



CITY OF  
**HAYWARD**  
HEART OF THE BAY



# Adoption of Ballot Statement and Text of Measure

Greg Jones, City Manager

Hayward City Council  
March 3, 2009



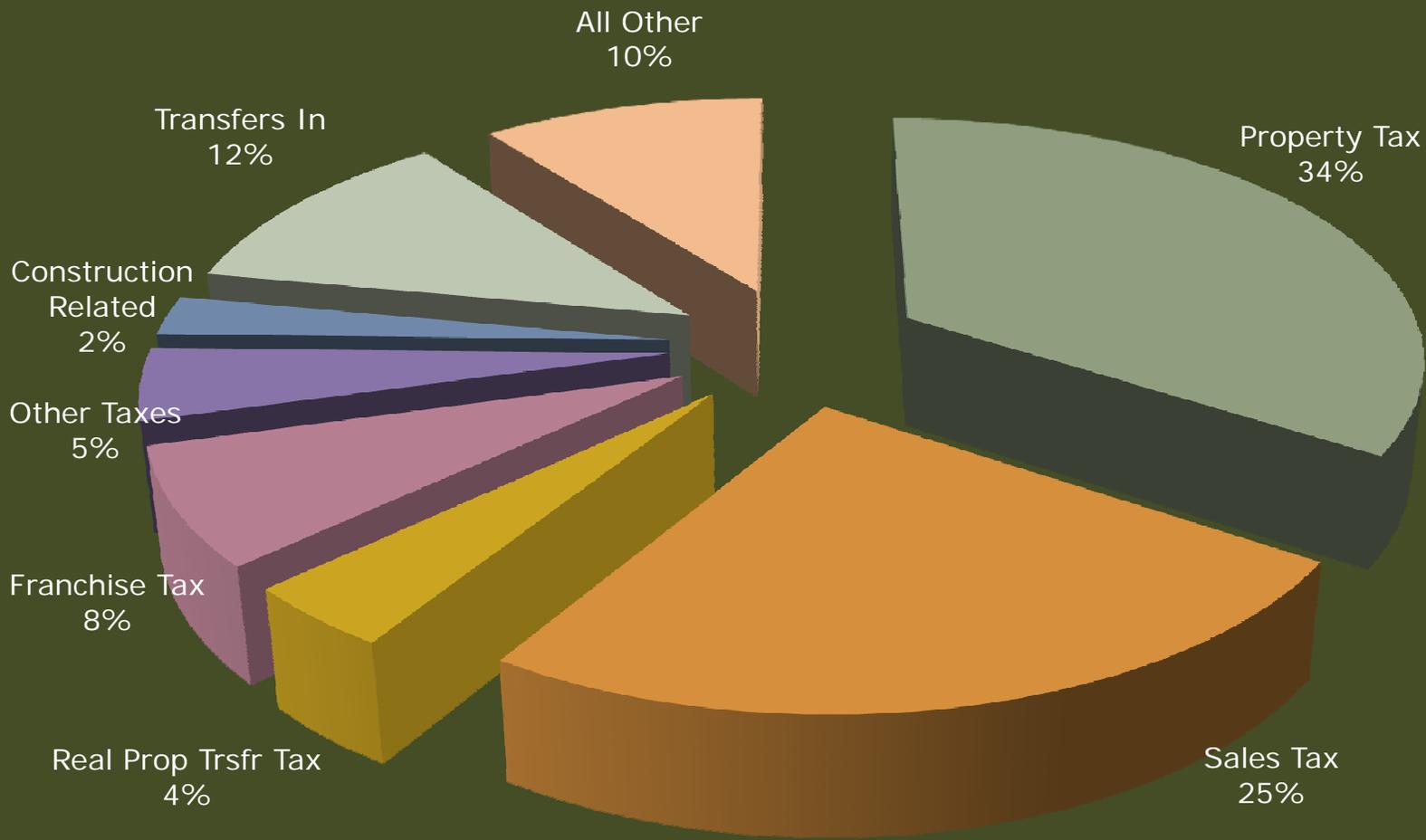
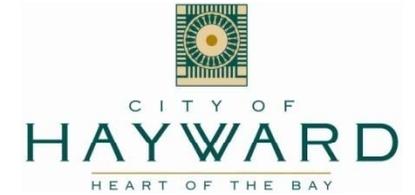
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# GENERAL FUND

