

**SPECIAL CITY
COUNCIL MEETING**

MAY 12, 2026

**DOCUMENTS
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Q & A Log

Response Log to City Council Questions May 12, 2026 Budget Work Session

1. What are the core services? What are the core services for Community Services? Other cities' Community Services Departments manage events. What is the distribution of this type of work within DHIA, HARD, etc.?

The current services being provided by the City are considered core services and consistent with the Council's Strategic Priorities and Roadmap. The core services for the Community Services Division presently are administering the City's Paratransit program and Community Development Block Grant (CDBG) allocations, as well as the City's strategy and contracts related to homelessness. In many jurisdictions, cultural events are handled primarily by the Parks and Recreation Department. In some jurisdictions, Chambers of Commerce or Business Associations will also spearhead events, which may or may not be in partnership with the City.

5. Is 80% of the budget towards salaries the recommended percentage for a city of our size?

While the percentage of General Fund allocated towards salaries and benefits can vary depending on the work being performed by staff or being contracted out, such as in community development or engineering, 80% is a helpful benchmark for tracking personnel costs in relation to the City's General Fund revenue based on past expenditure levels and an evaluation of expenditure levels in other cities.

6. Is the water or power usage of data centers impacting the revenue to the city anyway? What is the resiliency planning for its impact beyond the generators on site?

Yes, data centers pay Utility User Tax, which benefits the General Fund, and the impact has been accounted for in the FY27 operating budget. No other resiliency measures have been planned.

7. How does \$10M ARPA get spent and in what year?

Staff last provided a status update to the City Council on ARPA projects on November 19, 2024. That [staff report](#) outlines all the projects and their amounts, including the amount that went to the General Fund to replenish reserves. On December 12, 2024, [Council approved](#) an action to reallocate remaining unobligated ARPA funds to the General Fund.

8. What are the metrics for the legal department? I would like to see the same format for all departments showing metrics.

The City Attorney is preparing performance metrics and can provide them as part of his upcoming evaluation.

9. Can I have more information on Measure B funds?

Alameda County voters approved Measure B funds in November 2000, collection of the sales tax began on April 1, 2002, and sunset on March 31, 2022. It was extended through Measure BB for thirty years till 2045. These distributions provide support to locally identified transportation improvements among the City's local transportation, bicycle and pedestrian, mass transit, and paratransit programs. Alameda County Transportation Commission (ACTC) is responsible for the distribution of revenues generated through the Measure B and BB. Since Measure B sunset on March 31, 2022, the City is no longer receiving Measure B Direct Local Distribution funds. All remaining Measure B funds must be expended by June 30, 2027 and staff has been monitoring the Measure B funds closely to ensure all Measure B funds are expended.

The City of Hayward received approximately \$9.4 million in Measure BB funds, including \$7.3 million capital funds for CIP projects, such as the Safe Routes to School Implementation Project, Campus Drive Sidewalk Improvement Project, Interstate 880 Interchange Improvements (Winton Avenue/A Street) Project, Pavement Rehabilitation Project, and the New Sidewalk Project, as well as for City staff that work on these projects. The remaining Measure BB funding is for the paratransit program.

10. What are we doing to prevent overages in accounts 605, 630, 610, 615, 230, 231, 232? Will there be projects placed on hold?

The enterprise funds (605 Water Operating, 610 Wastewater Operating, 615 Stormwater Operating, and 630 Recycled Water Operating) and the majority of the special revenue funds (230 State Grants, 231 Used Oil Recycling and 232 Measure D Recycling) are managed by Public Works & Utilities (PW&U). PW&U regularly monitors budgets against actual expenditures, and forecasts and adjusts the budget through the annual operating budget as appropriate. There are no overages in any of these funds. Water, wastewater, stormwater and recycled water operations and projects cannot be placed on hold as the City needs to provide continuous services.

11. Economic Development budget drastically cut, can we revisit or see how Economic Development can partner with the CIP and other funds for placemaking projects that also support CIP projects, that can also serve as placemaking?

Any effort to increase the Economic Development budget would have a General Fund impact. Economic Development staff will continue to identify opportunities to collaborate with the CIP and other funds for placemaking. Additionally, staff are implementing current placemaking and business activation programs, such as Hayward Amplified, as well as exploring a potential contract with a placemaking consultant next fiscal year.

12. I would like monthly financial reports to the full council for all funds.

Staff will provide the March and April 2026 reports for the General Fund and Measure C by the end of May and will provide these reports regularly moving forward on the week of each Council Budget Finance Committee (CBFC) meeting. Staff will provide reports for all other major funds every six months.

