



# CITY OF HAYWARD

Hayward City Hall  
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## Cover Memo

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**DATE:** March 17, 2020

**TO:** Mayor and City Council

**FROM:** Director of Finance

### SUBJECT

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

### RECOMMENDATION

That Council 1) reviews the FY 2020 Mid-Year Budget; 2) adopts resolutions providing amendments to the previously adopted City of Hayward Operating and Capital Improvement Budgets for Fiscal Year 2020; and 3) prioritizes remaining Council supported revenue strategies.

### 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. On January 15, 2020, an update to the General Fund Long Range Financial Model was presented to the Council Budget and Finance Committee for review and feedback.

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. 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 2020 mid-year requests:

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

<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>

**Table 2: Proposed New FY 2020 Mid-Year Requests**

<b>Proposed Mid-Year Request (NEW)</b>	<b>FY 2020 Impact (\$)</b>
Delete/Add Finance Tech. (1.0) for Admin. Secretary (1.0) (Finance)	<b>(\$6,474)</b>
<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)	<b>(\$12,000)</b>
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 FY2020 amount by \$3.5 million. Changes in revenue projections are detailed in Table 4 of the attached report. 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	<b>(\$240,000)</b>

If mid-year requests are approved as proposed, the FY 2020 Revised Budget would result in a projected shortfall, requiring the use of \$1.8 million in General Fund Reserves for FY 2020.

This report provides an overall update to the City's General Fund long-term outlooks, and review of strategies to assist in achieving long-term fiscal sustainability.

## ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution for Operating Budget
Attachment IIA	Operating Budget Resolution Exhibits A & B
Attachment III	Resolution for Capital Improvement Program
Attachment IIIA	CIP Budget Resolution Exhibits A & B
Attachment IV	Adjustments Summary
Attachment V	General Fund Long Range Update
Attachment VI	Measure C 20-Year Financial Forecast Update