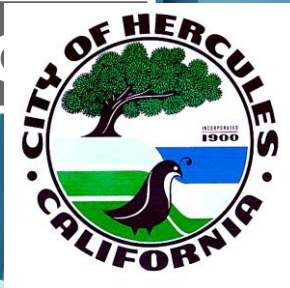


# Finance Departmental Update

June 27, 2023

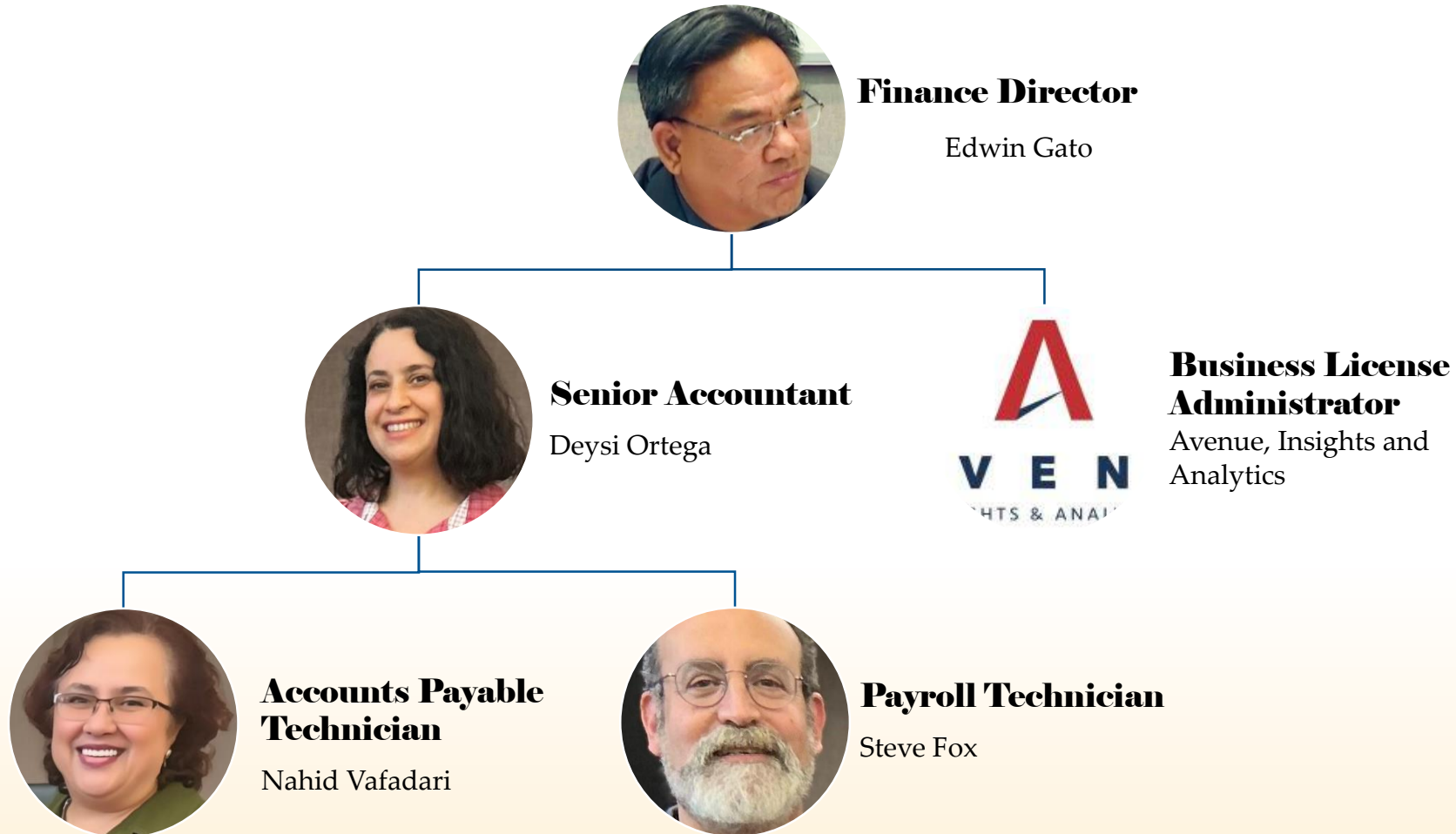


# The Finance Team





# Organizational Chart



# GFOA Code of Ethics



## *Code of Ethics*

We, the government finance officers of the United States and Canada, have a deep and abiding desire to show that we are worthy of the special trust that the communities we serve have placed in us. As a member of my government's finance office, I commit to living the following values to show that I am worthy of that trust.

