



# CITY OF HAYWARD

Hayward City Hall  
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## Cover Memo

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**DATE:** February 19, 2020

**TO:** Council Budget and Finance Committee

**FROM:** Director of Finance

### **SUBJECT**

FY 2020 Mid-Year Budget Review & General Fund Long Range Financial Model Update

### **RECOMMENDATION**

That the Council Budget and Finance Committee reviews and provides comments on the FY 2020 Mid-Year Budget review and General Fund Long Range Financial Model Update.

### **SUMMARY**

This report presents the mid-year review of the FY 2020 Adopted Budget, and an update to the General Fund Long Range Financial Model (model) presenting proposed changes and projected year-end results based on current trends and data. While staff considers the entire City budget in its mid-year review, this report focuses primarily on the General Fund.

Proposed FY 2020 mid-year expenditures net a total increase of \$5.7 million in General Fund expenses. Of this amount, \$5.1 million is related to previously authorized and approved appropriations, and proposed FY 2020 mid-year expenditure requests total increase of \$0.6 million. The proposed FY 2020 mid-year expenditures are largely one-time in nature. The tables below detail the key changes in General Fund expenditures related to previous Council authorized and approved appropriations, and proposed new FY 2020 mid-year requests:

<b>Previous Council Approved Appropriations</b>	<b>FY 2020 Impact (\$)</b>
Illegal Tobacco Sales Enforcement Program - Overtime	\$9,703
Salary Plan Update	\$243,039
<b>Personnel Expenses</b>	<b>\$252,742</b>
City Center Demolition	\$4,401,150
City parking enforcement vehicle/equipment	\$95,000
Security Services - Maple/Main Development Site	\$142,000
Byrne Grant Appropriation	\$42,492
Delinquency Prevention Network (DPN) Contract	\$8,950
Contract Services - Strategic Planning Services	\$108,881

Community Development Block Grant	\$4,000
<b>Non-Personnel Expenses</b>	<b>\$4,802,473</b>
<b>Previous Council Approved Appropriations Subtotal</b>	<b>\$5,055,215</b>
<b>Proposed Mid-Year Request (NEW)</b>	<b>FY 2020 Impact (\$)</b>
Delete/Add Finance Tech. (1.0) for Admin. Secretary (1.0) (Finance)	(\$6,474)
<b>Personnel Expenses</b>	<b>(\$6,474)</b>
Latent Print Case Management Software (Police)	\$33,000
Contract Services (Finance)	\$20,000
Contract Services (Human Resources)	\$59,000
Software - NeoGov Implementation (Human Resources)	\$22,000
Hayward Area Shoreline JPA - Contribution (Development Services)	(\$12,000)
Consultant Services (Development Services)	\$400,000
PERB Settlement Adjustment	\$7,393
Library Expenses to be Reimbursed by Literacy Council	\$7,184
Transfer-Out to Facilities Management Fund for Library Expenses	\$70,000
Transfer-Out to Facilities Capital	\$28,000
Transfer-Out to Hayward Area Shoreline JPA	\$12,000
<b>Non-Personnel Expenses</b>	<b>\$646,577</b>
<b>Proposed Mid-Year Requests (NEW) Subtotal</b>	<b>\$640,103</b>
<b>TOTAL GENERAL FUND EXPENSES</b>	<b>\$5,695,318</b>

General Fund revenues are expected to exceed the originally projected amount by \$3.5 million. Changes in revenue projections are detailed in **Table 2**. Key changes in the General Fund revenues are as follows:

Projected increase in Sales Tax over budgeted amounts	\$3,711,881
Projected decrease in Cannabis Tax below budgeted amount	(\$250,000)

If mid-year requests are approved as proposed, the FY 2020 Revised Budget would result in a projected shortfall, requiring the use of \$1.9 million in General Fund Reserves for FY 2020.

**ATTACHMENTS**

- Attachment I      Staff Report
- Attachment II      General Fund Long Range Financial Model Update - Proposed  
FY 2020 Mid-Year