



## FINANCE AND INTERNAL SERVICES DEPARTMENT

### Council Budget and Finance Committee Meeting

Date: August 22, 2007  
Time: 5:00pm – 6:00pm  
Room: 4B, City Hall  
777 B Street  
Hayward CA 94541

#### AGENDA

Public Comments: (Note: For matters not otherwise listed on the agenda. The Committee welcomes your comments under this section, but is prohibited by state law from discussing items not listed on this agenda. Your item will be taken under consideration and referred to staff.)

1. Discussion of Possible Ballot Measure Process and Timing (report will be distributed separately)
2. Revenue Enhancement Alternatives
3. Budget Development Process for FY 2008-10 Two-Year Budget
4. Review Annual Meeting Calendar

#### Distribution:

Mayor and City Council	CED Director	Budget Administrator
City Manager	Fire Chief	Daily Review
City Attorney	Human Resources Director	Interested Parties
City Clerk	Library Director	Post
Assistant City Manager	Police Chief	
Finance Director	Public Works Director	

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Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Interested persons must request accommodations at least 48 hours in advance of the meeting by contacting the Assistant City Manager at (510) 583-4300 or TDD (510) 247-3340.

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**CITY OF HAYWARD**  
**STAFF REPORT**

AGENDA DATE 08/22/2007

AGENDA ITEM \_\_\_\_\_

**TO:** Council Budget and Finance Committee  
**FROM:** Director of Finance and Internal Services  
**SUBJECT:** Revenue Enhancement Alternatives

**RECOMMENDATION:**

That the Committee review and discuss the revenue enhancement alternatives listed below.

**DISCUSSION:**

Below is a summary of some alternatives cities typically consider to enhance local revenues.

**Revenue Enhancements**

Alternatives		Voter Approval Requirements
1.	1/4 cent Sales Tax (General Tax)	Majority affirmative vote required. Council must place on ballot for voters.
2.	1/2 cent Sales Tax (General Tax)	Majority affirmative vote required. Council must place on ballot for voters.
3.	Increase Real Property Transfer Tax (General Tax)	Majority affirmative vote required. Council must place on ballot for voters.
4.	Increase Business Tax (General Tax)	Majority affirmative vote required. Council must place on ballot for voters.
5.	Additional 2% TOT (General Tax) (from 10% to 12%)	Majority affirmative vote required. Council must place on ballot for voters.
6.	Additional 5% TOT (General Tax) (from 10% to 15%)	Majority affirmative vote required. Council must place on ballot for voters.
7.	Parcel Tax (Revenue Bonds)	Greater than a two-thirds affirmative vote required.
8.	General Obligation Bonds	Greater than a two-thirds affirmative vote required
9.	Utility Users Tax (General Tax)	Majority affirmative vote required. Council must place on ballot for voters.

It is important to note the difference in the voter approval requirements. Revenue generated for a "special purpose" in most cases requires a 2/3rds vote. However, typically revenue generated for "general use" requires a 50% majority vote when it is not property related. All the above alternatives should be discussed with a public relations consultant and the City Attorney in order to determine the legal requirements related to each initiative.

Staff is in the process of surveying other cities regarding these revenue types. Attached is a list comparing the real property transfer tax amounts assessed by other Charter cities within the State.

Also, attached is the summary of election results for local bond and tax measures approved in June 2006.

Additional information will be provided at the Committee meeting.

Prepared by:



Debra C. Aufer, Director of Finance and Internal Services

Approved by:

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Fran David, Acting City Manager

