



COUNCIL BUDGET & FINANCE COMMITTEE MEETING
Meeting Minutes of May 21, 2025

Call to Order: 5:32 p.m.

Members Present: Mayor Salinas, Councilmember Bonilla Jr, Councilmember Syrop

Members Absent: None

Staff: Michael Lawson, Regina Youngblood, Mary Thomas, Sharif Etman, Franchesca Hatfield, Nicholas Mullins,

Guests: None

Public Comments: None

1. Approval of Meeting Minutes from April 16, 2025
 - Moved by Councilmember Syrop, Second by Councilmember Bonilla, Jr.
Action: Minutes reviewed and unanimously approved.
2. Transient Occupancy Tax (TOT) Review
 - Interim Finance Director Etman presented.
 - Mayor Salinas Questions:
 - A. Is it common practice for hotels to increase prices in preparation for large events?
 - We'll definitely see a rate increase based on demand in other places. Hotels have an open network where they will potentially call each other and ask for room rates. We put in a small factor to account for the Super Bowl and World Cup if it were to occur. However, it's not going to be something that holds 100% occupancy for very long. We did factor that in there, but we certainly don't want to lose the revenue that will be coming in. We are trying to find that right spot for revenue.
 - B. Did we notify the hoteliers that we were going to potentially raise the TOT raise?
 - We put out the notice for CBFC and the Council meeting.

Mayor Salinas suggested a PowerPoint slide showing real time hotel pricing be presented when the item returns to Council. He also

recommended discussion on a full corp press plan to capture potential revenue coming through the City in the next year with City anniversary and active Bay Area events.

➤ Councilmember Syrop Questions:

A. Councilmember Syrop asked for clarification on the total TOT increase.

- We're recommending an even 12 with an even 2% excise for a total 14% to match cities like San Leandro, while exercising the right to increase once the excise tax sunsets.

B. We budgeted for 12.5% during first discussions on budget, will this affect the deficit from 12.6 to 12.7?

- It will change slightly. This year is softer than the previous year. We have a bump for the Super Bowl and different pieces. I think it's marginal.

Action: The Committee received the report and recommended the 12% TOT rate.

3. FY 2025-26 Budget Work Session Debrief (Oral Report)

- Interim Finance Director Etman presented.

➤ Councilmember Syrop Questions:

A. Regarding changing our coverage to realize potentially 1 million in savings, is there any way to approve a budget that incorporates or projects to reap those savings?

- That's our intent, we're spit balling numbers. Our goal is to show movement using the analogy of the ship course correcting. We would expect it to go from 12 to 11 to 10, in the Fall it would be 9 or 8, showing trajectory. I fully expect a different number.

B. Clarification was asked on the budget addendum and the digital version update.

- The budget book is a digital copy of three systems put together, and it becomes complicated to change the actual book in pieces opposed to sharing directly with Council. Our current focus is on the budget rather than the book itself. We can do a full book revise once complete.

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C. In regard to Bonilla, Jr's. homelessness comment on the budget book, what is the right number from the County?

- Uncertain, something that we can look into; it's not clear on either side.

➤ Councilmember Bonilla, Jr. Questions:

A. Can we revive the budget message before it goes to Council? Can you figure out the homelessness figure?

- Absolutely, the budget message will be updated. Two things will be adjusted as of today: the homeless number piece and TOT. We can certainly make any other adjustments.

B. Councilmember Bonilla, Jr., stated he felt more comfortable passing the budget on the 17th if it meant more budget reductions and allowed for the upcoming weeks to address the budget with urgency on finding these reductions. Whatever could be done to drive down the reserve ask would make Council more comfortable with a decision.

➤ Mayor Salinas Questions:

A. Who will author the updated budget message?

- It's up to the Council. It makes sense for Michael Lawson, the Acting City Manager to draft it.

Action: The Committee received the report and provided feedback.

4. Review and Approve the FY 2024-25 Agenda Planning Calendar

A. Mayor Salinas asked for insight on how Measure funds are parked in fund balances.

B. Councilmember Syrop requested the Hayward Economic Development Corporation (HEDC) present to CBFC before the full Council. He also asked for a focused conversation on the City's financial liability of maintaining the City's sanctuary status with the recent Federal Administration pressures, and the potential financial impact it may have on the City. Lastly, he asked for a recourse on the WIFA Loan

Action: The Committee reviewed the calendar and provided feedback.

Committee Members/Staff Announcements: None.

Adjournment: The meeting was adjourned at 6:19 p.m.