

CITY COUNCIL MEETING

FEBRUARY 22, 2022

PRESENTATIONS

PUBLIC HEARING

ITEM #8

LB 22-007

**FY 2022
MID-YEAR BUDGET
UPDATE AND
RECEIVING THE
GENERAL FUND
LONG RANGE
FINANCIAL MODEL
UPDATE**

FY 2022 Mid-Year Budget Review and General Fund Long Range Financial Model Update

Nicole Gonzales, Deputy Director of Finance
Dustin Claussen, Director of Finance

Summary of Proposed General Fund Mid-Year Changes (Expenditures)

Previous Council Approved Appropriation	FY 2022 Impact (\$)
Employee Contract Terms - HAME, Local 21, SEIU	\$1,008,998
STEP Grant Appropriations	\$405,000
Transfer-Out to General Fund CIP Fund for General Plan Update	\$125,561
Hayward Literacy Council Reimbursement	\$14,285
Previous Council Approved Appropriations Subtotal	\$1,553,844
Proposed Mid-Year Requests (new)	
Net reduction of Expenditures	(\$598,000)
Increase in Transfer Out to Other Funds	\$1,863,223
Proposed Mid-Year Requests (new) Subtotal	\$1,265,223
TOTAL CHANGE IN GENERAL FUND EXPENSES	\$2,819,067

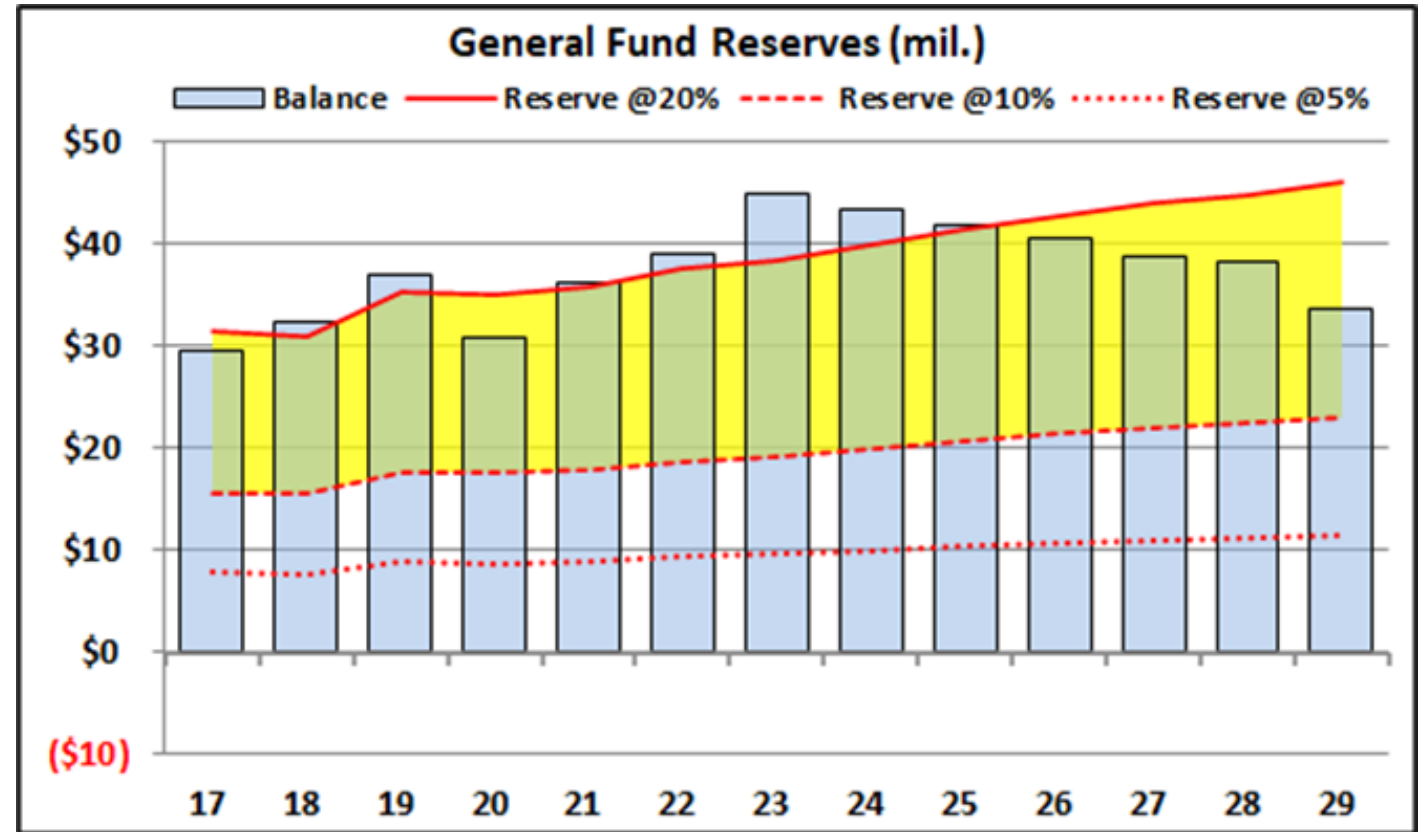
Proposed FY 2022 Mid-Year Changes – General Fund

