



City of
Hercules

MIDYEAR REPORT



FY 2021-22



The Dynamic City

The City of Hercules is a richly diverse community where people want to live and raise their families. Hercules is on its way to achieving its vision of walkable neighborhoods oriented to a major multimodal transit hub serving the Bay Area.

We are back on the right track

I am pleased to present the Midyear Report FY 2021-22 for the City of Hercules. This report highlights major accomplishments and initiatives over the past months.

Our community and City government were forced to deal with a worldwide pandemic and associated economic downturn, all the while maintaining a high level of community services residents expect.

No organization has been unaffected by the pandemic. The shift to remote working and online meetings has been an adjustment for almost everyone. However, many of the services we provide, including emergency services, street and park maintenance, and critical utility services cannot be performed remotely. Therefore, a major focus for much of the past year has been ensuring the safety of our employees in the workplace while still being able to meet the needs of our community.

Thankfully, COVID-19 was not the only noteworthy event of 2021. As you'll see in this report, Hercules was busy throughout the year delivering exemplary municipal services to the entire community.

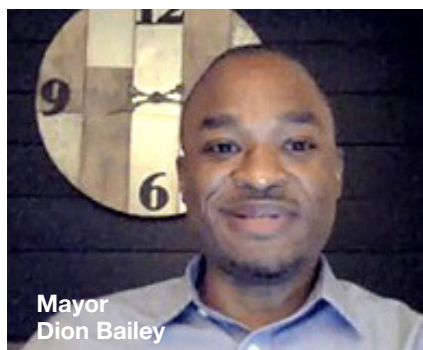
Sincerely,

Dante Hall
City Manager





Council Member
Chris Kelley



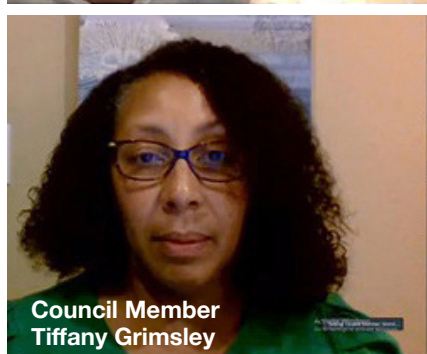
Mayor
Dion Bailey



Council Member
Dan Romero



Vice Mayor Alex
Walker-Griffin



Council Member
Tiffany Grimsley

Our unique value propositions

- Great Location
- Low Crime Rate/Safe Community
- High median incomes
- Bay/Waterfront Community
- Well Maintained
- Parks & Open Space
- Strong Sense of Community
- Quality Housing Stock/Affordable

City Council members
on Zoom meeting during
the COVID-19 pandemic

Great achievements despite the pandemic

I am pleased to present the Midyear Report FY 2021-22 for the City of Hercules. Reflecting on our many accomplishments last year, I'm impressed by the achievements outlined in this report despite the current COVID-19 crisis. I am amazed at our resiliency and how we continue to navigate this pandemic.

As you will read in this report, the City continues to provide high quality programs and services to residents while maintaining a significant amount of infrastructure within a limited budget. Projects initiated by the City Council that will improve the quality of life for our community include the grand opening of the new Hercules Safeway grocery store and fueling station which will generate much needed sales tax, and the grand opening of The Exchange and The Grand apartment buildings at the Waterfront. The opening of The Exchange adds approximately 172 workforce housing units to our housing supply. Additionally, there are several pending traffic calming projects which are designed to make our streets safer for pedestrians and cyclists.

Our balanced budget includes funding to promote community events including a July 4th celebration. In addition to these projects, the Council initiated a nationwide search for a new City Manager. We hired Dante Hall for this task and he began his employment with the City on August 16, 2021. He is diligently working to implement policies that will continue to improve our financial trajectory while enhancing the lives of our residents.

Dion Bailey
Mayor



01

FINANCE



The Grand at Bayfront

Between social and economic challenges

The 2020-21 Budget was adopted with modifications and assumptions concerning what the City may encounter as we navigated the COVID-19 pandemic.

With the COVID-19 pandemic shutting down major portions of the national and local economy, we did see impacts in the fiscal year.

But even if 2021 was extremely challenging, it has not been without several significant and noteworthy accomplishments.

Most importantly, the City successfully managed its response to the COVID Pandemic and made adjustments to its operations throughout the year as needed to meet the adopted budget and to protect its employees and the community of Hercules in general.

