



MEMORANDUM

DATE: February 11, 2011

TO: Mayor Joanne Ward and City Council Members
City Employees
Members of the public

FROM: Fred Deltorchio, Interim City Manager

SUBJECT: Interim City Manager's Weekly Report

Overview of Report: The following topics are included in this week's update:

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Town Hall Meeting: Our Town Hall Meeting is scheduled for next Wednesday, February 16 from 6:00 to 9:00 pm in the City Council Chambers. It will be streamed live on the City's website and also aired on the City's AT&T channel. HCTV 28 (the Comcast channel) will be airing the school board meeting, so it will not be available live on Channel 28. The topics I have asked staff to be prepared to report on include: the HMU, ITC and Sycamore North. Wastewater was discussed at the last City Council meeting and will be scheduled for a workshop after the completion of the Municipal Resources Group review of our City finances.. Staff will be available to answer questions on these topics and other topics that are of interest to the community.

Bayfront Task Force: We are coordinating the creation of this Task Force with Anderson Pacific. The task force will not be involved in negotiations with the developer, but will provide public input and receive progress updates. Charlie Long and I believe

this is important for increasing the transparency of the City and project. Participating staff members will include Charlie Long, Jesse Harder, John Stier and myself, as well as representatives from Anderson Pacific. We had attempted to schedule the meeting for the week of the 21st, but due to scheduling conflicts a date is still being determined. I've asked staff to post the confirmed date as soon as it is available. Everyone with an interest in this project is invited and encouraged to attend.

City Council Update: At Tuesday's Council Meeting, I provided the Council with an update on the various contracts I have reviewed. For those that missed the City Council meeting, here are the contracts that have already been suspended, cancelled or are under review:

- T.Y. Lin-Engineering services related to I-80 off-ramp. Suspended-\$178,000 and \$650,000
- Michael Woldemar and Associates-architecture service for Palm Project-Suspended-\$173,000
- Ruggeri, Jensen, Azar-engineering services for Palm-Suspended- \$161,000
- Olberding Environmental-permitting for Palm-Suspended-\$17,300
- Contra Costa College-providing classes in Hercules. \$40,000. I suggested that we not renew this contract for the next fiscal year, but we would still provide free use of meeting rooms if the College chooses to hold classes in Hercules. While I support having this program in Hercules, this is simply a luxury we cannot afford right now.
- Main Street Property Services-leasing, marketing/architecture consulting for Sycamore North-3 contracts totaling \$669,000. We are negotiating with the service provider to modify and reduce the contract amount.
- Insurance payments on City owned properties-The City currently owns 8 residential properties give of which are vacant. I've asked our Municipal Services department to look at selling these properties to recoup some of the cost and eliminate the expense of insurance and rent collection. If an outside broker is used for the sales, they will be selected using the competitive bid process.

Real Property Manager: As previously approved by the Council, we have hired Mr. Frank Fox as our Real Property Manager. The Senior Management team believes this position was extremely important to assist with bringing in revenue from our various City properties. Mr. Fox has begun to evaluate all City leases and subleases. Frank and I will also be meeting with Hercules Fitness and the property owner to try and reach more favorable terms on this lease agreement.

M.R.G. Financial Review: Work continues on the Municipal Resources Group financial review. I was advised to slow discretionary spending as much as possible.

Sycamore North Broker: On Tuesday we had held second interviews with two brokerage firms to handle the sale of Sycamore North. Myself, Ben Golvin, resident Bill Kelly and Mayor Ward participated in the interviews. We unanimously selected CB Richard Ellis (CBRE). They will have separate brokers for the retail and residential portions of the sale. All brokers interviewed highly recommended we continue construction on the building. We are still attempting to identify a funding source to do so. If we are unable to fund construction during the sale period we may have to stop.

Citizens Financial Advisory Ad-Hoc Committee: This Committee held their first meeting on Monday and posed many questions to begin to help all present understand our current financial situation. The group will most likely meet again on Tuesday of next week. More information will be posted to the City website calendar. These meetings are open to the public, so any interested persons are welcome to attend.