<i>(in thousands)</i>	FY 2022 Adopted	Change	FY 2022 Mid-Year Revised
Revenue			
Real Property Transfer Tax		\$2,500	
Utility Users Tax		\$0	
Transient Occupancy Tax		\$0	
Cannabis Tax		\$268	
Parking Citation revenue		\$30	
Total Revenue	\$178,634	\$4,634	\$183,268
Expenditures			
No Mid-Year Personnel Requests		\$0	
Employee Contract Terms - HAME, Local 21, SEIU		\$1,009	
Net Staffing Expenses	\$144,720	\$1,009	\$145,729
Navigation Center appropriation reduction (City Manager's Office)		(\$1,000)	
Supplies & Services (Human Resources)		\$352	
Supplies & Services (Maintenance Services)		\$50	
Transfer-Out to Other Funds		\$1,863	
Previous Council Approved Appropriation - Non-Personnel Expenses		\$545	
Net Operating Expenses	\$40,067	\$1,810	\$41,877
Total Expenditures	\$184,787	\$2,819	\$187,606
Total Surplus/(Shortfall)	(\$6,153)	\$1,815	(\$4,338)

Updated General Fund 5-Year Forecast

GENERAL FUND FORECAST - Proposed FY 2022 Mid-Year Changes <i>in thousands</i>					
	FY 2022 Year 1	FY 2023 Year 2	FY 2024 Year 3	FY 2025 Year 4	FY 2026 Year 5
Revenues	\$183,269	\$190,480	\$198,191	\$205,976	\$213,023
Expenditure	187,606	191,946	199,497	207,690	214,154
Net Change in Reserve - Surplus / (Shortfall)	(4,338)	(1,466)	(1,307)	(1,714)	(1,131)
Beginning Balance*	\$36,130	\$39,042	\$44,826	\$43,519	\$41,805
<i>Net Change in Reserve - Surplus / (Shortfall)</i>	(4,338)	(1,466)	(1,307)	(1,714)	(1,131)
Transfer-In ARPA State and Local Relief Funds	7,250	7,250			
Ending Balance	\$39,042	\$44,826	\$43,519	\$41,805	\$40,674
Target to maintain 20% GF Reserves in Operating Expenses	\$37,521	\$38,389	\$39,864	\$41,503	\$42,798
General Fund Reserve Level as % of Total Expenses	20.8%	23.4%	21.9%	20.3%	19.2%
Amount Above or (Below) Target 20%	\$1,521	\$6,435	\$3,830	\$652	(\$1,605)
Percentage Above or (Below) Target 20%	4.0%	16.8%	9.6%	1.6%	(3.8%)

Long Range General Fund Reserve Projection



Summary of Proposed Mid-Year Changes for Other and CIP Funds (Expenditures)

OTHER FUNDS

	FY 2022 Impact (\$)
<i>in thousands</i>	
Previous Council Approved Appropriations	\$ 3,905
Previous Council Approved - ARPA Funds	\$ 18,852
Total Previous Council Approved Appropriations	\$ 22,757
Proposed Mid -Year Requests (new)	\$ 2,858
Proposed Mid-Year Request - Measure C Transfer	\$ 19,875
Total Proposed Mid-Year Requests (new)	\$ 22,733
TOTAL OTHER FUNDS EXPENSES	\$ 45,490

CIP FUNDS

	FY 2022 Impact (\$)
<i>in thousands</i>	
Previous Council Approved Appropriations	\$ 1,361
Proposed Mid -Year Requests (new)	\$ 4,744
TOTAL OTHER FUNDS EXPENSES	\$ 6,105

Recommendation

That the Council....

1. Review the FY 2022 Mid-Year Budget
2. Adopts a Resolution Providing Amendments to the adopted FY 2022 Operating Budget
3. Adopts a Resolution Providing Amendments to the adopted FY 2022 Capital Improvement Program Budget