



DATE: June 4, 2024

TO: Mayor and City Council
Redevelopment Successor Agency Board of Directors
Housing Authority Board of Directors

FROM: Director of Finance

SUBJECT: FY 2025 Budget/CIP Public Hearing and Adoption: Public Hearing for the Proposed FY 2025 Operating Budgets for the City of Hayward, Hayward Redevelopment Successor Agency, and Hayward Housing Authority; FY 2025 Capital Improvement Program Budget; Adoption of the FY 2025 Operating Budgets and Appropriations for FY 2025; Adoption of the FY 2025 Capital Improvement Program Budget and Appropriations for FY 2025; Adoption of the Hayward Redevelopment Successor Agency Budget; and Adoption of the Hayward Housing Authority Budget

RECOMMENDATION

That the Council: considers the Proposed FY 2025 Operating Budgets of the City, Redevelopment Successor Agency, Housing Authority and Capital Improvement Program (CIP); conducts a Public Hearing on each; and adopts each of the above-mentioned documents should there be no further action needed based on public testimony or at Council’s request.

SUMMARY

The Council will conduct a public hearing for the adoption of the Proposed FY 2025 Operating Budgets and FY 2025 Capital Improvement Program Budget. Should there be no needed actions following public testimony or Council direction, Council will consider adoption of the FY 2025 Operating Budgets, and FY 2025 Capital Improvement Program Budget.

BACKGROUND

The Proposed FY 2025 Operating Budget was delivered to Council on Friday, April 26, 2024, in advance of the May 11, 2024, Saturday work session. The operating budget is comprised of different funding sources, with the General Fund representing the largest single fund for which the Council has the most discretion. The total City expenditure budget for the Proposed FY 2025 Annual Budget as provided to Council on April 26, 2024, was \$416.7 million, with a General Fund budget of \$218.1 million.

Since April 26, Council held a budget work session on May 11 to further discuss the proposed budget¹. These work sessions included presentations, Council discussions, and a time for public input on the following:

- The City's FY 2025 overall operating budget
- Department/Program budgets and operations

The CIP budget work session was held on May 7². Following these work sessions, changes to the FY 2025 Proposed Operating and CIP Budgets are recommended as detailed in this report. This meeting has been noticed as a public hearing on the Proposed FY 2025 Operating and CIP budgets and is another opportunity to receive public input. Upon closure of the public hearing, Council will provide any additional comments and direction to staff and, should there be no public testimony or Council directed changes to the FY 2025 Proposed Operating and CIP budgets, both documents will be considered for adoption upon the closing of the Public Hearing. Should there be public testimony and/or direction from the Council that requires changes to either the FY 2025 Operating or CIP budgets, the public hearing will be closed, and the Proposed FY 2025 Operating and CIP budgets will be presented for adoption on June 18, 2024.

DISCUSSION

The Proposed FY 2025 Operating Budget and CIP documents provide the foundation for the budget discussions. Through discussions at the various budget work sessions/meetings, recommended adjustments to the proposed budget are incorporated in this report, which contains a summary of the changes to date, and the impacts to the General Fund and all other operating funds.

The Proposed FY 2025 Operating Budget provided to Council on April 26, 2024, was balanced with the projected use of \$1.7 million in General Fund Reserves. The City continues to forecast structural budget gaps in future years, as the City continues to recover from the impacts of the pandemic while continuing to balance rising operational costs. On Saturday, May 11, 2024, Council discussed the Proposed FY 2025 Operating Budget at an all-day work session. Revisions made after the May 11 budget work session are detailed below. The incorporated changes to the Proposed FY 2025 Operating Budget will result in the projected use of \$1.8 million in General Fund Reserves, an increase of \$0.1 million over what was presented to the Council on April 26, 2024.

On April 11, 2024, the Planning Commission held a public hearing and found the proposed FY 2025-2034 CIP document in conformance with the General Plan. On April 24, 2024, the Council Infrastructure Committee (CIC) discussed the proposed CIP budget and new CIP online platform. On May 7, 2024, Council reviewed and discussed the proposed FY 2025-2034 CIP budget during a work session.

¹[CITY OF HAYWARD - Meeting of City Council on 5/11/2024 \(legistar.com\)](#)

²[CITY OF HAYWARD - Meeting of City Council on 5/07/2024 \(legistar.com\)](#)

The tables below illustrate the proposed FY 2025 Operating Budget expenditure and revenue projections as presented to Council on April 26, 2024.

Table 1 – Citywide Expenditure Budget

<i>in 1,000's</i>	FY 2024 Adopted	FY 2025 Proposed 4/26/2024	FY 2025 Proposed 6/4/2024	Change from 4/26/2024	\$ Change from FY 2024	% Change from FY 2024
General Fund	\$ 204,978	\$ 218,068	\$ 218,168	\$ 100	\$ 13,190	6.4%
All Other Funds	\$ 196,783	\$ 198,650	\$ 199,059	\$ 409	\$ 2,276	1.2%
Total City Budget	\$ 401,762	\$ 416,718	\$ 417,227	\$ 509	\$ 15,466	3.8%

The changes for General Fund and All Other Funds from the time that the proposed budget was provided to Council on April 26^h include the following:

General Fund Expenses:

1. Library Collection – Increase of \$100,000.

All Other Funds Expenses:

1. Updated Community Development Block Grant Entitlement Award resulted in an increase of supplies and services budget from the FY 2025 Proposed Budget – Net Increase of \$106,654.
2. Administrative Correction-Duplicate budget reduction in Proposed FY 2025 Operating Budget – increase of \$302,074.