Recall Petitions: Members of the Hercules Recall group filed their petitions for recall with the City Clerk/Elections Official on Tuesday, February 8, 2011. As per Election Code Section 11222, the City Clerk/Elections Official conducted a review of the submitted petitions and determined that the total number of signatures exceeded the minimum number of signatures required. The number of signatures required is determined by the last count of registered voters reported to the Secretary of State. In the October 19, 2010, County Elections reported 12,503 registered voters in the City of Hercules. As per Elections Code Section 11221, Twenty percent (20%) or 2,501 signatures are required to qualify the petitions for an election. On February 9, 2011, the petitions were forwarded to the County Elections Department to conduct a random sampling of signatures to determine whether or not the petitions are signed by the requisite number of registered voters. If the petitions are found to be sufficient, the City Clerk/Elections Official will submit a certification of sufficiency to the City Council at its next regular meeting. Within fourteen (14) days of receiving the certificate of sufficiency, the City Council will then call for an election to determine whether or not Council Members Kuehne and Ward shall be recalled.

Alternatively, if the petitions are found to be insufficient, no action will be taken and the petitions will remain on file in the City Clerk/Elections Official's office. Should the recall proponents wish to continue the effort, they are not precluded from filing a new petition.

Commission/Committee Recruitments: The City Council is actively seeking candidates for consideration in filling the following positions on the various City Commissions and Committees:

- Planning Commission (3 - 2 year term)

- Community and Library Services Commission (3 - 2 year term and 1 – 1 year term as a Youth Commissioner)
- Contra Costa Transportation Authority Citizens Advisory Committee (1 – 4 year term)
- Contra Costa County Council On Aging (1 - 2 year term)
- Mosquito and Vector Control Board (1 – 2 year term)

Applications are currently available at City Hall, 111 Civic Drive or through the City’s website at www.ci.hercules.ca.us. The deadline to apply is Friday, March 11, 2011 with interviews tentatively scheduled for Wednesday, March 15, 2011 and/or Friday, March 18, 2011. For more information, please contact the City Clerk’s Office at (510) 799-8215.

Wastewater Workshop: This workshop will be scheduled once the City’s financial review is completed. As noted by council members and speakers at the last meeting, current and accurate numbers are needed for good decisions to be made in this area. Representatives from the City of Pinole and West County Wastewater District will be invited to participate.

Removal of Dirt on Parcel C: The City negotiated with a private contractor to remove the mountain of dirt from the former Walmart property (Parcel C). The City should net up to \$138,000 for the removal of almost 150,000 yards of dirt. This is a good deal as it brings much needed revenue into the City and makes the property more desirable for a future developer or buyer.

Black History Month Art Exhibit: This week, the Black History Month Art Exhibit titled “History, Herstory, My People,” opened here at City Hall. It will remain open through next Wednesday, February 16 with different events each day. Residents are encouraged to check out the website calendar for more details.

Baywood HOA: Tomorrow the City will be opening and counting the ballots for the possibility of a Baywood HOA. Any interested resident is invited to observe the opening and counting of the ballots on February 12, 2011, at 10:00 a.m., in Hercules City Hall, Council Chambers.

Hercules High School Student arrested on Weapons Violation: On Friday February 4, 2011 at 12:23 p.m. a School Resources Officer located a loaded firearm in the waistband of a juvenile detained for theft at the High School. The juvenile was transported to Juvenile Hall and suspended from school.

Residential Burglary: On February 4, 2011 at 5:33 p.m. a resident in the 800 block of Valley Run reported someone kicked the front door of her residence and stole jewelry from the house. The victim mentioned that, earlier, a 19 to 20 year old black female with light complexion had repeatedly knocked on her front door asking for a dog. Police received a detailed description of the women and are continuing to investigate. Please be wary of strangers who visit your home for no apparent reason. They may be casing your house-don't hesitate to call and ask an officer to check them out (Dispatch 724-1111).

Armed Robbery: On February 9, 2011 at 8:18 p.m. officers responded to an armed robbery that occurred on Canterbury Street. The 37 year old victim, a Hercules resident, said he had been walking in front of Foxboro Park on Canterbury when he was approached from behind by three black males who demanded his wallet and cell phone. The suspects fled in a 1990's Honda possibly a CRX. One of the suspects was armed with a large wrench and another claimed to have a handgun, though one was not seen. The suspects were 15-20 years old and wearing dark colored hooded sweatshirts. If you have any information regarding this case please contact the Hercules Police Department at 510-799 8260.