

**CITY OF HAYWARD**  
**AGENDA REPORT**

AGENDA DATE 06/05/07  
AGENDA ITEM 11  
WORK SESSION ITEM \_\_\_\_\_

**TO:** Mayor and City Council  
**FROM:** City Manager  
**SUBJECT:** Operating Budget for the City of Hayward and Redevelopment Agency for Fiscal Year 2007-08, the FY 2007-08 Capital Improvement Program Budget, FY 2007-08 Master Fee Schedule, and the FY 2007-08 Gann Appropriation Limit

**RECOMMENDATION:**

It is recommended that, following public testimony, the City Council provide direction to staff concerning the preparation of the necessary resolutions to implement Council budget decisions, for action on June 12, 2007.

**BACKGROUND:**

For FY 2007-08, the operating budget represents expenditures of \$195 million for all City funds. Of this total, \$114 million is in the General Fund; \$56 million is in the Enterprise Funds; with the balance distributed between the City's Special Revenue, Debt Service, and Internal Service funds.

The FY 2007-08 operating budget, which includes the Redevelopment Agency, was provided to the City Council in early May and has been available for public review since that time. By way of providing a summary of the overall recommended operating budget, the budget message presented to you in the budget document is attached for reference (Attachment A). Attachment A also includes the May 22 agenda report which contained information about the cost associated with providing additional police personnel.

For FY 2007-08, the capital improvement budget represents expenditures of \$66.3 million. Of this total, \$46.5 million is for utility projects; \$15.2 million is for street and sidewalk projects; with the balance distributed between airport, facilities, and miscellaneous projects.

**Operating Budget:** The Council held work sessions on May 22 and 29, to review and discuss the operating budget. As a result of comments voiced at the work sessions, certain editorial revisions will be made to the budget document for clarity. Recommended objective narrative changes made to the budget document are presented for your reference (Attachment B).

During the budget work sessions, the Council expressed interest in providing \$30,000 in support of implementation a county-wide 2-1-1 system, predicated on full funding being secured by June 30, 2007. Formal direction is needed to include this appropriation in the budget. The Council is also requested to provide direction regarding staff's suggestion that \$50,000 be provided in support of the Keep Hayward Clean and Green Task Force, subject to submittal of a detailed work program.

An issue raised during the worksession centered on the upkeep of the landscape medians along the major thoroughfares. As a result of staff reductions in recent years, staff is limited in what it can do in this regard. I indicated that, subject to confirmation, it is my understanding that gas tax funds can be used to address this issue, although use of gas tax funds for this purpose means that less funds are available to repair streets. I have been able to confirm my understanding. Should the Council care to pursue this further, additional direction should be provided.

**Five Year Capital Improvement Program:** In addition to the Operating Budget, Council reviewed the Five Year Capital Improvement Program (CIP) Budget on May 29. The Planning Commission also reviewed the CIP and confirmed that it is consistent with the general plan. The CIP message presented to you in the budget document is attached for your reference (Attachment C).

**Master Fee Schedule:** At the May 29 work session, Council reviewed the Recommended Master Fee Schedule and expressed concurrence with staff recommendations. For reference, the staff report presented at the work session appears as Attachment D. Any changes that Council may wish to make as a result of the public hearing will be incorporated into the Master Fee Schedule and reflected in the June 12 agenda report.

**Gann Limit:** As the Council will recall, the Gann Limit, or State Proposition 4 approved by California voters in November 1979, places limits on the amount of revenue that can be spent by government agencies. The limit is based on actual appropriations during the 1978-79 fiscal year (the "base" year) and is increased each year using population and inflation growth factors. The limit for FY 2007-08 is \$204 million. The City's recommended annual budget has been far below the limit each year, which is the case again for FY 2007-08. The Gann Limit is attached for your reference (Attachment E).

**Public Hearing and Adoption of Budget:** The purpose of the June 5 public hearing is to provide an opportunity for the Council to receive testimony from the public on the FY 2007-08 Operating Budget for the City of Hayward and Redevelopment Agency, the FY 2007-08 Capital Improvement Project Budget, the FY 2007-08 Master Fee Schedule, and the FY 2007-08 Gann Appropriation Limit.

