



CITY OF  
**HAYWARD**  
HEART OF THE BAY

WS # 3

**DATE:** September 18, 2007  
**TO:** Mayor and City Council  
**FROM:** Director of Finance and Internal Services  
**SUBJECT:** Schedule and Plan for Next Two-Year Budget

### **RECOMMENDATION**

That the Council reviews and comments on this report.

### **BACKGROUND**

In May 2006 the City Manager proposed and commenced a two-year budget process for the fiscal years 2006 to 2008. The City Council adopted the two-year budget on June 20, 2006. Prior to this budget, a two-year budget had been adopted in fiscal years 2001 to 2003.

Staff developed the attached budget planning schedule to prepare for the next two-year budget cycle. This schedule is a summary of staff's work plan, as well as items that will be presented to the City Council and the Council Budget and Finance Committee. The Council Budget and Finance Committee discussed and accepted the attached tentative schedule at their August 22, 2007 meeting.

### **DISCUSSION**

Article 12 of the City Charter requires the City Manager to submit an annual budget to the City Council. The City has determined that there are several benefits in presenting a bi-annual budget. These benefits include the ability to develop long-term priorities and a reduction in demand on staff resources during the second year of the budget development process. In order to realize these benefits and continue to meet the requirements of the Charter, the City Council will be asked to adopt a two-year budget and hold a public hearing annually to approve appropriation resolutions specifically related to the ensuing fiscal year.

The City Council adopted an annual update to the FY 2006-2008 bi-annual budget in June 2007. Comments made by Council members during the budget work sessions will be incorporated into the new budget cycle. Several comments were related to incorporating public outreach into the budget

cycle; therefore, staff has provided many opportunities for public participation and interaction with interested community groups.

The City plans to engage the public in several ways. First by being available to listen to the needs of the community and to provide clarification about the services the City currently provides. There will also be opportunities for City staff to present budget information to Community groups at their locations.

The budget plan begins with an update of the financial status of the City's Operating funds and Redevelopment funds. The process allows for the review of policy issues, such as the City's General Fund reserve policy, establishing policies related to long-term capital replacement needs, and fee setting policies.

Cities make decisions about the services to provide, and allocate scarce resources to programs and services through the budget process. As a result, the budget process is one of the most important activities undertaken by local governments. The quality of decisions resulting from the budget process and the level of their acceptance depends on the process that is used.

Effective budgeting practices included defining the process and the mission of the budget process. The mission of the budget process is to help decision makers make informed choices about the provision of services and capital assets, and to promote stakeholder participation in the process.

Some of the characteristics of effective budgeting include:

- Incorporating a long-term perspective;
- Establishing links to broad organizational goals;
- Focusing budget decisions on results and outcomes; and
- Involving and promoting open communication with stakeholders.

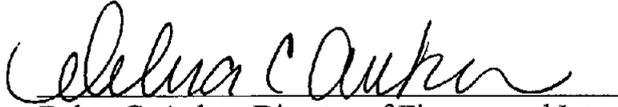
## **FISCAL IMPACT**

The budget process is very staff intensive. All departments of the City participate in the analysis and presentation of financial data. Also, the community outreach program will require staff resources as well as funding for meeting preparation and supplies.

## **SCHEDULE**

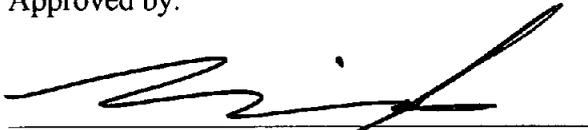
The attached draft schedule of the FY 2008-2010 Two-year Budget process begins reviewing community needs as early as October 2007, in order to provide for various community outreach meetings in the Fall and Spring.

Recommended by:



Debra C. Auken, Director of Finance and Internal Services

Approved by:



