

City of Hercules

111 Civic Drive
Hercules, CA 94547



Meeting Agenda

Monday, May 14, 2018

7:00 PM

SPECIAL MEETING - 7:00 P.M.

COUNCIL CHAMBERS

Finance Commission

J. Yamamoto, Chair
Stanley Tom, Vice Chair
Zania Harris, Commissioner
Lori Rlsby, Commissioner
Aida Torres, Commissioner

I. CALL TO ORDER - ROLL CALL**II. PLEDGE OF ALLEGIANCE****III. INTRODUCTIONS/PRESENTATIONS****IV. AGENDA ADDITIONS/DELETIONS****V. PUBLIC COMMUNICATIONS****VI. DIRECTOR REPORT**

Disbursement List is located at <http://www.ci.hercules.ca.us>. Click on Departments and Services. Click on Finance. Click on Disbursement List.

[18-152](#) Tentative Introduction of Proposed FY 18-19 Revenue and Expenditures.

[18-153](#) Review Cash and Cash Equivalent Report.

Attachments: [Cash Report May 2018](#)

VII. CONSENT CALENDAR

[18-155](#) Review and Approve the Finance Commission Minutes from the April 23, 2018 Meeting.

Attachments: [FC Minutes 042318](#)

VIII. DISCUSSION AND/OR ACTION ITEMS

[18-154](#) Parks and Recreation Sub-Committee Report.

Attachments: [Parks Rec Analysis Sub-Committee Report](#)

IX. COMMISSIONER REPORTS AND ANNOUNCEMENTS**X. FUTURE AGENDA ITEMS**

[18-156](#) Future Agenda Items Work Plan.

Attachments: [Finance Commission Workplan](#)

XI. ADJOURNMENT

The next Regular Meeting of the Commission will be held on Monday, June 4, 2018 at 7:00 p.m. in the Council Chambers Room.

Agendas are posted in accordance with Government Code Section 54954.2(a) or Section 54956. Members of the public can view electronic agendas and staff reports from the City's website at www.ci.hercules.ca.us and can receive e-mail notification of agenda postings by signing up to receive an e-notice from the City's website. Agendas and staff reports may also be obtained by contacting the Administrative Services Department at (510) 799-8215.

Posted: May 10, 2018

THE COMMISSION ADHERES TO THE FOLLOWING POLICIES, PROCEDURES AND REGULATIONS REGARDING COMMISSION MEETINGS

SPECIAL ACCOMODATIONS: In compliance with the Americans with Disabilities Act, if you require special accommodations to participate at a commission meeting, please contact the City Clerk at 510-799-8215 at least 48 hours prior to the meeting.

AGENDA ITEMS: Persons wishing to add an item to an agenda must submit the final written documentation 12 calendar days prior to the meeting. The City retains the discretion whether to add items to the agenda. Persons wishing to address the Commission otherwise may make comments during the Public Communication period of the meeting.

AGENDA POSTING: Agendas of regular commission meetings are posted at least 72 hours prior to the meeting at City Hall, the Hercules Swim Center, Ohlone Child Care Center, Hercules Post Office, and on the City's website (www.ci.hercules.ca.us),

PUBLIC COMMUNICATIONS: Persons who wish to address the Commission should complete the speaker form prior to the Commission's consideration of the item on the agenda.

Anyone who wishes to address the Commission on a topic that is not on the agenda and is relevant to the Commission should complete the speaker form prior to the start of the meeting. Speakers will be called upon during the Public Communication portion of the meeting. In accordance with the Brown Act, the Commission may not take action on items not listed on the agenda. The Commission may refer to staff any matters brought before them at this time and those matters may be placed on a future agenda.

In the interests of conducting an orderly and efficient meeting, speakers will be limited to three (3) minutes.

Anyone may also submit written comments at any time before or during the meeting.

Written and oral comments become part of the public record. Oral comments are summarized in the minutes of the commission's meeting.

CONSENT CALENDAR: All matters listed under Consent Calendar are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a member of the Commission or a member of the public prior to the time the Commission votes on the motion to adopt.

COMMISSIONER REPORTS AND ANNOUNCEMENTS: This is the time for brief announcements by commissioners on issues of interests to the community. In accordance with provisions of the Brown Act, matters which do not appear on the agenda, but require Commission discussion may be either (a) referred to staff or other resources for factual information or (b) placed on a future meeting agenda.

