

CITY OF
HAYWARD
HEART OF THE BAY

**FY 2014 Proposed Mid-Biennial
Operating Budget Update**

Work Session – Department Presentations

June 4, 2013

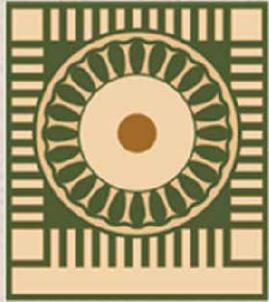
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FY 2014 Budget Update Calendar

- **May 7:** Recommended budget represented to Council
- **May 21:** Budget Work Session #1
- **May 28:** Budget Work Session #2
- **June 4:** Budget Work Session #3
 - Library & Community Services
 - Human Resources
 - Information Technology
 - Finance
 - City Manager
 - Mayor and Council
- **June 11:** Budget Work Session #4 (as needed)
- **June 18:** Public hearing on operating budget
- **June 25:** Adopt operating & CIP budgets





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**FY 2014 Proposed Mid-Biennial
Operating Budget Update**

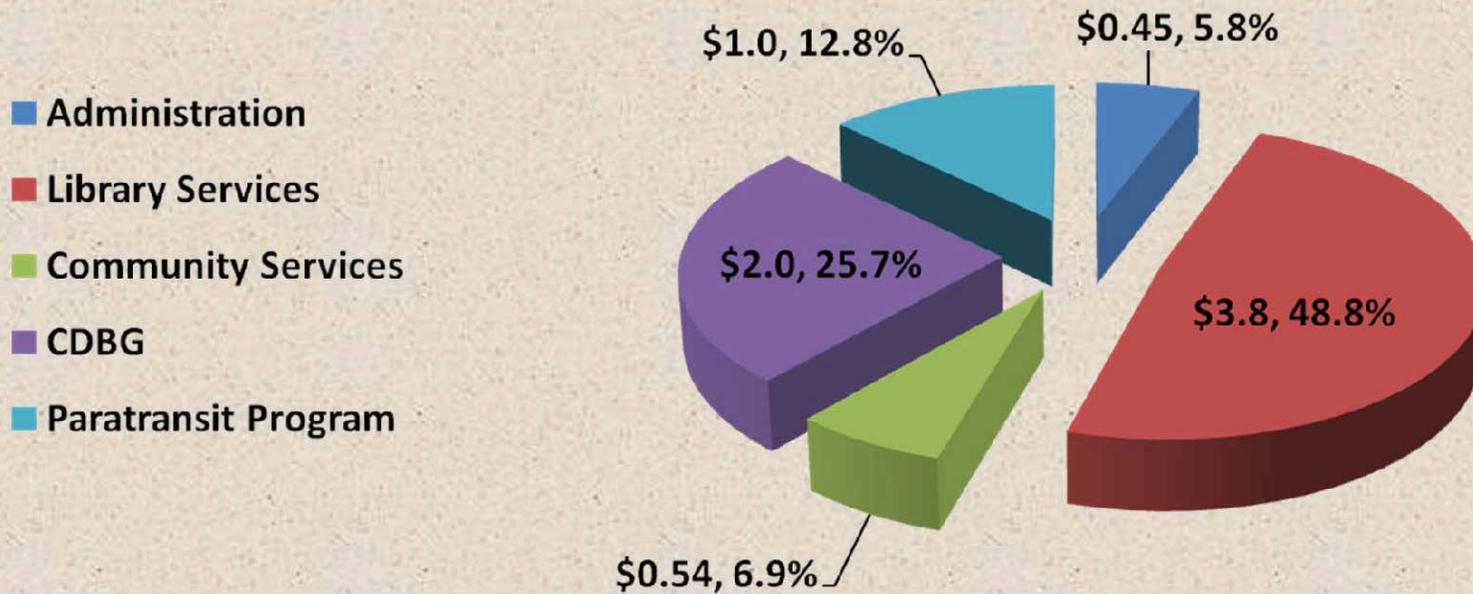
**Library & Community
Services**

HAYWARD



FY 2014 Update – Library & Community Services Budget

Expenditures by Division - \$7.8 million



FY 2014 Update – Library & Community Services Staffing

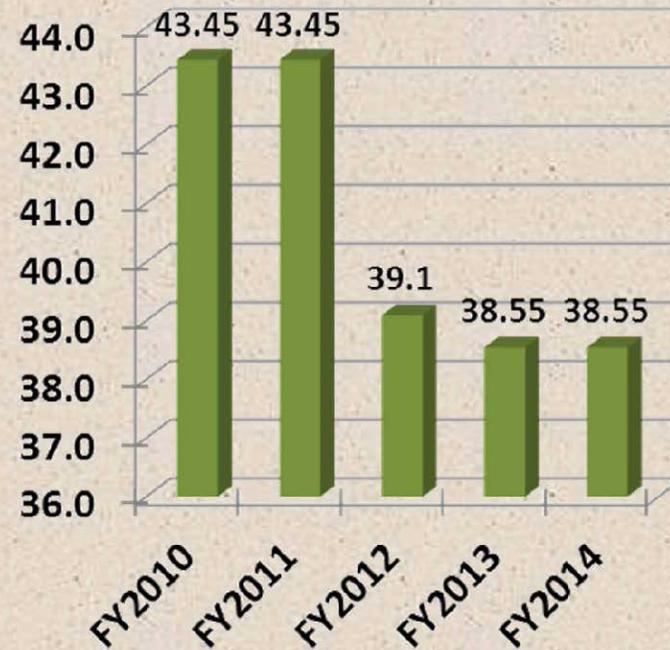
Additions:

- 1.0 FTE Community Services Manager
- 1.0 FTE Administrative Analyst I/II (FY 2013)

Deletions:

- 1.0 FTE Social Services Planning Manager
- 1.0 FTE Secretary

Staffing (FTE)



