



CITY COUNCIL MEETING

777 B Street, Hayward, CA 94541

Conference Room 2A and Virtual Platform (Zoom)

<https://hayward.zoom.us/j/83639328548?pwd=ZUdDZE5lM2R1dHNFbVJoVXJBckdmQT09>

Tuesday, February 6, 2024, 7:00 p.m.

The City Council meeting was called to order by Mayor Salinas at 7:00 p.m. The City Council held a hybrid meeting in Conference Room 2A and virtually via Zoom.

Pledge of Allegiance: Council Member Goldstein

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

Absent: None

PRESENTATIONS

Mayor Salinas acknowledged the following individuals representing various organizations: Ron Payne from the office of US Congressman Swalwell Office; Rita Duncan from Black Women Organized for Political Action (BWOPA) of Hayward South Alameda County; April Lampkin, president of Hayward-Tri-City Alumnae Chapter (HTCAC) of Delta Sigma Theta Sorority, Inc.; Elizabeth Vacca from Senator Wahab's Office; and Todd Davis from the National Association for the Advancement of Colored People (NAACP) of Hayward South Alameda County.

Ron Payne presented certificates of congressional recognition in celebration of Black History Month to the following organizations: HTCAC of Delta Sigma Theta Sorority, Inc., NAACP of Hayward South Alameda County, and BWOPA of Hayward South Alameda County.

Elizabeth Vacca presented certificates of recognition from the Office of Aisha Wahab in honor of Black History Month to the following organizations: HTCAC of Delta Sigma Theta Sorority, Inc., NAACP of Hayward South Alameda County, and BWOPA of Hayward South Alameda County.

Mayor Salinas read a proclamation declaring February 2024 as Black History Month in the City of Hayward. On behalf of the City Council, Mayor Salinas presented proclamations to representatives of BWOPA of Hayward South Alameda County, HTCAC of Delta Sigma Theta Sorority, Inc., and NAACP of Hayward South Alameda County. April Lampkin, Rita Duncan, Todd Davis, and Mahdi Fugfugosh addressed the Council, expressing their honor in accepting the proclamations on behalf of their respective organizations.

CLOSED SESSION

The City Council convened in closed session on February 6, 2024, at 5:30 p.m., with all members present and no public speakers regarding four items: 1) public employment for City Manager pursuant to Government Code section 54957; 2) public employment for City Clerk pursuant to Government Code section 54957; 3) conference with legal counsel pursuant to Government Code section 54956.9(d)(1) regarding Lopez v. City of Hayward, Alameda County Superior

Court, No. RG19015514; and 4) conference with legal counsel pursuant to Government Code section 54956.9(d)(2) regarding one matter based on facts and circumstances regarding exposure to litigation against the local agency. Mayor Salinas indicated the Council met regarding Items 1 and 2 and took no reportable action. He also noted the last two items on the agenda would be heard after the work session, and reporting of the items would occur at the next City Council meeting.

PUBLIC COMMENTS

Matt Jack spoke in opposition to the Council's decision to divest from companies allegedly involved in investment in Israel, urged the City to follow the direction to lessen the violence, and divest from Toyota Motor Company, whose vehicles serve terrorist organizations.

Joe Ramos, Hayward Unified School District Board member, suggested that the Council reinvest the money Council divested, enact an antisemitic resolution, and spoke about the Woke Kindergarten contract at Glassbrook Elementary School.

CITY MANAGER'S COMMENTS

There were none.

CONSENT

1. Adopt a Resolution Authorizing the City Manager to Accept \$3,252,000 in Federal Funding from the Safe Streets and Roads for All Grant Program Administered by the Federal Highway Administration and Appropriate \$4,065,000 for the Development of a Speed Management Plan Project No. 06943 and the High Injury Network Safety Plan Project No. 06942 **CONS 24-051**

Staff report submitted by Public Works Director Ameri, dated February 6, 2024, was filed.

In response to Council Member Syrop's request for clarification, Public Works Director Ameri confirmed that the proposed project also applied to Foothill Boulevard as part of the loop and downtown improvements. There were no requests for public comment.

It was moved by Council Member Syrop, seconded by Council Member Zermeño, and carried by the following roll call vote, to adopt the resolution.