Attachments

**REAL PROPERTY TRANSFER TAX SURVEY  
RATES EXPRESSED PER \$1,000 OF AV**

**FY 1999-2000 RATES**

<u>COUNTY / CITY</u>	<u>CITY RATE</u>	<u>COUNTY RATE</u>	<u>COMBINED RATE</u>
<b>ALAMEDA COUNTY</b>			
Alameda	\$ 5.40	\$ 1.10	\$ 6.50
Albany	\$ 7.40	\$ 1.10	\$ 8.50
Berkeley	1.5% of sale price	\$ 1.10	
Dublin	\$ 0.55	\$ 0.55	\$ 1.10
Emeyville	\$ 0.55	\$ 0.55	\$ 1.10
Fremont	\$ 0.55	\$ 0.55	\$ 1.10
Hayward	\$ 4.50	\$ 1.10	\$ 5.60
Livermore	\$ 0.55	\$ 0.55	\$ 1.10
Oakland	1.5% of sale price	\$ 1.10	
Pleasanton	\$ 0.55	\$ 0.55	\$ 1.10
Piedmont	1.3% of sale price	\$ 1.10	
San Leandro	\$ 6.00	\$ 1.10	\$ 7.10
Union City	\$ 0.55	\$ 0.55	\$ 1.10
<b>CONTRA COSTA COUNTY</b>			
Richmond	\$ 7.00	\$ 1.10	\$ 8.10
<b>LOS ANGELES COUNTY</b>			
Culver City	\$ 4.50	\$ 1.10	\$ 5.60
Los Angeles	\$ 4.50	\$ 1.10	\$ 5.60
Pomona	\$ 2.20	\$ 1.10	\$ 3.30
Redondo Beach	\$ 2.20	\$ 1.10	\$ 3.30
Santa Monica	\$ 3.50	\$ 1.10	\$ 4.60
<b>MARIN COUNTY</b>			
San Rafael	\$ 2.00	\$ 0.55	\$ 2.55
<b>SAN FRANCISCO COUNTY</b>			
San Francisco	\$5.00=\$100-\$250K \$6.80=\$250+-\$1m \$7.50=\$1m+	N/A	
<b>SAN MATEO COUNTY</b>			
San Mateo	\$ 5.50	\$ 1.10	\$ 6.60
<b>SANTA CLARA COUNTY</b>			
Mountain View	\$ 3.30	\$ 1.10	\$ 4.40
Palo Alto	\$ 3.30	\$ 1.10	\$ 4.40
San Jose	\$ 3.30	\$ 1.10	\$ 4.40
<b>SOLANO COUNTY</b>			
Vallejo	\$ 3.30	\$ 1.10	\$ 4.40
<b>SONOMA COUNTY</b>			
Petaluma	\$ 2.00	\$ 1.10	\$ 3.10
Santa Rosa	\$ 2.00	\$ 1.10	\$ 3.10
<b>YOLO COUNTY</b>			
Davis	\$ 1.10	\$ 1.10	\$ 2.20

Summary of Local Bond and Tax Measures  
Primary Election  
June 6, 2006

County	Agency	Type of Tax/Debt	Amount of Bond/Tax	Purpose	Measure	% Yes	% No	Result
Alameda	City of Albany	Special Tax	Parcel Tax: \$24 per equivalent residential unit.	Public Library	G	72.34	27.66	Pass
Alameda	City of Albany	Special Tax	Parcel Tax: \$96 per equivalent residential unit.	Street/Storm Drain Improvements	F	71.13	28.87	Pass
Del Norte	Del Norte County	Special Tax	Sales Tax: Increase 1/4 of 1 percent, to expire after eight years.	Public Library	A	65.98	34.02	Fail
Glenn	Glenn County	General Tax	Transient Occupancy Tax: Increase from 5 percent to 10 percent.	General Government	E	41.70	58.30	Fail
Imperial	City of Calexico	General Tax	Transient Occupancy Tax: Increase from 7 percent to 10 percent.	General Government	R	52.29	47.71	Pass
Kern	Bear Valley Community Services District	Special Tax	Parcel Tax: \$75 on each parcel of land; with future increases subject to approval by two-thirds of voters in the District	Public Safety	F	70.43	29.57	Pass
Lake	City of Clearlake	Special Tax	Sales Tax: 1/2 cent sales tax for roads.	Street Improvements	L	57.10	42.90	Fail
Los Angeles	City of El Monte	Special Tax	Parcel Tax: \$120 per year for each residential dwelling unit. Tax will expire at the close of FY 2012-2013 (\$0.06) per each square foot of building square footage not to exceed \$15,000 per year. Tax will expire at the close of FY 2012-2013	Public Safety	P	60.68	39.32	Fail
Merced	Merced County	Special Tax	Sales Tax: 1/2 cent increase for 30 years.	Transportation	A	62.81	37.19	Fail
Modoc	City of Alturas District	Special Tax	Water Meter Rate: Supplemental charge on water rates of \$1 for mosquito abatement.	Public Health	I	60.10	39.90	Fail
Mono	City of Mammoth Lakes	General Tax	Sales Tax: 1/2 cent sales tax increase.	General Government	S	44.00	56.00	Fail
Mono	City of Mammoth Lakes	General Tax	Transient Occupancy Tax: Increase from 10 percent to 13 percent.	Transportation	T	59.00	41.00	Pass
Napa	Napa County	Special Tax	Sales Tax: 1/2 percent sales tax for thirty years beginning Jan. 1 2007.	Transportation	H	52.65	47.35	Fail
San Bernardino	City of Big Bear Lake	Special Tax	Sales Tax: Increase by 1/2 cent for ten years.	Street Improvements/ Traffic	G	60.08	39.92	Fail
San Diego	City of National City	General Tax	Sales Tax: Impose a 1 percent tax for up to ten years.	General Government	D	59.01	40.99	Pass
San Diego	City of Solana Beach	Special Tax	Transient Occupancy Tax: Increase from 10 percent to 13 percent over a three-year period; 2/3 to be allocated to Sand Replenishment and Coastal Access and 1/3 to be allocated to Coastal Area Business/Visitor Assistance	Beach/Coastal Maintenance	E	68.38	31.62	Pass
Santa Clara	County of Santa Clara	Special Tax	Sales Tax: A one-half cent sales tax for 30 years.	General Government	A	42.87	57.13	Fail
Solano	Solano Transportation Authority	Special Tax	Sales Tax: 1/2 cent sales tax for 30 years.	Transportation/Street Improvements	H	45.57	54.43	Fail
Tuolumne	Tuolumne County	Special Tax	Sales Tax: Increase tax 1/2 of 1 percent (from 7.75 percent to 8.25 percent)	Public Safety	P	45.40	54.60	Fail
Yolo	City of Davis	Special Tax	Parcel Tax: Extend \$49/year parcel tax for six years.	City Parks and Swimming Pools	G	70.41	29.59	Pass
Yolo	City of Woodland	General Tax	Sales Tax: Extend 1/2 cent sales tax.	General Government	E	63.08	36.92	Pass