FY 2014 Library & Community Services Key Budget Changes

	FY 2014 Adopted	FY 2014 Updated	Change
Administration	\$ 473,784	\$ 452,329	\$ (21,455)
Library Services	\$ 3,787,003	\$ 3,780,176	\$ (6,827)
Community Services	\$ 416,326	\$ 536,023	\$ 119,697
CDBG	\$ 1,905,793	\$ 1,968,205	\$ 62,412
Paratransit Program	\$ 766,634	\$ 1,002,835	\$ 236,201

- Increase in Community Services Grant expenditures
- Elimination of transfer out from HRLP Loan Program to HRLP Administration
- Increase to Supplies & Services in Paratransit Program



FY 2013 Library & Community Services

Accomplishments

LIBRARY

- **Handled 600,000 library visits (foot traffic); circulated over 1 million items;**
- **Tutored 1,100 unduplicated HUSD students; improved test scores;**
- **Opened new HPN-funded homework centers at Park and Harder schools.**

COMMUNITY SERVICES

- **Executed 45 community grants (CDBG; Social Services); \$1.3 million total;**
- **Reached 87,000 low-income Hayward recipients of City funded services;**
- **Launched popular 24/7 taxi program for Paratransit riders.**

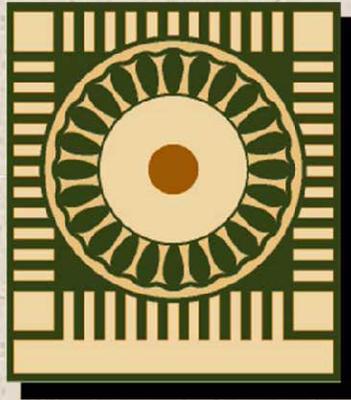


FY 2014 Library & Community Services Goals

SUMMARY GOALS

- 1. Deliver excellent customer service 100% of the time;**
- 2. Secure new grants and volunteer/intern resources equal in value to 15% or more of total department General Fund budget;**
- 3. Improve student test scores in Homework Tutoring Centers by 10%;**
- 4. Expand Homework Tutoring Centers to every HUSD school;**
- 5. Execute forty-five CDBG & Social Services funded projects that maximize economic development impact and improve quality of life for 87,000 low-income Hayward residents.**

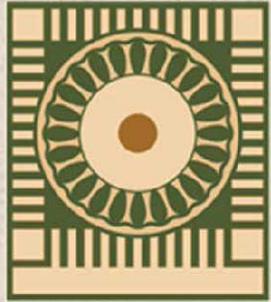




Questions/Discussion

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**FY 2014 Proposed Mid-Biennial
Operating Budget Update**

Human Resources

June 4, 2013

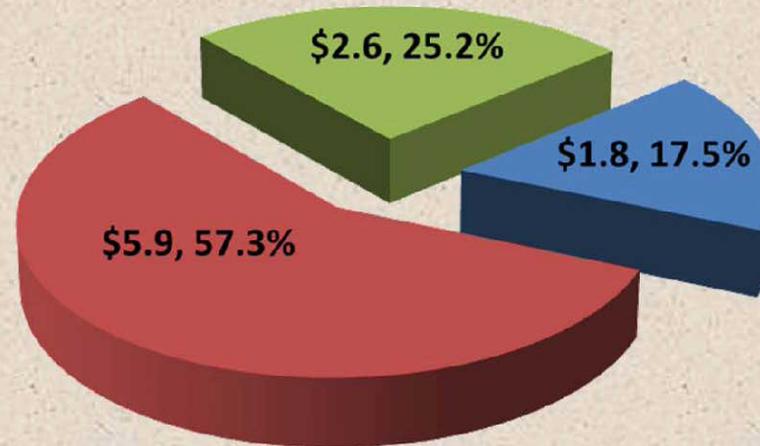
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FY 2014 Update – Human Resources Budget

Expenditures by Division - \$10.3 million

- HR - General Fund
- Worker's Compensation
- Employee Benefits



FY 2014 Update – Human Resources Staffing

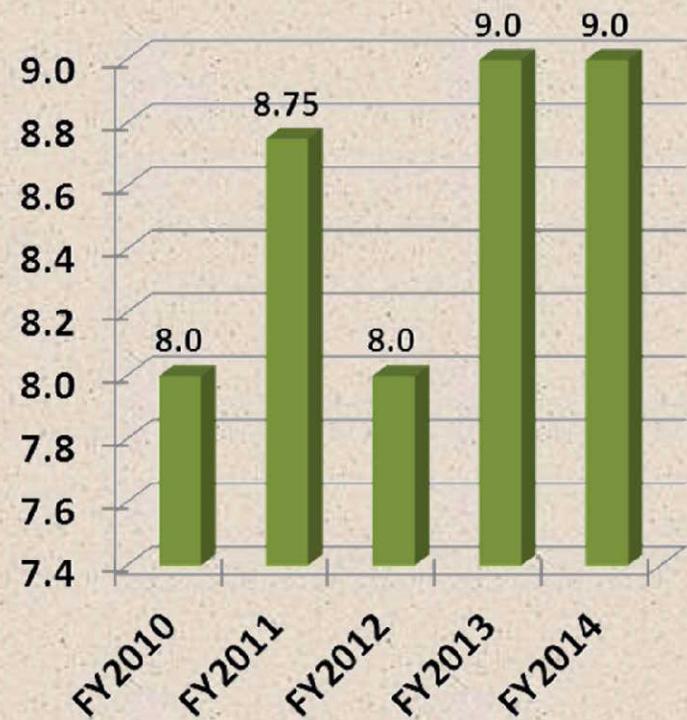
Additions:

1.0 FTE Human Resources Technician (FY 2013)

Deletions:

1.0 FTE Human Resources Administrative Secretary (FY 2013)

Staffing (FTE)



