



MEMORANDUM

DATE: November 12, 2010

TO: Mayor Kris Valstad and City Council Members
City Employees
Members of the public

FROM: Charlie Long, Interim City Manager

SUBJECT: City Manager's Weekly Report

East Bay Regional Communications Authority: Achieving the ability for police and fire agencies in different jurisdictions to communicate with one another is extremely important for improving emergency response. This goal has been articulated nationally since 9-11 and it appears that we here in the East Bay are close to actually achieving it.

In September 2007, the East Bay Regional Communications System Authority (EBRCSA) was officially created with the formation of a Joint Powers Authority (JPA). The mission of the EBRCSA is to own, build and operate a state-of-the-art Program-25 compliant communications system for all public agencies within Alameda and Contra Costa counties. Program 25 radios are all interoperable with each other, enabling every agency participating to talk with each other. Our current radio system does not have this feature, limiting interagency communication.

Since forming the JPA, representatives from both counties have been working together to fund the project infrastructure. The project is estimated to cost \$67 million and to date, the EBRCSA has secured close to \$33 million in Federal Homeland Security grants to build out the infrastructure.

On November 23, I will ask the Council to approve the operating agreement with EBRCSA that will financially commit the City of Hercules to participate in the regional communications system. The cost for each agency to participate is based upon the number of radios that it plans to operate on the system. The cost for joining the EBRCSA

will be included in the monthly maintenance fees which will replace at a lower amount the fees we currently pay to participate in the system managed by the City of Richmond.

Separate from joining the EBRCSA, the City will be purchasing 70 radios for the Police and Public Works Departments to use on the new system. The estimated cost to purchase these radios is approximately \$250,000. These costs have been anticipated for several years in the City's budget so funding for implementing this agreement has been set aside in prior years. Formal authorization to purchase the radios will be sought at a future council meeting when the exact costs are determined.

Consultant Contracts: I've attached a list of all [consulting contracts](#) the City currently maintains. I've asked all department directors to review this list and closely evaluate whether each contract is beneficial for the organization. As we approach the mid-year financial review, this list will face additional scrutiny. I welcome questions or comments from the Council and public regarding this information.

Bayfront and ITC: We were able to have in-depth discussions with Jim Anderson this week. We are working both on the workplan for developing information for our negotiation as well as working on a set of principles for the public private partnership agreement.

Anderson Pacific has provided us a license agreement for access to their property to delineate wetlands. This agreement had been held up for many months, a victim of the poor communication environment that existed between the City and Anderson Pacific. Moving forward on this agreement represents a small but significant step forward toward greater cooperation and more trusting communication.

As I reported last week, we are ready to hire market and cost consultants to validate the market value of the project and cost of development. Jim still is considering our suggestions on who to hire to perform this work.

We are also still waiting for Jim to comment on our readiness to release the Draft EIR on the project for comment. The document is ready to print and simply needs two days for printing prior to release. Releasing this document is a high priority, but we do not want to release it until Jim can comment.

We talked extensively this week about how important private investment in the Bayfront project is to the success of the Intermodal Transit Center and vice-versa. We shared with Jim the current costs of the ITC and clarified for him the City/Agency commitment to obtain the remaining money to complete the funding package. Note that the City/Agency still needs to secure \$55 million to fully fund this project. Frankly, this has been a point

of some confusion between the City/Agency and Jim and we clarified that the private development would not be responsible for contributing to the costs of the ITC. In addition, we discussed how keeping both Bayfront and the ITC on schedule is important to funding sources who are looking for reliable performance.

Here are the numbers we shared with Jim:

Intermodal Transit Center Costs and Funding Status

Costs

Funding

ITC Component	Estimated Cost (000)
1 Lift station removal*	\$1,500
2 Bayfront Bridge	\$2,125
3 John Muir Parkway/Refugio Creek	\$2,900
4 Bay Trail/Retaining Walls	\$14,000
5 Utility Relocation	\$5,100
6 Railroad Bridge (north section)	\$1,000
7 Track/Platform/RR Bridge	\$19,000
8 UP Signal	\$1,000
9 Station Structure	\$19,400
10 Transit Loop	\$6,900
11 Café/Civic Plaza	\$2,700
12 <u>Soft costs</u>	
a Design*	\$1,900
b Environmental/Permitting*	\$400
c Project management*	\$285
d Construction management	\$2,500
e Legal*	\$200
f Other	
Total City/Agency Costs	\$80,910
*Incurred	

