



GENERAL FUND





General Fund
Fund Summary - 100

Fund Description / Budget Highlights

The General Fund is the City of Hercules Chief Operating Fund. This fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as police, planning, engineering, public works, operations and maintenance, and legal and administrative services.

Fund Activity

	<u>FY 23-24</u> <u>Actual</u>	<u>FY 24-25</u> <u>Actual</u>	<u>FY 25-26</u> <u>Budget</u>	<u>FY 26-27</u> <u>Proposed</u>
Revenues				
Taxes				
Utility User Tax	\$4,011,166	\$4,212,443	\$4,202,000	\$4,371,000
Sales Tax	5,753,278	5,669,937	5,890,000	5,909,000
Property Taxes	1,658,630	1,732,725	1,674,000	1,724,000
Franchise Fees	972,391	918,508	1,382,000	1,396,000
Business Licenses	292,733	298,849	282,000	300,000
Transfer Tax	90,359	82,236	153,000	156,000
Transient Occupancy Tax	29,590	201,833	245,000	251,000
Vehicle License Fee (VLF) and Other				
Intergovernmental	2,650,830	2,708,899	2,763,000	2,818,000
Fines & Forefeitures	34,409	37,136	40,000	40,000
Program Revenues				
Community Development	224,004	405,978	292,400	192,150
Parks and Recreation	1,648,866	1,741,983	1,649,000	1,742,000
Police	88,348	144,124	97,000	99,000
Public Works	32,054	50,454	31,000	49,000
Other	6,377	13,567	10,000	10,000
Investment Income	1,412,799	1,563,434	991,100	1,200,000
Tower & Property Leases	210,368	316,123	218,000	222,000
Cost allocated to other funds	667,863	791,929	785,968	801,688
Transfers In	156,727	176,556	186,159	251,663
Total, Ongoing Revenues	<u>19,940,792</u>	<u>21,066,714</u>	<u>20,891,627</u>	<u>21,532,501</u>
Expenditures				
Police	9,043,290	9,309,187	9,635,424	10,263,948
Public Works	432,333	467,392	443,381	549,638
Community Development	719,579	1,003,801	1,104,239	1,036,527
Parks and Recreation	2,673,550	2,873,344	2,700,746	2,853,964
City Council	305,915	332,370	356,144	362,988
City Manager	525,815	555,456	553,611	562,720
Human Resources	465,665	544,989	599,922	617,494
Legal	223,043	206,188	255,000	260,000
City Clerk	339,370	438,872	537,496	554,834
Finance	1,342,588	1,445,387	1,458,595	1,492,218
Workers Comp/General Liability	1,480,421	2,094,798	1,757,019	1,970,399
Non-Department	260,000	284,756	260,000	62,000
Transfers Out (Debt Service Obligations)	799,213	803,278	806,291	818,771
Total, Ongoing Expenditures	<u>18,610,782</u>	<u>20,359,818</u>	<u>20,467,868</u>	<u>21,405,501</u>



General Fund Fund Summary - 100

Fund Description / Budget Highlights

The General Fund is the City of Hercules Chief Operating Fund. This fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as police, planning, engineering, public works, operations and maintenance, and legal and administrative services.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
<u>Net Annual Activity</u>				
Ongoing Operations	1,330,010	706,896	\$ 423,759	\$ 127,000
One-Time Revenues	731,717	1,099,408		
One-Time Expenditures	(991,639)	(1,103,771)		
Outstanding Encumbrances	(626,897)	(565,165)		
Adjusted (Labor Agreements)			(103,000)	
Annual Surplus (Deficit)	\$443,191	\$137,368	\$ 320,759	\$127,000
<u>Transfer to Reserve (per Council Policy)</u>				
Operating Reserve	\$110,798	\$34,342	\$80,190	\$31,750
Section 115 Trust (Pension)	110,798	34,342	80,190	31,750
Capital Improvement Projects	221,595	68,683	160,379	63,500
	\$443,191	\$137,367	\$320,759	\$127,000
<u>Operating Reserve:</u>				
Beginning Balance	\$4,326,140	\$4,610,007	\$4,989,742	\$5,217,932
Current Year Contribution	110,798	34,342	80,190	31,750
Interest Earned	173,069	345,393	148,000	157,000
Ending Balance	\$4,610,007	\$4,989,742	\$5,217,932	\$5,406,682
% of Projected Operating Expenditures	25%	25%	25%	25%