LEGAL CHALLENGES: If you challenge a decision of the Commission in court, you may be limited to raising only those issues you or someone else raised at the meeting or in written correspondence delivered at, or prior to, the meeting. Actions challenging Commission decisions shall be subject to the time limitations contained in Code of Civil Procedure Section 1094.6. In order to ensure the efficient conduct of meetings, and to provide opportunities for all interested persons to speak and be heard, the Commission will adhere to the following meeting procedures:



Legislation Details (With Text)

File #: 18-152 **Version:** 1 **Name:**

Type: Director Report **Status:** Agenda Ready

File created: 5/3/2018 **In control:** Finance Commission

On agenda: 5/14/2018 **Final action:**

Title: Tentative Introduction of Proposed FY 18-19 Revenue and Expenditures.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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Tentative Introduction of Proposed FY 18-19 Revenue and Expenditures.



Legislation Details (With Text)

File #: 18-153 **Version:** 1 **Name:**

Type: Director Report **Status:** Agenda Ready

File created: 5/3/2018 **In control:** Finance Commission

On agenda: 5/14/2018 **Final action:**

Title: Review Cash and Cash Equivalent Report.

Sponsors:

Indexes:

Code sections:

Attachments: [Cash Report May 2018](#)

Date	Ver.	Action By	Action	Result
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Review Cash and Cash Equivalent Report.

CITY OF HERCULES - CASH AND CASH EQUIVALENT REPORT

um of Final Amount		Annual Fiscal Year	
Fund	Fund Description	04/17/2018	3/13/2018
100	GENERAL FUND	12,623,572	12,227,309
201	AB 3229 COPS PROGRAM	88,583	159,107
220	CITYWIDE L&L DIST 83-2	2,237,367	1,862,671
221	VICTORIA BY THE BAY L&L	337,738	298,266
222	HERCULES VILLAGE L&L DIST	311,504	276,857
223	BAYWOOD ASSESS 04-1 L&L	107,488	76,755
224	BAYSIDE ASSESS DIST L&L	79,500	49,912
225	ARTERIAL ROADWAYS	(81,445)	(10,808)
231	STORMWATER ASSESSMENT	(105,804)	(280,923)
241	DIF-GEN PUBLIC FACILITIES	125,119	115,156
242	COMMUNITY DEVELOPMENT FND	149,903	122,903
243	DEVELOPMENT FEE FUND	133,338	136,012
244	DIF-POLICE FACILITIES	235,199	212,834
246	DIF-FIRE FACILITIES	135,612	117,090
247	DIF-PARK & REC	267,863	266,968
261	DIF-TRAFFIC FACILITIES	194,705	177,408
262	STATE GAS TAX FUND	1,053,356	1,041,190
263	MEASURE "C" STREET FUND	391,002	423,030
264	STMP TRAFFIC IMPACT FUND	380,704	329,492
291	AB 939 - JPA FUND	811,173	811,173
295	GRANT FUND	410,184	(8,189,816)
311	CITY CAPITAL PROJECTS	63,441	8,663,441
340	GRANT FUND / STIP / RIP	501,633	501,633
341	GRANT FUND / STIP / TE	(1,073,609)	(1,073,609)
342	GRANT FUND / TIGR II	(260,453)	(260,453)
344	MEASURE AA/EBRP	(70,113)	(70,113)
345	MEASURE WW/EBRP	(490,296)	(490,296)
346	CCTA MEAS J EXP PLAN	(293,939)	(293,939)
347	CCTA TLC GRANT	(0)	(0)
348	CCTA PBTF	(143,297)	(143,297)
349	SAFETEA LU	271,241	271,241
350	STMP-SUB REG TRANS PROJ	229,148	229,148
351	ONE BAY AREA GRANT	(724,033)	(724,033)
352	TRAFFIC CONGEST RELIEF PR	18,314	18,314
380	ASSMT. DIST 91-1 DEBT SVC	162,772	162,772
381	ASSMT. DIST 01-1 DEBT SVC	362,232	360,216
382	ASSMT DIST 05-01 DEBT SVC	220,997	208,401
387	WATER QUALITY RET BASIN	42,148	27,951
401	FISCAL NEUTRALITY FEE	2,299,833	2,176,150
420	SEWER ENTERPRISE FUND	25,957,330	25,570,134
450	VEHICLE REPLACEMENT FUND	712,847	693,943
460	EQUIPMENT REPLACEMENT FND	834,752	799,079
470	FACILITY MAINTENANCE FUND	(156,568)	(197,439)
501	TAYLOR WOODROW MAINT LMOD	66,773	66,773
511	GASB 45 OPEB LIABILITY	2,308,159	2,327,258
521	REGIONAL WATER QUALITY	49,167	49,167
531	HERCULES COMM LIBRARY FND	112	112
535	HERCULES/PINOLE WWTP PLAN	(10,880)	(10,880)
580	DEFERRED COMPENSATION FND	8,069,355	8,069,355
601	RDA-OPERATING FUND	1,217,748	1,209,486
614	OWNER PARTICIPATION AGMTS	1,815,118	(195,000)
615	RDA TAX ALLOC SERIES 2005	2,912,615	2,693,282
617	RDA TAX ALLOC 2007 A	1,188,168	1,185,667
618	RDA TAX ALLOC 2007 B	1,097,174	1,094,877
619	2007 RDA TAB SERIES A	3,764,032	6,615,084
620	RETIREMENT OBLIGATION FND	3,870,642	6,568,524
630	RDA - CAPITAL PROJECT FND	(112,388)	51,080
631	RDA CAPITAL PROJECTS MULT	(2,687,622)	(2,687,622)
632	RDA CAP PRJ REIMBURSE	(353,471)	(353,471)
640	HOUSING SET-ASIDE OPERATE	1,998,726	1,991,634
672	2003B DEBT SERVICE PFA	(259,521)	(259,521)
673	2009 DEBT SERVICE PFA	1,775,126	1,552,772
675	2010 DEBT SERVICE WWTP	750,000	490,000
720	TRANSIT FUND-WESTCAT	(3,533)	(3,533)
730	HERCULES GOLF CLUB	33,231	43,231
Grand Total		75,839,773	77,150,103