Fortunately, the Finance Department was not as strongly impacted from a revenue perspective as other agencies. In addition, the City's sales tax base has proven to be more resilient than many other communities' given its concentration in the business-to-business and home improvement categories.

The Department continues to provide timely delivery of the Annual Comprehensive Financial Report (ACFR).

Excellence in Financial Reporting

Last fiscal year the City’s Comprehensive Annual Financial Report (ACFR) and published budget documents received the GFOA award for Excellence in Financial Reporting and the Distinguished Budget Presentation Award. The awards are the highest form of recognition in governmental accounting and financial reporting.

Audit and internal controls

The State Auditor review of all local government completed in 2021 gave Hercules a “green” ranking or a clean bill of health. The City received consistently an unmodified audit opinion on all material aspects, including internal controls.

Bond Refinancing

The operation resulted in Debt Service savings of approximately \$5,000,000.

In August 2020, the City refinanced the proceeds of the Library Lease Revenue Bonds, Series 2003B. The City structured the refinancing to achieve all of the cash flow savings in the first three fiscal years for the net present value savings of over \$900,000.

In July 2021, the City refinanced the proceeds of the Wastewater Lease Revenue Bonds, Series 2010. The City’s refinancing resulted in debt service savings of over \$4 million.

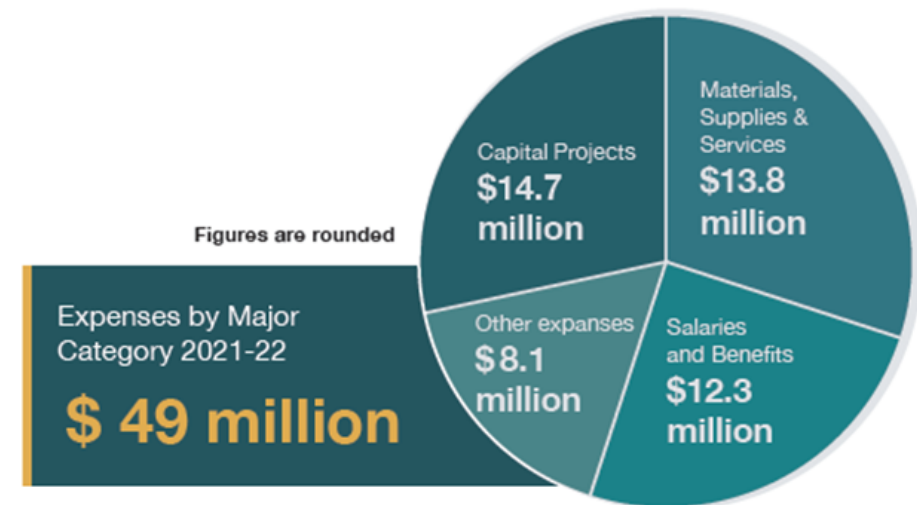
Additional Budget Award

The City received, for the first time, the California Society of Municipal Finance Officers (CSMFO) Operating Budget Excellence Award for the Fiscal Year 2021-2022.



Citywide Budget FY 2021-22

The Financial Year Budget for the City of Hercules is approximately \$50 million. The following is a breakdown of revenues by fund type and expenditures by major category.



Small City – Big Vision

Hercules Regional Intermodal Transit Center (RITC) – Connecting the Region

The City of Hercules is growing beyond its humble beginnings. Work on the Regional Intermodal Transit Center is moving forward with plans to connect Hercules to major job centers in other Bay Area cities.

What is the Hercules RITC?

The Hercules RITC is a planned transportation hub including train, bus, and ferry service bisected by the San Francisco Bay Trail in one convenient Waterfront location. It will provide affordable and convenient alternative transportation options to traveling on Interstate 80 and through West Contra Costa County and the larger region with connections to BART and Amtrak, as well as a range of stops between San Jose, Oakland and Sacramento.

What are the benefits of the Hercules RITC?

The Hercules RITC will benefit the City of Hercules, West Contra Costa County, and generally people traveling on the I-80 Corridor. I-80 is consistently ranked one of the most congested transportation corridors in the nation.

Traffic congestion regularly plagues commuters during rush hour in both directions, as well as during off-peak hours and weekends with commuters along the I-80 corridor projected to increase 23% by 2040.

Adding a train stop in Hercules on the existing Capitol Corridor line will provide an easy alternative to commuting on I-80 for Hercules and West County residents.



Where will the Hercules RITC be located?

