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## **Hayward firefighters, City Manager and Council members give up pay increases, agree to cuts amid COVID-19 revenue declines**

**HAYWARD, Calif.**, May 21, 2020—The Hayward City Council approved on Tuesday a set of changes in compensation agreements with Hayward firefighters, Fire Department managers and City Manager Kelly McAdoo to save money amid steep declines in City revenue stemming from the COVID-19 health emergency.

Under the agreements, firefighters, Fire Department management and City Manager McAdoo are giving up two percent salary increases they were scheduled to receive July 1, saving the City a combined \$487,215 in the upcoming 2021 fiscal year.

Also Tuesday, the Mayor and Council members voted to reduce their salary by two percent for Fiscal Year 2021 and cut their travel and other expense budgets by 50 percent, saving the City an additional \$11,800 in the coming fiscal year.

These agreements and give-backs are the first to be reached since the City Manager sent two formal proposals to City employee' bargaining groups asking that all City workers accept 80 hours of furloughs or agree to forego scheduled July 1 pay increases.

The proposals, along with corresponding changes in compensation for unrepresented groups of City employees, would save Hayward approximately \$2 million to \$3 million in Fiscal Year 2021, preserving cash that is projected to be needed to help maintain a balanced budget and sustain City services in the months and years ahead.

By the close of the 2020 fiscal year on June 30, revenue declines attributable to COVID-19 are projected to require use of \$17 million of the City's \$36 million General Fund operating reserve.

The General Fund pays for basic municipal services, such as police, fire-fighting, 911 response, libraries, maintenance of public spaces, and administration of general governmental operations and programs.

The General Fund reserve is similar to a savings account that provides a cash-flow cushion for meeting unanticipated needs, getting through cyclical fluctuations in expenses and revenues, and to draw on in times of emergency.

Without further action to slow spending and a bounce back in sales tax and other key General Fund revenues, the City is at risk of exhausting the entire General Fund reserve during the 2021 Fiscal Year starting July 1, making it difficult to maintain services while meeting all of the City's financial obligations over the next 12 months.

For more information and to follow the progress, go online [here](#) to the City of Hayward COVID-19 Cost-Saving Proposals web page.