Fran David, Acting City Manager

Attachment: Two-year Budget Process Schedule

**CITY OF HAYWARD  
TWO-YEAR BUDGET PROCESS  
FY 2008-2010**

DATE	TASK	CONTACT
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<b>AUGUST</b>		
8/22	<ul style="list-style-type: none"> <li>• Discuss possible ballot measure process</li> <li>• Discuss revenue enhancement strategy</li> <li>• Schedule and plan for next two year budget cycle</li> </ul>	Budget and Finance Committee
<b>SEPTEMBER</b>		
9/18	<ul style="list-style-type: none"> <li>• Discuss revenue enhancement strategy</li> <li>• Schedule and plan for next two year budget cycle</li> </ul>	Council
9/25	<ul style="list-style-type: none"> <li>• AB1600 Mitigation Fee Act</li> </ul>	Council
9/26	<ul style="list-style-type: none"> <li>• Redevelopment Agency Financial Reports and Cash Flow Projections</li> <li>• General Fund Financial Status at June 30</li> </ul>	Budget and Finance Committee
<b>OCTOBER</b>		
10/2	<ul style="list-style-type: none"> <li>• Redevelopment Agency Financial Reports and Cash Flow Projections</li> </ul>	Council
10/24	<ul style="list-style-type: none"> <li>• Discuss having a community conversation regarding: community needs, service levels, and resources</li> <li>• Review fund balance reserve policy</li> </ul>	Budget and Finance Committee
<b>NOVEMBER</b>		
11/1	<ul style="list-style-type: none"> <li>• Labor contract negotiations complete</li> </ul>	Human Resources
11/6	<ul style="list-style-type: none"> <li>• Discuss having a community conversation regarding: community needs, service levels, and resources</li> <li>• Review fund balance reserve policy</li> </ul>	Council
11/28	<ul style="list-style-type: none"> <li>• Review infrastructure needs, capital replacement funding plan and policies</li> <li>• Review development related impact fees</li> </ul>	Budget and Finance Committee
<b>DECEMBER</b>		
12/1	<ul style="list-style-type: none"> <li>• Possible Community Survey</li> </ul>	CMO
12/15	<ul style="list-style-type: none"> <li>• Review budget accomplishments and objectives</li> </ul>	Department Directors/CMO
12/26	<ul style="list-style-type: none"> <li>• Five-year General Fund Forecast</li> </ul>	Budget and Finance Committee
<b>JANUARY</b>		
1/23	<ul style="list-style-type: none"> <li>• Present Annual Financial Statements (CAFR)</li> <li>• Present Mid-Year Financial Review of Financial Position</li> <li>• Present Recommendations for Direction of 2008-10 Budget</li> </ul>	Budget and Finance Committee

DATE	TASK	CONTACT
<b>FEBRUARY</b>		
2/5	<ul style="list-style-type: none"> <li>• Present Annual Financial Statements (CAFR)</li> <li>• Present Mid-year Review of Financial Position</li> <li>• Present Recommendations for Direction of 2008-10 Budget</li> </ul>	Council
2/19	<ul style="list-style-type: none"> <li>• Review infrastructure needs, capital replacement funding plan and policies</li> <li>• Review development related impact fees</li> </ul>	Council
2/22	<ul style="list-style-type: none"> <li>• Review community outreach feedback</li> </ul>	Finance/CMO
2/27	<ul style="list-style-type: none"> <li>• Present changes to master fee schedule</li> <li>• Discuss community outreach feedback</li> </ul>	Budget and Finance Committee
<b>MARCH</b>		
3/3-7	<ul style="list-style-type: none"> <li>• Budget conferences with departments regarding operating and capital budgets</li> </ul>	Department Directors
3/11	<ul style="list-style-type: none"> <li>• Discuss community outreach feedback</li> </ul>	Council
3/12	<ul style="list-style-type: none"> <li>• Applications for Community Promotions are DUE</li> </ul>	Finance
3/20	<ul style="list-style-type: none"> <li>• Community budget pre-view workshop</li> </ul>	Finance/CMO
3/26	<ul style="list-style-type: none"> <li>• Review preliminary budget projections</li> <li>• Review deficit reduction recommendations</li> </ul>	Budget and Finance Committee
<b>APRIL</b>		
4/4	<ul style="list-style-type: none"> <li>• Review draft budget message</li> </ul>	Finance/CMO
4/11	<ul style="list-style-type: none"> <li>• Draft budget complete</li> </ul>	Finance/CMO
4/15	<ul style="list-style-type: none"> <li>• Preliminary Budget Projections</li> <li>• Deficit Reduction Recommendations</li> </ul>	Council
4/18	<ul style="list-style-type: none"> <li>• Review draft Budget with Departments</li> </ul>	Finance/CMO
4/23	<ul style="list-style-type: none"> <li>• Present overview of draft Budget</li> <li>• Present draft Capital Improvement Program</li> </ul>	Budget and Finance Committee
4/24	Work Session <ul style="list-style-type: none"> <li>• Present draft Capital Improvement Program</li> </ul>	Planning Commission
4/30	<ul style="list-style-type: none"> <li>• Community Budget Presentations</li> </ul>	Finance/CMO
<b>MAY</b>		
5/6	Public Hearing <ul style="list-style-type: none"> <li>-Social Services Budget</li> <li>-CDBG Budget</li> </ul>	Council and Community and Economic Development
5/6	Work Session <ul style="list-style-type: none"> <li>-Recommended Operating Budget</li> <li>-Recommended RDA</li> </ul>	Council
5/8	Public Hearing <ul style="list-style-type: none"> <li>-Recommended Capital Improvement Program</li> </ul>	Planning Commission

DATE	TASK	CONTACT
5/28	Community workshop - Budget Presentations	Budget and Finance Committee
<b>JUNE</b>		
6/3	Public Hearing-Introduction -Recommended Operating and RDA Budget -Recommended Capital Improvement Program -Recommended Master Fee -Recommended Community Promotion	Council
6/17	Public Hearing - Adoption -Recommended Operating and RDA Budget -Recommended Capital Improvement Program -Recommended Master Fee -Recommended Community Promotion	Council
6/25	Agenda be determined	Budget and Finance Committee Meeting