Following public testimony, the Council is requested to provide direction to staff so that the necessary budget resolutions can be prepared and presented for formal action on June 12, 2007.

  
Jesús Armas, City Manager

Attachments:      A – May 22 Worksession Report and Budget Message  
                          B – FY 2007-08 Operating Budget - Narrative and Budget Changes  
                          C – CIP Message  
                          D – Master Fee Schedule  
                          E – Gann Limit Information



**CITY OF HAYWARD**  
**AGENDA REPORT**

AGENDA DATE 05/22/07  
AGENDA ITEM \_\_\_\_\_  
WORK SESSION ITEM WSE2

**TO:** Mayor and City Council  
**FROM:** City Manager  
**SUBJECT:** Fiscal Year 2007-08 Budget

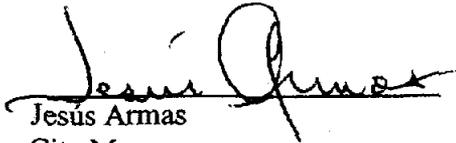
As noted in the budget message, it is necessary to utilize a portion of the contingency funds to assure that the budget is balanced for next year. Because recurring expenses are greater than recurring revenue for next year, staff cannot recommend incurring any new, on-going financial obligations. While there clearly is justification to provide additional staffing to respond to various community needs, there is insufficient income to enter into such obligations at this time. Additional staffing necessarily means incurring on-going financial obligations. While we would welcome the opportunity to recommend augmenting current staffing levels, fiscal realities indicate otherwise. Should the Council determine that additional staffing must be provided, it is left with a couple of choices: To reduce expenses elsewhere or incur the obligation with the knowledge that additional contingency funds must be earmarked to offset the increased costs.

It has been suggested that additional sworn police personnel are needed. While there is no dispute with this general assertion, adding a police officer requires an appropriation of \$150,000 per officer. Another area that has been mentioned as needing attention involves enforcement of various City regulations. Because this involves various code enforcement duties, this would be accomplished through the addition of personnel in our community preservation staffing. Each community preservation inspector results in an added cost of \$97,000 per year.

With the recent formation of the Keep Hayward Clean and Green Task Force, there will be a need to provide some level of funding to allow some of the initiatives that emerge from the work of the Task Force to be implemented. Since the Task Force has only been in existence a short period of time, it is still developing a complete list of activities it proposes to undertake in the upcoming fiscal year. Still, it would seem prudent to set aside a certain amount of funds for this purpose in FY 2007-08. To this end, it is recommended that the Council set aside \$50,000 to carry out the activities of the Task Force. At the same time, it is recommended that authorization to expend the funds be contingent on the presentation of a work program from the task force delineating how the funds will be utilized.

Another area that will need attention concerns the allocation of funds to support the City's participation in the 2-1-1 program. As of this writing, it remains unclear if the necessary funding will be provided by the County and the 14 cities in Alameda County to support this service. Because of the City's financial condition, staff cannot recommend earmarking funds for this purpose. Should the Council conclude otherwise, staff once again recommends allocating the

funds subject to the service provider being able to demonstrate that sufficient funding has been secured from private, public, or philanthropic sources to support this service. A deadline of January 1, 2008 is recommended.



Jesus Armas  
City Manager

Attachment

May 15, 2007

Honorable Mayor and City Council:

In May 2006, staff presented to Council a two-year operating budget for the fiscal years of 2006-07 and 2007-08. This was the first two-year operating budget for some time and represented a positive step forward in the City's budgeting process:

A two-year operating budget yields a number of benefits, not the least of which is the ability to develop priorities over two years rather than a single-year period, which had been the norm in recent years. In addition, substantial staff time is saved with respect to the preparation of a budget in the second year. These two factors, alone, have made the two-year operating budget a success for Hayward

In keeping with the Charter provision for an annual budget, the budget ultimately approved by the Council in June 2006 applied only to FY 2006-07, with the second year considered a spending plan. Consistent with that second year spending plan, staff is now presenting Council with a recommended budget for the second year, FY 2007-08. As noted at the mid-year budget work session, Council is being asked to consider very few changes to the FY 2007-08 budget.