General Fund Expenditure by Category

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Expenditures by Category				
<u>Police</u>				
Salaries & Benefits	6,730,648	6,803,554	7,536,154	7,906,181
Contractual Services	1,089,136	1,200,396	853,671	1,155,514
Other Operating Expenditures	433,327	415,333	329,188	267,014
Cost Allocation	790,179	889,904	916,411	935,239
	9,043,290	9,309,187	9,635,424	10,263,948
<u>Public Works</u>				
Salaries & Benefits	35,457	37,086	40,107	41,576
Contractual Services	252,702	320,169	278,500	379,470
Other Operating Expenditures	54,853	16,163	27,900	30,100
Cost Allocation	89,320	93,974	96,874	98,492
	432,332	467,392	443,381	549,638
<u>Community Development</u>				
Salaries & Benefits	375,188	547,487	606,924	614,394
Contractual Services	249,835	279,325	378,887	303,100
Other Operating Expenditures	11,779	83,296	21,924	20,600
Cost Allocation	82,777	93,693	96,504	98,433
	719,579	1,003,801	1,104,239	1,036,527
<u>Parks & Recreation</u>				
Salaries & Benefits	1,847,313	2,116,581	1,879,831	2,057,145
Contractual Services	423,759	318,511	367,628	401,550
Other Operating Expenditures	95,495	162,474	101,600	104,100
Cost Allocation	306,983	275,778	351,687	291,169
	2,673,550	2,873,344	2,700,746	2,853,964
<u>City Council</u>				
Salaries & Benefits	75,146	69,775	63,000	78,157
Contractual Services	22,923	27,053	42,400	28,400
Other Operating Expenditures	30,921	42,004	51,400	53,100
Cost Allocation	176,924	193,538	199,344	203,331
	305,914	332,370	356,144	362,988
<u>City Manager</u>				
Salaries & Benefits	295,895	315,165	331,994	342,298
Contractual Services	132,659	136,309	101,400	104,100
Other Operating Expenditures	23,321	21,247	35,000	29,400
Cost Allocation	73,941	82,735	85,217	86,922
	525,816	555,456	553,611	562,720
<u>Human Resources</u>				
Salaries & Benefits	124,899	313,961	440,636	455,100
Contractual Services	289,654	155,780	86,400	42,900
Other Operating Expenditures	8,162	26,330	22,500	68,100
Cost Allocation	42,949	48,918	50,386	51,394
	465,664	544,989	599,922	617,494



General Fund
Expenditure by Category

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
<u>Expenditures by Category</u>				
<u>Legal</u>				
Contractual Services	223,043	206,188	255,000	260,000
	223,043	206,188	255,000	260,000
<u>City Clerk</u>				
Salaries & Benefits	214,886	254,931	271,048	283,057
Contractual Services	24,306	77,240	143,600	146,472
Other Operating Expenditures	19,212	16,606	29,800	30,396
Capital Outlay	5,000	5,000	5,400	5,508
Cost Allocation	75,966	85,095	87,648	89,401
	339,370	438,872	537,496	554,834
<u>Finance</u>				
Salaries & Benefits	663,783	686,191	713,338	810,156
Contractual Services	259,902	389,493	297,800	222,900
Other Operating Expenditures	274,339	209,259	282,200	290,600
Cost Allocation	144,566	160,444	165,257	168,562
	1,342,590	1,445,387	1,458,595	1,492,218
<u>Worker's Compensation/General Liability</u>				
Salaries & Benefits	31,760	33,660	35,619	37,665
Contractual Services	1,448,661	2,061,138	1,721,400	1,932,734
	1,480,421	2,094,798	1,757,019	1,970,399
<u>Non-Departmental</u>				
Debt Service - CalHFA	200,000	200,000	200,000	-
SOMAR benefit payments	60,000	84,756	60,000	62,000
	260,000	284,756	260,000	62,000
<u>Transfers Out</u>				
Engie Equipment Lease	235,897	235,026	245,079	255,609
Debt Service - 2020 PFA Lease Revenue	563,316	568,252	561,212	563,162
Refunding Bonds				
	799,213	803,278	806,291	818,771
Total, Ongoing Expenditures	18,610,782	20,359,818	20,467,868	21,405,501



