CITY OF
HAYWARD
HEART OF THE BAY

DATE: October 28, 2025

TO: Mayor and City Council

FROM: Director of Human Resources

SUBJECT: Adopt Resolutions Amending the Unrepresented Employees Salary and Benefits Resolution for Executives, the City Clerk Employment Agreement, and the City Attorney Employment Agreement

RECOMMENDATION

That the City Council adopts Resolutions (Attachments II, IV, and V) Amending the Unrepresented Employees Salary and Benefits Resolution for Executives, the City Clerk Employment Agreement, and the City Attorney Employment Agreement to include a furlough obligation for fiscal year 2025-26.

SUMMARY

The City of Hayward is facing a budget deficit and is taking measures to reduce costs to rebuild the target reserve. As a result, the City has taken a number of cost-saving measures to limit the impact this has on its employees and residents, such as reducing expenditures, holding and freezing vacant positions, and seeking concessions from its organized employee groups.

If approved, the proposed Salary and Benefits Resolution as amended would result in a General Fund savings of approximately $192,900. The savings will be achieved through Unrepresented Executive employees meeting an eighty-three and two-tenths (83.2) hour unpaid furlough obligation in fiscal year 2025-26, the approximate equivalent of four percent (4%) in salary costs. The City Clerk and City Attorney employment agreements will include similar amendments to result in additional General Fund savings of approximately $29,500.

FISCAL IMPACT

If approved, the proposed amendments to the Unrepresented Employees Salary and Benefits Resolution for Executives, the City Clerk Employment Agreement, and the City Attorney Employment Agreement would result in a General Fund savings of approximately $222,400.

BACKGROUND

In response to the City's current financial state, the City implemented a number of cost saving measures, including but not limited to: identification of one-time savings and funding sources; holding vacancies while working towards instituting an official hiring freeze; limiting training costs and use of consultants; increased frequency of monitoring of cash flow to weekly; increased frequency of monitoring payroll expenditures to bi-weekly; regularly reviewing ideas for balancing the budget from staff; and continued review and reduction of temporary staff.

In addition, all bargaining groups in the City were asked for a concession equivalent to three and one-half percent (3.5%) of each respective bargaining unit's annual salary costs. Cost savings contributed by bargaining groups are critical to the City's fiscal health as employee salaries and benefits costs make up the majority of the General Fund budget.

DISCUSSION

To help lead the organization in realizing cost saving measures for FY2025-26, the City's Executive Team, including the City Clerk and City Attorney, unanimously support the equivalent of a four percent (4%) reduction in annual salary costs for executives. For all executive classifications except for the Police Chief, this will be achieved by participating in an approximate equivalent unpaid furlough of eighty-three and two-tenths (83.2) hours. To mitigate the financial impact of the furlough on employees, executives will have the payback of the furlough obligation spread evenly throughout the remaining pay periods of FY2025-26, resulting in four and eighty-nine-hundredths (4.89) hours of paid time deducted from each executive employee's paycheck for the pay periods starting November 3, 2025, and ending June 28, 2026.

STRATEGIC INITIATIVES

This agenda item is a routine operational item and does not relate to one of the Council's Strategic Initiatives.

NEXT STEPS

Staff will finalize the documents and obtain necessary review by the City Attorney and respective approval by the City Manager and the Mayor to execute them. The Human Resources Department will work with the Finance Department to implement these changes.

Recommended by: Regina Youngblood, Assistant City Manager

Approved by:

J. Addleman

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Jayanti Addleman, Interim City Manager