FY 2014 Human Resources Key Budget Changes

	FY 2014 Adopted	FY 2014 Updated	Change
HR - General Fund	\$ 1,852,071	\$ 1,768,306	\$ (83,765)
Worker's Compensation	\$ 5,880,130	\$ 5,925,838	\$ 45,708
Employee Benefits	\$ 2,597,408	\$ 2,597,408	\$ -

- Change in employee benefits
- Credit to General Fund and debit to Worker's Compensation Fund due to 20% charge out of Director's time



FY 2013 Human Resources Accomplishments

➤ **Worker's Compensation Program**

- **FY 2012 – 22.5% Reduction in Program costs (~\$1.3M annual savings)**
- **FY 2013 – YTD performance tracking same as FY 2012**
- **Implemented program changes associated with SB 863**

➤ **Recruitment Program**

- **Completed 64 Recruitments**
- **17 Police Officer vacancies**
- **12 Firefighter Trainee vacancies**

➤ **Benefit Program**

- **Benefit audit – Projecting ~\$132K annual savings**
- **Life & Disability benefit premiums reduced 21.5% (~\$38K annual savings)**
- **Implemented Pension Reform (PEPRA)**



FY 2013 Human Resources Accomplishments

- **Benefit Program (continued)**

- Implemented Tranben (Commuter incentive program)
- Restructured administration of Vision and Dental plans

- **Other Accomplishments**

- 26 Job Descriptions Updated and aligned with Classification Plan in FY 2013
- Hosted 2nd Annual “Bring your Son’s and Daughter’s to Work Day”
 - Over 75 parent and child participants



FY 2014 Human Resources Goals

➤ **Worker's Compensation Program**

- Reduce the overall cost of the program by providing excellent and efficient medical treatment to injured worker's to promote quick recovery and which results in a reduction of lost work days (Fiscal Stability/Organizational Health)

➤ **Labor Relations**

- Complete contract negotiations in accordance with Council direction and implement MOU's (Fiscal Stability/Organizational Health)

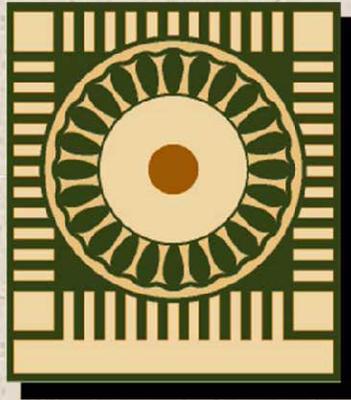
➤ **Benefits Program**

- Implement Health Care Reform

➤ **Other Goals**

- Implement ERP
- Complete Development of an Employment Branding Strategy





Questions/Discussion

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**FY 2014 Proposed Mid-Biennial
Operating Budget Update**

