



CITY OF HAYWARD

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Cover Memo

File #: WS 18-023, **Version:** 1

DATE: May 15, 2018

TO: Mayor and City Council

FROM: Director of Finance

SUBJECT

Proposed FY 2019 Operating Budget - Work Session #2

RECOMMENDATION

That the Council provides comments on the FY 2019 Operating Budget, reviews follow-up items from the Saturday, April 28, 2018 budget work session, and discusses the proposed use of general fund reserves to present a balanced FY 2019 Operating Budget, as well as the four strategies to reduce the overall use of general fund reserves in FY 2019.

SUMMARY

The Proposed FY 2019 Operating Budget work session #2 includes a discussion of the use of \$5.5 Million from General Fund Reserves to adopt a balanced budget and a review of four options to minimize the use of General Fund Reserves in FY 2019.

The options to reduce the use of General Fund Reserves include (1) a possible 3-month hiring deferral, (2) consideration of a deferral of the previously planned increased General Fund allocation to Fleet Capital Replacement Internal Service Fund (ISF), (3) negotiated labor-related savings, and (4) prepayment of PERS ARC. Implementation of these options will result in an estimated reduction in the use of General Fund Reserves of \$2.5 million.

Additionally, a transfer from the General Fund for Information Technology (IT) Capital Replacement of \$472,000 is also proposed, which increases the use of General Fund reserves to \$6 Million. If the proposed strategies to reduce the use of general fund reserves are implemented and the proposed transfer from general fund for IT is approved, the use of General Fund reserves is reduced from \$6 Million is reduced to \$3 Million.

ATTACHMENTS

Attachment I Staff Report

