

## ATTACHMENT 2

### CITY OF HERCULES - Assumptions used for the Long-Term Financial Projection for General Fund (FY 2018-19 to FY 2024-25)

Revenue Assumptions for the General Fund								
2.0% revenue increase from year-to-year for revenues except for the following revenues:								
				1	2	3	4	5
				Forecast	Forecast	Forecast	Forecast	Forecast
				FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
Residential Unit Impact - Average 2.5 people per unit				25,086				
		FY 17-18	Per Capita	65	237	51	30	
		Budget	Average					
Franchise Fee	Gas	\$32,257	\$1.29	\$209	\$762	\$164	\$96	\$0
	Electric	\$63,590	\$2.53	\$412	\$1,502	\$323	\$190	\$0
	Cable	\$368,022	\$14.67	\$2,384	\$8,692	\$1,870	\$1,100	\$0
	Garbage	\$279,268	\$11.13	\$1,809	\$6,596	\$1,419	\$835	\$0
Total Franchise Fee		\$743,137	\$29.62	\$4,814	\$17,552	\$3,777	\$2,222	\$0
UUT	Gas	\$341,416	\$13.61	\$2,212	\$8,064	\$1,735	\$1,021	\$0
	Electric	\$1,217,746	\$48.54	\$7,888	\$28,762	\$6,189	\$3,641	\$0
	Telephone	\$953,400	\$38.01	\$6,176	\$22,518	\$4,846	\$2,850	\$0
	Cable	\$482,910	\$19.25	\$3,128	\$11,406	\$2,454	\$1,444	\$0
	Water	\$542,725	\$21.63	\$3,516	\$12,818	\$2,758	\$1,623	\$0
Total UUT Fee		\$3,538,197	\$141.04	\$22,919	\$83,568	\$17,983	\$10,578	\$0
Total VLF		\$1,728,138	\$68.89	\$11,194	\$40,816	\$8,783	\$5,167	\$0
Sales & Use Tax	Sales Tax	\$2,062,711	\$82.23	\$3,340	\$12,180	\$2,621	\$1,542	\$0
(25% Indirect)	Measure O	\$1,001,061	\$39.91	\$1,621	\$5,911	\$1,272	\$748	\$0
Total Sales & Use Tax		\$3,063,772	\$122.13	\$4,962	\$18,091	\$3,893	\$2,290	\$0
Muir Pointe	144 units			65 units	65 units	14 units		
Bayfront - 1st Phase	172 units				172 units			
	6,000 sq feet retail	\$10,000 sales tax				\$10,000		
Safeway	65,775 sq feet retail and fueling	\$313,000 sales tax			\$150,000	\$163,000		
Sycamore Crossing	67 units					37 units	30 units	
	28,000 sq feet retail	\$66,398 sales tax				\$40,000	\$26,398	
	100 hotel rooms	\$448,000 in TOT				\$160,000	\$160,000	\$128,000
Willow Auto Site	28,000 sq feet commercial	\$22,500 sales tax				\$11,250	\$11,250	
	Self Storage In-Lieu	\$200,000				\$66,000	\$66,000	\$68,000

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	1	2	3	4	5
	Forecast	Forecast	Forecast	Forecast	Forecast
	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
<b>Residential Unit Impact - Average 2.5 people per unit</b>					
<b>25,086</b>					
<b>PERS Rate Increases Per Circular Letter dated 01-13-17</b>					
Normal Cost Misc. Plan	2.0%	2.0%	2.0%	2.0%	2.0%
Normal Cost Safety Plan	2.5%	2.5%	2.5%	2.5%	2.5%
Unfunded Accrued Liability (UAL) Payment Misc. Plan	17.5%	22.5%	27.5%	35.0%	40.0%
Unfunded Accrued Liability (UAL) Payment Safety Plan	17.5%	22.5%	27.5%	35.0%	40.0%
Average Rate of Increase for Normal Costs	2.3%	2.3%	2.3%	2.3%	2.3%
Average Rate of Increase for UAL Payments	17.5%	22.5%	27.5%	35.0%	40.0%
Normal Cost Misc. Plan and Safety Plan	1,423,146	1,465,840	1,509,816	1,555,110	1,601,763
Normal Cost Misc. Plan and Safety Plan x Average Rate of Increase for Normal Costs	32,732	33,714	34,726	35,768	36,841
UAL For Misc. Plan and Public Safety Plan	1,423,146	1,465,840	1,509,816	1,555,110	1,601,763
UAL x Average Rate of Increase for Misc. Plan and Public Safety Plan (17.5%, 22.5%, 27.5%, 35%, 40%, 45%)	249,051	329,814	415,199	544,289	640,705
<b>Other Factors for Consideration:</b>					
	1	2	3	4	5
	Forecast	Forecast	Forecast	Forecast	Forecast
	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
<b>Description</b>					
Sales Tax Forecast is based on MuniServices projection	1,987,000	1,998,922	2,010,916	2,024,992	2,039,167
% Change	0.5%	0.6%	0.6%	0.7%	0.7%
Prop 12	135,700	137,057	138,428	139,673	140,930
% Change	1.0%	1.0%	1.0%	0.9%	0.9%

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