### **INTEGRITY AND HONESTY**

Integrity and honesty are the foundation on which trustworthiness is built. It means people can believe what I say, I act in accordance with my deepest values, I put principle ahead of my own ego, and I do the right thing even when it is hard.

### **PRODUCING RESULTS FOR MY COMMUNITY**

Public finance offices have an important job. Doing that job well honors the trust the public has placed in me.

### **TREATING PEOPLE FAIRLY**

Local governments depend on trusting relationships. Therefore, I will treat people fairly and develop processes and procedures that are fair.

### **DIVERSITY AND INCLUSION**

Embracing diversity and fostering inclusiveness helps finance offices cultivate organizations and promote policies that reflect the communities they serve. When people feel included, they see that I am concerned for their wellbeing. That shows I am worthy of their trust.

### **RELIABILITY AND CONSISTENCY**

When I consistently apply my standards – especially to myself – I honor my commitment to the community I serve and make it easier to do the right thing even when faced with challenging circumstances.

# Finance Department Overview



## Finance Administration

Budget/Financial Analysis

Accounting

Cash and Investment  
Management

Debt Management



## Accounts Payable

Purchasing

Vendor Payment Processing



## Payroll

Paycheck Processing

Payroll taxes and filing

Benefit Payments

## INTERNAL CUSTOMERS

- City Council
- City Management
- City Department
- City Employees

## EXTERNAL CUSTOMERS

- Businesses within the City limit
- Vendors
- Contractors
- Investors
- Property Owners

Finance Department Customer



# Finance Department Responsibilities

- Bill, collect, monitor, invest, spend and report on over \$20 million dollars in City of Hercules revenues annually
- Safeguard, track and report on all City of Hercules assets
- Plan, project and provide for City of Hercules resources to support programs, services and capital projects
- Provide financial reporting and transparency to all customers





# Finance Department - Operations

## FINANCE ADMINISTRATION

- General Ledger (GL) Maintenance – *100 funds to maintain*
  - Budget upload to the GL at the beginning of the fiscal year
  - Record journal entries and ensure accuracy of the entries
  - Monthly accounting close
  - Budget monitoring
- Monthly Cash Reconciliation – *9 Bank Accounts*
- Loan Receivable
- Debt Management
- Preparation of Recognize Obligation Payment Schedules (ROPS)
- Grant Accounting
- Capital Assets
- Risk Accounting
- Annual Reports
- Audits



The background of the slide features a close-up, shallow depth-of-field photograph of several yellow bingo balls. The balls are scattered across the frame, with some in sharp focus and others blurred. Each ball has a black number printed on it. Visible numbers include 80, 10, 23, 15, and 30. The lighting is warm and golden, creating a textured, bokeh-like effect.

# Accounts Payable

- Timely payments for all City's financial obligation
  - Processed and issued payments for more than 2,000 invoices through checks, wires, ACH and purchasing cards
  - Processed the issuance of 1099 and 1098 IRS reporting
- Purchase Orders
  - Issued an average of 200 purchase orders annually
- Recurring Journal Entries
- Special Projects

# Payroll & Other



Bi-weekly processing of paychecks for six bargaining units plus over 100 part-time staff



Federal and State tax payments, including Medicare



Pension reporting and processed contribution payments



Quarterly and Annual Internal Revenue Service (IRS) reporting



Maintains the time tracking system



Processed cash deposits, liens, and loan repayments



Notary





# Annual Financial Reports

- Annual Budget
- Annual Comprehensive Financial Report (ACFR)
- Stand-alone Financial Statements & Agreed Upon Procedures
  - Wastewater Fund
  - Measure N (Utility Users Tax)
  - Measure B (Additional Sales Tax)
- Single Audit Report (Federal Grant Reporting)
- State Controller's Reports:
  - Cities Financial Transaction Report (CTR)
  - Annual Street Report (ASR)
  - Compensation Report
- Other Regulatory Reports (Filed annually and quarterly)
  - Investment Report
  - Debt Disclosures – All Bonds
  - Measure J Local Street Maintenance and Improvements (LSM)





