

**SPECIAL JOINT HAYWARD CITY
COUNCIL/ HAYWARD
REDEVELOPMENT SUCCESSOR
AGENCY/ HAYWARD HOUSING
AUTHORITY MEETING**

JUNE 7, 2022

PRESENTATIONS

**GANN APPROPRIATIONS LIMIT
FOR FISCAL YEAR 2023**

PUBLIC HEARING

ITEM #12

PH 22-02

**CITY OF HAYWARD
FY 2023 GANN
APPROPRIATION LIMIT**

City of Hayward FY 2023 Gann Appropriation Limit

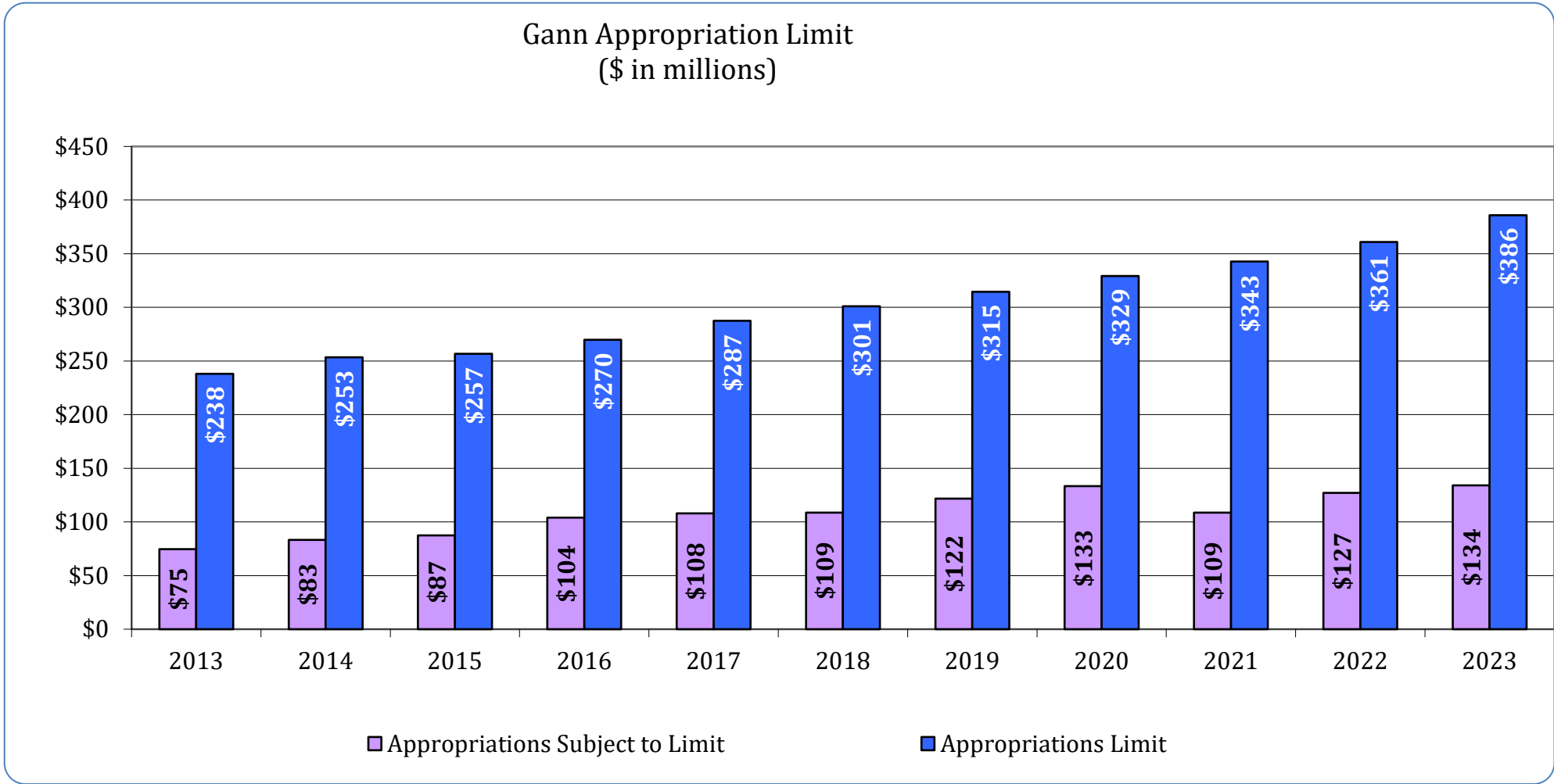


What is a Gann Appropriations Limit?

