialty work included, e.g. software, traffic signal controllers, if this work is legally covered in Existing Master Agreements on the day the CWA is signed.</p> <p>City retains right to award to lowest responsible bidder.</p> <p>If fewer than 3 responsive and responsible Bay Area contractors respond to request for bid, then City reserves the right to use nonunion labor – <i>to be addressed in Side letter</i></p> <p>Only applies to projects awarded by City.</p>
<i>Parties Bound by CWA</i>	<p>All signatory union and all contractors and their subcontractors bound by the terms of CWA.</p>

ATTACHMENT II
COMMUNITY WORKFORCE AGREEMENT (CWA) – KEY DEAL POINTS
City of Hayward
June 26, 2012

CWA Subject Areas	City of Hayward Proposal
<i>Work Stoppages</i>	<p>No work stoppages, strikes, sympathy strikes, slowdowns or lockouts during term of CWA.</p> <p>Union can withhold labor (but not picket) for contractor nonpayment of union trust fund contributions.</p>
<i>Arbitration</i>	<p>All disputes/grievances subject to arbitration by pre-selected arbitrators.</p> <p>Expedited arbitration and liquidated damages for disputes over strikes, lockouts, nonpayment of trust fund contributions.</p> <p>All other disputes/grievances subject to meet and confer process followed by arbitration.</p>
<i>Work Force/ Core Employees</i>	<p>Except for contractors’ core employees, all workers shall be provided by through unions’ referral hall process. Contractor has right to reject an individual referral.</p> <p>Employees referred through unions must pay union dues, fees, pension-fund type benefits; not required to join union.</p> <p>Contractors can use their own management, administrative staff and “core employees” as defined in CWA.</p> <p>Number of core employees per contractor and subcontractor is 5 each with no residency requirements for core employees.</p>

ATTACHMENT II
COMMUNITY WORKFORCE AGREEMENT (CWA) – KEY DEAL POINTS
City of Hayward
June 26, 2012

CWA Subject Areas	City of Hayward Proposal
<i>Local Hire/ Apprenticeships</i>	<p>30% of hours worked on a CWA project shall be performed by Hayward residents and/or HUSD graduates, through good faith efforts.</p> <p>If fail to meet 30% threshold, 10% contract retention is withheld until deficiency is remedied. Acceptable remedies include: determination that Contractor is non-qualified bidder; commitment to employ Hayward residents on non-City projects; acceptance of Hayward residents as new apprentices.</p> <p>Contractor required to hire one Hayward resident as “first period apprentice” for the first \$1 million of construction costs with one additional apprentice for every \$5 mm thereafter (capped at 2 per craft). Good faith efforts to retain the apprentices required.</p> <p>Parties shall cooperate to establish a pre-apprenticeship/internship program for HUSD graduates.</p>
<i>Term</i>	<p>18 months from date of execution with language to evaluate and revisit agreement for possible extension near end of term. Side letter will address review criteria.</p>
<i>Implementation of CWA</i>	<p>CWA implemented by 5-member Joint Administrative Committee comprising union representatives, contractor representatives & City representatives; meet quarterly to review CWA and project compliance.</p> <p>5-members include: 2 City reps; 2 Union reps; and 1 contractor rep mutually selected by City and</p>

ATTACHMENT II
 COMMUNITY WORKFORCE AGREEMENT (CWA) – KEY DEAL POINTS
 City of Hayward
 June 26, 2012

CWA Subject Areas	City of Hayward Proposal
	Trades Council.
<i>Wages/Benefits</i>	Established by unions and prevailing wages.
<i>Substance Abuse Prevention</i>	Required by state law. Unions will be required to abide by testing policies established by their respective Master Agreements. If there is no drug policy in the Master Agreement, the CWA drug policy would go into effect.

Letter Agreement

June 22, 2012

Building and Construction Trades Council of Alameda County
Re: Letter of Agreement for Community Workforce Agreement

Dear _____:

Over the past six months, representatives of the City of Hayward and the Building and Construction Trades Council of Alameda (collectively the "Parties") met to negotiate the terms of a Community Workforce Agreement ("CWA"). This Side Letter is executed to set forth the Parties' agreement regarding the implementation of the certain terms of the CWA.

The Parties agree:

1. Initially, only construction projects, as that term is defined in the CWA, whose value as estimated by the City exceeds One Million Dollars (\$1,000,000), will be covered by the CWA.
2. City staff reserves the right to seek approval from the City Council that a project that would otherwise be covered under the CWA be exempted from the provisions of the CWA. Prior to pursuing such approval, the City will notify the Building Trades Council of its intent to seek an exemption for the project and provide reasonable opportunity to meet in good faith to discuss the proposed exemption.
3. If fewer than three (3) responsive and responsible Bay Area-based contractors respond to the request for bids for a project, the City reserves the right to re-bid the project without the project being subject to the terms of the CWA and would notify the Building Trades Council pursuant to (2) above. In addition, the bids received must exceed the engineer's estimate by 10% or more and there must be an indication (anecdotally or otherwise) that the number of bids was a result of the CWA being applied to the project.
4. No later than 18 months after the effective date of the original CWA, the Parties will meet to discuss and analyze the overall effectiveness of the CWA, whether to continue the agreement, and whether to lower the One Million Dollars (\$1,000,000) threshold amount using the following criteria: (a) the number of jobs created for Hayward residents on CWA-covered projects; (b) whether the administrative costs of implementing the CWA exceeded one percent (1%) of the costs of construction contracts covered by the CWA; and (c) whether there has been an impact on awarding contracts or subcontracts to Hayward-based businesses as a result of the CWA.
5. The City Manager will present the results of the analysis to the City Council within a reasonable time after the Parties have met and discussed the analysis and, based on the outcome of the analysis, will present a recommendation to the City Council as to whether the City should lower the One Million Dollar (\$1,000,000) threshold.