



FY 22-23 MIDYEAR BUDGET REQUESTS

Sales tax revenue – The pandemic did lead to very conservative estimates for Sales Tax revenues with the adopted Budget. Sales Tax revenues continue to rebound in major tax groups. A slight reduction in general retail (-2%) revenues is offset by growth in all other sectors, especially in Business to Business (22.9%) and Food Products (161%) based on the first quarter review of sales tax activities. Overall and conservatively estimated based on the current economic climate, Sales Tax revenue is projected to exceed the original annual Budget by \$400,000.

Revenue Increase:

- ***General Fund - \$400,000***

Salaries and Benefits (All Departments) – The budget amendment request is due to the outcome of the labor negotiations for all bargaining groups. The midyear budget adjustment will increase the Cost-of-Living Adjustments (COLA) from 3% to 4.5%.

Expense Increase:

- ***General Fund - \$94,500***
- ***Non-General Fund - \$30,000***

Senior Planner (Community Development) – This request is to create a new, permanent Senior Planner position in the Community Development Department, reporting to the Community Development Director. The Senior Planner would perform professional land use and urban planning work, including current and long range (advanced) planning, implementation of the General Plan, review of complex zoning and development applications, and coordination of special projects.

This position is requested to enable the Department to successfully manage the volume of professional work required to respond to inquiries from the public; process the City's Planning applications; develop and update the City's long-range plans; maintain and update the Zoning ordinance and other City regulations; staff the Planning Commission, regional advisory committees, and interdepartmental planning efforts; implement new requirements of state law, such as online permitting; and develop and implement new programs, policies, and resources to further fair housing and otherwise implement the City's 2023-31 Housing Element, once adopted. The Senior Planner would also assist the Director in implementing Council priorities such as business recruitment, additional community engagement, and development of user-friendly handouts explaining common Planning application types and requirements.

Ongoing Expense Increase:

- ***General Fund - \$44,000.***

Implementation of Standby and Call Back (Public Works) – Implement a rotation for the 7 Public Works Maintenance Workers to join with the Maintenance Superintendent in providing emergency/urgent coverage during non-working hours. This would be in accordance with Article 8.4 "Standby" and 8.5 "Call Back Pay" of the MOU with Teamsters Local 315. Currently the Public Works Superintendent is "on-call" 24 hours a day 365 days a year. Hercules is one of the last remaining agencies in the County adhering to this practice. With the rotation, each staff person will be on standby for a 1-week rotation. Implementing a rotation will make urgent/emergency coverage during non-working hours more sustainable, provide employees a professional growth opportunity, include cross training, and based upon experience gained



be a step forward for succession planning and raise the level of performance of the Maintenance & Operations Division overall. Additionally, it will be more effective as it will allow the Superintendent to focus on higher level duties, such as management, supervision, and operational planning.

Ongoing Expense Increase:

- **General Fund - \$1,000**
- **Non-General Fund \$37,000**

Pool Maintenance Contract – When the pool was built, Public Works and Parks and Recreation shared the responsibility to maintain the pool. Public Works would work on mechanical items, and Parks and Recreation would order and check proper chemical levels. Over the course of time, changes in personnel, changes in requirements to work on equipment, and the aging of equipment, have led to a need for more technical help. Neither department possesses this level of expertise, nor the available hours needed based on the growing needs of the community and aging equipment. Staff recommends in winter to use the 3-day, and in the spring/summer use the 5-day service. The overall cost would be approximately \$15,000 for the remainder of the year.

Ongoing Expense Increase:

- **General Fund - \$15,000**

Uniform and Equipment for Special Response Team (SRT) (Police) – The SRT was created over 30 years ago for several high-risk investigations in the City and other bay area cities. The program was suspended in 2018 due to a lack of personnel. Most of the equipment previously used, including tactical vests, helmets, gas masks have expired and must be replaced.

One-time Expense Increase:

- **Asset Seizure Fund - \$30,000**

Additional Training (Police) – Since the pandemic started in 2020, training has been challenging to find due to cancellations leaving many agencies, including Hercules, to meet basic training requirements, which could be vulnerable to potential litigation and liability issues. The department is requesting an additional training appropriation for this fiscal year. This additional appropriation will help limit the exposure and bridge the training gap.

One-time Expense Increase:

- **Asset Seizure Fund - \$20,000**

Pedestrian Sidewalk Improvement at Willow and Palm (Capital Projects) – Currently there is no sidewalk available for pedestrians. This project will provide connectivity to the HTC from the southeast part of town. This project will install sidewalk from the Hercules Transit Center (HTC) to Palm Avenue, and then from Palm Avenue to Sycamore Avenue. A Measure J TLC grant was originally assigned to this project but was rescinded due to a drop in revenue from the pandemic. City staff is successfully secured a grant with the Contra Costa Transportation Authority (CCTA).

One-time Revenue Increase:

- **Capital Projects Fund (CCTA Grant) - \$1,058,000**

One-time Expenditure Increase:

- **Capital Projects Fund Project #63042 - \$1,058,000**