### **ECONOMIC CHANGES**

Since Council considered the full two-year budget, the economy has softened, particularly in the areas of housing sales and construction. In addition, retail sales did not meet projections through the 2006 Holiday buying period. The price of gasoline held new car sales below expectations.

Despite these significant indicators, many economists believe that we will not see a major decline in the Bay Area economy over this next year. For the most part, the budget presented herewith is predicated on this assumption. City

revenues are assumed to remain relatively flat with some modest growth. This recommended budget continues to follow Council's policy of matching current year expenditures with current year income, but also relies on utilizing some part of contingency dollars in the following year.

As a result, I cannot recommend adding new positions even though it is clear that more staff and other resources would be helpful and are required to respond to the numerous priorities and program needs of the City.

### **OTHER FACTORS**

Another major factor affecting this year's budget is that the City is involved in renewing or extending labor contracts for all bargaining units. These negotiations come on the heels of two years during which the City's bargaining units agreed to zero percent increases in order to assure that the City was able to sustain through leaner economic times.

In addition, 67 positions were frozen and remain frozen through this fiscal year. However, the demand for salary adjustments for the City's workforce cannot go unanswered if the City is to retain valued workers, compete for other qualified employees in the Bay Area marketplace, and honor agreements made with employee groups as part of holding salary costs steady over the last two years.

### **BUDGET OVERVIEW—2007-08**

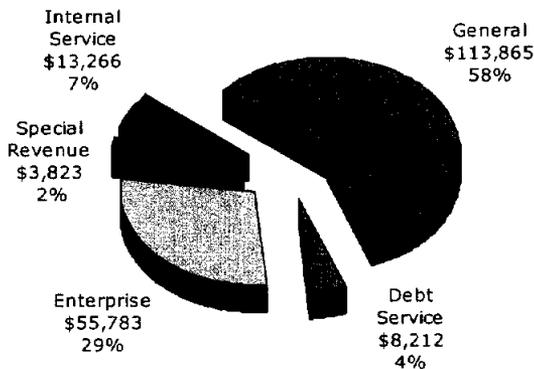
During this year's budget work session, the Council discussed the state of the City's financial condition and received input from staff and members of the community. At the conclusion of the work session, the Council provided direction to staff with regard to its priorities for the upcoming budget cycle.

A strong part of Council's discussion was the recognition that the City was in the second of a two-year budget, and is being challenged by a slowing economy. Therefore, it was important that the City move forward on the spending plan for this year as defined and

approved by Council in the FY 2006-08 Two-Year budget; and that the City not consider any new, major initiatives or recurring expenditures for the year.

The recommended 2007-08 operating budget is a balanced spending plan which totals \$194,949,000 for all funds. The following chart illustrates the composition of the City's operating budget by fund type.

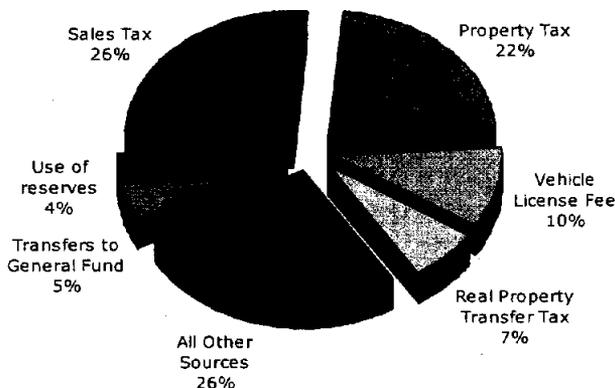
**City of Hayward Operating Budget—  
All Funds  
Total: \$195 Million  
(\$'s in millions)**



This message focuses primarily on the General Fund, as this is where most City services are budgeted; and where Council has most discretion in setting priorities and spending levels.

**General Fund Revenue Estimates –  
Sources of Funds**

**City of Hayward Operating Budget  
General Fund Sources: \$113.9 million  
(\$'s in millions)**



As can be seen from the preceding chart, General Fund revenues come from several sources, the most significant of which are Sales Tax and Property Tax. However, there are other important revenue sources for the General Fund such as the Real Property Transfer Tax and Vehicle License Fees.