## Finance Department Accomplishments - Projects

- Strategically and collaboratively worked with departments and City Manager to balance the annual budget and implement the Hercules Strategic Plan
- Completed the annual financial statements and audit with a clean audit opinion and fifth consecutive year with no audit findings
- Successfully refinanced the City's Bonds that generated over \$2 million in debt service savings
- Proactively addresses delinquent accounts and maximize City collections and cash flow through audits and collections efforts
- Identified redundancies in processes, analyzed their effectiveness at identifying errors and eliminated ineffective redundancies, saving staff hours weekly



# Finance Department - Awards

## Government Finance Officer Association (GFOA)

- ② Distinguished Budget Presentation Award – 3 consecutive years
- ② Certificate of Achievement for Excellence in Financial Reporting – 2 consecutive years

## California Society of Municipal Finance Officers (CSMFO)

- ② Operating Budget Award – 2 consecutive years



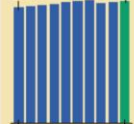


# Hercules Budget at a Glance

## HERCULES DATA DIGEST FY 2022-2023

26,091

Population of the City of Hercules  
24,640



40.2

Median age of residents

\$45,744

Per Capita Personal Income

32,143

Student Enrollment

(Reflects the total number of students enrolled in the West Contra Costa School District)

13,700

Total City Labor Force

Top 10 Employers, 2020-21

1. Bio-Rad Laboratories Inc. 2,194

2. West Contra Costa Unified School District 239

3. Home Depot 192

4. Safeway 180

5. Contra Costa County Social Services 107

6. Pacific Bio Labs Inc. 95

7. Lucky Supermarkets 90

8. City of Hercules 68

9. Benda Tool & Model Works Inc. 44

10. Big Lots 23



FISCAL YEAR 2023-2024

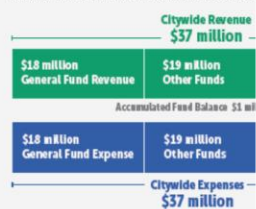
## BUDGET AT A GLANCE

CITY OF HERCULES, CALIFORNIA

### The Budget is the City's Roadmap

The City of Hercules' annual budget is one of our most important policy documents. The Budget at a Glance is a simplified version of the comprehensive budget document that includes highlights, and an overview of major revenue sources and expenditures.

CITY OF HERCULES FY 2023-2024 BUDGET OVERVIEW



**How is the budget developed?** The City Council adopts the budget in June of each year for the following fiscal year, which runs from July 1 to June 30. The budget development process is continuous and includes public communication throughout the year.



Hercules Budget 101 – an animated overview of the budget process: <https://youtu.be/so3ScX2>



HERCULES BUDGET AT A GLANCE

CITY OF HERCULES FY 2023-24 ANNUAL BUDGET

### CITY OF HERCULES STRATEGIC WORKPLAN

#### FINANCIAL MANAGEMENT

- Sustainable Operating Budget
- Improved Capital Improvement Plan
- Business Attraction and Retention
- New Revenue Opportunities

#### QUALITY OF LIFE

- Community Engagement
- Diversity, Equity & Inclusion
- Environmental Sustainability

#### PLANNING & POLICY

- Land Use Planning
- Parks Master Plan

#### FACILITIES & INFRASTRUCTURE

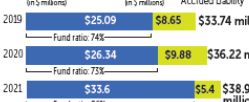
- Hercules Hub
- Sewer Improvements
- Pavement & Road Improvements
- Deferred Maintenance of City Facilities

#### PUBLIC SAFETY

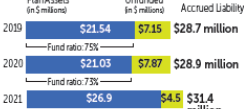
- Community Policing
- Urban Forest Management
- Emergency Preparedness

### CalPERS Pension Funding Status

Safety/police pension funding



Other staff pension funding



Based on June 2022 CalPERS actuarial report. The City's funding ratio as of June 30, 2022 was 86%. The Fitch (a credit rating agency) generally considers a funded ratio of 70% to be adequate.