The transportation hub will be located on Bayfront Boulevard, a short drive from I-80 & SR-4 along John Muir Parkway. It is situated within Bayfront Transit Village, a new master-planned, transit-oriented development that includes 1,400 residential units and 340,000 square feet of office and ground floor retail space.

02

COMMUNITY
DEVELOPMENT

What's the current status of the Hercules RITC?

The first phases of the project, which entail initial station site preparation, access improvements, flood protection for the station site and track, and segments of the San Francisco Bay Trail are completed. The City has received about \$47 million of Federal, State, Regional and local funds for the project. The remaining work is estimated to cost about \$70 million and includes relocating utilities, completing the railroad track and signal work needed for the station, and then the rail station infrastructure (i.e. platform and the pedestrian crossing over the railroad tracks).

The City is concurrently reviewing grant opportunities and meeting with project supporters and funding agencies to review the project status and remaining work to be completed.

ACCOMPLISHMENTS

Safeway Center Opening

The brand-new 65,775 square foot retail center, featuring a Safeway grocery store and a 20-pump fuel center, plus Peet's Coffee and Chase Bank opened in March 2021.



The Grand at Bayfront

Following on the heels of The Exchange at Bayfront, this second phase of the Bayfront project opened in July 2021. It offers 232 apartments, ranging from studios to 2-bedrooms, including 15 units designated for households making 60% of the area median income.

Willow Avenue Self Storage Facility

The construction on this new center (across the street from Valley Bible Church) is nearing completion, with an opening anticipated in Q1 2022. Through a unique development agreement, the City will begin receiving 10% of gross revenue once the storage units reach 90% occupancy.



Willow Avenue



Sycamore Crossing

Sycamore Crossing

The project developer is working on on-site preparation and utility relocation for this approved mixed-use project, which will include 30,000 square feet of retail, the City's first hotel, and 120 townhomes. Groundbreaking is expected to begin first for the hotel in 2022.

ON THE HORIZON

Pandemic best practices for public infrastructure

The Public Works Department constructs, maintains, and operates the City's public infrastructure. It effectively manages day-to-day operations to ensure Hercules keeps its reputation as a well-maintained City.

Throughout 2021 and despite the pandemic constraints, the Public Works and Engineering Department kept on investing in and enhancing public works projects and providing guidance and oversight on private development projects.

Traffic works continued the improvement of the safety, appearance, and function of targeted locations so that they will better serve all residents of the City of Hercules. It also focused on bet-

ter cost recovery for services rendered as well as on energy and sustainability management. The Public Works Department supported the achievement of all Strategic Plan Goals. In particular, it enhanced Transportation Access and Options, promoted alternative forms of transit. It also re-evaluated and made recommendations to improve the City's Capital Improvement Programs, Clean Water Programs and all Lighting and Landscaping Assessment Districts.



03

PUBLIC
WORKS

WHAT HERCULES TAKES CARE OF

Some of the services the City provides and facilities and infrastructure it maintains.

1,494 STREET AND PARKING LOT FEATURES

62 MILES OF SANITARY SEWERS

58 MILES OF CITY STREET

14 TRAFFIC SIGNALS

13 PARKS

9 PLAYGROUND STRUCTURES

7 MILES OF BIKE LANES

5 RECREATION CENTERS



Traffic & Safety improvement

A pedestrian safety project is nearing completion at Civic and Sycamore. The Design work is being completed on grant-funded pedestrian enhancements for Sycamore/Palm/Willow Avenues. To make Hercules streets safer for all users, a traffic calming project is being designed for Village Parkway.

Landscape & Lighting Assessment Districts

New energy-efficient LED streetlights with long-lasting steel poles have been installed in Zones 3/4 and 6 replacing failing hollow-core wood poles.

Energy and sustainability management

A major energy retrofit project for a variety of City facilities was completed through a partnership with ENGIE Services U.S., a national energy infrastructure and building services company. The project supports the goal to become a more efficient, productive, and sustainable City.

RECENTLY COMPLETED / ON THE HORIZON

04

PARKS AND
RECREATION

The Parks and Recreation industry had to reinvent itself

What the pandemic showed us is that Parks and Recreation provides more than economic value, it delivers on health and benefits as well as social importance.

Parks and Recreation Departments around the nation have had to make adjustments throughout the pandemic. The majority of programs that were offered in all Cities were outdoor. However, the department kept the needs of the community as its highest value and forged ahead.

Pre-pandemic, the Parks and Recreation Department was doing well. Revenues were trending up, and we were on track to meet the adopted budget. However, once the pandemic hit, we have

had to adapt to an ever-changing environment. Most programming was suspended, credits were placed on families' accounts, and the majority of the staff were furloughed. There were a lot of liabilities on the books with prepaid programs, and everyone expected a return much sooner.