- State Proposition 4, commonly known as the Gann Initiative, was approved by California voters in November 1979.
- Proposition 4 created Article XIII B of the State Constitution, which placed limits on the amount of revenue that can be spent by government agencies.
- Proposition 111, was approved by the voters in June 1990 and provided new adjustment formulas to the Gann Limit and requires local governments to adopt Gann Appropriations Limits each fiscal year.
- The appropriations limitation imposed by Propositions 4 and 111 creates a restriction on the amount of revenue that can be appropriated in any fiscal year. The limit is based on actual appropriations during the 1978-79 fiscal year and is increased each year using population and inflation growth factors.
- Only revenues that are classified as "proceeds of taxes" are subject to the limit.

Gann Appropriations Limits

FY 2023
Gann Appropriation Limit
\$386 million



Recommendation

- Adopt a Resolution establishing a Gann Appropriation Limit for Fiscal Year 2023.

**FY 2023 BUDGET/ CIP
PUBLIC HEARING AND
ADOPTION**

PUBLIC HEARING

ITEM #13

PH 22-024

**FY 2023 PROPOSED
OPERATING & CIP BUDGETS
PUBLIC HEARING &
ADOPTION**

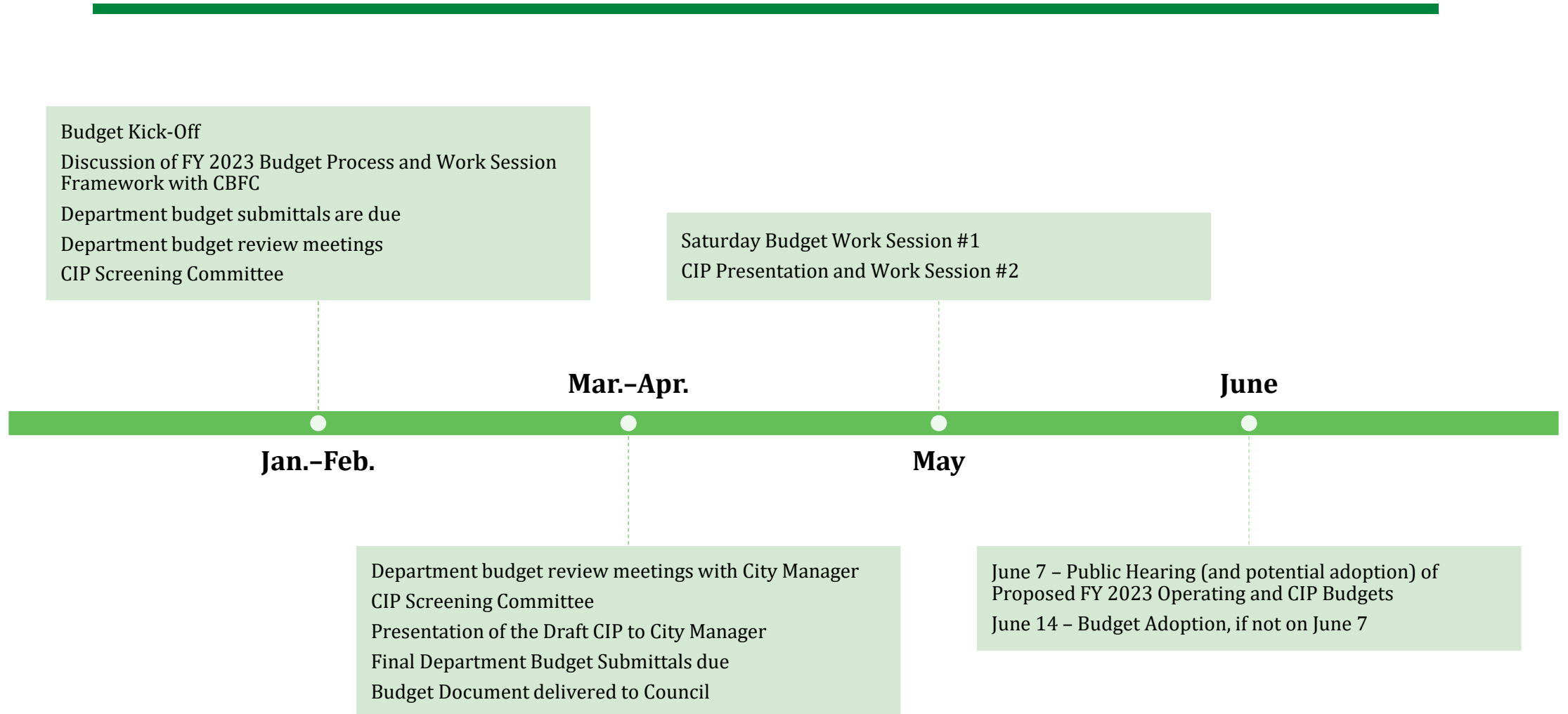


FY 2023 Proposed Operating & CIP Budgets Public Hearing & Adoption

June 7, 2022

Nicole Gonzales, Deputy Director of Finance

Where We've Been



FY 2023 Budget Expenditure Summary

City of Hayward Budget	FY 2023
City Funds	
General Fund	194,688,033
Measure C Fund	20,509,198