Sales Tax. Sales tax revenue is estimated at about \$30 million for 2007-08, which represents a modest increase of approximately 5%, or \$1.43 million, over the 2006-07 estimate of \$28.6 million. This growth rate is cautious, but reasonable given the City's growing sales tax base and the sustaining local economy. In addition, the overall growth rate for the State for FY 2007-08 is projected at 5%, which further supports the projected growth. However, it will be important, as it is in any year, to carefully monitor this revenue source to determine if there are any signs of weakening. Should that become the case, staff will return to Council with recommendations at the earliest appropriate time.

Property Tax. Property Tax revenue is estimated at about \$25.7 million for 2007-08, which represents a modest increase of approximately 7%, or \$1.68 million, over the 2006-07 estimate of \$24 million. This revenue source continues to reflect both a stable although softening real estate market in terms of the number of sales as well as a market where values outpace inflation. New homes continue to enter the Hayward market as various housing developments are completed

As we all know, the real estate market, particularly the housing market, can change rapidly. However, as long as inflation in general and mortgage rates in particular, remain under control, staff sees moderate continued revenue growth. Also, it is important to note that the assessed value of Alameda County and of Hayward has reached a significant size, with Hayward's assessed valuation exceeding \$14 billion. As a consequence, there is stability to property tax revenue that dampens short-term market activity, positive or negative. A final caveat

of course is that the State does not tinker with the current property tax base. There is one additional revenue source that deserves special attention:

**Real Property Transfer Tax:** Real Property Transfer Tax is estimated to remain flat for FY 2007-08 at \$8 million. Over the years this revenue has become a major contributor to the City's revenue base and has exceeded \$9.7 million in previous years. However, the Real Property Transfer Tax revenue for FY 2006-07 is estimated to be \$8 million (or even less at year's end), which is short of projections by \$755,000, or 9%.

This revenue source is volatile and is a function of the number of residential sales (or property transactions) and the price at which property sells. As noted above, both of these categories are showing signs of weakening: fewer residential units are on the market, those that are offered for sale remain unsold for longer periods of time, and those that sell are doing so at slightly lower prices.

While new housing units continue to come online as discussed earlier, it should be noted that Real Property Transfer Tax revenue from the resale of existing units far out paces that which is generated by the sales of new units. Further, with the softening of the market, new housing prices are dropping.

Another variable in this volatile tax is the sale and transfer of commercial property. While a large commercial sale can positively impact this revenue to the City, commercial sales are both unpredictable and few and far between.

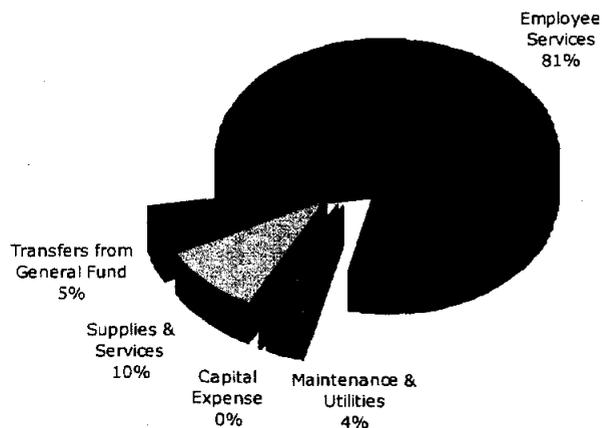
### **Expenditure Projections – Use of Funds**

The overall effect of continued, sustained, flat-to-moderate revenue growth is that the City must use some contingency fund balance to fulfill contractual obligations with regard to salary adjustments and address other operating requirements.

While this maintains designated reserves in FY 2007-08, it does result in a 40% or \$3.8 million decline in the General Fund Contingency balance by the end of FY 2007-08.

The largest expenditure category for the General Fund is, of course, Employee Services. Given the fact that local government, including the City of Hayward, is a service provider, this is no surprise. Other expenditure categories include Maintenance and Utilities, Services and Supplies and Capital Expense. The relationship of these General Fund expenditure categories is as follows.