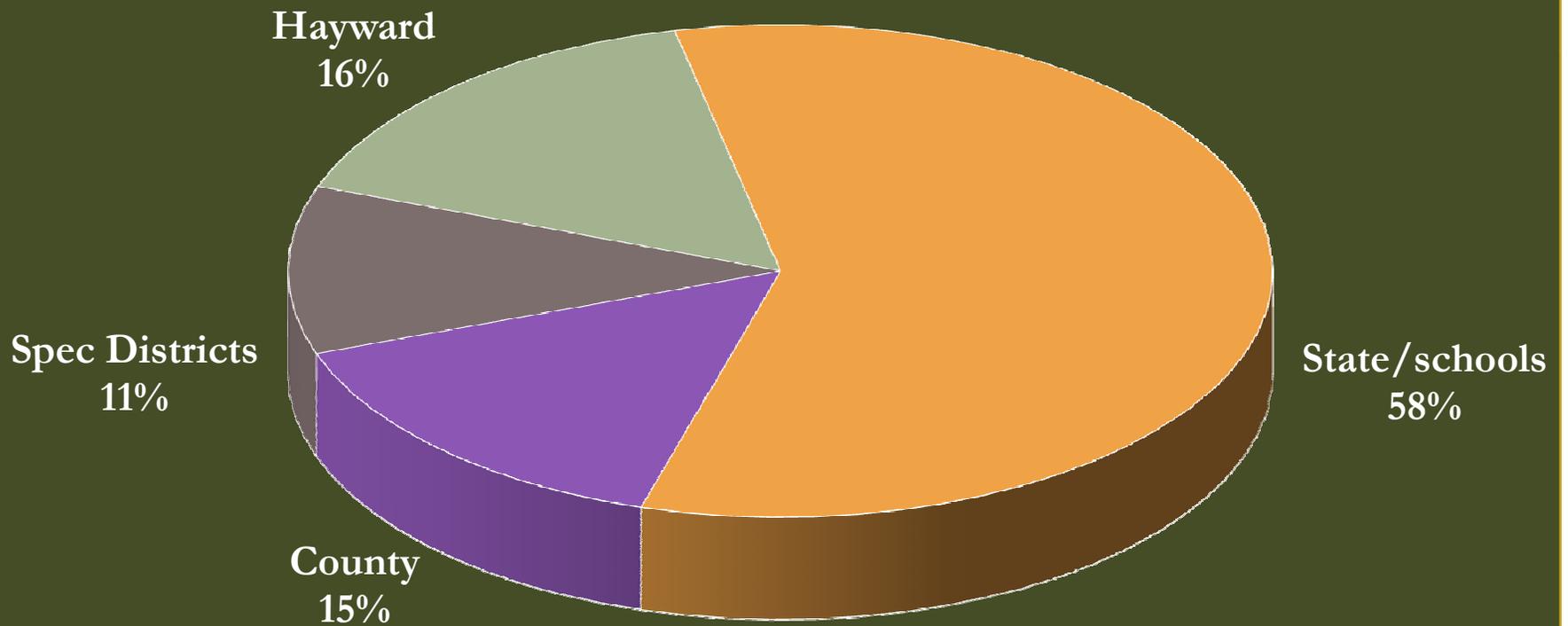
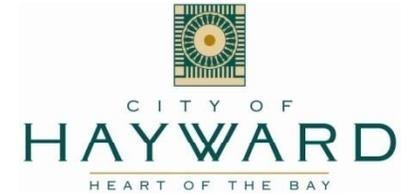
The City's Main Operating Fund