13. I would like to see long-range modeling at midyear, and the committee should review it monthly.

An updated five-year model for the General Fund and Measure C will be provided at the December budget work session using actuals from the first five months of FY 2026-27. Staff recommends that the CBFC review budget to actuals monthly and the five-year model be updated quarterly for FY27.

14. Need to see the budget to actuals of the previous fiscal year.

This was provided to the City Council in the fall, and is linked in the October 15, 2025 CBFC meeting (see the [CBFC Presentation Financials](#)). The numbers for FY 2024-25 may change slightly as the audit is complete, but staff does not anticipate any large changes. Once the audit is complete, staff will present the results to Council with an executive summary.

15. Does the HPD budget include the funding of their vacant positions?

The proposed budget for HPD includes removal of savings from all vacant positions except those with pending offer letters or an open requisition at the time of the budget. HPD anticipates future separations and will be able to use savings from those vacancies to fund the filling of positions.

16. If HPD vacancies were eliminated, reducing the number of overall positions (unfunded and funded), would we need to meet and confer with HPOA and other affected bargaining units?

The City is required to engage with unions on the impacts of the decision to reduce positions, not the decision itself. Some examples that the union may cite as a subject of bargaining are changes related to and including:

- Reduction in level of service
- Modification of services provided
- Reorganization of work performed by the bargaining unit
- Elimination of bargaining unit work
- Transfer of duties between bargaining units
- Contracting out work

17. Are there any costs associated with holding vacancies?

Staff has analyzed this and has determined there are no costs associated with holding vacancies.

18. For Mobile Home parks and multi-unit residential that are billed quarterly for the annual emergency services facilities tax, could it save the City money if they simply sent one bill for the annual amount?

Hayward Municipal Code mandates the quarterly billing of the emergency services facilities tax to mobile homes and multi-unit residential properties. Staff does not mail out bills to customers when there is \$0 balance due, so if a customer pays the full year, they do not receive additional bills. This tax will sunset on December 31, 2027.