ARPA Fund	16,436,000
Special Revenue Funds	11,240,606
Debt Service Funds	9,203,371
Enterprise Funds	105,239,903
Internal Service Funds	39,314,661
	396,631,771
Agency Funds	
Hayward Successor Redevelopment Agency Operating Fund	4,377,063
Housing Authority Fund	179,370
Hayward Shoreline JPA	116,333
	4,672,767
Total City Operating Budget	401,304,539
Total CIP Budget	118,122,302

FY 2023 Proposed Operating Expenditure Budget

in 1,000's	FY 2022 Adopted	FY 2023 Proposed 4/28/2022	FY 2023 Proposed 6/7/2022	Change from 4/28/2022	\$ Change from FY 2022 Adopted	% Change from FY 2022 Adopted
General Fund	\$ 184,787	\$ 193,986	\$ 194,688	\$ 702	\$ 9,901	5.4%
All Other Funds	\$ 164,701	\$ 205,033	\$ 206,617	\$ 1,584	\$ 41,916	25.4%
Total City Budget	\$ 349,488	\$ 399,020	\$ 401,305	\$ 2,286	\$ 51,817	14.8%

FY 2023 Proposed Operating Budget Revisions

General Fund

1. Internal Service Fund adjustments – Net increase of \$25,000
2. Restore program budget reduction in Public Works and Utilities - Increase of \$60,000
3. Library Strategic Plan – Contract Services – Increase of \$75,000
4. Security Services at the Main Library and Weekes Branch Library – Increase of \$116,480
5. Personnel Reclassification in Police Department – Increase of \$41,268
6. Transfer-Out to new Cannabis Community Fund (1/7 of Cannabis Tax collected in FY 2020 and FY 2021) – Increase of \$63,552
7. Transfer-Out to Risk Management Fund for projected increase in insurance premium expense – Increase of \$320,270