Committed Funding		
1	<u>State</u>	
a	TCRP construction	\$700
b	STIP-RIP	\$8,000
c	STIP-TE	\$775
d	STIP-TE	\$1,097
e	STIP-TE	\$862
2	<u>Federal</u>	
a	HPP Authorization design/envir	\$913
b	HPP Authorization construction	\$339
3	<u>Regional</u>	
a	Measure J Sales Tax	\$5,891
b	Measure WW bond issue	\$900
c	Measure AA bond issue	\$1,400
d	Measure WW bond issue	\$367
e	ABAG Grant	\$198
f	STMP	\$1,000
4	<u>Local</u>	
a	Wastewater utility	\$1,500
	Agency funding through November	
b	2010	\$1,872
	Total Secured funding	\$25,814
	Additional funding to be obtained by City/Agency	\$55,096
	Pending additional funding applications	\$27,000

In addition, we talked extensively about how the ITC and Bayfront are synergistically related. Doing one without the other results in failure for the City’s goal of creating a great place on the Hercules waterfront. One consequence of this discussion has been a commitment on my part to address the issue of right of way acquisition for the ITC as

part of the overall public private partnership agreement for implementing Bayfront. Previously, it appeared that right of way acquisition was being treated separately from the overall public private partnership.

It is clear that both the publicly funded ITC and the privately developed Bayfront have funding gaps. As shown above the ITC has a gap of \$55 million. The financial gap of Bayfront will be verified in the market and cost analysis, but it is at least as large as the gap for ITC. The Redevelopment Agency will be able to help close the funding gap only to the extent that the private investment generates value resulting in tax increment revenues to the Agency. The funding gap for both projects far exceeds the resources that the Agency will be able to generate from tax increment, so additional outside resources will be necessary to make the projects successful. We need to move both projects to an implementation phase to be able to compete successfully for outside funding.

We are meeting again next week to discuss value creation strategies and development phasing. I should be able within the next two weeks to release a set of principles that will serve as the framework for the terms of a public private partnership.

Intermodal Transit Center: We are continuing work with our funding partner agencies including CCTA, MTC and Caltrans to revise the ITC funding plan to better align with the contract packages and justify extension requests where necessary.

The project team completed the following this week:

- Met with Bio-Rad to resolve Bay Trail final design and construction issues.
- Prepared detailed railroad bridge construction staging plans for discussion with UPRR.
- Prepared and submitted a request to FEMA for a Conditional Letter of Map Revision to the floodway at Refugio creek.
- Worked on resolving issues related to the ventilation in the station structures to address summer temperatures. A passenger waiting area at the platform level below the stairway is enclosed and conditioned to address the comfort of passengers waiting for the next train.

At the Planning Commission on Monday night (November 15), staff and the developer will present a resolution to the issue of the retaining wall engineering that was discussed in a previous Planning Commission meeting.

We are preparing a response to the SF Bay Conservation and Development Commission (BCDC) staff on the issue of sea level rise since the Intermodal Transit Center is located adjacent to San Pablo Bay.

City Council Strategic Issues Study Session: After speaking with many of the department directors, members of the public and the City Council about how to replace the Council Subcommittee system, I am recommending one measure that might be part of the replacement; namely that the Council hold a monthly “Strategic Issues Study Session.”

I suggest that the Council hold these sessions monthly on the 4th Monday from 6 to 9pm. The format would allow the entire three hours to be devoted to one issue or we could have several issues for discussion spending 1-1½ hours on each. I also suggest using a roundtable format.

The purpose of these study session will be to inform the Council and the community about complex issues impacting the City. No decisions would be made, the meeting is purely informational. The public will have the opportunity to literally be at the table and participate in the discussions. The meetings will be televised, there will be an agenda and minutes will be taken.

The first study session will be held on Monday, November 22. Several topics are still being considered and I would like suggestions from the Council and public on what issues should be discussed at this first session. Due to the holidays, there would be no Strategic Issues Study Session in December.

I am suggesting that the Council experiment for six months with this format to determine if it works for making Council members and the public better informed. I think that these sessions enhance Council’s role in focusing on strategic, big picture issues, versus the routine day to day details. It is the intent that these study sessions provide the information for them to do that.

These study sessions address only part of how to replace the subcommittee process. Many people have pointed out to me how important subcommittees are as think tanks for new ideas and problem solving and as forums for working with other organizations. I hope to address this issue when we have our workshop in December on formulating final recommendations for enhancing and replacing the subcommittee system.