### **City of Hayward Operating Budget General Fund Operating Requirements: \$113.9 million (\$'s in millions)**



**Employee Related Costs.** Personnel salary and benefit expenses comprise approximately 81% of the City's General Fund operating costs, as shown above. For 2007-08, all negotiated salary and benefit increases, as well as those projected into the year, are factored into the expenditure assumptions.

**Non-Personnel Expenditures.** The other primary expenditure categories, Maintenance and Utilities, Supplies and Services, and Capital have been increased where necessary to meet contractual, mandated, or otherwise unavoidable costs and where the maintenance of service levels requires the acquisition of specific goods or services. In addition, within limited resources, the budget provides funds in selected departments to support efforts

directed toward meeting the Council's programmatic priorities for the next year.

### HIGHLIGHTS

As Council is aware, the past few years have been extremely active ones, with the City entering into, completing, and beginning design of major land use and other projects. This work continues with many existing projects moving toward completion, and new projects being developed or proposed. The following are highlights of work staff is currently engaged in or that is coming forward to Council in this fiscal year:

- ◆ Mt. Eden Annexation - Phase II
- ◆ 238 Corridor Improvement Project
- ◆ 238 Land Use Study
- ◆ New Burbank Elementary School and Cannery Park Expansion Projects
- City Center Campus
- ◆ Cinema Place
- ◆ Conversion of City's phone system to Voice over Internet Protocol (VoIP)

### CLOSING REMARKS

I believe that 2007-08 will be a challenging period for the City, and that the budget as presented has the necessary flexibility to survive any slight downturn in the economy. It is also a budget that recognizes the objectives that Council has identified.

The City's Executive team is now fully staffed and moving forward, productively engaged in the work to be accomplished. The Assistant City Manager, Community Development Director, and Finance Director were appointed and assumed their positions in FY 2006-07, joining the Human Resources Director, Library Director, and Public Works Director, who were all appointed in the preceding fiscal year.

While this is a significant step in assuring that the City continues to move forward with strong committed management, it is also of great significance since the Council

will face additional executive recruitments of a new City Manager and a new City Attorney in the first quarter of FY 2007-08. With the operational executives in place and working together, the Council can continue to rely on a well-managed, high performance organization.

In addition to continuing the positive momentum of the planned projects, Council will need to address the long-term financial health of the City. While we have a spending plan in place for this year, it is imperative that the Council determine a financial path for the City that contains expenditures within the bounds of expected revenues, and which does not rely significantly or regularly on the use of contingency fund balance.

I strongly urge both Council and staff to enter into a constructive dialog with the City's residents and businesses to establish community priorities, define expected levels of service, and help assure that the City is delivering the services that matter most to the public. This may ultimately lead to a conversation about identifying new revenue sources for the community and its government.

### ACKNOWLEDGEMENTS

I would be remiss if I did not acknowledge and thank all of the individuals who are instrumental in developing and producing this budget. The City of Hayward is fortunate to have a competent and dedicated staff and I extend my sincere thanks to those responsible for their efforts toward the completion of this budget.

As this constitutes the final budget that I will submit to the Council for its consideration, I close by stating that it was an honor to serve this organization and the residents of this community.

Respectfully submitted,



Jesús Armas  
City Manager

**NARRATIVE MODIFICATIONS TO FY 2007-08 BUDGET OBJECTIVES**

**Mayor and City Council:**

1. Provide policy direction to City Manager regarding developing stable funding sources, including consideration of increases in existing sources, for City services and developing fiscal policies for the next two-year budget cycle.
2. Promote disaster preparedness in the community.
3. Consider steps to improve efforts to engage the community.

**City Manager:**

1. Identify, with guidance from Council, opportunities to develop stable funding sources, including consideration of increases in existing sources, for vital City services, and develop fiscal policies for the next two-year budget cycle.
2. Support the objectives of the Keep Hayward Clean and Green Task Force.

**City Attorney:**

1. Continue general liability and EEO training efforts.
2. Assist the City Clerk with the 2008 elections.
3. Reproduce and distribute updated versions of the Mobile Home Rent Stabilization Ordinance to all mobile home residents.
4. Develop a plan for handling employee liability practices.
5. Assist with the transition of the new City Attorney.
6. Reevaluate the City's general liability insurance position.