### FY 2023-24: Citywide Expenditures by Program (Excluding Internal Charges)

\$37 million total

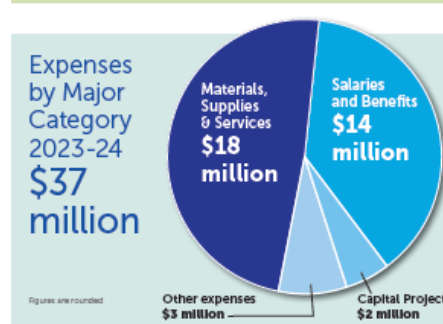
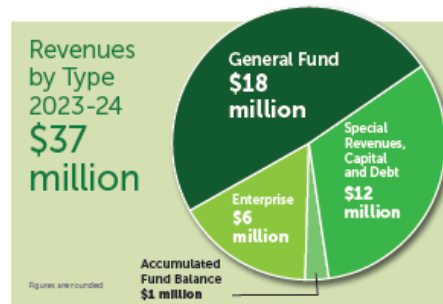


HERCULES BUDGET AT A GLANCE

CITY OF HERCULES FY 2023-24 ANNUAL BUDGET

### CITY OF HERCULES BUDGET FY 2023-24: CITYWIDE BUDGET

The following is a breakdown of revenues by fund type and expenditures by major category.



What the City of Hercules takes care of

Here is a look at the services the City provides and the infrastructure it maintains:

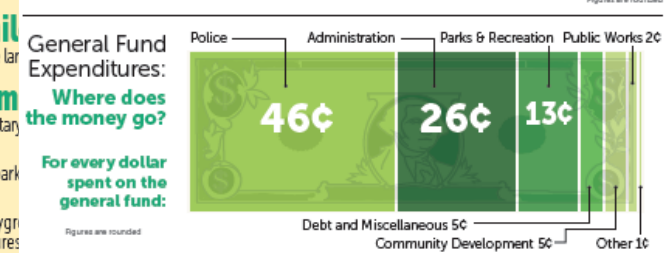
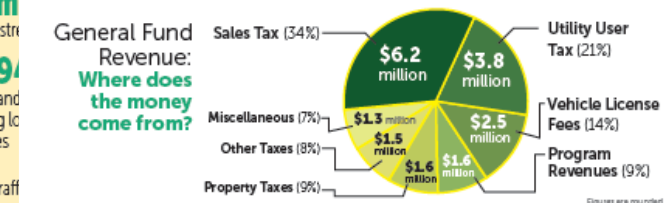
58 miles of city streets  
1,494 street and parking lot features  
14 traffic lights  
7 miles of bike lanes  
62 miles of sanitary sewer  
13 parks  
9 playground structures  
5 Recreation Centers