# FY 2009 General Fund Resources



**\$116,600,000**

# Distribution of Property Tax



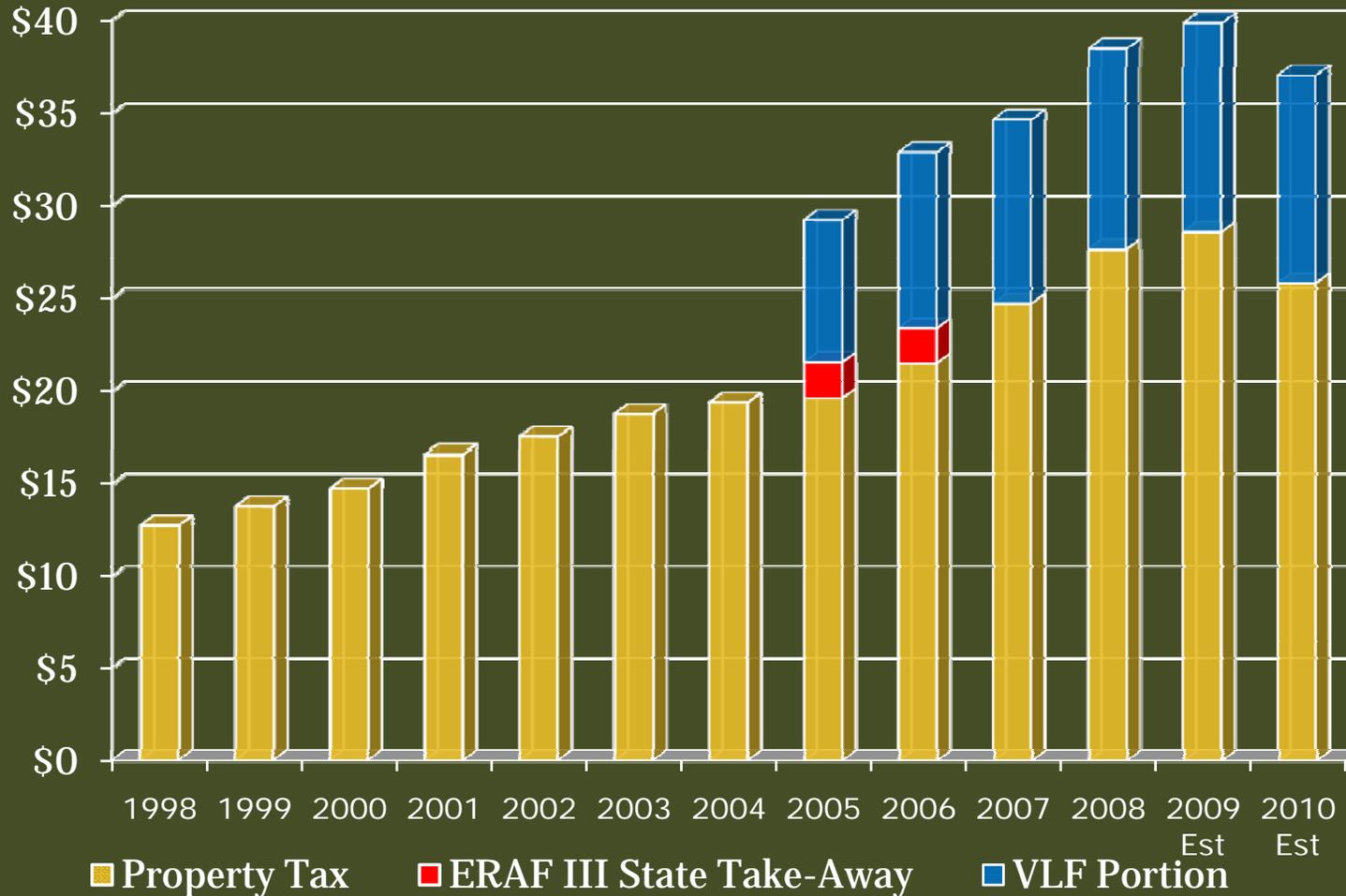
**\$40,000,000**

# Property Tax (\$'s in millions)

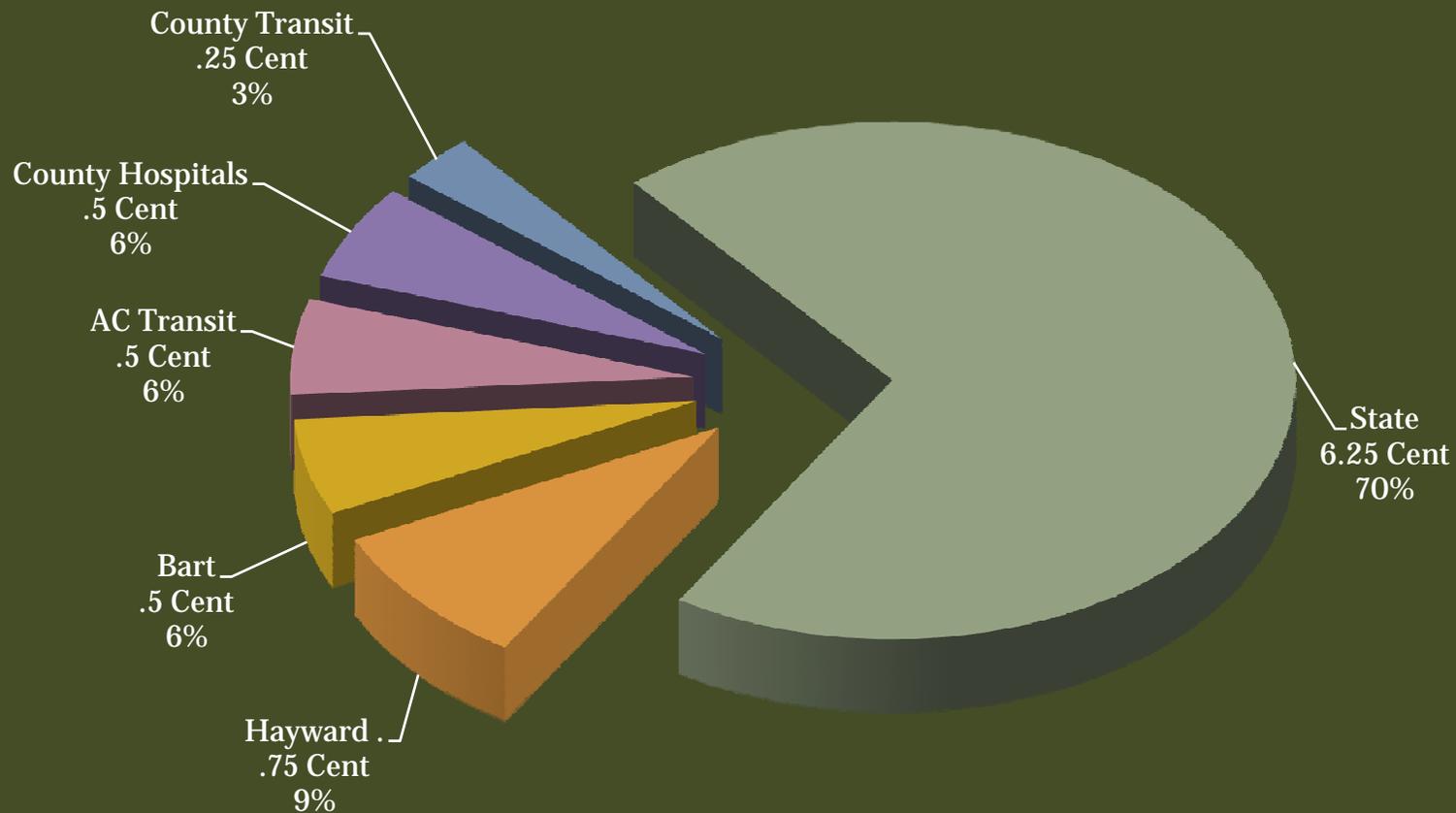
(Includes Property Tax formerly received as VLF)



