



---

**COUNCIL BUDGET & FINANCE COMMITTEE MEETING**  
**Meeting Minutes of November 18, 2020**

**Call to Order:** 5:00 p.m.

**Members Present:** Mayor Barbara Halliday, Councilmember Sara Lamnin, and Councilmember Aisha Wahab

**Members Absent:** None

**Staff:** Kelly McAdoo, Maria Hurtado, Dustin Claussen, Nicole Gonzales, Nicholas Mullins, Rick Rivera, Crissy Mello

**Guests:** Monique Spyke – PFM Asset Management, LLC

**Public Comments:** None

**1. Approval of Meeting Minutes from October 21, 2020**

*Action: A motion was made by Councilmember Wahab to approve the minutes of July 29, 2020 Council Budget and Finance Committee (CBFC) meeting. Motion seconded by Councilmember Lamnin. Unanimous approval with a minor spelling correction.*

**2. Initial FY 2021 General Fund Key Revenue Review (Oral Presentation)**

- Director Claussen provided a review of General Fund revenue collected from July to September 2020. The review provided a trend comparison of year over year changes to key revenue sources. Overall key revenues dropped by 10%, which aligned with projections related to impacts of the COVID-19 pandemic.
- The Committee discussed the change in Transient Occupancy Tax (TOT) rate that was approved by voters in November 2020, and potential positive impacts to future projections.

*Action: The Committee received the oral presentation.*

**3. Investment Portfolio Review and FY 2021 Statement of Investment Policy Update**

- Director Claussen introduced Monique Spyke, Managing Director for PFM Asset Management LLC. Ms. Spyke is the City's primary liaison for portfolio management and investment policy advisory services provided via PFM.

- Ms. Spyke provided the Committee with an overview of the effects of the COVID-19 pandemic on investment markets. Of note is the Federal Reserve's reduction of interest rates to a near-zero rate. PFM has assisted the City with investments in similar low-interest-rate environments. The portfolio is currently heavily invested in overnight assets via LAIF until other asset yields stabilize.
- Director Claussen and Ms. Spyke explained upcoming changes to the City's investment policy, due to changes to State regulations allowing for investment in commercial paper and negative interest rate bonds. The City has no plans to invest in negative interest rate bonds for the time being.
- Councilmember Lamnin requested additional information on the following topics: 1) investment in public banks; 2) early payments to CalPERS if interest rates go negative; and 3) regional investment pools for affordable housing.

*Action: The Committee received the oral presentation.*

**4. Future Agenda Items:**

- The Committee recommended that the Measure C Annual Report and the City's Annual Audit report be removed from the agenda for the December 16, 2020 Council Budget and Finance Committee meeting and taken directly to City Council in January.
- The December 16, 2020 Council Budget and Finance Committee meeting will be focused on next steps for the Hayward Police Department budget review.

**Committee Members/Staff Announcements:** None.

**Adjournment:** The meeting was adjourned at 6:12 p.m.