

FISCAL YEAR

2026-2027

ANNUAL BUDGET

CITY OF HERCULES, CALIFORNIA





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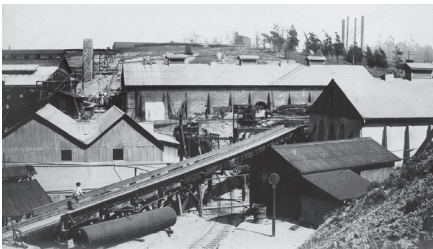
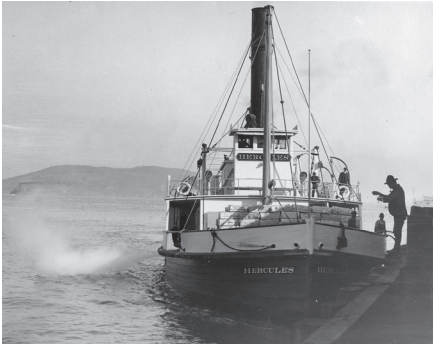
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Welcome: The City of Hercules Annual Budget FY 2026-2027

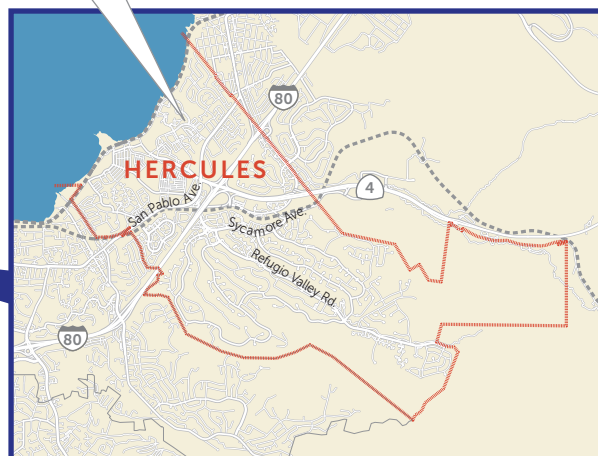
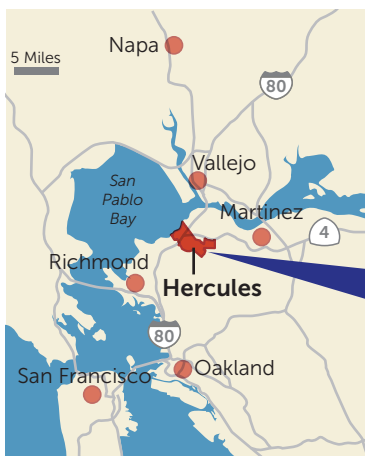


About Hercules: Established as a dynamite factory in the 1800s and incorporated in 1900, the City of Hercules is located on the northeastern shore of San Pablo Bay, conveniently located along the I-80 corridor and within minutes of both San Francisco and Napa. The over 26,000 residents represent a diverse mix of many ethnic groups. Primarily a suburban, family-oriented community, the City is transforming into more than a suburban community with a lively new waterfront, and a new train and ferry terminal in the works.

Hercules offers residents a range of municipal services. The City provides a full range of recreational programs including youth/teen and adult activities, and year-round child care.

The City of Hercules is a community of 26,225 residents

located along the I-80 corridor and within minutes of both San Francisco and Napa. Hercules is in Contra Costa County in the San Francisco Bay Area.



HERCULES CITY COUNCIL

Mayor

Chris Kelley

Vice Mayor

Alexander Walker-Griffin

Council Members

Dion Bailey

Tiffany Grimsley

Dilli Bhattarai

EXECUTIVE LEADERSHIP TEAM

Interim City Manager

Patrick Tang

City Attorney

Christine Crowl

City Clerk

Eibleis Melendez

Finance Director

Edwin Gato

Public Works Director

Glenn Dombeck

Police Chief

Joseph Vasquez

Community Development

Director Tim Rood

Parks & Recreation Director

Christopher Roke





The City’s Senior Center provides daily senior programs and activities and sponsors special community events and trips.

Hercules maintains an abundance of open space areas and trails throughout the community, providing the opportunity for spotting various types of wildlife and offering dazzling views of the bay. Hercules also has two community and five neighborhood parks. The City also has approximately 950 acres of open space areas and trails distributed throughout the community. Together the open space areas and city parks account for approximately 1/3 of the total land area within the City. Future plans include redeveloping the historic Hercules Point as a public waterfront park.



