



# CITY OF HAYWARD

Hayward City Hall  
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## Cover Memo

**File #:** LB 23-011, **Version:** 1

**DATE:** March 7, 2023

**TO:** Mayor and City Council

**FROM:** Director of Finance

### SUBJECT

FY 2023 Mid-Year Budget: Adopt a Resolution Approving the FY 2023 Mid-Year Budget Update and Five-Year General Fund Update

### RECOMMENDATION

That the City Council 1) reviews the FY 2023 Mid-Year budget; 2) adopts a resolution providing amendments to the previously adopted City of Hayward FY 2023 Operating Budget (Attachment II); and 3) adopts a resolution providing amendments to the previously adopted City of Hayward FY 2023 Capital Improvement Program Budget (Attachment III).

### SUMMARY

This report presents the mid-year review of the FY 2023 Adopted Budget, and an update to the Five-Year General Fund 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 2023 mid-year expenditures net a total increase of \$7.04 million in General Fund expenses. Of this amount, \$4.55 million is related to previously authorized and approved appropriations, and proposed FY 2023 mid-year expenditure adjustments totaling a net increase of \$2.49 million. The proposed FY 2023 mid-year expenditures are all one-time in nature. **Table 1** and **Table 2** below detail the key changes in General Fund expenditures related to previous Council authorized and approved appropriations, and proposed new FY 2023 mid-year requests:

**Table 1: Previous Council Authorized and Approved General Fund Appropriations**

Previous Council Approved Appropriation	FY 2023 Impact (\$)
Employee Contract Terms - Unrepresented Staff, HPOA, Local 1909	\$3,957,875
STEP Grant Appropriations	\$210,000
Behavioral Health Justice Intervention Services Project Grant Appropriations	\$74,501
Appropriate funds for the Golden Oaks II Tract 8058 Access and Utilities Project	\$290,672
CAL OES Grant	\$2,970

Hayward Literacy Council Reimbursement	\$15,750
<b>Previous Council Approved Appropriations Subtotal</b>	<b>\$4,551,768</b>

**Table 2: Proposed New FY 2023 General Fund Mid-Year Requests**

<b>Mid-Year Request (NEW)</b>	<b>FY 2023 Impact (\$)</b>
No Mid-Year Personnel Requests	\$0
<b>Personnel Expenses</b>	<b>\$0</b>
Mayor & City Council transition and furniture expenses	\$10,000
Consultant services to conduct a one-time language access assessment	\$30,000
Outside consultant to conduct 360 evaluations for each Council Appointed Officer	\$27,000
Allocation for the Countywide Consolidated General Election cost in 2022	\$400,000
Appropriate revenue received Permit Fees for Inspection and Plan Check for services	\$500,000
Additional funding to cover costs of expanding security hours at City Libraries	\$35,000
Transfer-Out: General Liability Funds - Allocation of increase in the City's insurance premium costs	\$629,476
Transfer Out: Facilities Management Fund - Security Services, and facility repairs	\$223,961
Transfer-Out: Facilities Capital Fund - Construction of Fire Administration in City Hall	\$46,506
Transfer-Out: Information Technology Capital Fund - Online Permitting Project	\$125,029
Transfer-Out: Fleet Management Fund - Fuel costs, and deferred repairs and maintenance	\$463,537
<b>Non-Personnel Expenses</b>	<b>\$2,490,509</b>
<b>Mid-Year Requests (NEW) Subtotal</b>	<b>\$2,490,509</b>
<b>TOTAL GENERAL FUND EXPENSES</b>	<b>\$7,042,277</b>

General Fund revenues are expected to exceed the originally projected FY 2023 amount by \$2.6 million. Changes in revenue projections are detailed in **Table 3** of the report. Key changes in the General Fund revenues are as follows:

**Table 3: General Fund Revenues**

<b>GENERAL FUND REVENUE ADJUSTMENTS</b>	<b>FY 2023 IMPACT (\$)</b>
Projected increase in Property Tax above budgeted amount	\$1,600,000
Projected increase in Utility User Tax above budgeted amount	\$1,000,000
Previous Council Approved Appropriation (One-Time Transfer-In)	\$5,902,372
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$8,502,372</b>

If mid-year requests are approved as proposed, the FY 2023 Revised Budget would result in a projected surplus, building the General Fund Reserves by \$5.9 million for FY 2023.

This report provides an overall update to the City's Five-Year General Fund outlook.

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Resolution Amending FY 2023 Operating Budget

Attachment IIA	Exhibit A and B FY 2023 Mid-Year Operating Adjustments
Attachment III	Resolution Amending FY 2023 Capital Improvement Budget
Attachment IIIA	Exhibit A and B FY 2023 Mid-Year CIP Adjustments
Attachment IV	FY 2023 Mid-Year Budget Adjustments Summary
Attachment V	Measure C 20-Year Forecast Update