



CITY COUNCIL MEETING

777 B Street, Hayward, CA 94541

Conference Room 2A and Virtual Platform (Zoom)

<https://hayward.zoom.us/j/85090867835?pwd=MjlqbEJLRmtuSFVKTk1jL2Joeml5Zz09>

Saturday, May 13, 2023, 8:30 a.m.

The City Council meeting was called to order by Mayor Salinas at 8:30 a.m. The City Council held a hybrid meeting in Conference Room 2A and virtually via Zoom.

CALL TO ORDER: Mayor Salinas

Pledge of Allegiance: Council Member Zermeño

Present: COUNCIL MEMBERS Andrews, Bonilla Jr., Goldstein, Roche, Syrop, Zermeño

MAYOR Salinas

Absent: None

Pursuant to Government Code section 54953, Council Member Syrop joined the meeting from San Antonio, Texas where the agenda was posted, and the remote location made available to the public according to the Brown Act.

PUBLIC COMMENTS

Ms. TJ, Hayward Concerned Citizens member, expressed interest in learning about the appropriation of funds towards the BACS St. Regis mental health facility project and the Russell City Reparative Justice Project.

WORK SESSION

1. Council Budget Work Session: Review Proposed Fiscal Year 2024 Operating Budget and Five-Year Plan and Receive and Discuss Department Budget Presentations **WS 23-0120**

Staff report submitted by City Manager McAdoo and Finance Director Gonzales dated May 13, 2023, was filed.

City Manager McAdoo announced the item; provided an overview of the agenda and logistics for the work session; and introduced Finance Director Gonzales who provided an overview of the General Fund Five-Year Forecast Update Proposed FY 2024, key cost drivers impacting the General Fund, Proposed FY 2024 General Fund-Revenues, Proposed FY 2024 General Fund-Expenses, and Proposed FY 2024-All other Operating Funds.

Discussion ensued among members of the City Council and City staff regarding use of General Fund Reserves; General Fund allocations from American Rescue Plan Act (ARPA) in FY 2022 and FY 2023; CalPERS retirement costs and contributions; Transient Occupancy Tax (TOT) and setting a rate below 14% which would require Council action; projected uses of reserves are expected to be lower as staff has the ability to control expenses and limit contributions; any projected budget shortfalls will be included in the General Fund

model with department heads' engagement with the goal to achieve long term fiscal sustainability; factors (sales tax, property value) impacting the City's finances when compared to comparable cities; income from the airport benefitting the Enterprise Fund and General Fund; and TOT revenue from new hotels can be captured in November and present to Council a new revenue projection at mid-year, if needed; potential infrastructure grant money; opportunity to explore leveraging funds through a \$500 million technology grant; payments over the last few years towards the Annual Required Contribution (ARC) and the processes taken to fully fund it last year; drives impacting the General Fund such as the cost of providing services to the community; and Real Property Transfer Tax excess revenue to replenish the reserve per the policy.

Maintenance Services Director Rullman, Human Resources Director Frye, Fire Chief Contreras, Acting Police Chief Matthews, Acting Development Services Director Buizer, Information Technology Director Kostrzak, Library Director Addleman, City Manager McAdoo, Finance Director Gonzales, City Clerk Lens, City Attorney Lawson, and Public Works Director Ameri provided an overview of their department budgets which can be found in the Proposed FY 2024 Operating Budget. Department presentations included highlights of FY 2023 key activities and accomplishments; overview of department organizational charts; significant resource changes planned for FY 2024; highlights of FY 2024 performance goals and metrics; and clarification of questions asked by the Council.

Members of the City Council expressed appreciation for the presentations and provided feedback to each department.

City Manager McAdoo provided a brief presentation for the Mayor City Council budget; noted there were FY 2023 key activities and accomplishments and invited Council to offer any additional accomplishments; indicated that while there were no significant changes proposed for FY 2024, cost of living adjustments would be incorporated into the Council's budget; and shared the Council performance objective.

Mayor Salinas thanked City staff on behalf of the Council for the presentations and the logistics related to the work session.

City Manager McAdoo noted there would be a review of the recommended Capital Improvement Program for FY 2024 – FY 2033 on May 16, 2023, and the budget public hearing on June 6, 2023.

ADJOURNMENT

Mayor Salinas adjourned the City Council meeting at 2:33 p.m.



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APPROVED

A handwritten signature in black ink, appearing to be "ML" followed by a stylized flourish.

Mark Salinas
Mayor, City of Hayward

ATTEST:

A handwritten signature in blue ink, appearing to be "Miriam Lens".

Miriam Lens
City Clerk, City of Hayward