**Finance Department:**

1. Improve the ability for City customers to make electronic payment related to City fees, utilities, and taxes.

**Police:**

1. Evaluate the financial feasibility of implementing a Spay and Neuter Clinic at the Animal Shelter by September 2007.
2. Submit staffing plan by October 2007.

**Fire:**

1. Improve the City's level of disaster preparedness; complete a comprehensive disaster drill in Spring 2008.

**Community and Economic Development:**

1. Present report which addresses the issue of the homeless in Hayward by January 2008.

**Redevelopment Agency:**

1. Work with BART to pursue appropriate development at both stations.

**Community Development Block Grant:**

1. Develop long-term plan to diminish reliance on CDBG funds for acquisition of Matt Jimenez Community Center.
2. Present report regarding the future of Eden Youth and Family Center site by November 2007.



CITY OF  
**HAYWARD**  
HEART OF THE BAY

May 10, 2007

Honorable Mayor and City Council:

The Capital Improvement Program (CIP) budget presented to you last year was structured so as to align with the City's two-year operating budget. Although last year's CIP was a comprehensive document addressing a five-year period, this document only includes summary fund sheets and highlights a few significant project changes.

With a few exceptions described below, this document reflects only projects previously presented to and reviewed with the City Council, although where appropriate costs have been updated. As a result, consideration of new requests was limited to the few projects with major changed circumstances, such as obtaining grant funding for the project. Since no new projects are added in year five of the budget (i.e. 2011-12), this document covers only the next four years. In general, projects scheduled for the future years have not been re-scoped or re-estimated in order to allow staff resources to be concentrated on refining projects for the currently approved and upcoming year.

Nonetheless, year two of the budget must formally be adopted, as required by the City Charter and in order to comply with certain grant requirements. The following discussion highlights the limited number of new, critical projects contained herein, as well as important modifications to a couple of existing projects.

A project for the installation of new sidewalk along Civic Avenue has been added in the Gas Tax Fund. Currently scheduled for completion during 2007-08 at an estimated cost of \$130,000, this project will install new sidewalk near the intersection of Civic Avenue and New Dobbel Avenue. This will install the remaining section of sidewalk following completion of development-funded work, thereby providing a continuous pedestrian pathway.

The Foothill Gateway Landscaping Plan was added to the Capital Improvement Fund for next fiscal year. Funds for this \$50,000 project are intended to yield a design for landscape improvements along Foothill Boulevard (near the I-580 off-ramps), a critical and highly visible gateway into the City. Since the project encompasses areas that are in both the City and County Redevelopment Areas, Alameda County Redevelopment Agency will be contributing \$25,000 towards the project, and the other half will be provided through a transfer from the City's Redevelopment Fund.

A second project added to the Capital Improvement Fund is the Underground Storage Tank Remediation Study. This study is expected to cost \$40,000, and it is necessary in order to receive closure from the Regional Water Quality Control Board at six City-owned sites where underground storage tanks were previously removed. The sites to be included in the study are Fire Stations #1, 2, 5 and 6, the Marathon Sewer Lift Station, and the Waste Water Treatment Plant. A portion of the project costs in the amount of \$25,000 will be funded through a transfer from the Sewer Collection System Replacement Fund.

**OFFICE OF THE CITY MANAGER**

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Lastly, a final new project was added in the Street System Improvement fund to address infrastructure improvement costs associated with the second phase of the Mount Eden annexation process. As Council is aware, the estimated \$5 million needed to bring the West-Mohr and Mohr-Depot Islands up to City standards is to be financed partially by \$3.6 million from Dutra Enterprises and the remaining \$1.4 million by \$700,000 each from the City and County. Since this commitment was made as part of the Phase I annexation, the City's contribution has been budgeted in the Street System Improvement Fund in 2009-10.