Legislation Details (With Text)

File #: 18-155 **Version:** 1 **Name:**

Type: Consent **Status:** Agenda Ready

File created: 5/3/2018 **In control:** Finance Commission

On agenda: 5/14/2018 **Final action:**

Title: Review and Approve the Finance Commission Minutes from the April 23, 2018 Meeting.

Sponsors:

Indexes:

Code sections:

Attachments: [FC Minutes 042318](#)

Date	Ver.	Action By	Action	Result
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Review and Approve the Finance Commission Minutes from the April 23, 2018 Meeting.



City of Hercules

111 Civic Drive
Hercules, CA 94547

Meeting Minutes

Finance Commission

J. Yamamoto, Chair
Stanley Tom, Vice Chair
Lori Risby, Commissioner
Zania Harris, Commissioner
Aida Torres, Commissioner

Monday, April 23, 2018

7:00 PM

Council Chambers

Regular Meeting

I. CALL TO ORDER - ROLL CALL

Meeting was called to order at 7:02 p.m. by Chairperson Yamamoto.

Y. Yamamoto, Chairperson – Present
Stanley Tom, Vice-Chair – Present
Zania Harris, Commissioner – Not Present
Aida Torres, Commissioner – Not Present
Lori Risby, Commissioner – Present

II. PLEDGE OF ALLEGIANCE

III. INTRODUCTIONS AND PRESENTATIONS - NONE

IV. AGENDA ADDITIONS/DELETIONS - NONE

V. PUBLIC COMMUNICATIONS

- Former Finance Commissioner, Paul Freese, submitted a speaker card regarding Agenda Item VI.-Budget.

VI. DIRECTOR REPORT

Disbursement List is located at <http://www.ci.hercules.ca.us>. Click on Departments and Services. Click on Finance. Click on Disbursement List.

- Director To reported the First Look of Revenue and Expenditures. The numbers were refined from the recent Five Year Forecast.

- Reviewed the Cash and Cash Equivalent Report. Fiscal Neutrality Fund balance was increased to \$2,299,833 from \$2,176,160.

VII. CONSENT CALENDAR

- Finance Commission meeting minutes from 03/26/18 was approved. (Motion: Vice-Chair Tom, Second: Commissioner Risby, Pass 3-0 (Ayes: Chair Yamamoto, Vice-Chair Tom, Commissioner Risby)).

VIII. DISCUSSION AND/OR ACTION ITEMS

- The Parks and Recreation Sub-Committee will meet and will provide a report at the Special Finance Commission meeting on May 4, 2018 so that any recommendations could be considered by the City Council on May 22, 2018. The Sub-Committee will plan to provide a draft to the Finance Commission by May 10, 2018.