AYES:	COUNCIL MEMBERS Andrews, Bonilla Jr., Goldstein, Roche, Syrop, Zermeño MAYOR Salinas
NOES:	None
ABSENT:	None
ABSTAIN:	None



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Resolution 24-026 "Resolution Authorizing the City Manager to Accept \$3,252,000 in Federal Funding from the Safe Streets and Roads for all Grant Program and Appropriate \$4,065,000 for the Development of a Speed Management Plan Project No. 06943 and the High Injury Network Safety Plan Project No. 06942"

WORK SESSION

2. City's Budget: Review of General Fund Long Range Financial Model and Fiscal Assumptions **WS 24-001**

Staff report submitted by Finance Director Gonzales, dated February 6, 2024, was filed.

Director of Finance Gonzales provided a synopsis of the staff report through a PowerPoint presentation and explained the City's General Fund Long Range Financial Model (Model) with revenue and expenditure scenarios.

Discussion ensued among members of the City Council and City staff and clarifications were made as follow: the Council will need to consider multiple revenue and expenditure scenarios to understand the impact on reserves; future budget updates could include historical data and a ten-year forecast; the Transient Occupancy Tax (TOT) is currently 8.5 percent, which ranks second to the lowest compared to surrounding cities, and the Model could assume new hotels and a percentage increase to understand the impact to the General Fund; the assumption of a one percent return on positive fund balance is conservative and represents the interest rate on the City's financial cash; other revenues include fines, forfeitures, rents, leases and concessions, among others; PERS employer contribution projections are based on the CalPERS Pension Outlook model; the \$8.5 million allocated for the movie theater will be shown as a loan receivable to be paid back in the Model; expenses occurring from July to January/February will be incorporated into the Model presented during the FY24 Mid-Year Review; revenue and expenditure scenarios were explained, with a correlation noted between overtime and vacancies from an expenditure perspective; policy decisions can positively impact the budget and close the General Fund use of reserves; General Fund reserves budget vs. actuals were explained; if there are American Rescue Plan Act (ARPA) projects that cannot be fulfilled, ARPA funds could be used for additional contributions to the General Fund for projected lost revenue, or allocated to support additional eligible projects; the Model assumes a two percent growth for all bargaining units, which is industry standard; the last Council Economic Development Committee meeting included information on what is needed to increase sales tax and to understand realities and opportunities; Council receives staff's analysis/recommendations before making financial decisions; and investment in corporate notes/bonds was explained.

Members of the City Council provided the following input: requested data on highest generating sales tax by business type; requested data on Transient Occupancy Tax (TOT); asked for more financial data when the Council is asked to make decisions related to expenses in order to understand the impact to the General Fund; requested a summary of revenue categories to understand the portfolio; emphasized the importance of retaining businesses and attracting new businesses to increase sales tax revenue; suggested providing two years of historical data of employee contracts and compensation to use during negotiations with bargaining units; recommended incorporating comments from Council into the Model; asked to run scenarios including feedback provided by Council members and provide recommendations to guide future budget discussions; advised caution to leveraging only one revenue source; to be mindful to continue the twenty percent reserve target policy; and one member proposed increasing the TOT to 12 percent.

Finance Director Gonzales provided the following updates: the FY24 Mid-Year Review and Model will be presented to Council in March; a presentation by an economist will be presented to Council in March or April; a budget work session in May will discuss the FY 2025 Budget; and a possible TOT increase will be presented to the Council following outreach to the Hayward Chamber of Commerce and other community partners.

Mayor Salinas opened the public comment section at 8:56 p.m.

Suzanne noted that the decision on the divestment of four companies was made without knowing the City's financial situation and asked for thoughtful decisions moving forward.

Mayor Salinas closed the public comment section at 8:58 p.m.

Mayor Salinas and members of the Council thanked City staff for the information provided.

COUNCIL REPORTS AND ANNOUNCEMENTS

Mayor Salinas announced the State of the City Address was scheduled for February 29, 2024, at the Theater's California State University East Bay.

Council Member Syrop acknowledged the library for organizing a Lunar New Year celebration on February 3, 2024.

ADJOURNMENT

Mayor Salinas adjourned the City Council meeting back to Closed Session at 9:00 p.m., to resume the last two items on the Closed Session agenda.



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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 black ink, appearing to be "Miriam Lens" written in a cursive style.

Miriam Lens
City Clerk, City of Hayward