**CITY OF HAYWARD**  
**STAFF REPORT**

AGENDA DATE 08/22/2007

AGENDA ITEM \_\_\_\_\_

**TO:** Council Budget and Finance Committee  
**FROM:** Director of Finance and Internal Services  
**SUBJECT:** Budget Development Process for FY 2008-2010 Two-Year Budget

**RECOMMENDATION:**

That the Committee review and comment on this report.

**DISCUSSION:**

Staff has developed a budget planning schedule to prepare for the next two-year budget cycle. This schedule includes staff's internal work plan, as well as items that will be presented to the City Council and Council Budget and Finance Committee.

Article 12 of the City Charter requires the City Manager to submit an annual budget to 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 staff resources during the second year of the budget process. In order to realize these benefits and continue to meet the requirements of the Charter, the City Council will 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 this update 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.

Prepared by:

Debra C. Auker, Director of Finance and Internal Services

Approved by:

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Fran David, Acting City Manager

Attachment

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

DATE	TASK	CONTACT
<b>JULY</b>		
7/31	Kick-off Cost Allocation Plan update	City staff
<b>AUGUST</b>		
8/22	Discuss possible ballot measure process Revenue enhancement options Development of process for FY 2008-10 Two-Year Budget	Budget and Finance Committee
8/31	Review draft Cost Allocation Plan	City staff
<b>SEPTEMBER</b>		
9/7	City-wide financial summary and General Fund Status at June 30	Finance/CMO
9/11	<b>Discuss possible ballot measure process</b>	Council
9/14	Review internal service funds and operating transfers	Finance/CMO
9/18	<b>AB1600 Mitigation Fee Act</b>	Council
9/21	Review grants and fees for services Develop draft budget message	Finance/CMO
9/26	Redevelopment Agency Finances General Fund Status at June 30 City-wide Financial Summary	Budget and Finance Committee
<b>OCTOBER</b>		
10/5	Fund balances and reserve policy	Finance/CMO
10/9	<b>Redevelopment Agency Finances</b>	Council
10/12	Discuss community needs, service levels and resources	Finance/CMO
10/19	Develop deficit reduction alternatives	Finance/CMO
10/24	Discuss community needs, service levels, and resources Review fund balances and reserve policies	Budget and Finance Committee
10/26	Review final Cost Allocation Plan Revenue projections	Finance/CMO
<b>NOVEMBER</b>		
11/1	Labor contract negotiations complete	Human Resources
11/2	Discuss city infrastructure needs and capital replacement funding plan and impact fees	Finance/CMO
11/7	<b>Financial policies-fund balances and reserves</b>	Council
11/9	Fees for services and overhead charges	Finance/CMO
11/16	Develop Five-year General Fund forecast	Finance/CMO
11/28	Review infrastructure needs, capital replacement funding plan and impact fees	Budget and Finance Committee
11/30	Refine Five-year General Fund forecast Discuss community outreach	Finance/CMO