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# Distribution of Sales Tax



Source: CA State Board of Equalization.

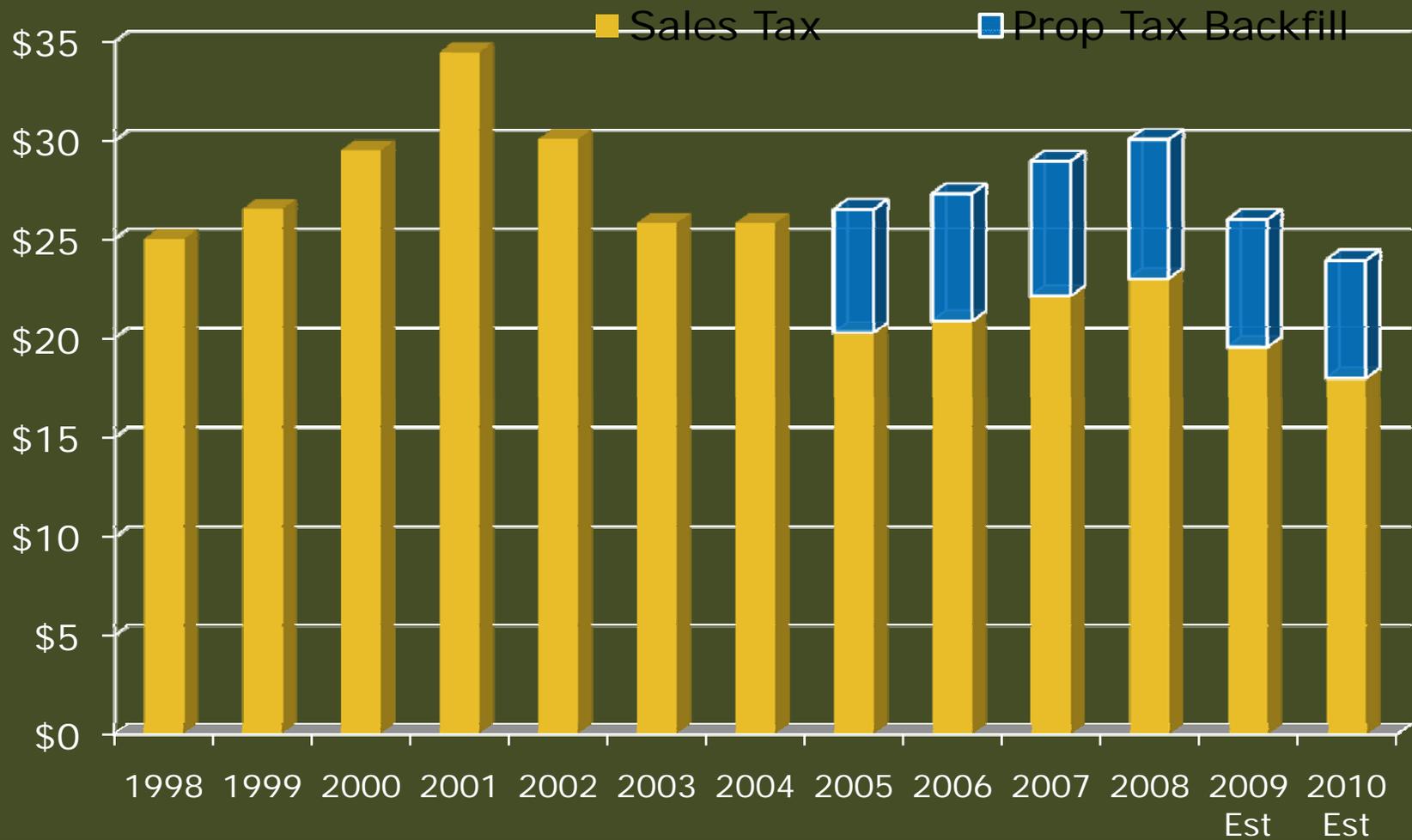
Note: .25 Cent comes to the City in the form of property tax, as a result of the Triple Flip.