Information Technology

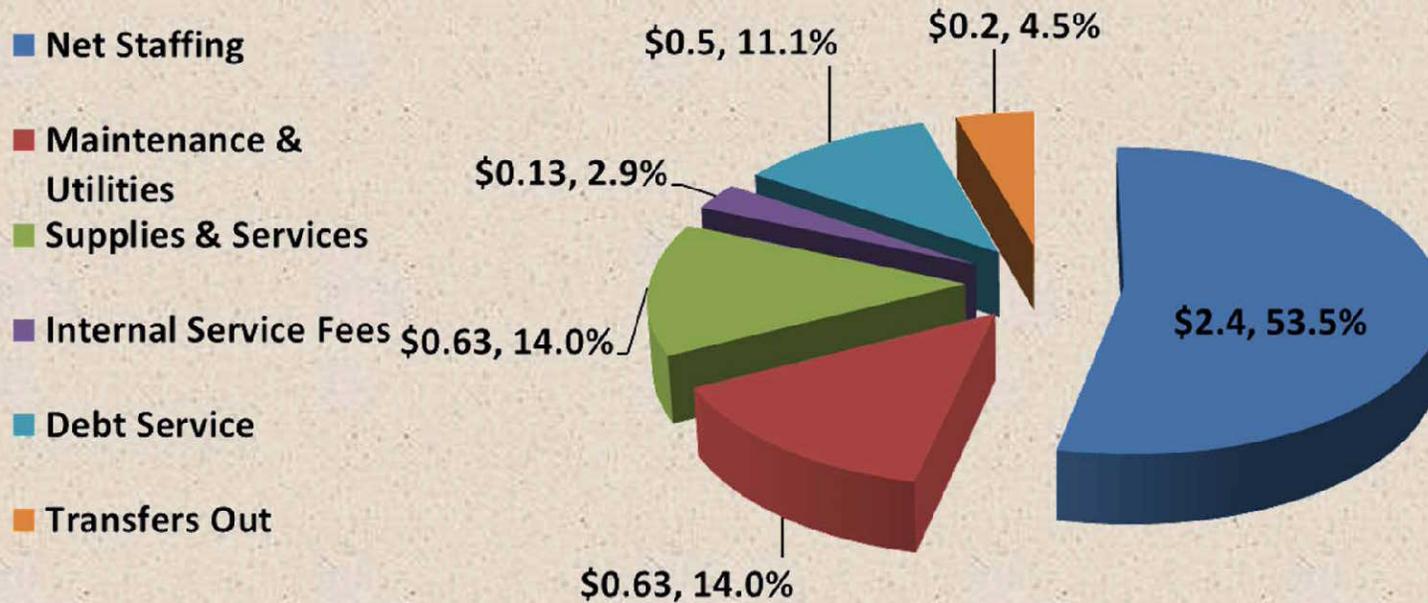
June 4, 2013

HAYWARD



FY 2014 Update – Information Technology Budget

Expenditures by Category - \$4.5 million

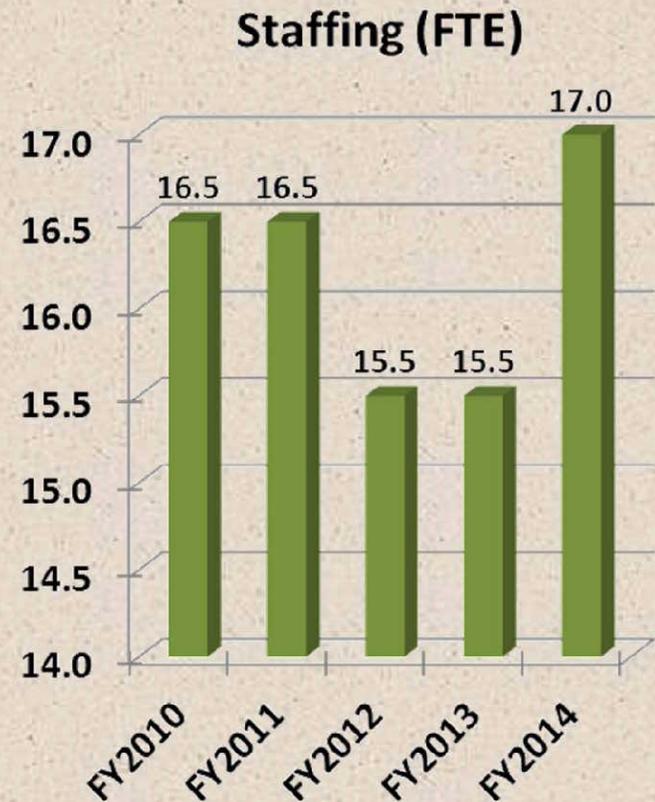


FY 2014 Update – Information Technology Staffing

Additions:

1.0 FTE Technology Solutions Analyst I/II
(FY 2013)

0.5 FTE Video Assistant
(0.5 FTE position increased to 1.0 FTE)



FY 2014 Information Technology

Key Budget Changes

	FY 2014 Adopted	FY 2014 Updated	Change
Net Staffing	\$ 2,259,554	\$ 2,391,032	\$ 131,478
Maintenance & Utilities	\$ 628,720	\$ 628,720	\$ -
Supplies & Services	\$ 631,101	\$ 628,401	\$ (2,700)
Internal Service Fees	\$ 142,412	\$ 129,674	\$ (12,738)
Debt Service	\$ 501,155	\$ 501,155	\$ -
Transfers Out	\$ 187,880	\$ 193,529	\$ 5,649

- Addition of 1.5 FTE positions



FY 2013 Information Technology Accomplishments

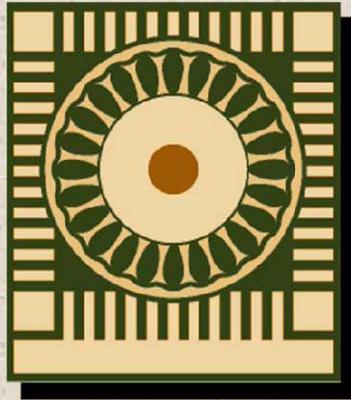
- **Installed and configured over 40 new mobile systems and 90 mobile routers in Fire and Police vehicles (Safe)**
Early adopter of 4G wireless technology in new mobile routers
- **Configured 140 netbook computers and began distribution to Police Department staff (Safe)**
- **Installed major virtual server infrastructure to support ERP, citywide computer file storage, email and VOIP telephone systems (Green)**
- **Project management and implementation of citywide ERP system (Fiscal Stability)**
Phase 1 Core Financials goes live on July 1, 2013
- **Upgraded citywide email and VOIP phone systems (Organizational Health)**



FY 2014 Information Technology Goals

- **Improve 4G mobile wireless communication in Fire and Police vehicles and distribute remaining netbook computers to Police Department staff**
- **Implement remaining phases of citywide ERP system including**
 - Phase 1 Core Financials goes live on July 1, 2013*
 - Phase 2 Human Resources/Payroll goes live on January 1, 2014*
 - Phase 3 Utility Billing early 2014*
 - Phase 4 Permits/Business License late 2014*
- **Implement online access to city services related to ERP modules**
 - Online Payments/Applications/Self Service Inquiry for Utility Billing/Permits/Business Licenses/City Vendors*
- **Continue to improve online communication with the public**
- **Continue to support the organization with the highest service level possible**





Questions/Discussion

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**FY 2014 Proposed Mid-Biennial
Operating Budget Update**

Finance Department

June 4, 2013

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What is the Finance Department?

➤ Accounting

- Paychecks & pay bills
- City financial reporting/audits/financial statements/debt