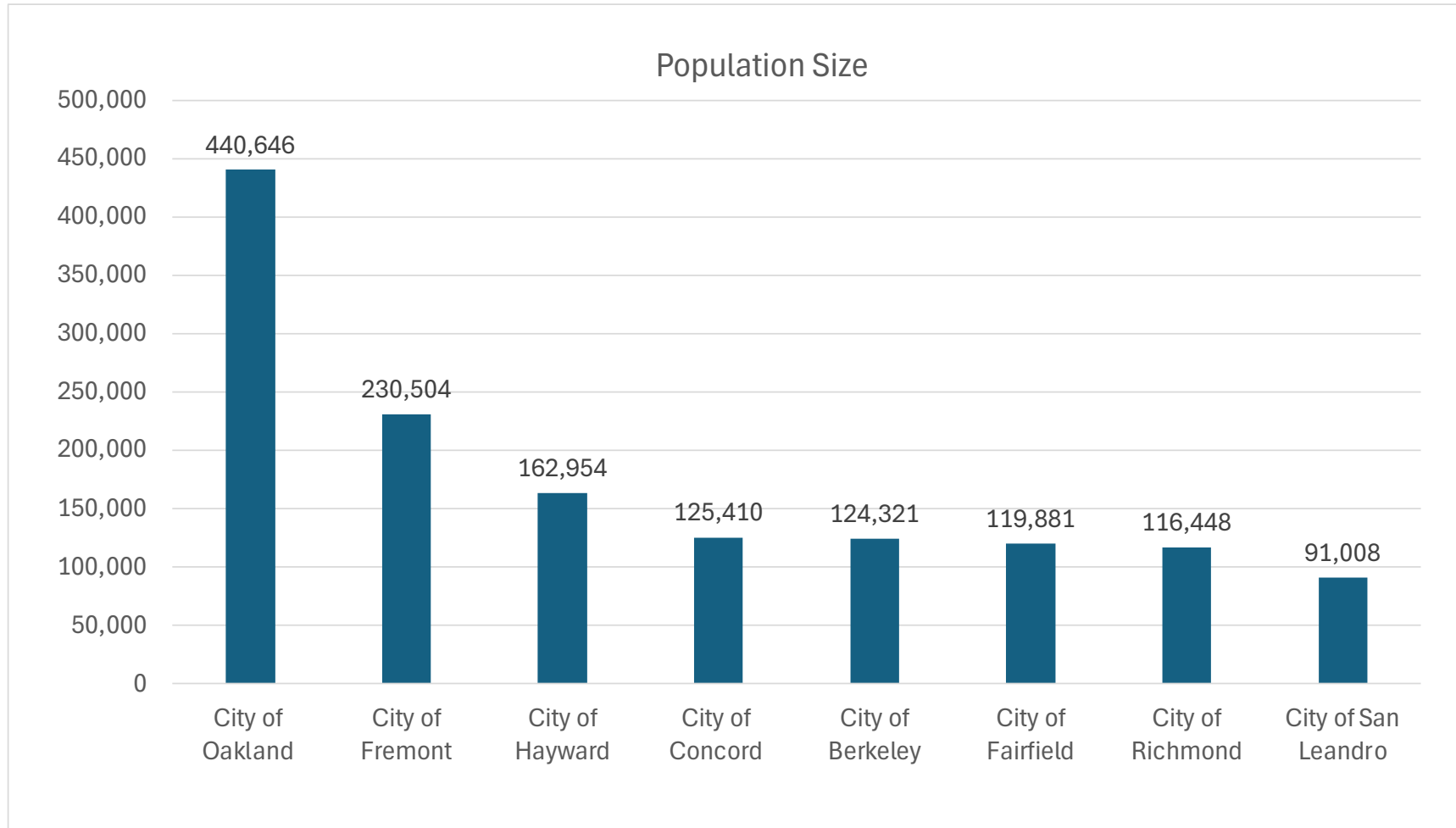
Public Comment

Labor Recommendation for the Modernization of Hayward's Business License Tax

Prepared by IFPTE Local 21 and SEIU 1021

May 2026

City of Hayward is the third largest city compared to its neighbors.



Current Match Neighbors Model
leaves \$7.7 M on the table.

TAX CATEGORY	Payers	Gross Receipts (2026 \$)	Unoin Recommended Match Neighbors Tax Rates per \$1,000 by Bracket							Tax Revenue (2026 \$)		
			Min Tax	Alt Payroll Tax	\$0 M- \$5 M	\$5 M- \$10 M	\$10 M- \$25 M	\$25 M- \$50 M	\$50 M+	Current Law	Match Neighbors	Union Recommended Match Neighbors
Retail Sales	1,341	\$2,917,255,148	\$60	\$0.70	\$0.30	\$0.40	\$0.50	\$1.20	\$1.80	\$694,021	\$1,377,962	\$2,928,578
Grocers	58	\$311,466,346	\$60	\$0.70	\$0.30	\$0.40	\$0.50	\$0.60	\$0.70	\$36,695	\$132,638	\$136,136
Automobile Sales	103	\$671,723,379	\$60	\$0.70	\$0.30	\$0.40	\$0.50	\$1.20	\$1.80	\$71,859	\$346,169	\$887,799
Wholesale Trade/Warehouses	701	\$4,646,990,288	\$60	\$0.70	\$0.50	\$0.60	\$0.70	\$1.60	\$2.40	\$549,313	\$3,100,484	\$5,844,313
Manufacturing (Value Add)	365	\$1,474,924,344	\$60	\$0.70	\$0.60	\$0.80	\$0.90	\$2.00	\$3.00	\$390,021	\$1,299,352	\$2,979,840
Business/Personal Services	1,537	\$920,476,690	\$60	\$0.70	\$0.50	\$1.00	\$1.25	\$3.00	\$4.50	\$169,286	\$704,892	\$995,515
Professional Services	1,376	\$1,419,045,992	\$60	\$0.70	\$1.50	\$1.50	\$1.50	\$3.00	\$4.50	\$1,027,473	\$2,246,783	\$3,015,904
Contractors	2,107	\$700,214,941	\$60	\$0.70	\$0.50	\$0.90	\$1.15	\$2.50	\$3.75	\$191,275	\$400,589	\$400,589
Hotel/Motel	19	\$28,944,004	\$60	\$0.70	\$0.30	\$0.40	\$0.45	\$1.00	\$1.50	\$8,282	\$9,215	\$9,215
Utility Companies	8	\$145,564,178	\$60	\$0.70	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$1,075	\$365,827	\$365,827
Trucking/Transportation	320	\$576,448,601	\$60	\$0.70	\$0.50	\$0.60	\$0.70	\$1.60	\$2.40	\$111,582	\$364,440	\$487,041
Data Centers	6	\$34,574,216	\$60	\$0.70	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$2,359	\$86,491	\$109,765
Miscellaneous	44	\$17,208,925	\$60	\$0.70	\$2.50	\$2.50	\$2.50	\$3.00	\$4.50	\$3,481	\$45,296	\$45,296
Commercial Rental	1,107	\$740,542,575	\$60	\$0.70	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$221,232	\$2,238,437	\$2,238,437
Residential Rental (4+ units)	515	\$282,637,889	\$60	\$0.70	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$86,982	\$852,077	\$852,077
Residential Rental (1-3 units)	4,858	\$154,719,415	\$60	\$0.70	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$0	\$464,158	\$464,158
Total	14,466	\$15,042,736,931	Total Estimated Base Tax Excluding Penalties							\$3,564,936	\$14,034,809	\$21,760,489