IX. COMMISSIONER REPORTS AND ANNOUNCEMENTS

- The Finance Commission cancelled the May 28, 2018 Finance Commission Meeting due to Memorial Day Holiday and added a Special Meeting on June 4, 2018 to review the proposed Fiscal Year 2018 – 2019 Budget.

X. FUTURE AGENDA ITEMS

XI. ADJOURNMENT

Chairperson Yamamoto adjourned the meeting at 8:22pm.

The next Special Meeting of the Commission will be held on Monday, June 4, 2018 at 7:00 p.m. in the Council Chambers.

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Posted: May 10, 2018



Legislation Details (With Text)

File #: 18-154 **Version:** 1 **Name:**

Type: Discussion/Action Item **Status:** Agenda Ready

File created: 5/3/2018 **In control:** Finance Commission

On agenda: 5/14/2018 **Final action:**

Title: Parks and Recreation Sub-Committee Report.

Sponsors:

Indexes:

Code sections:

Attachments: [Parks Rec Analysis Sub-Committee Report](#)

Date	Ver.	Action By	Action	Result
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Parks and Recreation Sub-Committee Report.

CITY OF HERCULES PARKS & RECREATION ANALYSIS

Finance Commission Sub-Committee Report

Prepared by Paul Freese

May 2018

Budget vs. Actual for FY 2017-18

Analyze the large Parks & Rec budget “deficit”?


CITY OF HERCULES
REVENUE AND EXPENDITURE REPORT
PARKS & RECREATION
Data as of 4/30/2018

Sum of BUDGET ¹	Fiscal Year		
	2018		
	Revenue	Expenditure	Difference
Grand Total	1,528,595	2,178,093	(649,498)

Sum of ACTUAL ¹	Fiscal Year		
	2018		
	Revenue ²	Expenditure	Difference
Grand Total	1,421,266	1,474,579	(53,313)

Sum of ACTUAL ¹	Fiscal Year			Fiscal Year		
	2016			2017		
	Revenue	Expenditure	Difference	Revenue	Expenditure	Difference
Grand Total	1,568,730	1,822,841	(254,111)	1,580,242	1,755,054	(174,813)

The Actual “deficit” is much smaller than the Budgeted “deficit”



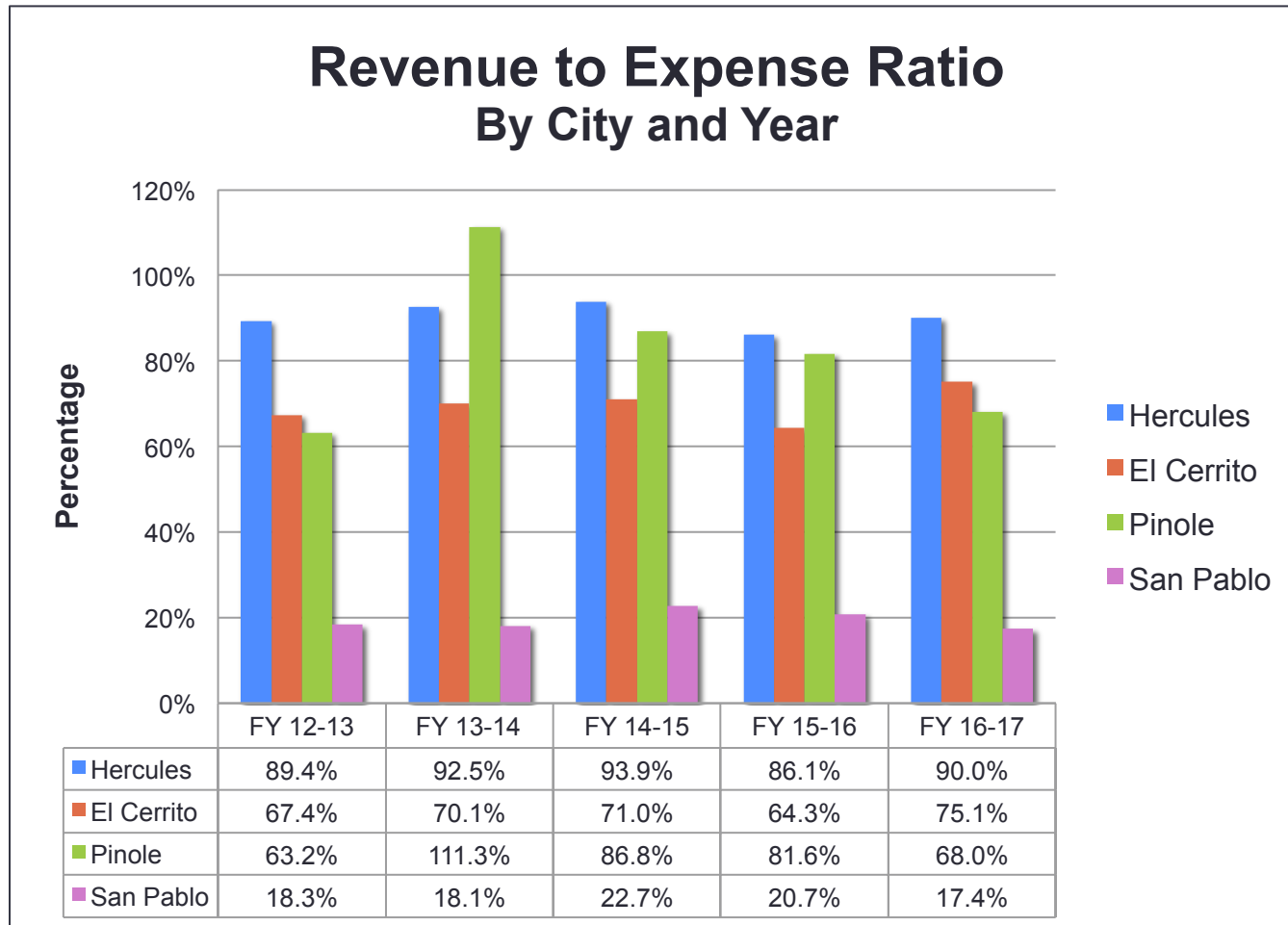
Notes:

1. Revenue and Expenditures for the Library are excluded from these amounts.
2. FY 2018 Actual Revenue is from the P&R GL “Rec Trac” Report. Revenue on Finance report can lag up to 30 days (see attached work product support files).

Project Plan

- Finance Commission Sub-Committee
 - J. Yamamoto, Aida Torres and former Commissioner Paul Freese
- Requirements – gather and review information
 - City of Hercules financial data from Finance Director Annie To
 - Parks & Rec information from P&R Director Christopher Roke
 - Parks & Rec information from local cities (EC, Pinole, San Pablo)
- Analysis – review and analyze above data
 - Comparison analysis between cities
 - Deep dive into City of Hercules financials for P&R department
 - Analysis of P&R programs
- Conclusions based upon analysis
- Prepare final report w/ recommendations

City Comparison – Rev/Exp Ratio



City Comparison - Programs

Hercules city programs are comparable with other cities, covering:

- Youth (Child/Teen/Before & After School Care, Summer)
- Senior Activities
- Facility Rentals
- Educational Classes
- Sports Programs

Notable differences:

- Pinole has a School of Performing Arts/Theatre Program
- El Cerrito charges a league fee (\$4189 per season) for both a Soccer League and a Youth Baseball League
- El Cerrito child care programs receive significant amount of revenue due to low income status of participants

City Comparison – Fee's

Comparison of City Fee Schedules indicate differences in the following:

- Senior programs – Hercules staffs 1 and utilizes volunteers
- Swim Center – management of contracts
- Facility Rentals

Hercules Parks & Rec Programs

Review / discussion of Parks & Rec programs shows potential opportunities:

- Increase Revenue by clearing wait lists for Child Care programs – ongoing ebbs and flows of participation
- Inefficiencies with administering Swim Team contracts
- Modernization of 10 year old Teen Center
- Partnering with Chamber of Commerce, local businesses
- Marketing, promoting and managing contract classes
- Activity guide, website, social media, signs, etc.