➤ Purchasing

- Purchase Orders
- Competitive proposals & bidding

➤ Revenue

- Billing & collections
- Excellent customer service

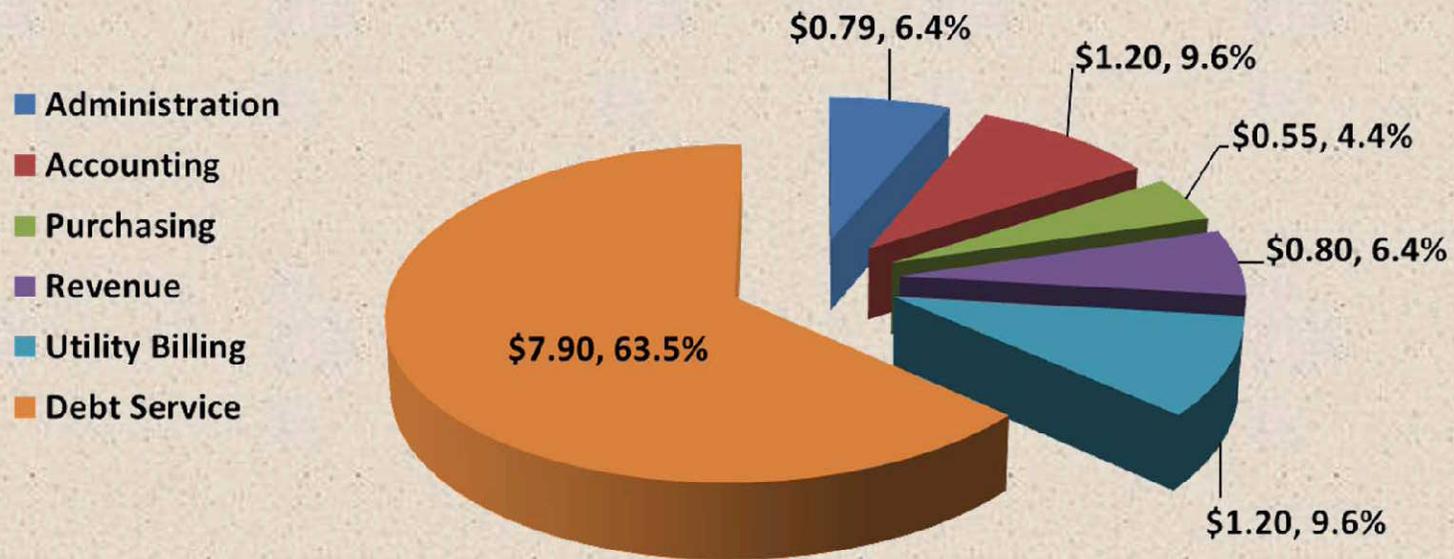
➤ Administration & Budget

- Develop & manage citywide operating budget
- Invest City funds



FY 2014 Update – Finance Department Budget

Expenditures by Division - \$12.4 million



FY 2014 Update – Finance Department Budget

Expenditures by Division - \$4.5 million *Excluding Debt Service*



FY 2014 Finance Department Key Budget Changes

	FY 2014 Adopted	FY 2014 Updated	Change
Administration	\$ 825,183	\$ 787,464	\$ (37,719)
Accounting	\$ 1,225,248	\$ 1,205,146	\$ (20,102)
Purchasing	\$ 553,481	\$ 553,099	\$ (382)
Revenue	\$ 690,380	\$ 802,181	\$ 111,801
Utility Billing	\$ 1,022,163	\$ 1,208,940	\$ 186,777
Debt Service	\$ 7,843,769	\$ 7,865,619	\$ 21,850
	\$ 12,160,224	\$ 12,422,449	\$ 262,225

- **Addition of net 1.6 FTE positions**
Addresses audit concerns about low staffing
Largely impacting enterprise funds
- **Reduced Services & Supplies budget of \$20,000 (GF savings)**



FY 2014 Update – Finance Department Staffing

29 FTE

Additions

- 1.0 Deputy Director of Finance
- 1.0 Revenue Manager
- 1.0 Accounting Technician 1.0 FTE
- 1.0 Customer Account Clerk
 - (2 – 0.75 FTE made 1.0 FTE each)
 - (1 – 0.5 FTE made 1.0 FTE)

Deletions

- 1.0 Financial Analyst
- 1.0 Senior Accounting Technician
- 0.4 Administrative Clerk I

Staffing (FTE)



FY 2013 Finance Accomplishments

The 85% of the work we do everyday *(Fiscal Stability)*

- 24,000 paychecks issued
- Monthly & quarterly State and Federal reporting
- Daily financial transactions in accordance with GASB
- Annual audits: FY 2012 financial audit, federal single audit, Measure B and Measure F, TDA
- Filed annual State Controllers reports
- 18,000 accounts payable checks issued
- 2,000 purchase orders issued
- 45 Request for Proposals managed



FY 2013 Finance Accomplishments

The 85% of the work we do everyday *(Fiscal Stability)*

- Bills issued:
 - 254,000 Excise Tax bills
 - 180,000 utility bills
 - 13,000 Business License Tax bills

- Collected over \$56M in revenues
- High collection rate (e.g., 99% for utility bills)
- 42,600 customer service calls received/responded to
- 36,200 counter customers



FY 2013 Finance Accomplishments

The 85% of the work we do everyday *(Fiscal Stability)*

- FY 2012 Year-end fiscal report
- FY 2013 Quarterly fiscal reports
- FY 2014 Mid-biennial budget update
- Investment portfolio management
- Manage City's Deferred Compensation Program
- Support HR with labor negotiations



FY 2013 Finance Accomplishments

Special Projects – the Other 15% (*Fiscal Stability & Green*)

- Citywide ERP development & implementation – 7/1/13!
- Business process analysis for key functional areas
- Developed credit card convenience fee
- Developed process for utility account late fees
- 6 audits due to RDA dissolution (annual DOF audit to continue)
- Developed citywide travel and reimbursement policies
- Developed citywide purchasing guidelines
- Developed & implemented Cal Card Program
- Initiated Master Fee & Cost Allocation Plan Studies



FY 2014 Finance Department Goals

- Continue our excellent baseline work
- ERP – full implementation
- Implement Fee & Cost Allocation Plan studies
- Begin Business License Tax ordinance review
- Develop credit card refund policy
- Develop overall financial policies
- Implement Purchasing policy
- Conduct RFP for Banking Services
- Conduct Internal Service Fund rate methodology review
- Build new budget document & improve process





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**FY 2014 Proposed Mid-Biennial
Operating Budget Update**