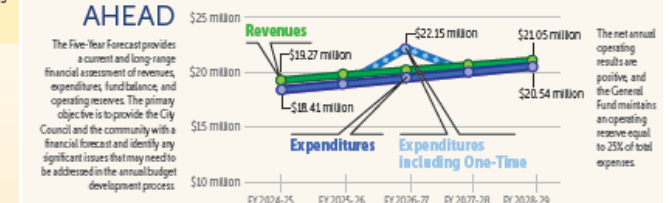
HERCULES BUDGET AT A GLANCE

CITY OF HERCULES FY 2023-24 ANNUAL BUDGET

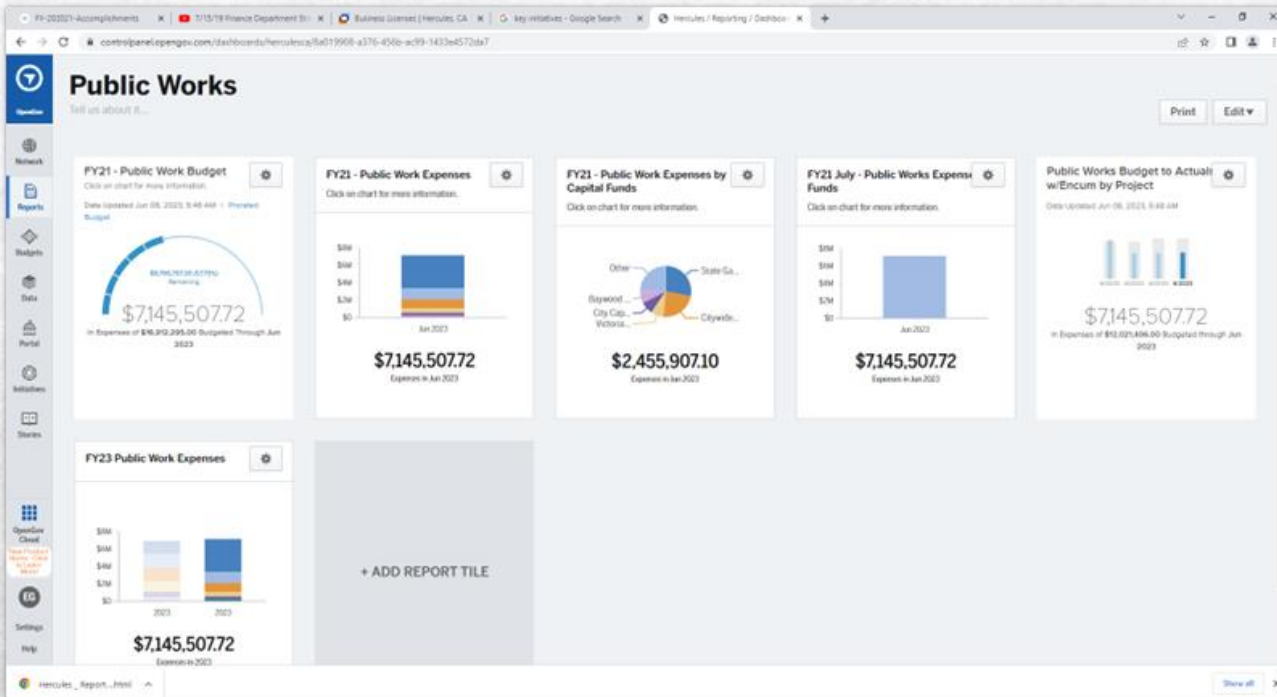
### CITY OF HERCULES BUDGET FY 2023-24: GENERAL FUND OPERATING BUDGET



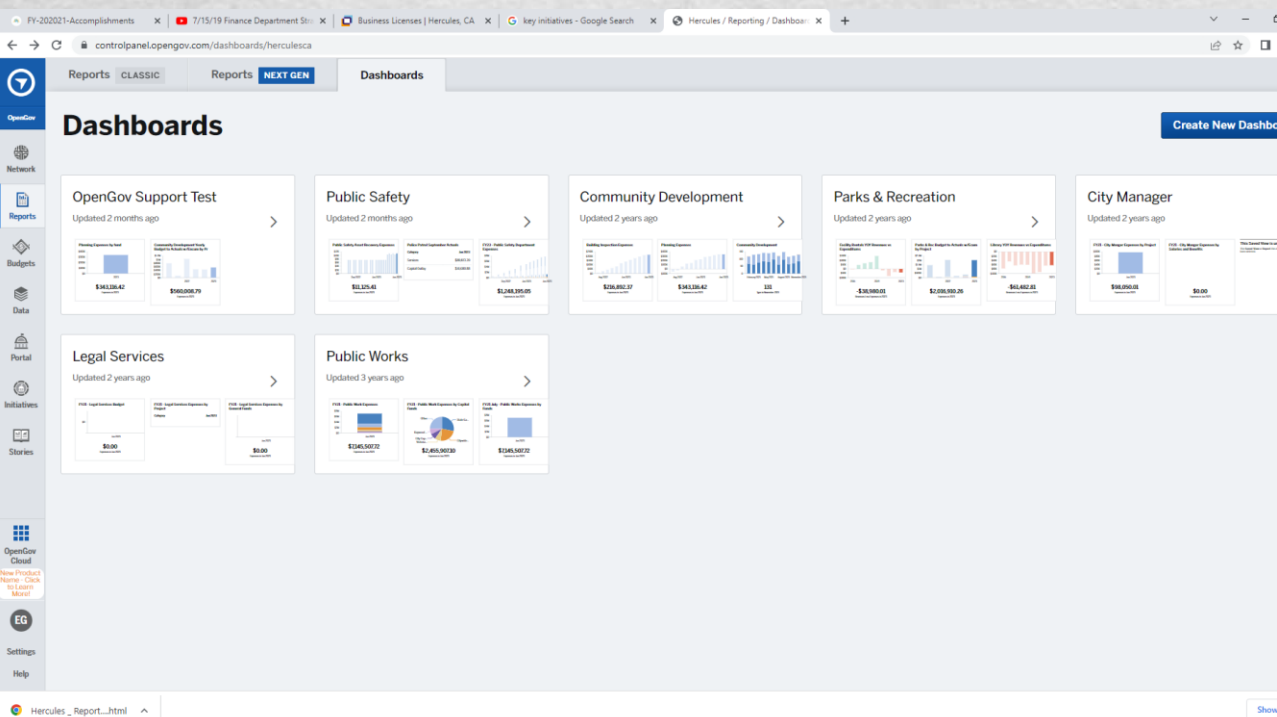
For every dollar spent on the general fund:







# Finance Department – Key Initiative





Thank you!