# Sales Tax

*(\$'s in millions)*



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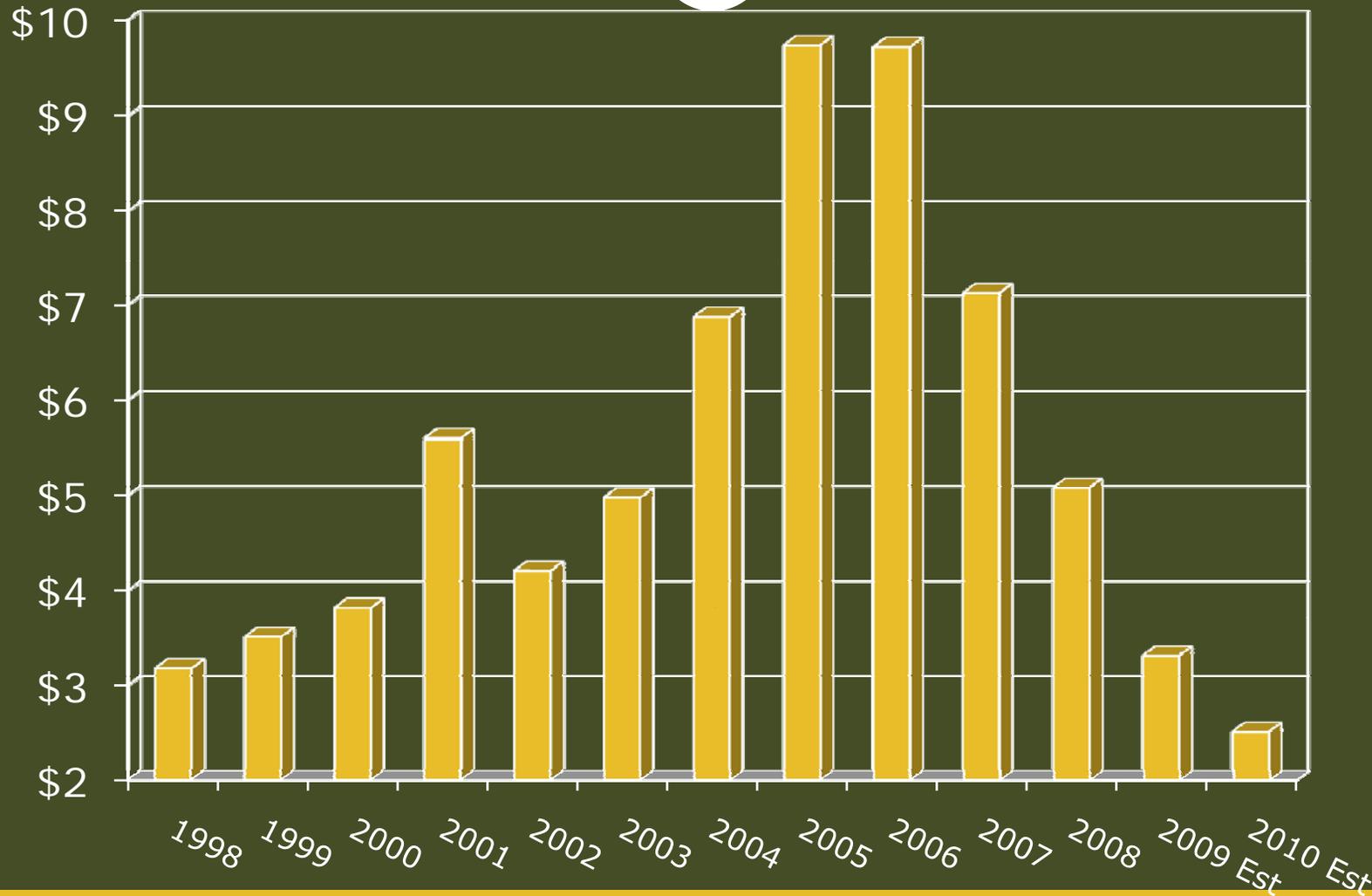