GENERAL FUND

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

General Fund
General Fund Projected Reserves

		FY 26-27						
<u>Reserve Description</u>	<u>Type of Reserves</u>	<u>Projected Beginning Balance</u>	<u>Surplus Allocation</u>	<u>Interest Income (Operating Reserve)</u>	<u>Capital Improvement Projects (CIP)</u>	<u>One-Time</u>	<u>CalHFA</u>	<u>Projected Ending Balance</u>
<u>Section 115 Trust (Pension)</u>	Restricted	\$2,723,451	31,750					\$2,755,201
<u>General Fund Set-Aside:</u>								
CalHFA loan repayments until maturity (former RDA)	Restricted	3,400,000					(379,000)	3,021,000
Programs and Projects	Unrestricted	3,373,376			(1,966,909)	(56,000)		1,350,467
<u>General Fund Reserve or Designations:</u>								
Reserve for Earthquake Insurance Deductible	Designated	500,000						500,000
Reserve for Partial repayment of CalHFA loan	Designated	2,500,000					(2,500,000)	-
Reserve for Hercules HUB (Local Match)	Designated	3,000,000						3,000,000
Reserve for Capital Projects	Designated	1,620,086	63,500		(683,586)			1,000,000
Reserve for Reusable Bags (remaining)	Designated	13,930						13,930
Reserve for PEG Fees	Restricted	328,000				(18,000)		310,000
Reserve for Economic Uncertainty (25% target)	Designated	5,217,932	31,750	157,000				5,406,682
Total, General Fund Reserves		\$22,676,775	\$127,000	\$157,000	(\$2,650,495)	(\$74,000)	(\$2,879,000)	\$17,357,280



**General Fund
Five-Year Financial Forecast**

Description / Highlights

The five-year financial forecast includes projections of revenues, expenses, and key financial factors that influence the organization. A comprehensive understanding of long-term trends and potential risk factors that may impact overall financial sustainability enables proactive measures to be taken. Engaging in a robust long-term financial planning process allows decision-makers to focus on strategic objectives, encourages thoughtful analysis, and promotes financial literacy throughout the organization. Furthermore, long-term financial planning fosters a sense of commitment and motivation, providing a clear framework for informed decision-making..

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed	Year 1 FY 27-28 Forecast	Year 2 FY 28-29 Forecast	Year 3 FY 29-30 Forecast	Year 4 FY 30-31 Forecast	Year 5 FY 31-32 Forecast
Revenues									
Taxes									
Utility User Tax	4,011,166	4,212,443	4,202,000	4,371,000	4,505,000	4,581,000	4,753,000	4,932,000	5,129,000
Sales Tax	5,753,278	5,669,937	5,890,000	5,909,000	6,057,000	6,208,000	6,363,000	6,521,000	6,684,000
Property Taxes	1,658,630	1,732,725	1,674,000	1,724,000	1,771,000	1,806,000	1,842,000	1,879,000	1,917,000
Franchise Fees	972,391	918,508	1,382,000	1,396,000	1,424,000	1,452,000	1,481,000	1,511,000	1,541,000
Business Licenses	292,733	298,849	282,000	300,000	306,000	312,000	318,000	324,000	330,000
Transfer Tax	90,359	82,236	153,000	156,000	159,000	162,000	165,000	168,000	171,000
Transient Occupancy Tax	29,590	201,833	245,000	251,000	252,000	253,000	254,000	255,000	256,000
Vehicle License Fee (VLF) and Other									
Intergovernmental	2,650,830	2,708,899	2,763,000	2,818,000	2,874,000	2,931,000	2,990,000	3,050,000	3,111,000
Fines & Forfeitures	34,409	37,136	40,000	40,000	41,000	42,000	43,000	44,000	45,000
Program Revenues									
Community Development	224,004	405,978	292,400	192,150	195,000	198,000	201,000	204,000	207,000
Parks and Recreation	1,648,866	1,741,983	1,649,000	1,742,000	1,777,000	1,813,000	1,849,000	1,885,000	1,921,000
Police	88,348	144,124	97,000	99,000	92,000	93,000	94,000	95,000	96,000
Public Works	32,054	50,454	31,000	49,000	50,000	51,000	52,000	53,000	54,000
Other	6,377	13,567	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Investment Income	1,412,799	1,563,434	991,100	1,200,000	1,224,000	1,248,000	1,273,000	1,298,000	1,324,000
Tower & Property Leases	210,368	316,123	218,000	222,000	227,000	232,000	238,000	244,000	249,000
Cost allocated to other funds	667,863	791,929	785,968	801,688	772,000	795,000	818,000	841,000	856,000
Transfers In	156,727	176,556	186,159	251,663	150,000	150,000	150,000	150,000	150,000
	19,940,792	21,066,714	20,891,627	21,532,501	21,886,000	22,337,000	22,894,000	23,464,000	24,051,000
Expenditures									
Police	9,043,290	9,309,187	9,635,424	10,263,948	10,422,000	10,732,000	11,052,000	11,384,000	11,724,000
Public Works	432,333	467,392	443,381	549,638	569,000	584,000	599,000	614,000	631,000
Community Development	719,579	1,003,801	1,104,239	1,036,527	1,068,000	1,098,000	1,128,000	1,160,000	1,192,000
Parks and Recreation	2,673,550	2,873,344	2,700,746	2,853,964	2,930,000	3,005,000	3,083,000	3,162,000	3,243,000
City Council	305,915	332,370	356,144	362,988	373,000	383,000	394,000	405,000	416,000
City Manager	525,815	555,456	553,611	562,720	579,000	593,000	607,000	622,000	637,000
Human Resources	465,665	544,989	599,922	617,494	636,000	654,000	672,000	690,000	709,000
Legal	223,043	206,188	255,000	260,000	267,000	275,000	283,000	291,000	299,000