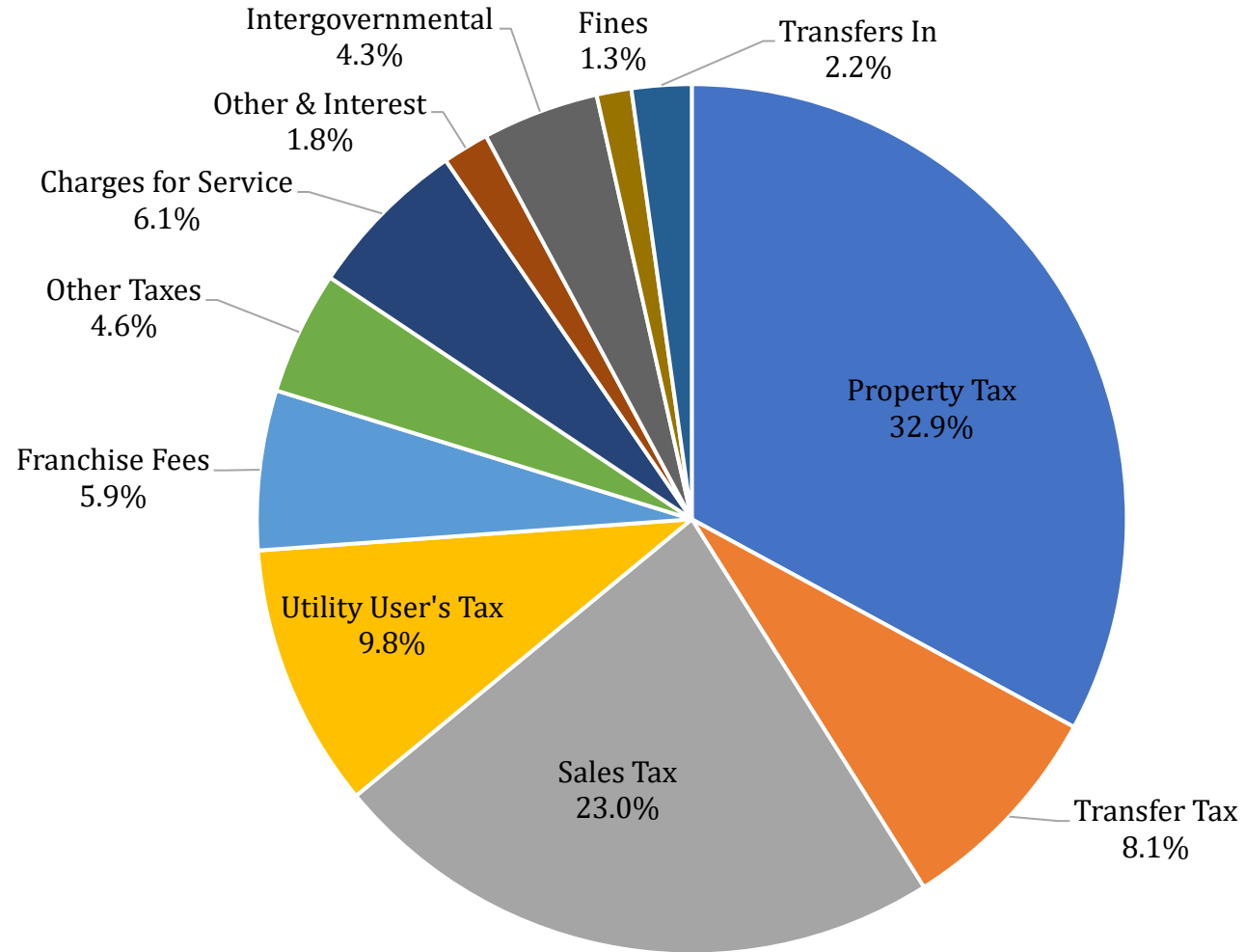
All Other Funds

1. ARPA Project Appropriation for Tax-Defaulted/Foreclosure Property Program implementation in Year 2 rather than Year 3 of the Federal Stimulus Expenditure Plan – Increase \$1,000,000
2. CDBG Entitlement Award for program income – Increase of \$366,212
3. Financial Services for Redevelopment Successor Agency – Increase of \$5,000
4. Bay Area Water Supply & Conservation Agency (BAWSCA) membership - Increase of \$101,621
5. Transfer-Out across several operating funds to Risk Management Fund for projected increase in insurance premium expense – Increase of \$111,752