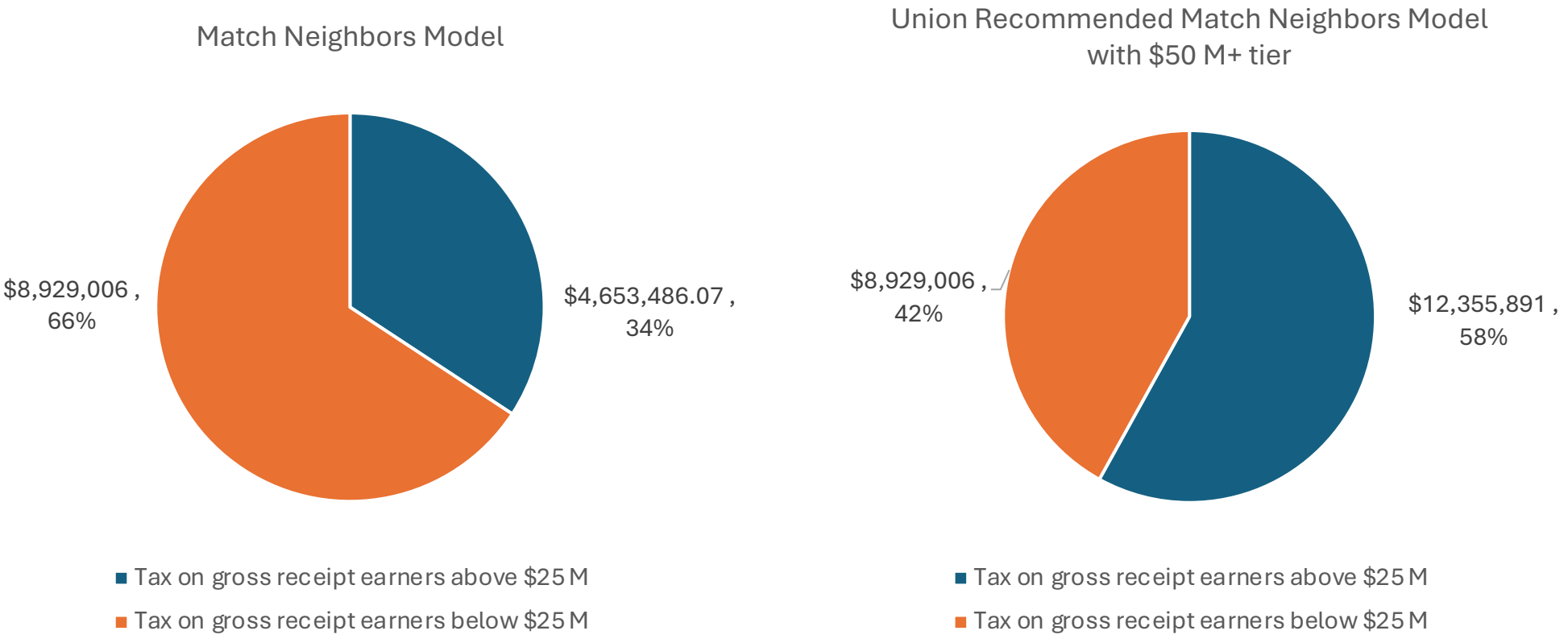
- All Commercial Rental and Residential Rentals rates are unchanged.
- Tax rates for gross receipts below \$25 M are unchanged, except for the Data Centers category.
- Rates in the \$25 M-\$50 M gross receipts tier were increased to be closer to modernized systems.
- \$50 M + gross receipts tier was added with rates similar to modernized systems.
 - Addition of \$50 M + tier alone brings in around \$6 M in additional revenue.

*Gross receipts from the most recent year was used in the \$25 M-\$50 M and \$50 M+ tier revenue calculation due to data limitations.

Model recommendations...