Hercules is served by two public school districts: John Swett Unified School District and West Contra Costa Unified School District. Private elementary and secondary schools are also available in adjacent communities. At the post-secondary level, both public schools and private schools in the East Bay provide a variety of high-quality educational opportunities. The City Child Care Program provides before-and-after school day care and pre-school programs.

HERCULES AT WORK

FY 2024-25

14,400

Total City Labor Force

2,990

Total Employed by Top 10 Employers, 2024-25

FINANCE COMMISSIONERS:

Chair
Janet Stallman

Vice Chair
Sam Ahmad

Commissioners
Edward Ulle
Sandra Castaneda
Neeru Giri





LETTER FROM THE CITY MANAGER

Honorable Mayor and Members of the City Council:

On behalf of the Hercules team, we are honored to present the Recommended Annual Operating Budget for Fiscal Year (FY) 2026-27, along with the Capital Improvement Program (CIP) covering FY 2026-27 through 2035-36.

In executing the Annual budget, we remain steadfast in promoting our core organizational values: fiscal responsibility, teamwork, customer service, innovation, resilience in the face of challenges, and professional development.

I would like to extend my sincere gratitude to all individuals involved for their dedication to enhancing the community we serve. It is truly a privilege to work alongside such a committed and community-focused team of professionals.



- Maintaining long-term financial stability and accountability
- Retaining and attracting local businesses
- Meeting water quality health standards
- Maintaining fast 911 response times

On May 28, 2024, the City Council formally adopted the Hercules City Council Strategic Goals for FY 2024-2026. This establishes a comprehensive framework for the Council’s priorities and delineates multi-year objectives to enhance the community’s overall well-being. The goals are as follows:

Goal #1: Promote the development of the Hercules Hub to create a vibrant center for community engagement and economic activity.

Goal #2: Enhance the City’s fiscal sustainability through prudent financial management, ensuring long-term economic viability.

Goal #3: Improve transparency and communication within the community, fostering a culture of openness and collaboration among residents and city officials.

Goal #4: Continue investing in a skilled and dedicated workforce at City Hall to ensure effective governance and high-quality service delivery.

Goal #5: Strategically plan and secure funding for major infrastructure projects to enhance connectivity and improve the quality of life for all residents.

Goal #6: Develop a comprehensive land-use strategy that promotes responsible development while preserving the distinct character of the neighborhoods.

Goal #7: Formulate a detailed economic development strategy to attract new businesses and stimulate local employment opportunities.

The City Manager’s proposed annual budget is designed to support long-term financial stability. It provides detailed estimates

To improve public understanding of the budget development process, the City has created an informative video that explains the complexities of financial planning and management. This resource guides viewers through the essential steps of budget formulation, offering clear explanations and valuable insights. The video is available on the City’s website at the following link: <https://www.ci.hercules.ca.us/government/finance/budgets>.

The City operates under a fiscal operating budget. The Annual Budget presented in this report strives to balance one-time investments with ongoing projects and long-term financial stability strategies. It is crafted to address the community’s needs while considering the City’s current and anticipated financial resources. The proposed budget reflects the community’s long-term vision, strategic objectives, and priorities.

COMMUNITY NEEDS

As always, the City’s budget goals are to serve our community’s needs. That’s why the City commissioned a Community Budget Priorities Survey in the first quarter of 2026. What we learned from that survey is that our residents want Hercules to remain a place where people want to live and raise families. Our community wants to maintain core services, including neighborhood police patrols, fast 911 response times, parks, and youth and senior services that make Hercules a safe, well-maintained place to live. Our residents identified the following priorities:



of both revenue and expenditures across various funds, including the General Fund, restricted funds, sewer services, debt service, and internal service funds. This budget addresses all aspects of the City’s operations, including general functions, capital investments, and debt obligations.

ANNUAL BUDGET SUMMARY

The City provides a wide range of services to the Hercules community, resulting in a complex budget supported by various funding sources. These funding sources include the General Fund, Special Revenue Funds, Capital Funds, Debt Service, Sewer Enterprise Fund, and Internal Service Funds. It is important to note that, except for the General Fund, most of these funds are subject to restrictions. Together, these funds make up the citywide budget, which covers both operating and capital expenditures. A detailed breakdown of revenue and expenditure for all funds is available in the financial summary section of the budget document.