As weeks of pandemic conditions turned into months, Parks and Recreation had to modify and create new programs to meet the changing needs of the community.

ACCOMPLISHMENTS

Enhancing the daily lives of our community members

We started virtual activities and virtual events to stay connected with our families. We drove people to new programs to help keep boredom from taking over, mostly online, but also by themselves. Initially, these ideas were free, but soon we were looking for ways to generate revenue. We started to partner with groups to bring on-line programs to kids and adults.

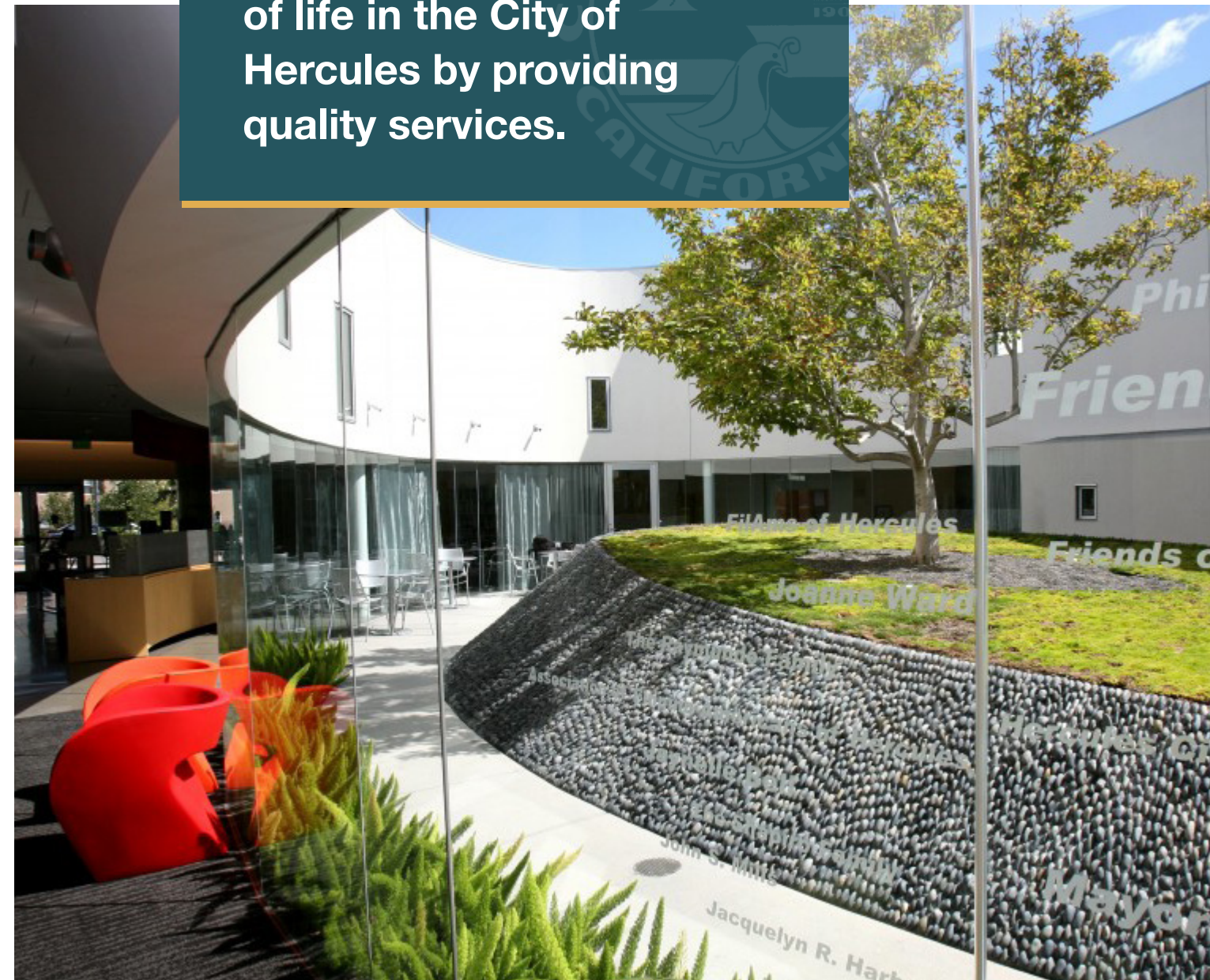
Outdoor amenities to keep people moving

We made a push to use outdoor amenities to encourage everyone to keep moving and stay healthy. We encouraged people to walk, ride bikes, use parks, and open spaces. Some things were well received like outdoor gym space, reimagining classes outdoors for health, etc.