- The groceries categories is adjusted to be lower than retail in the last two tiers. Modernized systems will typically charge Groceries lower rates compared to the Retail category.
 - This is also related to retail businesses on average having higher profit margins compared to groceries and is why they are categorized separately.
- Tax rates on Data Center are brought closer to the Commercial Real Estate and top tiers Professional Services category.
 - Several data centers are managed by Real Estate Investment Trusts and have categorized themselves as Commercial Real Estates.
 - Data centers are often categorized as Professional Services in other agencies and rates for both categories should be similar enough to avoid “category shopping” or minimize its impacts on generated revenue.
- Top rates for Retail are brought closer to Utility Company rates. Utility companies in other cities have argued state law allows them to file as Retail.

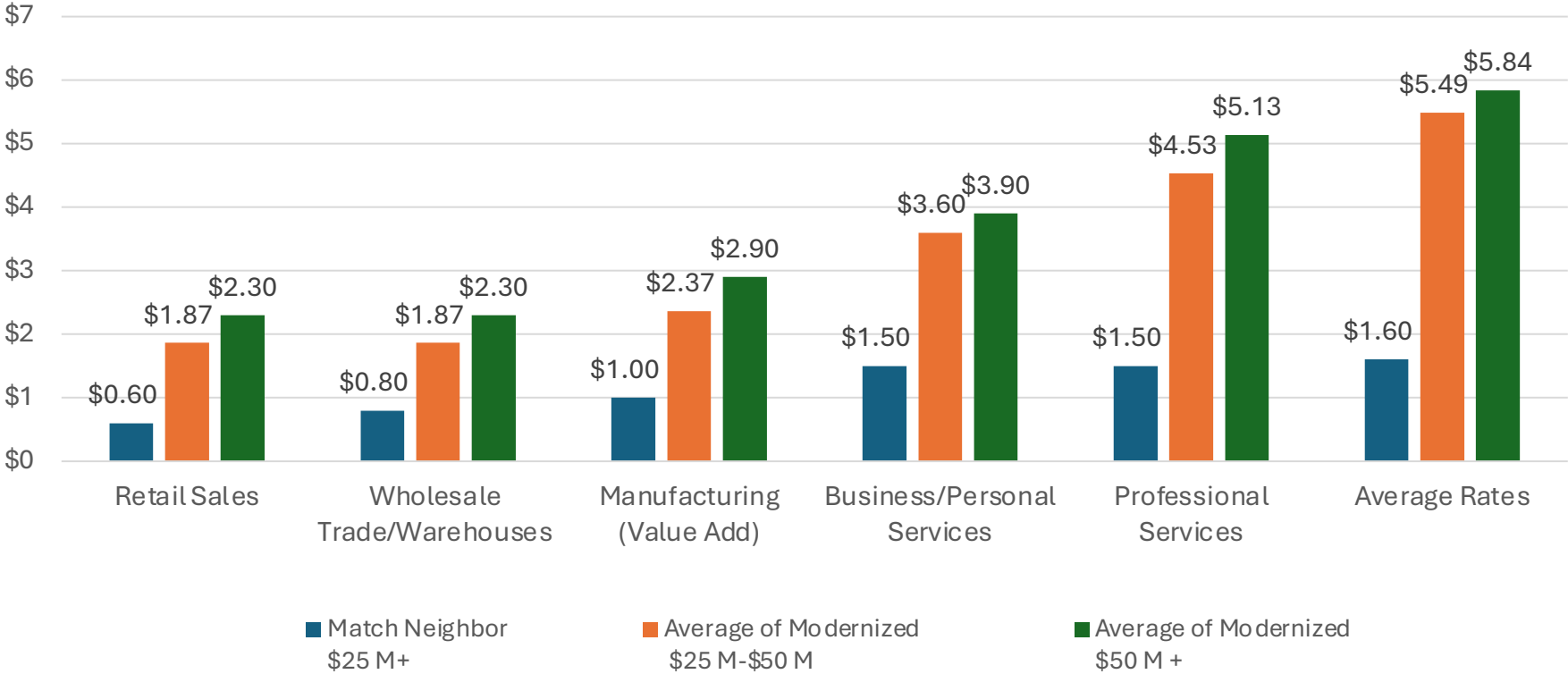
Revenue distribution in current model relies on smaller business for most of its revenue. Our recommended model ensures highest earners are paying their fair share.



*Data Centers and Utility Companies categories were removed in the above calculation due to data limitations. Both categories generate around \$500,000 combined in each model.