Table 2 – Citywide Revenue Projections

<i>in 1,000's</i>	FY 2024 Adopted	FY 2025 Proposed 4/26/2024	FY 2025 Proposed 6/4/2024	Change from 4/26/2024	\$ Change from FY 2024	% Change from FY 2024
General Fund	\$ 199,883	\$ 216,360	\$ 216,360	\$ -	\$ 16,477	8.2%
All Other Funds	\$ 190,527	\$ 198,304	\$ 198,528	\$ 224	\$ 8,001	4.2%
Total City Budget	\$ 390,409	\$ 414,662	\$ 414,888	\$ 224	\$ 24,478	6.3%

There are no changes to the General Fund revenue projections from the proposed budget. Proposed changes to revenue projections for All Other Funds are as follows:

All Other Funds Revenues:

1. Updated Community Development Block Grant Entitlement award resulted in a net increase of \$223,701 in the Proposed FY 2025 Operating Budget.

Table 3 - Citywide Staffing

	FY 2024 Adopted	FY 2025 Proposed 4/26/2024	FY 2025 Proposed 6/4/2024	# Change from FY 2024	% Change from FY 2024
General Fund	686.05	700.87	700.87	14.82	2.2%
All Other Funds	251.75	255.43	255.43	3.68	1.5%
Total City Budget	937.80	956.30	956.30	18.50	2.0%

On April 26, 2024, Council received the Proposed FY 2025 Operating Budget, which summarized proposed position changes. Table 4 is the summary of proposed position changes presented on April 26, 2024. The proposed FY 2025 budget includes a net increase of 18.5 FTE over FY 2024 Adopted. There are no changes to the proposed FY 2025 Citywide staff as presented to Council on April 26, 2024.

Table 4 - FY 2025 Proposed Staffing Changes

Fund	Position	FTE
General Fund		
	Add Human Resources Analyst	1.00
	Add Human Resources Technician	1.00
	Delete Human Resources Intern	-1.00
	Delete Code Enforcement Inspector	-1.00
	Add Permit Technician I/II	1.00
	Delete Admin Clerk I/II	-1.00
	Add Admin Clerk I/II	0.50
	Add Fire Captain	3.00
	Add Apparatus Operators	3.00
	Add Firefighters	3.00
	Add HazMat Sustainability Tech	1.00
	Add Fire Prevention Plan Examiner	1.00
	Add Principal Civil Engineer	1.00
	Add Associate/Assistant Transportation Engineer	1.00
	General Fund Total	13.50
Special Revenue Funds		
	Add Senior Sustainability Specialist	1.00
	Special Revenue Funds Total	1.00
Internal Service Funds		
	Delete IT Technician	-1.00
	Add Systems Analyst	1.00
	Delete Equipment Mechanic I/II	-1.00
	Add Facilities Supervisor	1.00
	Add Fleet Maintenance Supervisor	1.00
	Internal Funds Total	1.00
Enterprise Funds		
	Add Human Resources Analyst	0.50
	Add Human Resources Analyst	0.50
	Add Senior Utilities O&M Leader	1.00
	Add Utilities Customer Services Supervisor	1.00
	Enterprise Funds Total	3.00
	ALL FUNDS TOTAL	18.50

Capital Improvement Program (CIP) FY 2025 – FY 2034

The FY 2024 CIP appropriations total approximately \$158 million, and a projected total programming of \$1 billion for the period of FY 2025 through FY 2034. Details of the FY 2025 CIP is included as Attachment VI.

FISCAL IMPACT

Table 5 below summarizes the FY 2025 Citywide Operating & CIP expenditure budgets.

Table 5 – Summary of Citywide Operating & CIP Budgets

City of Hayward Budget	FY 2025
City Funds	
General Fund	218,167,592
Measure C Fund	20,251,280
ARPA Fund	-
Special Revenue Funds	8,448,320
Debt Service Funds	7,963,825
Enterprise Funds	112,974,643
Internal Service Funds	44,671,144
	412,476,804
Agency Funds	
Hayward Successor Redevelopment Agency Operating Fund	4,511,459
Housing Authority Fund	226,330
Hayward Shoreline JPA	12,000
	4,749,790
Total City Operating Budget	417,226,595
Total CIP Budget	158,507,382

PUBLIC CONTACT

The Proposed FY 2025 Operating Budget was reviewed and discussed in public meetings by Council on May 11, 2024. The FY 2025 Operating Budget was discussed at the monthly Council Budget and Finance Committee starting in January 2024 through April 2024. A public notice was published in The Daily Review on May 24 and May 31 announcing the date, time, location, and subject matter of this public hearing. A notice advising residents about the Planning Commission’s public hearing on the CIP was published in The Daily Review newspaper more than the requisite ten days in advance.

The Proposed FY 2025 Operating Budget is currently available to the public by contacting the City Clerk's Office at cityclerk@hayward-ca.gov or (510) 583-4400, and on the City's website at: <https://hayward-ca.gov/your-government/documents/budget-documents>

The FY 2025 Capital Improvement Program Budget is currently available to the public by contacting the City Clerk's Office at cityclerk@hayward-ca.gov or (510) 583-4400, and on the City's website at: <https://www.hayward-ca.gov/your-government/documents/capital-improvement-program>

NEXT STEPS

If Council adopts the FY 2025 Operating Budget and Capital Improvement Program Budget this evening, staff will take the appropriate steps to effectuate the adoption.

Prepared by: Nicholas Mullins, Senior Management Analyst

Recommended by: Nicole Gonzales, Director of Finance

Approved by:



Dustin Claussen, Interim City Manager