Observations / Conclusions

- Hercules P&R revenue/expense ratio is better than other local cities (EC, Pinole, San Pablo)
- The main goal is how to increase revenue
- Director Roke and his team should be commended for their accomplishments this year:
 - Reorganizing Child Care programs to be more efficient with the reduced staff (budget vs. actual)
 - 14% increase in revenue for the first 10 months of the fiscal year over same period prior year
 - Taking a proactive position to make positive changes in the Parks & Rec programs

Summary

- Services provided by Parks & Rec are essential to maintaining city identity and sense of community
- Actual Parks & Rec financial “deficit” significantly less than the original Budget
- Hercules compares favorably with other local cities
 - Similar P&R programs and services
 - Revenue to Expense ratio
- Fee schedule comparison shows only 3 outliers:
 - Senior Programs
 - Swim Center
 - Facility Rentals
- Current FY Revenue trending higher – 14% increase
- Director Roke has made significant P&R improvements

Work Product / Support Files

- Parks & Rec Analysis Sub-Committee Report.pdf
- Parks & Rec Analysis Sub-Committee Report.pptx
- Parks & Rec Budget vs. Actual Analysis.xlsx
- Parks & Rec City Fee Schedule Comparison.xlsx
- Parks & Rec City Revenue to Expense Ratio.xlsx
- Parks & Rec FTE.xlsx
- Parks & Rec GL Rec Trac Report 20180430.xlsx
- Parks & Rec Original Project Plan.pdf
- Parks & Rec Participation Report.xlsx
- Recreation Annual Report El Cerrito.pdf
- Recreation Budget Expense San Pablo.pdf
- Recreation Budget Revenue San Pablo.pdf
- Recreation Fee Schedule El Cerrito.pdf
- Recreation Fee Schedule Hercules.xlsx
- Recreation Fee Schedule Pinole.pdf
- Recreation Fee Schedule San Pablo.pdf



Legislation Details (With Text)

File #: 18-156 **Version:** 1 **Name:**

Type: Future Agenda Items **Status:** Agenda Ready

File created: 5/3/2018 **In control:** Finance Commission

On agenda: 5/14/2018 **Final action:**

Title: Future Agenda Items Work Plan.

Sponsors:

Indexes:

Code sections:

Attachments: [Finance Commission Workplan](#)

Date	Ver.	Action By	Action	Result
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Future Agenda Items Work Plan.

FINANCE COMMISSION WORKPLAN

Future Agenda Items Work Plan (Approved September 26, 2016)

These agenda items will be reviewed and updated by the Finance Commission at each meeting:

January 2017

- Review audit reports FY 2016 - **Completed**

February 2017

- Sales tax annual oversight report (including auditor's report) FY 2016 Utilities tax annual oversight report (including auditor's report) FY 2016 - **Completed**
- Landscape and Lighting Districts FY 2018 - **Completed**
- Quarterly review 2Q FY 2017 (completed in February 2017) - **Completed**

March 2017

- Review Financial Policies approved by City Council - **Completed**

April 2017

- Expenditures Budget Plan FY 2018 - **Completed**

May 2017

- Quarterly review 3Q FY 2017 - **Completed**
- Budget FY 2018 - **Completed**
- Capital budget FY 2018-22 - **Completed**
- Measure A & O - **Completed**

June 2017

- Diagnostic Tool - **Completed**
- Budget FY 2018 - **Completed**
- Capital budget FY 2018-22 - **Completed**

July 2017

- None

August 2017

- None

September 2017

- None

October 2017

- Long Term Financial Forecast - **Completed**

November 2017

- Quarterly review 1Q FY 2018 - **Completed**
- Presentation from Parks & Recreation Director - **Completed**
- Presentation on updated Long Term Finance Forecast - **Completed**

December 2017

- None

January 2018

- Election of Chair and Vice Chair - **Completed**
- Appointment of Measure O and Measure B Sub-Committee – **Completed**
- Parks and Recreation Sub-committee update (each month until completed) - **Pending**

February 2018

- Cost Allocation Presentation - **Completed**
- Mid-Year Review - **Completed**
- Review and Completed CA FR - **Completed**
- Measure B&C Report by Sub-Committee - **Completed**

March 2018

- Review of updated Long Term Financial Plan - **Completed**

April 2018

- Review First Look of Revenue and Expenditures - **Completed**
- Review Finance Commission meeting schedule for budget review - **Completed**
- Parks and Recreation Sub-Committee update – **Ongoing Project**

Work Plan Items Need to Schedule (approved September 26, 2016)

- Municipal financial health diagnostic tool
- Cost allocation plan - **Completed**
- Website - **Completed**
- Auditor FY 2018 RFP - **Completed**
- Budget software
- Financial reports

Future Agenda Items Not on Work Plan – need staff to add items discussed 1.12.17

- Finance Department staffing (agenda 1.12.17)
- Format Quarterly Reports (agenda 1.12.17)