Reopening and return of programs

To bring back some programs and activities for the community, Hercules Parks and Recreation produced an electronic summer Activity Guide and started to take registrations.

Our mission is to enhance the quality of life in the City of Hercules by providing quality services.





Summer Camp

We continued to run a modified version of our traditional camp all summer, but instead of doing this at one site, we spread it out over three sites, by age. Overall, the number of campers was about the same as pre-pandemic, so the camp was a huge success.

Community events

Parks and Recreation held the Trunk or Treat event the Friday before Halloween. More than 1,200 costumed kids showed up and approximately 2,000 people attended the event. In December Parks held the annual Tree Lighting event.

Congregate Meal Program

Café Costa returned to the Senior Center as the doors to the hall opened for the congregate meal program. Daily meals, as well as the 5 frozen meal plan, were offered all summer and both were still available in the fall.

Sport

The swim team was able to start to add more swimmers, and we quickly brought back the Piranhas Swim Team. Basketball Camp resumed indoors for the first time since the pandemic, Karate increased enrollment.

School

When kids returned to schools, the Before and After school programs started up again.

NEW – Summer Adventure Camp

Parks and Recreation modified its traditional summer camp previously, and created a new camp program that incorporated all mandated COVID protocols while maintaining the activities we all know and love.

New contract classes

Several new contract classes are beginning, including Zumba Fitness, Zumba Toning, Low Impact Cardio, Latin Dance Fitness, Line Dance, and Samba Salsa Sizzle.

Swim Center

Additionally, Parks and Recreation is beginning to get rental reservations for the Community Swim Center. Parks and Recreation hopes that the current trend continues to develop as we see more opportunities begin to manifest.

From preschoolers to seniors. Parks and Recreation programs and services contribute to the health of the community.



We are a force for positive change and high quality of life

Maintaining a safe and attractive community, includes ensuring a stable level of Police staffing and making Hercules a better place to live and work.

2021 set a focused engagement with the community on policing concerns and social equity including the first of an Annual Town Hall on Policing which took place in March.

Throughout the Pandemic, the continuing commitment of the Hercules Police Department kept on providing quality service to the community with respect, concern, caring, and equal treatment of all people. They strived to provide traffic safety, enforcement, and education services, maintain-

ing a strong caring attitude and empathizing with those they serve.

The PD welcomes and seeks an active partnership with the community in carrying out their responsibilities, working diligently to be a part of this community and not *apart* from it.



05

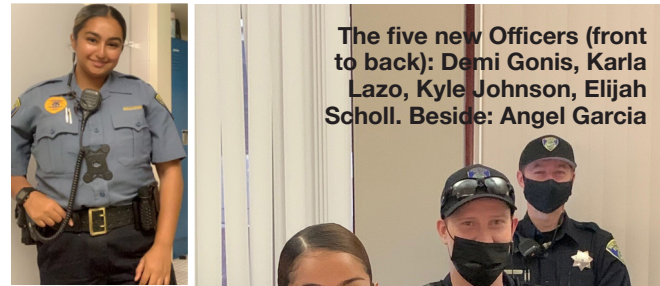
POLICE

ACCOMPLISHMENTS

New hire

The Hercules Police Department has 26 sworn officers and 3 non-sworn full-time positions within numerous operating units and Divisions, including Patrol, Investigations, Traffic, Records, and Property and Evidence.

In 2021 the Council approved a second Parking Enforcement Officer position which was promptly filled with a life-long Hercules resident with an interest in working for the City PD. We also worked diligently to fill vacancies in Patrol, hiring five new Officers.



The five new Officers (front to back): Demi Gonis, Karla Lazo, Kyle Johnson, Elijah Scholl. Beside: Angel Garcia



HERCULES CITY COUNCIL

Mayor

Dion Bailey

Vice Mayor

Alexander Walker-Griffin

Council Members

Dan Romero, Chris Kelley, Tiffany Grimsley

EXECUTIVE

MANAGEMENT TEAM

City Manager

Dante Hall

Finance Director

Edwin Gato

Community Development

Director

Robert Reber

Parks & Recreation Director

Christopher Roke

Police Chief

William Imboden

Public Works Director

Michael Roberts