# Real Property Transfer Tax

(\$ in million's)

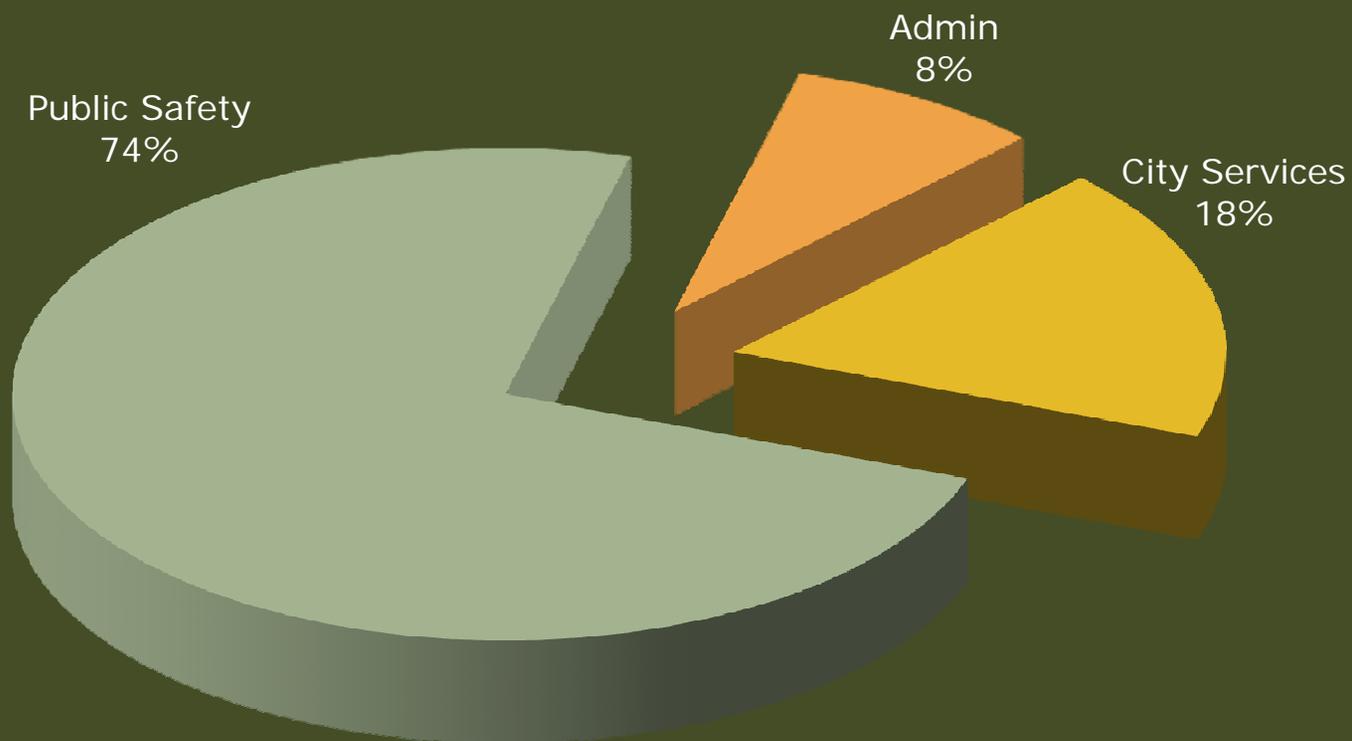
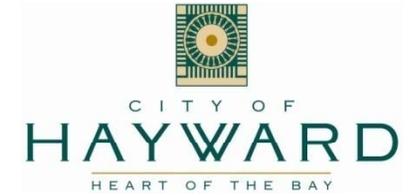


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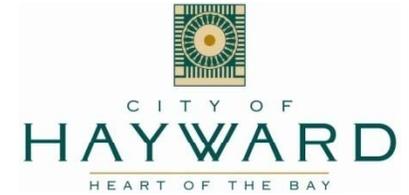


**\$2,500,000 in FY 2010**

# FY 2009 Expenditures By Service Area



# Cost Cutting Actions

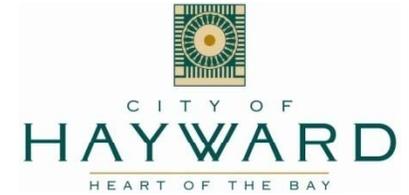


FY2009

- **Employment Related Savings (\$6.9+ million)**
  - Elimination of 50 non-sworn positions
  - COLA givebacks for Public Safety and Unrepresented groups over two-year period
  - Other employees furloughed over holidays
  