General Fund
Five-Year Financial Forecast

Description / Highlights

The five-year financial forecast includes projections of revenues, expenses, and key financial factors that influence the organization. A comprehensive understanding of long-term trends and potential risk factors that may impact overall financial sustainability enables proactive measures to be taken. Engaging in a robust long-term financial planning process allows decision-makers to focus on strategic objectives, encourages thoughtful analysis, and promotes financial literacy throughout the organization. Furthermore, long-term financial planning fosters a sense of commitment and motivation, providing a clear framework for informed decision-making.

Fund Activity

	FY 23-24	FY 24-25	FY 25-26	FY 26-27	Year 1	Year 2	Year 3	Year 4	Year 5
	Actual	Actual	Budget	Proposed	FY 27-28 Forecast	FY 28-29 Forecast	FY 29-30 Forecast	FY 30-31 Forecast	FY 31-32 Forecast
City Clerk	339,370	438,872	537,496	554,834	567,000	581,000	595,000	610,000	626,000
Finance	1,342,588	1,445,387	1,458,595	1,492,218	1,539,000	1,582,000	1,626,000	1,670,000	1,715,000
Workers Comp/General Liability	1,480,421	2,094,798	1,757,019	1,970,399	2,007,000	2,047,000	2,087,000	2,128,000	2,170,000
Non-Department	260,000	284,756	260,000	62,000	64,000	66,000	68,000	70,000	72,000
Transfers Out (Debt Service Obligations)	799,213	803,278	806,291	818,771	808,000	820,000	832,000	845,000	853,000
	18,610,782	20,359,818	20,467,868	21,405,501	21,829,000	22,420,000	23,026,000	23,651,000	24,287,000
Net Operating Results									
Ongoing Operations	\$1,330,010	\$706,896	\$423,759	\$127,000	\$57,000	(\$83,000)	(\$132,000)	(\$187,000)	(\$236,000)
One-Time Revenues	731,717	1,099,408	-	-	-	-	-	-	-
One-Time Expenditures	(991,639)	(1,103,771)	-	-	-	-	-	-	-
Outstanding Encumbrances	(626,897)	(565,165)	-	-	-	-	-	-	-
Adjusted (Labor Agreements)	-	-	(103,000)	-	-	-	-	-	-
Draw from/(Contribution to) Reserve ⁽¹⁾	(\$443,191)	(\$137,368)	(\$320,759)	(\$127,000)	(\$57,000)	\$83,000	\$132,000	\$187,000	\$236,000
Net Operating Surplus (Deficit)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Reserve (per Council Policy)									
Operating Reserve (25%)	110,798	34,342	80,190	31,750	14,250	-	-	-	-
Section 115 Trust Pension (25%)	110,798	34,342	80,190	31,750	14,250	-	-	-	-
Capital Improvement Projctcts (50%)	221,595	68,683	160,379	63,500	28,500	-	-	-	-
	443,191	137,367	320,759	127,000	57,000	-	-	-	-
Operating Reserve:									
Beginning Balance	\$4,326,140	\$4,610,007	\$4,989,742	\$5,217,932	\$5,406,682	\$5,583,932	\$5,665,932	\$5,699,932	\$5,677,932
Contribution/(Draw) ⁽¹⁾	110,798	34,342	80,190	31,750	14,250	(83,000)	(132,000)	(187,000)	(236,000)
Interest Earned ⁽²⁾	173,069	345,393	148,000	157,000	163,000	165,000	166,000	165,000	163,000
Ending Balance	\$4,610,007	\$4,989,742	\$5,217,932	\$5,406,682	\$5,583,932	\$5,665,932	\$5,699,932	\$5,677,932	\$5,604,932
% of Projected Operating Expenditures	25%	25%	25%	25%	26%	25%	25%	24%	23%

(1) In accordance with Council Policy (Resolution No. 22-056).

(2) The projected interest earned is anticipated to be 3% of the operating reserve balance.