In addition to the new projects, two projects funded by the Alameda County Transportation Improvement Authority (ACTIA) and the Alameda County Transportation Authority (ACTA) respectively have been modified to include anticipated funding and scheduled work plan. The so-called 880/92 Reliever Route Project - Phase I was moved from the Capital Improvement Fund to the Street System Improvement Fund, since that fund is more appropriate for projects funded from sources outside the City. Phase I of the project includes the West A Street and Whitesell Street extensions and is fully funded with the \$25.3 million presently allocated by ACTIA. Not all of this funding is shown, because the schedule goes beyond 2010-11. It is anticipated that by the end of next year, preliminary design and environmental review will be completed, so that final design, right-of-way acquisition, and construction may begin in the later years of this CIP. Funding for the Clawiter/Whitesell Interchange, which represents Phase II of the project, is still being pursued. Costs associated with the preliminary design and environmental review for the project will mostly be reimbursed through ACTIA, while the City will be fully reimbursed for its portion of expenditures associated with the construction of the reliever route.

The ACTA-funded project is, of course, the Route 238 Corridor Improvement Project. Assuming certification of the Final Environmental Impact Report and approval of the project later this year, \$6 million in ACTA funding is included in 2007-08 to continue design and begin the process of right-of-way acquisition.

Finally, it should be noted that two significant projects totaling \$8.2 million in the Water Pollution Control Replacement Fund have been moved up a year. Together these two projects, Enclose Effluent Channel and Enclose Effluent Contact Channel, represent the next major phase of improvements to the plant. The first project increases the size of our existing 48" effluent pipeline and encloses the existing open channel through which our treated effluent flows prior to the Contact Channel and the EBDA pump station. However these improvements are located directly next to the site for the Russell City Energy Center (RCEC). Moving ahead with design and construction of this project is critical to not impacting planned construction schedules for the RCEC. It also makes sense to proceed with the related project to enclose the Contact Channel. Staff has been pursuing various methods to expedite this work as well as ensuring adequate cash flow. Of course, if the RCEC is delayed, expediting the work is not as critical and can revert to the previous schedule.

Except for the new or modified projects highlighted above, the proposed 2007-08 Capital Improvement Program Update remains relatively unchanged from the spending plan previously reviewed by Council. The staff and I look forward to reviewing the material with you and to respond to your questions.

Respectfully submitted,

  
Jesús Armas  
City Manager



**CITY OF HAYWARD**  
**AGENDA REPORT**

AGENDA DATE 05/29/07  
 AGENDA ITEM \_\_\_\_\_  
 WORK SESSION ITEM \_\_\_\_\_

**TO:** Mayor and City Council  
**FROM:** Director of Finance and Internal Services  
**SUBJECT:** Master Fee Schedule for 2007-2008

**RECOMMENDATION:**

It is recommended that City Council review and comment on this report.

**DISCUSSION:**

Each year, staff reviews the Master Fee Schedule to ensure that the various fees and service charges are appropriate and within State Guidelines. A review was conducted for the fiscal year 2007-2008 and staff is suggesting only limited changes to the schedule. These changes have been developed pursuant to applicable Government Codes, and the City's principle of full cost reimbursement. The summary tables in Exhibit A give a brief description of the current fee, proposed fee and a reason for the increase. The current fees represent the amounts previously adopted by Council. The proposed fee is staff's recommendation.

A complete copy of the current Master Fee Schedule is on file in the City Clerk's Office and on the City Website ([www.hayward-ca.gov/municipal.shtm](http://www.hayward-ca.gov/municipal.shtm)). The current Master Fee Schedule includes all changes adopted by the Council during the current fiscal year.

**Proposed Changes to Master Fee Schedule**

**Library Fees** - The Library proposes to update fees that are no longer relevant, such as those related to cassette tapes and cameras. A new fee is proposed for the mailing of library materials. This fee will be determined based on the cost of the service provided.

**Assessment Districts** - There are three fees charged to assessment districts for the administration services performed by the City. The Master Fee Schedule provides for an annual adjustment of those fees to reflect changes in the San Francisco Bay Area Consumer Price Index. The December 2006 change is 3.4 percent. The summary of proposed changes, in Exhibit A, indicates the recommended changes.