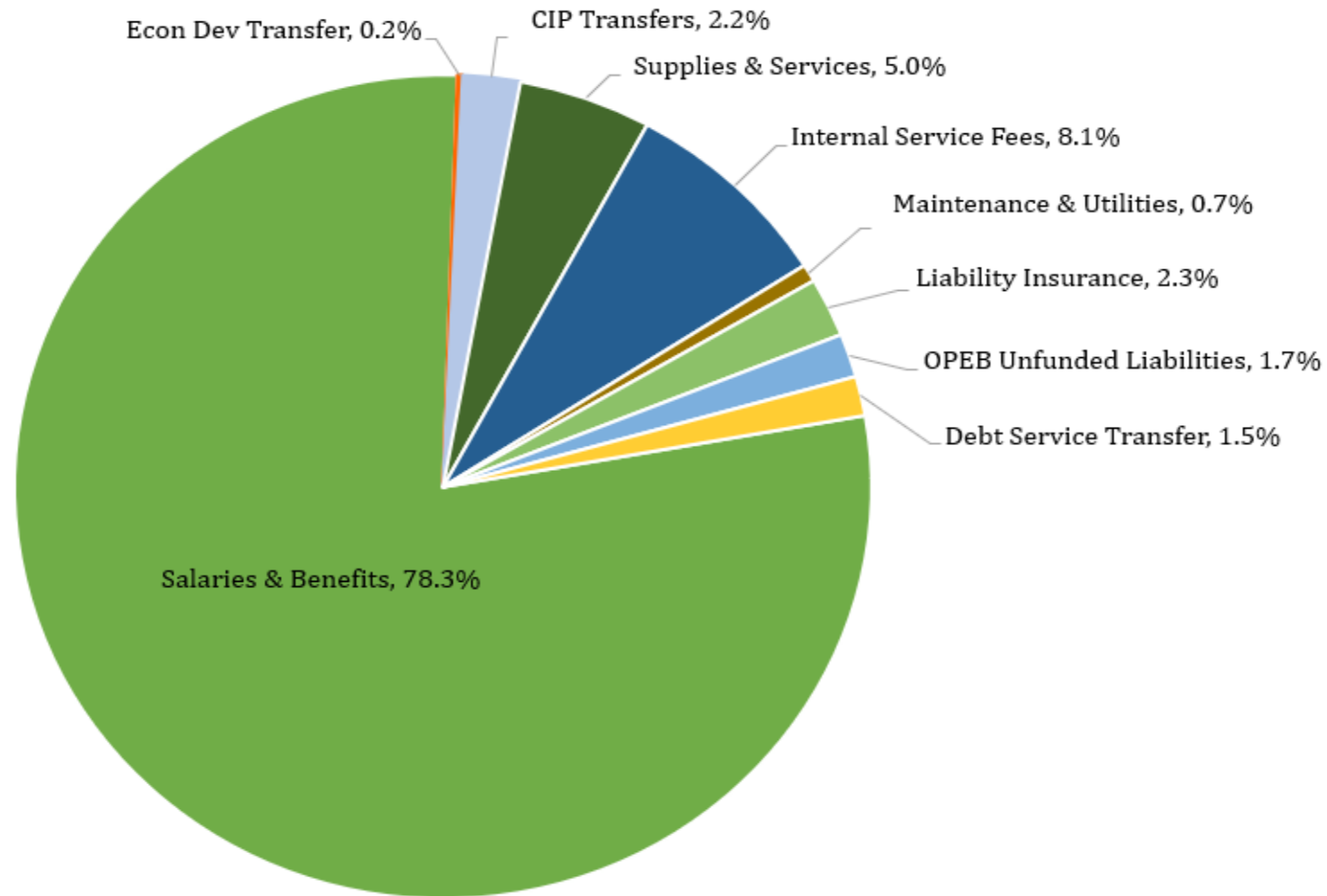
General Fund Five Year Forecast Update Proposed FY 2023

GENERAL FUND FORECAST (FY 2023 Proposed)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
<i>in thousands</i>	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues	191,891	198,852	206,572	213,573	218,795
Expenditures	194,688	206,248	212,685	218,507	224,418
<i>Net Change in Reserve - Surplus / (Shortfall)</i>	(2,797)	(7,396)	(6,113)	(4,934)	(5,623)
Beginning Balance	\$39,394	\$43,847	\$36,451	\$30,338	\$25,404
<i>Net Change in Reserve - Surplus / (Shortfall)</i>	<i>(2,797)</i>	<i>(7,396)</i>	<i>(6,113)</i>	<i>(4,934)</i>	<i>(5,623)</i>
<i>American Rescue Plan Act</i>	\$7,250	-	-	-	-
Ending Balance	\$43,847	\$36,451	\$30,338	\$25,404	\$19,782