- **Reduction of General Fund Subsidy (Fee Study)**
  
- **Operational Cost Reductions (\$2+ million)**
  - Overtime Reductions
  - Selective Hiring Freeze

# 2010 Revenue Projections

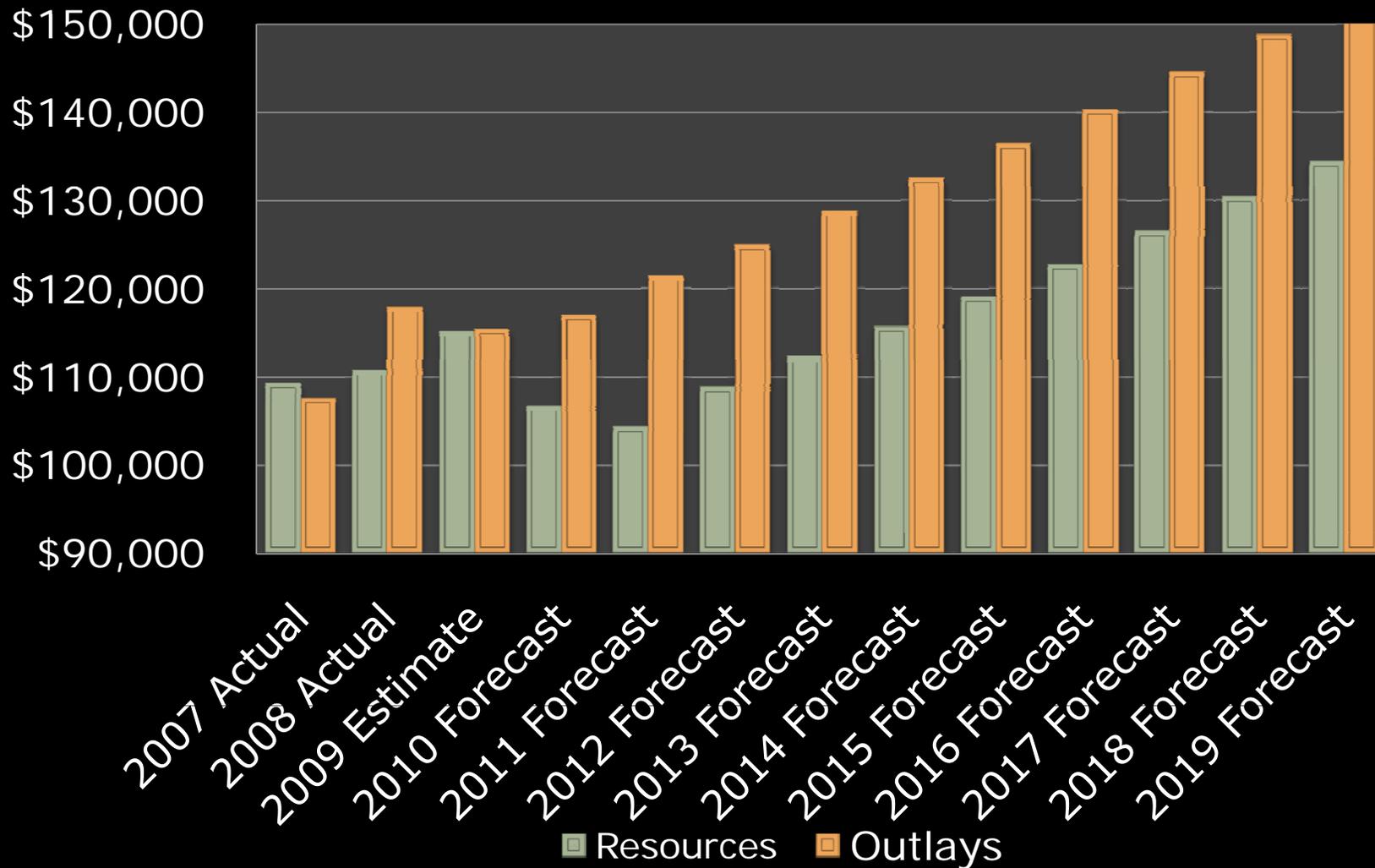
## Preliminary Estimates



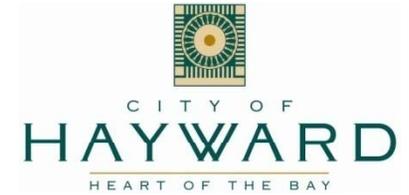
- Estimates for Property Tax
  - 5% decline: **\$2 .0 million**
- Estimates for Sales Tax
  - 7% decline: \$2.0 million (**\$4.3** cumulative from projection)
- Estimates for Real Property Transfer Tax
  - 25% decline: \$800k (**\$2.3** cumulative from projection)
- Other
  - Development Fees: **\$650k**
  - Other: **\$750k**
  - State????