City Manager's Office

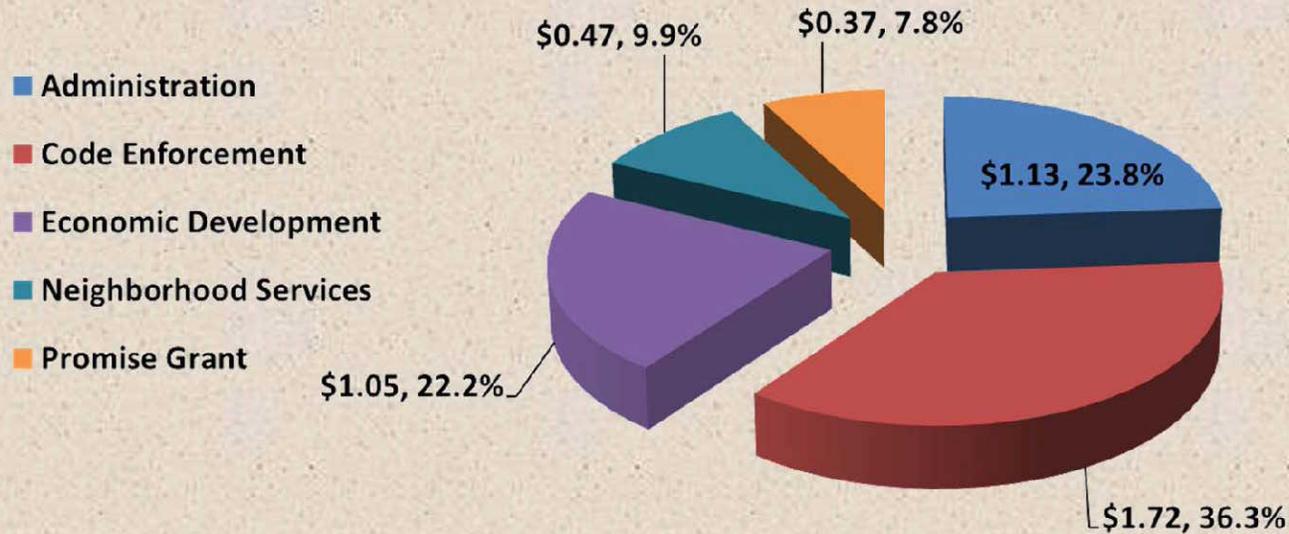
June 4, 2013

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FY 2014 Update – City Manager’s Office Budget

Expenditures by Division - \$4.74 million



FY 2014 Update – City Manager’s Office Staffing

Additions (+ 6.0 FTEs)

Previously approved with Economic Development Strategic Plan:

- 2.0 FTE Economic Development Specialists (offset by program revenue)
- 1.0 FTE Senior Secretary

Promise Grant Positions:

- 1.0 FTE Code Enforcement Inspector (To begin 1/1/2014) (2 year position)
- 1.0 FTE Community Service Officer (2 year position)

Contingent on approval of Rental Housing Self-Certification Program:

- 1.0 FTE Senior Code Enforcement Inspector (offset by program revenue)

Other Changes (- 1.0 FTE)

- Delete 1.0 FTE Economic Development Coordinator
- Reclass 4.0 FTE Community Preservation Inspectors and 3.0 FTE Housing Inspectors to 7.0 FTE Code Enforcement Inspectors

Staffing (FTE)



FY 2014 City Manager's Office Key Budget Changes

	FY 2014 Adopted	FY 2014 Updated	Change
Administration	\$ 1,089,498	\$ 1,131,724	\$ 42,226
Code Enforcement	\$ 1,520,853	\$ 1,722,684	\$ 201,831
Economic Development	\$ 641,210	\$ 1,050,346	\$ 409,136
Neighborhood Services	\$ 474,370	\$ 473,797	\$ (573)
Promise Grant	\$ -	\$ 370,962	\$ 370,962

- Addition of 5.0 FTE net staffing positions – 3.0 FTE offset by program revenue, 2.0 FTE offset by grant funding
- Addition of Promise Grant Program – separate fund under City Manager's Office budget to account for all grant program revenues and expenses.
- Changes in employee benefits



FY 2013 City Manager's Office Accomplishments

Safe and Clean

- ✓ On private properties, addressed:
 - 3,000 blight violations
 - 700 graffiti cases
 - 3,300 health and safety violations
 - 86 property abatements

- ✓ Established Emergency Volunteer Center program

- ✓ Conducted 7 Phase I neighborhood partnership meetings through May

- ✓ Expanded Mural Program – 4 Promise Neighborhood Schools to receive murals in summer 2013

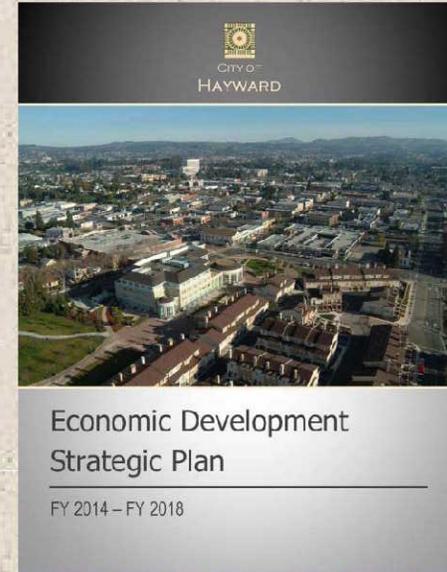
- ✓ Continued Promise Neighborhood Grant implementation and launched the Health and Empowerment Network



FY 2013 City Manager's Office Accomplishments

Fiscal Stability and Organizational Health

- ✓ Continued progress in achieving fiscal stability
- ✓ Drafted and received approval for the Economic Development Strategic Plan
- ✓ Completed re-organization of Code Enforcement Division to generate additional revenues of 10%+
- ✓ Launched Community Engagement Open House in partnership with City Clerk's Office



Land Use

- ✓ 238 Settlement Agreement (Opportunity to Purchase a Home Program) - 223 cases closed, 22 sold, 3 sales pending
- ✓ South Hayward BART Transit-Oriented Development – oversaw project management and implementation of new parking JPA with BART



