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## **Vacancy management and other measures in store to restore Hayward's fiscal health**

**HAYWARD, Calif.**, Aug. 29, 2025— The City of Hayward will hold vacant most unfilled staff positions and is reducing other expenses as the first step of a developing strategy to rebalance the City's General Fund budget, Interim City Manager Jayanti Addleman announced today.

Revenue coming in below expectations, unbudgeted overtime expenses and costs associated the addition of new staff positions in recent years, new labor contracts and the purchase of a downtown movie cinema—all actions taken under previous executive leadership—have exacerbated a structural budget deficit in the City's General Fund and exhausted the Fund's operating reserve.

"It's imperative we find ways to save, bring spending back into balance with revenue and start to rebuild our reserves," Addleman said. "We didn't get into this position overnight, but we must act now to protect services to the Hayward community and the jobs of those who are providing these services."

Since 2021, the City has added the equivalent of 33 positions in General Fund operations, including eight funded with special Measure C sales tax revenue. New labor agreements were negotiated with all employee groups in 2023 and 2024, and, in 2024, the City loaned the Hayward Economic Development Corporation \$8.6 million to acquire the Cinemark Cinemas building on B Street at Foothill Boulevard in an effort to support downtown Hayward's stability and growth. By Fiscal Year 2025, which ended on June 30, General Fund spending reached \$248 million, which was \$21 million over budgeted spending for the fiscal year.

Meanwhile, revenue into the City General Fund, which pays for most municipal services, is projected to be \$5 million to \$12 million below the budgeted level of \$227 million for Fiscal Year 2025. The final shortfall won't be known until September when final allotments of tax revenue collected by the state and county are transmitted to the City of Hayward.

To rectify the situation, Interim City Manager Jayanti Addleman is holding most unfilled General Fund positions vacant, placing tighter limits on training and use of consultants, assessing eligible properties for sale and instituting tight cash flow and payroll monitoring practices, among other possible strategies.

At the direction of the City Council, Addleman also plans to hire an independent fiscal analyst to review the City's budgetary performance in Fiscal Year 2025 and its fiscal controls and forecasting practices.

"We are committed to being open and transparent about our budget situation, learning from how we got here, and deciding collectively on how best to move forward responsibly and sustainably, while continuing to provide the services the community needs and deserves," Addleman said.