I welcome additional comments on the sub-committee process and will continue to include those weekly. All suggestions received thus far are attached at the end of the report.

Transition of duties from contract with Affordable Housing Solutions Group: With Council’s approval of the \$600,000 annual reduction in the scope of work of the

Affordable Housing Solutions Group (AHS) contract, we are moving ahead to transition services in-house. Parks and Recreation is developing a strategy for conducting the community cleanups using volunteers replacing the service that cost \$150,000 per year through AHS. Most of the administrative services and the wastewater liaison services provided by AHS at a total cost of \$210,000 per year have either been eliminated or already moved in-house. Planning is assuming duties to monitor inclusionary affordable housing units provided by private developer throughout the city. And we are beginning discussions with affordable housing corporations such as Bridge, EAH and others to conduct tenant and buyer screening for the affordable units. Finally, the project management services for \$240,000 per year for the Sycamore North project have already been moved to the Finance and the Municipal Services departments. We are now proceeding with preparing a scope of work for the \$518,000 of services provided by AHS so they can be competitively bid.

Organizational Changes: Attached is the City's [new organization chart](#) that portrays the changes that I announced on October 29 and the Council approved on November 9. Our [prior organization chart](#) is also attached for comparison.

As introduced during the November 9, 2010 City Council meeting, John Stier will be the new Municipal Services Director and Erwin Blancaflor will serve as the Utilities Manager. The City's Finance Department will now be led by Elizabeth Warmerdam, and Gloria Leon will serve as the Assistant Finance Director. The Finance Department will now also provide oversight over the Affordable Housing program. Additionally, the Municipal Services Department is a new department and will be responsible for providing all utilities management, public works operations, real property management, capital improvements, and project management services.

We have begun recruitments for the [Real Property Manager position](#) and the [Senior Project Manager position](#). Please see the attached job descriptions linked to each title for more information about the positions in the new department. The [recruitment for the Senior Project Manager](#) will begin internally and all employees who meet the qualifications are encouraged to apply. There will be an [external recruitment for the Real Property Manager](#) and current City staff and members of the public are encouraged to apply. *Please note that incumbents to these positions will be required to complete a Statement of Economic Interest that will become a public document.*

The fiscal impact of these changes is positive to the City. We are eliminating some positions and converting other positions. John Stier, for instance is going from a Special Project's Director to Municipal Services Director. Liz Warmerdam is going from Redevelopment Manager to Finance Director. Below is a table that measures the fiscal

impact of the changes in terms of impact this fiscal year and on an annual basis.
 (Negative numbers shown in the table represent cost savings)

	Current Fiscal Year Impact	Annual Cost impact
Eliminate position of Special Projects Director	(\$103,427.33)	(\$177,304)
Eliminate position of Economic Development Director	(\$114,428.42)	(\$196,163)
Convert Senior Projects Director to Municipal Services Director	\$5,829.83	\$ 9,994.00
Convert Public Works Director to Utility Manager	\$0.00	\$0
Convert Redevelopment Manager to Finance Director	\$77,344.75	\$ 132,591.00
Convert Finance Director to Assistant Finance Director	\$0.00	\$0
Add Real Property Manager	\$76,185.08	\$ 130,603.00
Add Senior Project Manager (internal)	\$3,749.67	\$ 6,428.00
Net impact	(\$54,746.42)	(\$93,851.00)

To consolidate the departments within City Hall, many employees are moving their offices next Thursday and Friday, November 18 and 19. Please bear with us on those two days as the move will tax much of our time. I want to thank City Staff and the Public in advance for their patience as we implement these changes.

Wastewater Treatment Plant: We met last week with E. J. Shalaby, the Executive Director of West County Sanitary District to review the status of our wastewater treatment planning. As you know, the Regional Water Quality Control Board is requiring Pinole to upgrade its plant and Hercules has been buying wastewater treatment services from Pinole for about 25 years. Before Pinole spends the money to upgrade the plant we want to insure that Hercules has the best long term arrangement for wastewater treatment.

Lisa Hammon and Erwin Blancaflor are conducting a comprehensive analysis of the tentative decision that City Council made earlier this year to contract with West County for wastewater treatment services. They are reviewing options and gathering data regarding the Hercules/Pinole Wastewater Treatment Plant and are meeting with Pinole staff on Friday, November 12th to gather more information. This is an ongoing process and we hope to formulate recommendations on how best to proceed to in the next month or so. We suggest that this issue may be a candidate for discussion at the Strategic Issues Study Session.