General Fund Revenue by Source

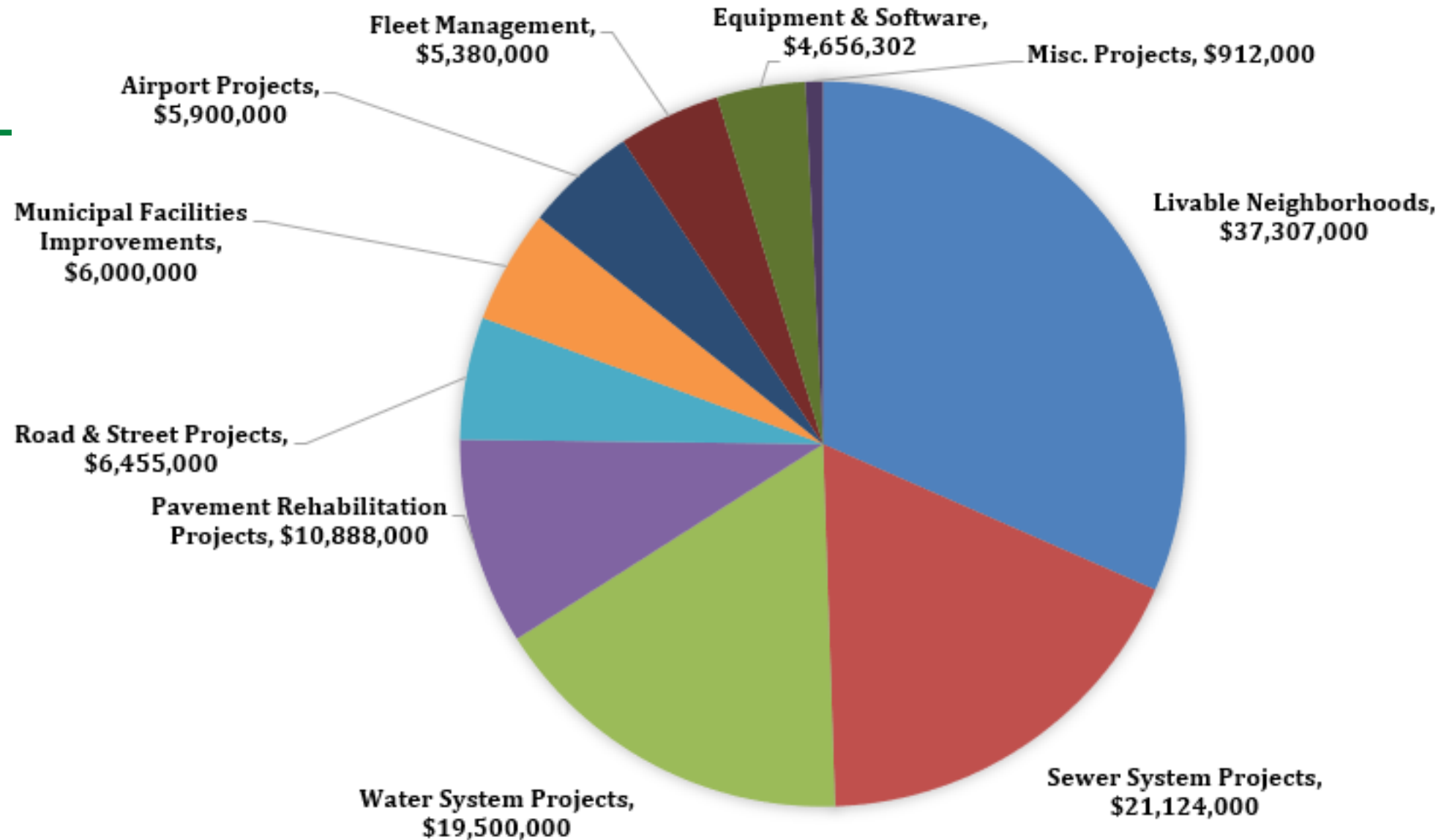


General Fund Expenditures by Category



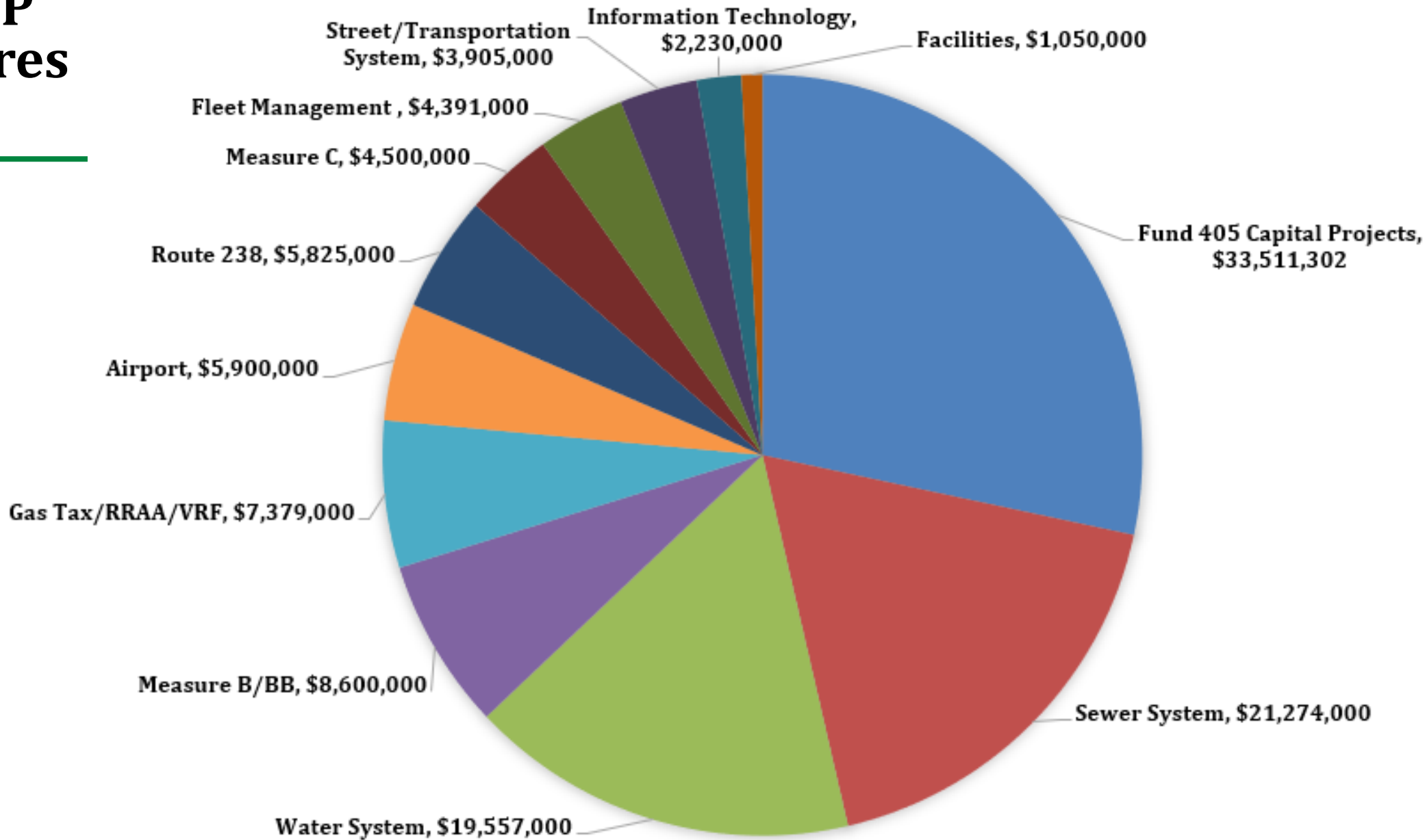
FY 2023 CIP Expenditures by Category

Total:
\$118M



FY 2023 CIP Expenditures by Fund

Total:
\$118M



Recommendation

1. Conduct a Public Hearing in accordance with the City's Charter
 - SECTION 1202. PUBLIC HEARING ON THE BUDGET
2. Adopt the FY 2023 Operating and CIP Budgets in accordance with the City's Charter
 - SECTION 1203. ADOPTION OF THE BUDGET After the conclusion of the public hearing, the Council shall further consider the proposed budget and make any revisions thereof that it may deem advisable and thereafter it shall adopt the budget with revisions, if any. Upon final adoption, the budget shall be in effect for the ensuing fiscal year*.

* SECTION 1200. THE FISCAL YEAR Unless otherwise provided by ordinance, the fiscal year of the City shall begin on the first day of July of each year and end on the thirtieth day of June of the following year.

Questions,
Discussion,
and Action