**Animal Services** - The City's Animal Services program plays a vital role in the health and safety of our community overall. During FY 2006-2007 the City Council amended the Animal Control ordinance to clarify the City's role with respect to dangerous or potentially dangerous dogs. The Master Fee Schedule has been modified to accommodate these changes to the ordinance.

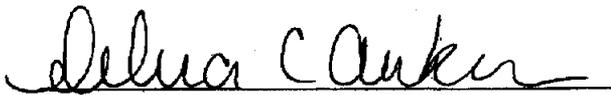
Police Fees - The Police Department provides services ranging from the provision of public documents, to traffic control and security services (fingerprinting), to abandoned vehicle abatement and more. The fingerprinting fees have been modified to account for new technology.

Building Inspection and Plan Check Services - The Building Division has proposed clarification for building permit renewal fees by including them in the master fee schedule.

Low Income Refuse Service Rates - Corrections to the Low Income Refuse rates have been made to be consistent with present procedures and to incorporate the new discount of \$6.04 per month effective June 1, 2007.

Document Storage and Duplication - City-wide changes have been made related to photocopying due to the frequent request for color copies and information provided in digital format. These fees are based on the cost of the service. Improvements in technology require changing from out-of-date microfilming of documents to digital and electronic storage processes for permits and related documents. Due to these improvements, staff will be exploring a digital storage/technology fee. Staff will present our recommendations to the Council Technology Application Committee in the Fall.

Recommended by:



Debra C. Auker, Director of Finance and Internal Services

Approved by:



Jesús Armas, City Manager

Attachment: Exhibit A - Schedule of Master Fee Recommended Changes

**EXHIBIT A  
SCHEDULE OF MASTER FEE RECOMMENDED CHANGES**

<b>Library Fees</b>	<b>Current Fee</b>	<b>Proposed Fee</b>	<b>Reason for Change</b>
Overdue fines : Audio cassette tapes	\$0.25/day (maximum cost of item)	No fee	no longer relevant
Teacher Loan Box	\$3.00	\$8.00	actual cost of each is \$8.11

<b>Finance</b>	<b>Current Fee</b>	<b>Proposed Fee</b>	<b>Reason for Increase</b>
<b>Assessment District Fees</b>			
Establishment Fee	\$2,907.00	\$3,006.00	per bond terms
Annual Administration Fee	\$2,766.00	\$2,860.00	per bond terms
Bond Call Fee	\$ 284.00	\$ 294.00	per bond terms

<b>Police Fees</b>	<b>Current Fee</b>	<b>Proposed Fee</b>	<b>Reason for Increase</b>
<b>ANIMAL CONTROL</b>			
<b>IMPOUNDING</b>			
- for each dog			
4th impoundment of dangerous/potentially dangerous animal	\$200	\$200	modified language per ordinance
HEARING FEE: Hearing and inspection of property of owners of animals declared dangerous or potentially dangerous.	\$100	\$100	modified language per ordinance
<b>POLICE ADMINISTRATION</b>			
FINGER PRINTING	\$10 for first and \$5 for each additional	\$20 each	upgraded technology

<b>Building Inspection and Plan Check Services</b>	<b>Current Fee</b>	<b>Proposed Fee</b>	<b>Reason for Changes</b>
Permit Renewal Fee	none	\$50 per permit	Establish fee

<b>Low Income Refuse Service Rates</b>	<b>Current Reduced Rate</b>	<b>Proposed Reduced Rate</b>	<b>Reason for Changes</b>
Low Income Single Family Dwelling 32-gallon Cart Service	\$4.27	\$6.04	New Franchise Agreement - Effective June 1, 2007

**CITY OF HAYWARD  
FY 2007-08 GANN APPROPRIATION LIMIT**

The following is provided as the result of calculations performed based on applicable state law and information provided in the FY 2007-08 Recommended Operating and Capital Improvement budget documents.

FY 2007-08 Gann Appropriation Limit is:	<b>\$204,242,163</b>
Appropriations subject to the Gann Limit:	<b>(\$82,136,688)</b>
Over / (Under) the Gann Appropriation Limit by:	<b>\$122,105,475</b>

NOTE: The Appropriation Limit calculation detail is available from the Director of Finance and Internal Services.