FY 2014 City Manager's Office Goals

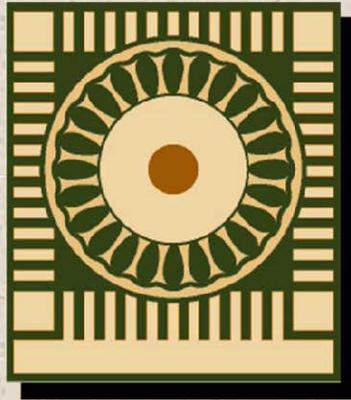
- **Continue quality staff support to Council**
- **Focus organization resources in support of Council priorities; and develop and apply quality metrics for all major operations**
- **Implement the first year of the Economic Development Strategic Plan: recruit program staff and complete a brand assessment and marketing strategy (*Fiscal Stability*)**
- **Strengthen and expand the Neighborhood Partnership Program: launch a program-specific webpage (*Safe, Clean, Organizational Health*)**



FY 2014 City Manager's Office Goals (Cont'd)

- **Expand public engagement opportunities, including a variety of online options** (*Organizational Health*)
- **Continue to implement the City's tasks for the Hayward Promise Neighborhood Grant** (*Safe, Organizational Health, Fiscal Stability*)
- **Continue to respond and resolve all code violation cases as efficiently and timely as possible** (*Safe, Clean*)
- **Continue to complete corridor improvement and mural projects** (*Safe, Clean*)
- **Continue to administer and support expansion of the KHCG-TF and Blight Buster Volunteer Teams** (*Safe, Clean*)

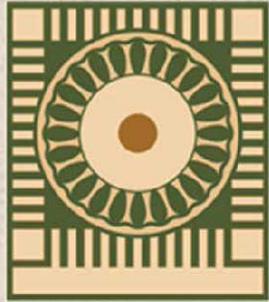




Questions/Discussion

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**FY 2014 Proposed Mid-Biennial
Operating Budget Update**

**Successor RDA
Housing Authority**

June 4, 2013

HAYWARD



FY 2014 Update – Successor RDA/Housing Authority Budget

Expenditures by Fund - \$8.5 million



FY 2014 Update – Successor RDA/Housing Authority Staffing

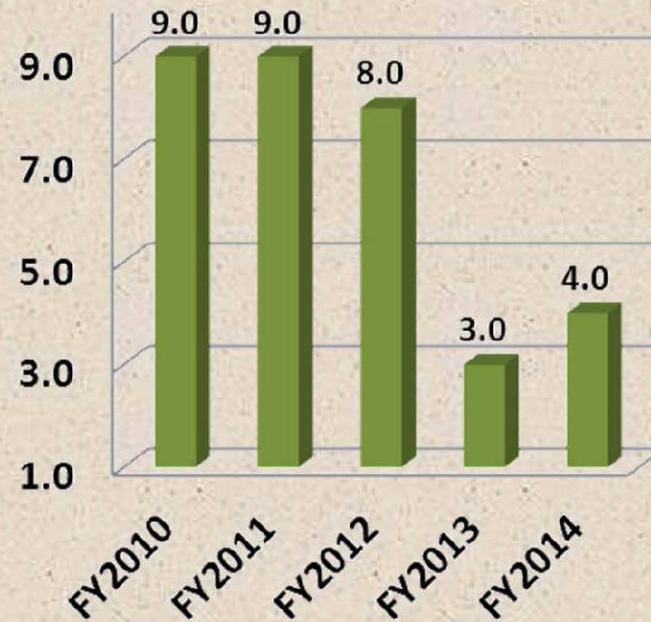
Additions:

- 1.0 FTE Administrative Analyst I/II
- 1.0 FTE Administrative Clerk I (2 year position) – to support affordable housing monitoring program

Deletions:

- 1.0 FTE Redevelopment Project Manager

Staffing (FTE)



FY 2014 Successor RDA/Housing Authority

Key Budget Changes

	FY 2014 Adopted	FY 2014 Updated	Change
Housing Mortgage Rev Bond Prog	\$ 249,914	\$ 212,448	\$ (37,466)
Downtown Business Improvements	\$ 55,000	\$ 55,000	\$ -
Successor RDA Operating	\$7,911,868	\$ 7,900,011	\$ (11,857)
Housing Authority	\$ 92,967	\$ 118,940	\$ 25,973
HOME Loan Program	\$ -	\$ 242,507	\$ 242,507

- Increase in Employee Charge-Outs from the Housing Mortgage Rev Bond Program
- New grant money available in the Home Loan Program



FY 2013 Successor RDA/Housing Authority Accomplishments

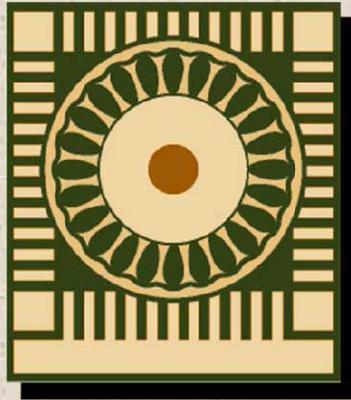
- Continued to effectively manage the RDA dissolution process while attempting to protect the City's assets and best interests
- Continued project management to secure and monitor funding necessary for affordable housing development projects, including:
 - South Hayward BART Station
 - B & Grand
 - Leidig Court
 - A and Walnut



FY 2014 Successor RDA/Housing Authority Goals

- **Continue to dissolve the former Redevelopment Agency and unwind the affairs while protecting the City's best interests**
- **Provide leadership and project management for existing affordable housing projects**
- **Collaborate with key affordable housing partners to develop strategies to fund future housing projects**
- **Proactively advocate for legislative solutions around economic development and affordable housing**





Questions/Discussion

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**FY 2014 Proposed Mid-Biennial
Operating Budget Update**

City Council & Mayor

June 4, 2013

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FY 2014 Update – City Council & Mayor Budget