DATE	TASK	CONTACT
<b>DECEMBER</b>		
12/7	Review audit and annual financial statements (CAFR)	Finance/CMO
12/11	<b>Financial policies – capital replacement plan</b>	Council
12/21	Review management letter, internal controls and recommended policies.	Finance/CMO
12/26	Five-year General Fund Forecast	Budget and Finance Committee
<b>JANUARY</b>		
1/11	Mid-year review of financial position Recommendations for direction of 2008-2010 Budget	Finance/CMO
1/23	Present Annual Financial Statements (CAFR) Present Mid-Year Financial Review of Financial Position Present Recommendations for Direction of 2008-10 Budget	Budget and Finance Committee Meeting
1/29	<b>Present Annual Financial Statements (CAFR)</b>	Council
<b>FEBRUARY</b>		
2/1	Review revenue projections	Finance/CMO
2/5	<b>Present Mid-year Review of Financial Position Present Recommendations for Direction of 2008-10 Budget</b>	Council
2/8	Recommend changes to master fee schedule	Finance/CMO
2/15	Refine draft Budget Message	Finance
2/15	Review personnel budgets	Finance/CMO
2/22	Confirm budget accomplishments and objectives	Department Directors
2/22	Refine community outreach presentations	Finance/CMO
2/27	Present changes to master fee schedule Discuss community outreach	Budget and Finance Committee
<b>MARCH</b>		
3/3-7	Budget Conferences with Departments	Department Directors
3/11	<b>Discuss community outreach</b>	Council
3/12	Applications for Community Promotions are DUE	Denise
3/14	Review General fund and department budgets	Finance/CMO
3/20	Community Input Workshop	Finance/CMO
3/21	Review complete draft budget	Finance/CMO
3/26	Review preliminary budget projections Review deficit reduction recommendations	Budget and Finance Committee

DATE	TASK	CONTACT
<b>APRIL</b>		
4/4	Review draft budget message	Finance/CMO
4/11	Draft budget complete	Finance/CMO
4/15	<b>Preliminary Budget Projections Deficit Reduction Recommendations</b>	Council
4/18	Review draft Budget with Departments	Finance/CMO
4/23	Present overview of draft Budget Present draft CIP	Budget and Finance Committee
4/25	Confirm Budget Presentation	Finance/CMO
4/30	Community Budget Presentations	
<b>MAY</b>		
5/6	<b>Hearing</b> -Social Services Budget -CDBG Budget	Council and Community and Economic Development
5/6	<b>Hearing</b> -LLD and MD budget	Council
5/6, 5/15, 5/20	<b>Work Session (s):</b> -Recommended Operating Budget -Recommended CIP -Recommended RDA -Recommended Master Fee -Recommended Community Promotion	Council
5/8	Present Recommended CIP	Planning Commission
5/28	Community workshop - Budget Presentations	Budget and Finance Committee
<b>JUNE</b>		
6/3	<b>Public Hearing-Introduction</b> -Recommended Operating and RDA Budget -Recommended CIP -Recommended Master Fee -Recommended Community Promotion	Council
6/17	<b>Public Hearing - Adoption</b> -Recommended Operating and RDA Budget -Recommended CIP -Recommended Master Fee -Recommended Community Promotion	Council
6/25	Agenda be determined	Budget and Finance Committee Meeting

# **COUNCIL BUDGET AND FINANCE COMMITTEE 2007/2008 MEETING SCHEDULE**

Meeting Location: CITY HALL  
4<sup>TH</sup> FLOOR CONFERENCE ROOM 4B  
777 B STREET  
HAYWARD, CALIFORNIA

Meeting Time: 5:00 P. M.

Meeting Dates: The Council Budget and Finance Committee meets on the fourth  
Wednesday of each month.

August 22, 2007

September 26, 2007

October 24, 2007

November 28, 2007

December 26, 2007

January 23, 2008

February 27, 2008

March 26, 2008

April 23, 2008

May 28, 2008

June 25, 2008