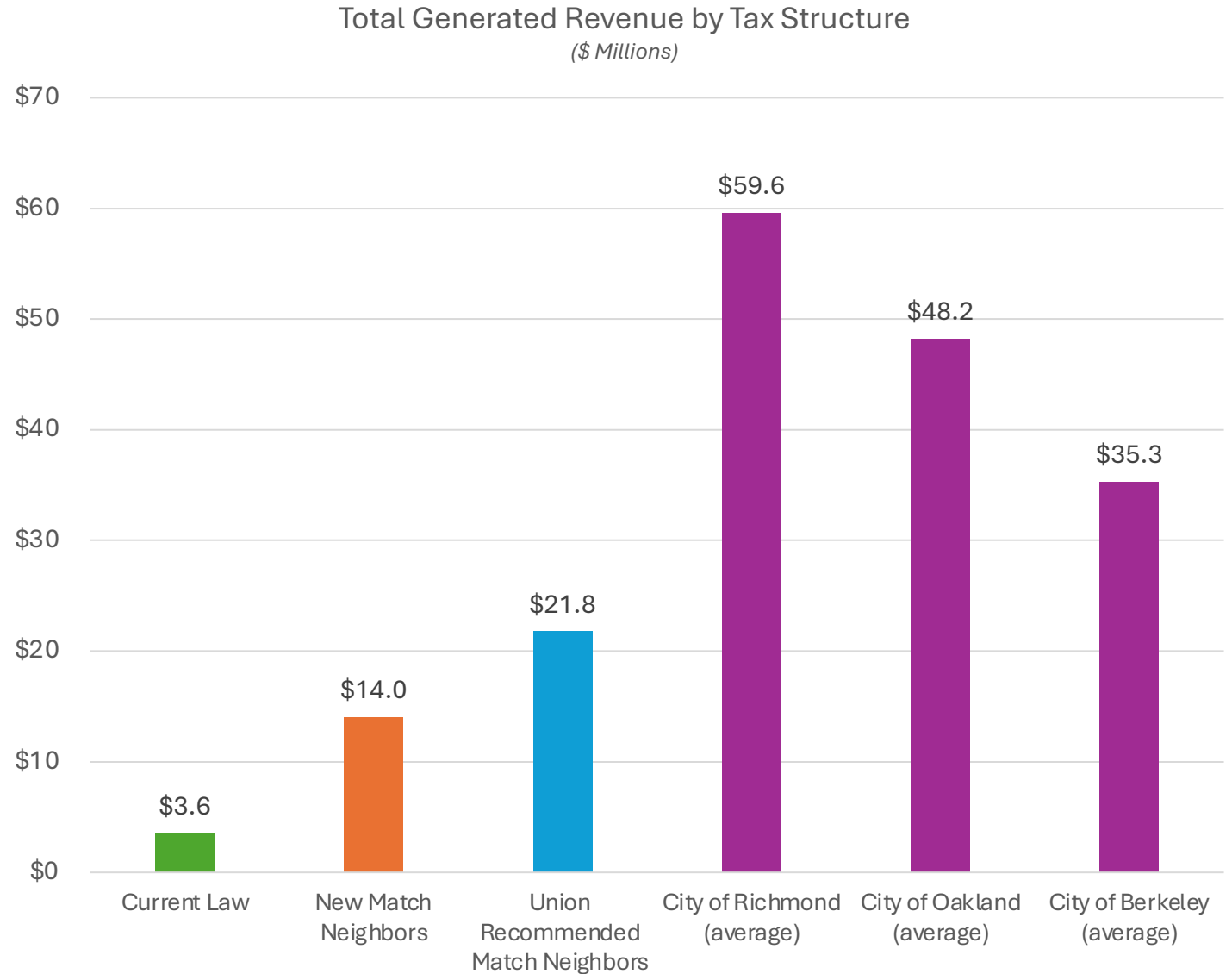
Top tier rates of current match neighbor model are significantly lower than average modernized systems.

Current Match Neighbors and Average Modernized Models rates per \$1,000 gross receipts
Average Modernized Models include Richmond, Oakland, and Berkeley



How the update compares to other tax structures...

- Richmond, Oakland, and Berkeley revenue totals show the revenue generated if exact rates were applied on Hayward's estimated gross receipts. Even when changing rates for the highest earning businesses, the updated model still falls below these local modernized systems.



*Gross receipts from most the recent year were used in this calculation instead of three year average due to data limitations.

Business License Tax Revenue

Per Capita Calculation

