



COUNCIL BUDGET & FINANCE COMMITTEE MEETING
Meeting Minutes of February 19, 2025

Call to Order: 5:31 p.m.

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

Members Absent: None

Staff: Dr. Ana Alvarez, Regina Youngblood, Dustin Claussen, Alex Ameri, Chief Matthews, Christina Crosby, Franchesca Hatfield, Crissy Mello, Nicholas Mullins, Franky Orellana

Guests: None

Public Comments: None

1. Approval of Meeting Minutes from January 15, 2025

Action: Minutes reviewed and unanimously approved.

2. Vacancy Report

- Human Resources Director Frye presented
- Councilmember Syrop Questions:
 - A. Are we seeing active requisitions to fill the vacant roles, or have they been sitting there for a long time?
 - 74 vacancies out of 94 vacancies are tied to an active requisition. The length of vacancies can be misleading due to random assignments of position numbers creating an inaccurate recruitment timeframe.
 - Councilmember Syrop sees this as an opportunity to improve our process, increasing accuracy.
 - B. Have we explored recruitment incentives and programs for the Public Works department in the past? Have we considered consolidating the recruitment process to reduce barriers?
 - Yes. We have an intentional look at all the vacancies through marketing and targeting recruitment.
- Councilmember Bonilla Jr. Questions:
 - A. If there were no vacancies, would we have no temporary support?
 - We would have a smaller temporary support pool. There are temporary positions across the City that are not tied to vacancies.

- B. What happens with the vacancy budget that is sitting in the department? Does the funding get reallocated?
 - If it is an Enterprise Fund, it remains in the Capital Reserves until the position is filled. The money does not go anywhere. The Police department utilizes the funds to add additional staff that supplement vacancies, supplies and services due to increased standard cost, and to support programs. Vacancy savings are meant to be a temporary finance mechanism, not a permanent solution. Councilmember Syrop would like discussions around vacancy savings and what it is utilized for.
- C. What's an overhire?
 - It depends, but for example, if we know a retirement is coming, we will recruit while the staff member is still here allowing training to happen alongside current employees. Once the individual leaves, the overhire will be eliminated.
- D. If there are no vacancies, will that eliminate overtime?
 - It will not eliminate overtime. If we were fully staffed, we would have enough individuals to do the assignment, but it does not account for employees on any form of leave.
- Mayor Salinas Questions:
 - A. Are we controlling and evaluating if artificial intelligence is being utilized during online testing for recruitment?
 - We have the license to administer the test, but we do not have access to that information on our level. The assumption is that POST has things in place. In addition, we offer on-site testing one Saturday every five weeks.
 - C. Do we know what is driving the vacancies in Public Works?
 - Recruitment in all public agencies is always difficult, but Police and Public Works are consistently more difficult. There is a higher competition, and we are competing against the private sector which has more flexibility around compensation.

Action: The Committee received the presentation and provided feedback.

3. FY 2024-25 Mid-Year Budget Review and Five-Year General Fund Financial Model Update

- Assistant Director Claussen presented
- Councilmember Syrop Questions:
 - B. Are our settlement dollars coming from a pre-budgeted risk pool?
 - Yes. General Fund is the main contributor to the risk fund but it is not fully absorbed by the General Fund. The City Attorney will make his best estimate on when a settlement will occur but we do not budget for it because we are not sure when they will come. It typically happens the following year after the incident.
 - D. What is the two million referring to?

- One million dollars is allocated for St. Rose.
- Fire station 6 transfer out is the net balance.
- Councilmember Bonilla Jr. Questions:
 - C. How do you justify expense trend with the even with a 2% cut?
 - There are additional things for consideration such as potentially higher revenue.
- Mayor Salinas Questions:
 - D. Is there a range in the 20% reserve policy?
 - It's a goal of 20% of expenditures.
 - E. How are the departments handling the 2% cut request? How many conversations are departments having?
 - We have given departments extra time to review their budget. Finance has been assisting departments as needed and staff have been notified that the cuts will be further analyzed.
 - F. Do expense trends include the retirement benefits increase?
 - Yes.
 - G. What are the indicators for deep structural change?
 - We get there incrementally by reviewing overall services to ensure efficiency and focusing on our core services against Council priorities.

Action: The Committee received the report and provided feedback.

4. Review and Approve the FY 2024-25 Agenda Planning Calendar
 - When is the Budget Workshop?
 - Saturday, May 10, 2025
 - Can we discuss the Hayward Community Foundation?
 - Staff recommends doing additional work before bringing it to the Committee.
 - Expected date of draft budget?
 - Friday, April 25, 2025

Action: The Committee reviewed the calendar and provided feedback.

Committee Members/Staff Announcements: None.

Adjournment: The meeting was adjourned at 6:53 p.m.