**TOTAL PROJECTED DEFICIT: \$10+million**

## General Fund Revenues & Expenditures (\$'s in 000's)

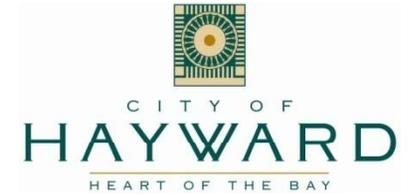


# Budget Cuts: Approach 2010



- Departments working on 10% additional reductions to meet projected \$10 million deficit next year (=60 officers=3 Fire Stations)
- Continued work with bargaining groups to hold employment costs
- Likely furloughs and other impacts. Public Safety severely impacted with next level of cuts.
- Revenue Options? Budget & Finance Committee began reviewing alternatives

# Outreach Efforts— What We Heard



- Strategic Conversations, Mailer, Website, Community Meetings, Neighborhood Walking, Poll, Work Session
- What We Heard
  - Poll indicated majority support (presented last week)
  - Other outreach efforts consistent with poll results
  - Wanting to know what City has done to cut costs
  - Concerns over economy and a new tax
  - Would like to see a “sunset ”
  - Like that taxes will stay local
  - UUT is an equitable tax, applies to business, owners, renters

# WHY A UUT?

- Applied equitably across a wide base of taxpayers
- A local tax: applied and collected locally
- Based on consumption
  - Under some control of taxpayer
  - Supports Council's policy of sustainability
- Stable tax for operations planning
- It is common to municipalities in California
  - 146 cities; 4 counties
  - 7 cities in Alameda County + the Unincorporated County

# Declaration of Fiscal Emergency

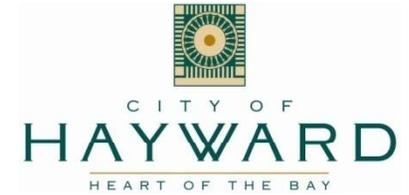


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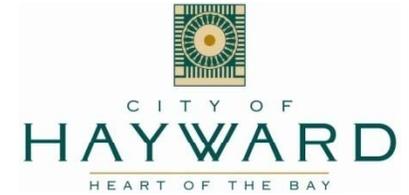
- State Constitution requires that a general tax can only be submitted to voters in a regularly scheduled municipal election: June 2010
- Section 2(b) of Article IIIC of Constitution allows for submitting tax at a special election if
  - Council declares a fiscal emergency, calls for special election, and approves ballot language
  - **By unanimous vote**

# Suggested Ballot Language



To prevent severe cuts to Hayward city services including: maintaining firefighters, paramedics, fire stations, and neighborhood police patrols; protecting emergency response times; preserving youth/anti-gang programs, disaster preparedness, and job/economic development services; shall the city of Hayward adopt an ordinance enacting a utility users tax of 5.5% on gas, electricity, video, and telecommunications services, for 10 years only, with exemptions available for low-income/lifeline users, and all money dedicated to preserving Hayward city services?

# Implementation Ordinance



- Implementing Ordinance is needed because it is an initiative ordinance to be approved by the voters
  - Voters will be voting on the elements of the Ordinance
  - Need to know what provisions are being proposed before they vote
  
- Key elements
  - 5.5% tax rate: equal to lowest in County
  - Low income and Lifeline exemption at 50% AMI
  - Sunset provision of 10-years
  - Applied to phone, gas, electric, & video (cable)
  - Not applied to water, garbage, or sewer

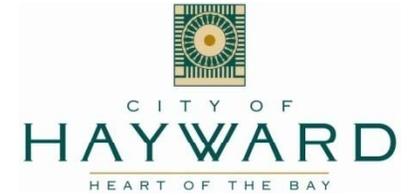


# Staff is Recommending Council:



- Adopt Resolution Declaring Fiscal Emergency (Attach I)
- Adopt Resolution Approving Ballot Measure Language and Full Text of Measure calling for a special election and consolidation with the Statewide Special Election to be held May 19, 2009 (Attach II & Exhibit A)

## ...and That Council:



- Direct the City Attorney to prepare Impartial Analysis of Measure as required by elections law
- Direct staff to bring back recommendations with the FY2010 budget for a business /residential energy conservation grant/loan /technical services program AND establish an Ad Hoc Committee regarding energy conservation publicity and partnership efforts



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# QUESTIONS?