



## MINUTES

### HERCULES CITY COUNCIL AND REDEVELOPMENT AGENCY

Joint City Council Finance Sub-committee

and

Ad Hoc Citizens Advisory Finance Committee (CFAC)

**April 5, 2011**

City Hall Council Chambers Room

111 Civic Drive, Hercules, CA 94547-1771

#### **Members Present**

Myrna DeVera, Vice-Mayor, John Delgado, Council Member,  
Hector Rubio, Chair, Virgilio DeLaVega, Vice-Chair  
Frank Batara, Gabriel Naguit, William Wilkins,

#### **Staff Present**

Fred Del Torchio, Liz Warmerdam, Katrina Thomas-Dycus,  
Janelyn Bayona, Pedro Jimenez

#### **Guests Present**

Dan Romero, Claudette Wade, Rochelle Samuels, Ken Morrison, Gerard Boulanger  
Mike Bowermaster, Laila Kearney, Sherry McCoy, Tom Lochner

Meeting Called to Order: 6:00 PM

#### **1. Discussion of Funding of Special Events (Jimenez).**

Pedro Jimenez recommended that all special events be cancelled pending the restructuring of staffing and the finalization of budget for next fiscal year. There was a discussion regarding the longest running community event, the June

Cultural Festival. Jimenez had reevaluated the net profits for the Cultural Festival to be negative \$48,000 revenue when he considered staff time for planning, rentals of equipment and stage, etc. Revenue from booths is projected to be \$12,000 while expenses could be between \$48,000 and \$60,000. The City has spent \$30,000 in staff time preparing for the Cultural Festival. Aside from the negative revenue, the event may be difficult to run by a skeletal staff, considering the massive lay-offs of staff that will start in May.

Jimenez also recommended cancelling the July 4, the Golf Tournament, but staff will consider holding the Farmers Market in May by hiring a company that can manage its operations without using any city staff time. He also will study the possibility of holding the Community Clean-Up Day in November, by charging a fee per car, as suggested by John Delgado.

After much discussion, the Citizens Finance Advisory Committee recommended cancelling June 2011 Cultural Festival (3 voted to cancel, 2 voted to keep event) as well as the Golf Tournament and July 4 parade and fireworks.

## **2. Annual Lighting and Landscaping Assessment District Administration (Warmerdam)**

Liz Warmerdam brought forth a proposal to execute an agreement with Francisco and Associates in the amount not to exceed \$23,140 for the lighting and landscaping administration to assess budgeting disbursements for FY 2011/2012. The city has worked with Francisco and Associates since 2008. The study will help with the budgeting process plus legal requirements for the assessment district administration.

The committee recommended to Liz to renegotiate the price of the agreement with Francisco and Associates and to obtain -another bid to bring back to the City Council.

## **3. Discussion regarding Budget and Human Resources professional services (Warmerdam/Thomas-Dycus).**

Liz Warmerdam and Katrina Thomas-Dycus presented a proposal from Municipal Resources Group to provide budget preparation and human resources assistance. Cheryl Taylor's rate for budget services was \$137.50 per hour. Liz also obtained a proposal from Nelson & Associates, a temp agency, for Hector W. Lwin, who prepares budgets. (\$125 per hour).

The committee decided that outsourcing for a budget preparer was necessary, but to only use \$6,000 of human resource help if necessary. In addition, the committee recommended that Gabriel Naguit be included in the budget process to assist and offer advice as the budget is prepared. Thomas-Dycus as part of her HR duties will develop a new staff organizational chart and reorganize city departments and their staffing levels.

Help on preparing the budget is needed because of the tight 6 week period for budget preparation, plus the daunting task of restructuring all of the City departments and staff.

#### **4. Preliminary Budget Discussion (Deltorchio)**

Liz Warmerdam presented a draft timeline for the 2011-2012 Budget with a deadline of June 14, 2011. Joint City Council and Citizen's Ad Hoc Advisory Committee Workshops are scheduled for Tuesday, May 31 and June 7. Adoption of Budget is scheduled on June 14 at the regular City Council Meeting.

Deltorchio also disclosed a summary of salaries and major benefits, which presently total \$12,776,122 (95 staff) and a first draft of the downscaled budget for salary and benefits: at a total of \$9,109,862. (68.1 total staff – a reduction of 26.1 staff members). Additional reductions will occur as negotiations with all staff unions continue. The goal is to achieve a budget of \$8.0 million including salaries and benefits.

Combining jobs, furloughs, reduced work schedule, while continuing to provide the same level of service to the community is the challenge that the city faces.

To recommend cuts in city services, the council has to decide: What are the “core” services? A discussion on core services will be placed on next week’s city council agenda. There was also a suggestion to have an informal, unscientific survey either through Patch.com or the city website.

Meeting Adjourned: 9:10 pm

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