Affordable Housing Program: On Wednesday, November 10th, we conducted a Homebuyer Education class for six households. All six households qualified as low to moderate income families under the First Time Home Buyer Program.

Public Safety Rebanding Project: Last year Sprint and Nextel learned that the “push to talk” feature on their phones was interfering with public safety radios in West Contra Costa County operating on the 800 Mhz radio bandwidth. Rather than move their system to another bandwidth, Nextel and Sprint elected to pay the cost to move West County public safety radios to another bandwidth, still in the 800 Mhz range. This “rebanding project” is being carried out this week. As a result, all Hercules Police radios were reprogrammed to operate on the new bandwidth. A few of our radios could not be reprogrammed. As a result, Nextel and Sprint purchased new replacement radios. The new radios purchased as a result of the rebanding project will also operate on the anticipated EBRCSA (see first item in the report). All reprogramming and replacement should be completed this week. The migration to the new bandwidth should occur in late December or early January.

Police Department Revenue: The police Harley Davidson motorcycle was sold to a private buyer on November 9 for \$10,000. That same evening the Hercules Police Explorers received a check for \$10,000 from the proceeds of the City Sponsored Golf Tournament, held in October. The Explorers plan to use this money to attend future annual competitions in Arizona.

Subcommittee Replacement Suggestions

These are suggestions I have received so far on replacing the Subcommittee meetings.

Kathleen Cyr (City staff member)-I have a few suggestions on how to improve the “pre-approval” of requests for expenditures presented to the Council, formerly in the Subcommittee forum.

- ◆ A specific dollar amount needs to be determined and consistently adhered to in regard to items needing approval. (In the past, it was at the Finance Director’s discretion, and very inconsistent which led to frustration in trying to do it correctly as the rules were always changing.)
- ◆ Emailing Staff reports to the entire Council that must be read within a predetermined time frame, the next step is the author will meet at a predetermined time possibly every other week. Each author will meet the Council members in time slots so the Council can hear everyone’s explanation individually, and does not waste time with non involved staff being present. The Public would be welcome to attend the meetings.
Staff member 1 10:00-10:30 Council members 10:00-11:00
Staff member 2 10:30-11:00, etc (Council stays for entire time)
- ◆ Once an item is approved by the Council members the Staff report should be signed. There is spot on the form, but this has not been utilized as it should.

Last Weeks

Gerard Boulanger-If no decisions are to be made and if the Council meets with the public, then I am afraid it will very quickly become an endless argument of the pro and cons and it will build even more frustrations.

I suggest to drastically reduce the number of subcommittees. Actually, most of them could be relocated into their respective division as "regular business".

When it comes to strategic projects, I think subcommittees are not a good solution. Instead, I suggest including a Project discussion/report at every single Council meeting as part of the official agenda. People concerned/motivated will prepare a thoughtful and short speech knowing in advance the subject of discussion.

Workshops are a very good tool to get fast and qualified feedback from the public while subcommittees are more about going around the subject or/and preaching for special interests. Having said that, I believe workshops should be organized *ONLY to address strategic projects/issues*, and then a specific subcommittee could be build to follow up. However, I don't think we should replace all subcommittees with workshops as there is a risk to build too high of expectations, then frustrations. Transforming subcommittees into workshops may also give too much importance to "minor" projects.

I believe some subcommittees should simply disappear and be replaced by a regular report during Council meetings. It may sounds like I don't want the public to intervene in

city affairs, but on some subjects, the public doesn't have enough information to be productive. For example, I attended a finance subcommittee a few weeks ago and I was lost. How can I give feedback on spending more if I don't have the whole picture? Another example: the Chamber of Commerce or Education, we don't need a subcommittee to decide whether to financially support them or not: we can or we can't.

Dan Romero-The complaint about the sub-committee meetings is that the public couldn't attend. Many in the public wanted to see the meeting telecasted on TV or a audio recording. Minutes have not been maintained. I feel that the meetings should continue but be telecasted to the community so the public can watch. I feel that the meetings should not be held in the evening because it prolongs the workday for city staff. Having the opportunity to see business meetings and discussion prior to the council meetings is good for the public. Being able to hear what staff is suggesting to the council members is good for the community and hearing the response from council members that the public never hears during council meetings is likewise good. Postponing the meetings and asking the community which has no experience in city government leads to chaos.