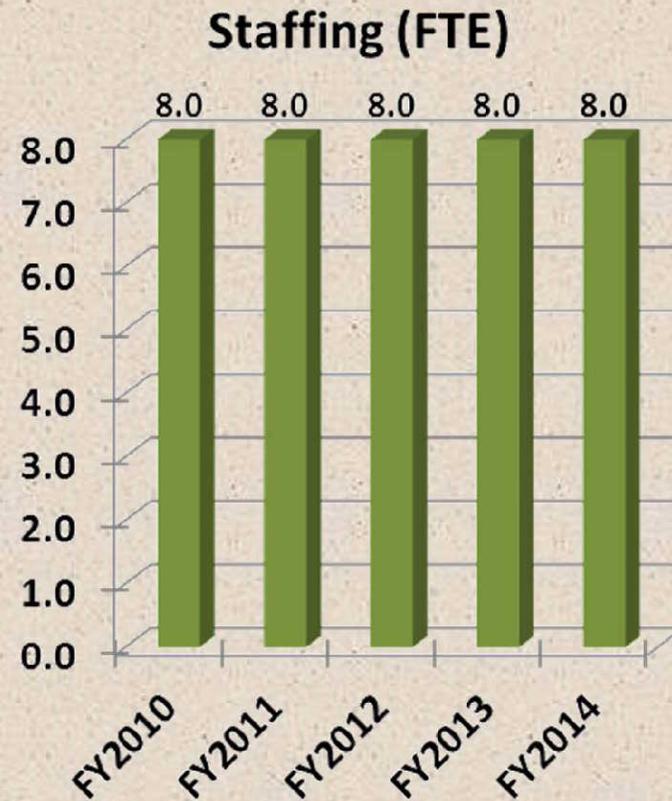
Expenditures by Division - \$0.5 million



FY 2014 Update – City Council & Mayor Staffing

No Staffing Changes

- Mayor
- Six Council Members
- One Administrative Support staff



FY 2014 City Council & Mayor Key Budget Changes

	FY 2014 Adopted	FY 2014 Updated	Change
Administration	\$ 541,590	\$ 505,797	\$ (35,793)

- **Change in Employee Benefits**



FY 2013 City Council & Mayor Accomplishments

Safe, Clean and Green

- ✓ Moved quickly to impose a moratorium on the operation of computer gaming businesses, and to seek cessation of operations where possible
- ✓ Eliminated Red Light Camera Program and endorsed changes to traffic patrol plan to improve community traffic safety
- ✓ Dramatically reduced illegal dumping on public property by adopting innovative ordinance
- ✓ Continued hands-on support of KHCG-TF throughout the year
- ✓ Increased co-generation capacities at the WPCF by adopting an ordinance to accept fats, oil, and grease at the WPCF and initiated design and construction of a new co-generation system
- ✓ Became a member of the Alameda County Energy Council, potentially allowing for more funding towards energy efficiency programs
- ✓ Implemented plastic bag ban
- ✓ Initiated a master plan update for all utilities



FY 2013 City Council & Mayor Accomplishments

Supporting Priorities – Land Use

- ✓ **Approved South Hayward BART JPA and parking program action plan, making important suggestions for neighborhood enhancements that could be funded from JPA revenues**
- ✓ **Protected senior-only mobile home parks through adoption of ordinance changes preventing conversion to all age parks.**
- ✓ **Authorized process and appropriated funding for completing General Plan Update; appointed Citizens Task Force**
- ✓ **Adopted Happy Hour pilot program to support local restaurants and improve revenues**



FY 2013 City Council & Mayor Accomplishments

Supporting Priorities – Land Use (CONT'D)

- ✓ **Approved City of Hayward overrule of Alameda County Airport Land Use Compatibility Plan to protect city sovereignty over development decisions**
- ✓ **Guided staff and community through substantial completion of the Route 238/Mission Corridor Improvement Project; worked with staff and merchants to temporarily restore parking on Foothill and Mission in support of local businesses**
- ✓ **Adopted the Complete Streets Policy, allowing the City to compete for regional transportation funding**



FY 2013 City Council & Mayor Accomplishments

Supporting Priorities – Fiscal Stability/Organizational Health

- ✓ Reduced structural budget gap through strategic efforts with employee groups
- ✓ Adopted a five-year Economic Development Strategic Plan
- ✓ Worked with staff to quantify unfunded benefit liabilities and begin conversations about addressing these unfunded needs
- ✓ Entered into multi-agency Hayward Promise Neighborhood Initiative to deliver “cradle to career” wraparound educational support to every child in the Jackson Triangle neighborhood
- ✓ Joined a successful regional effort to implement legislation and secure bond funding to save Hayward water ratepayers millions over the next 25 years



FY 2013 City Council & Mayor Accomplishments

Supporting Priorities – Fiscal Stability/Organizational Health (CONT'D)

- ✓ Survived RDA dissolution and economic losses; developed alternate economic development structure, funding, and strategy
- ✓ Significantly improved collection of delinquent water and sewer charges by approving collection through property-based assessments
- ✓ Authorized continued funding for new Enterprise Resource Planning system to dramatically enhance the efficiency of City operations through the use of modern technology
- ✓ Authorized \$1.35M in grants to 45 community agencies for housing and safety net services to low-income Hayward residents



FY 2014 City Council & Mayor Goals

- On May 7, Council reaffirmed the top priorities of:

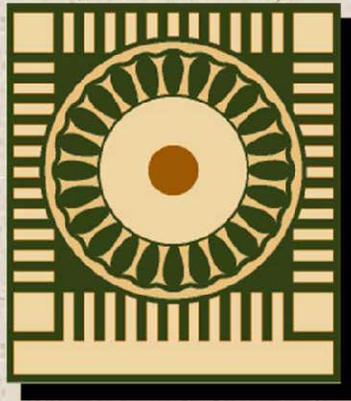
SAFE – CLEAN - GREEN

- And reaffirmed the supporting program areas of:

ORGANIZATIONAL HEALTH - LAND USE - FISCAL STABILITY

- Increased development and adoption of performance metrics
- Continued focus on viewing the priorities from the perspective of the community's needs, wants, and expectations
- Beginning Council Priorities and budget development process for the FY 2015-2016 two-year budget in September 2013





Questions/Discussion

HAYWARD

