

## ***Summary of Lessons Learned for City of Hayward Financial Situation (February 2026)***

- **Adhere to Financial Best Practices**
  - Accurate baseline financial projections grounded in market and financial realities that are updated and shared regularly
  - Appropriate use of one-time and ongoing funds
  - Appropriate budgeting of over-time, salary savings, and realistic revenue estimates
  - Appropriate accounting of restricted funds
  - Appropriate accounting of reserves, including separate reserves for liquid and non-liquid assets (i.e., cinema place)
  - Strengthen internal monitoring and controls, including regular departmental budget meetings and post-budget reviews
- **Improve Transparency and Accountability**
  - Regularly share and analyze updated projections and actuals internally and externally, including key revenue updates
  - Establish and adhere to financial policies grounded in financial best practices
  - Hold each other and our colleagues accountable at all levels of the organization
  - Create a culture of collaboration, transparency and “see something, say something”
- **Practice Strong Leadership at All Levels**
  - Raise and vocalize issues and concerns with Council, staff, labor partners and community
  - Attract, retain and train qualified staff
  - Be prepared to make difficult or unpopular recommendations grounded in financial realities
- **Financially Constrain Labor Negotiations and Contracts**
  - Educate Council, negotiators and labor partners on current and future market and financial realities based on updated financial projections and trends
  - Institute an iterative process with Council and Finance Department regarding cost of contract proposals and approvals from the beginning to end of negotiations
  - Establish consistent salary survey and equity adjustment methodologies grounded in market realities and Hayward’s financial situation that are equitable across bargaining groups
  - Consider risk sharing measures, such as floors and caps on market driven salary and equity adjustment increases, potential increases tied to City financial performance, and use one-time lump sum or other economic benefits instead of ongoing increases, as appropriate