



CITY OF HAYWARD

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Cover Memo

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DATE: March 1, 2023

TO: Council Budget and Finance Committee

FROM: Director of Finance

SUBJECT

FY 2023 Mid-Year Budget Review and Five-Year General Fund Financial Model Update

RECOMMENDATION

That the Council Budget and Finance Committee reviews and provides comments on the FY 2023 Mid-Year Budget Review and Five-Year General Fund Financial Model Update.

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

Previously 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
Previous Council Approved Appropriations Subtotal	\$4,551,768

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

Mid-Year Request (NEW)	FY 2023 Impact (\$)
No Mid-Year Personnel Requests	\$0
Personnel Expenses	\$0
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
Non-Personnel Expenses	\$2,490,509
Mid-Year Requests (NEW) Subtotal	\$2,490,509
TOTAL GENERAL FUND EXPENSES	\$7,042,277

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

GENERAL FUND REVENUE ADJUSTMENTS	FY 2023 IMPACT (\$)
Projected increase in Property Tax above budgeted amount	\$1,600,000
Projected increase in Utility User Tax above budgeted amount	\$1,000,000
TOTAL GENERAL FUND REVENUES	\$2,600,000

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 \$11,000 for FY 2023.

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

ATTACHMENTS

Attachment I Staff Report