The City Manager’s recommended annual budget aligns with the Council’s commitment to maintaining long-term financial stability. This budget outlines estimated revenues and expenditures for the General Fund, other restricted funds, sewer operations, debt service, and internal service funds. It includes provisions for general operations, debt management, capital projects, and internal transfers, all of which are essential to the City’s programs and functions. Furthermore, the fund summaries and financial schedules compare prior-year actual results with the proposed budget for FY 2026-27 and with the previous year’s budget. The following categories detail the foundational assumptions that were used as a baseline for these estimations.

Salaries and Benefits

Labor accounts for the largest share of our overall expenses, representing nearly 60% of total expenditures. This significant category includes not only direct compensation, such as wages and salaries, but also a variety of essential benefits, including comprehensive health insurance, robust retirement plans, and other associated labor costs. The following section details the key assumptions that have been meticulously considered in estimating the financial implications of salaries and benefits:

Base Salary

The costs related to personnel services include a 3% cost-of-living adjustment (COLA) aimed at helping employees keep up with inflation. Additionally, a 2% equity adjustment has been implemented for members of the Police Officers Association (POA) bargaining group, in accordance with the terms outlined in the approved labor agreements. These adjustments demonstrate our commitment to offering fair and competitive compensation for our law enforcement professionals.

Retirement Plans:

Normal Cost: The projected normal cost rates for the PERS Miscellaneous and Public Safety classifications have been determined through a comprehensive actuarial valuation based on data as of June 30, 2024. This analysis, conducted by CalPERS and specific to the City’s retirement plans, is essential for establishing the minimum required contributions for FY 2026-27. The term “normal cost” refers to the annual amount, expressed as a percentage of payroll, required

to fund the pension benefits earned by current employees during the current fiscal year. Additionally, the accompanying table provides an overview of changes in contribution rates, making a clear comparison with the previous year’s budget. This information underscores the financial adjustments needed to ensure the sustainability and integrity of our retirement systems, which is crucial for policymakers and stakeholders involved in fiscal planning and management.

Plan Type	Membership Type	FY 25-26 Prior Year Budget	FY 26-27 Proposed Budget	Change from Prior Year Budget
Safety	Classic	27.88%	27.42%	0.04%
Safety	PEPRA	13.99%	13.91%	-0.08%
Non-Safety	Classic	11.94%	11.92%	-0.02%
Non-Safety	PEPRA	7.96%	7.93%	-0.03%

Unfunded Actuarial Liability (UAL) Analysis: The projected contribution amounts for the UAL for the PERS Miscellaneous and Public Safety classifications have been established through a thorough actuarial valuation conducted by CalPERS, using data as of June 30, 2024. This comprehensive analysis is vital for determining the minimum required contributions for the FY 2026-27. The UAL represents the discrepancy between the total cost of promised pension benefits and the currently available assets to fund those obligations. This shortfall indicates that the existing assets are insufficient to fulfill all promised payments to both current and future retirees. A substantial UAL can create significant financial challenges for the pension system, potentially necessitating increased employer contributions to address the resulting deficit.

Plan Type	Membership Type	FY 25-26 Prior Year Budget	FY 26-27 Proposed Budget	Change from Prior Year Budget
Safety	Classic	\$1,049,426	\$1,170,121	\$120,695
Safety	PEPRA	\$20,455	\$20,455	-
Non-Safety	Classic	\$862,624	\$961,249	\$98,625
Non-Safety	PEPRA	\$10,296	\$11,473	\$1,177
		\$1,942,801	\$2,163,298	\$220,497

The City’s current funding ratio is approximately 76%. This figure is generally regarded as adequate by rating agencies, showing that the City’s financial health is considered “fairly healthy.” This evaluation indicates stable and responsible management of resources, which provides stakeholders and potential investors with a respectable level of confidence. However, it is essential to recognize that a funding ratio of 76% is not optimal. While it reduces the risk of immediate insolvency, it remains below the 80%–90% range that is typically classified as “resilient” or “strong”. Consequently, this situation reflects moderate long-term risk and emphasizes the necessity for ongoing, consistent contributions to ultimately achieve a funding level of 100%. Fortunately, the City has proactively established a section 115 trust, which allows for the prefunding of pension liabilities through an irrevocable, tax-exempt



trust. This strategy not only aids in reducing long-term costs through investment returns but also safeguards assets from potential budgetary reallocations. Furthermore, it enhances fiscal stability, improves credit ratings, and provides greater investment flexibility than conventional municipal funds, thereby supporting the effective management of high pension volatility.

Employer-sponsored health insurance

Employer-sponsored health insurance, which provides essential medical, dental, and vision coverage, is projected to experience a modest 3% increase in premiums relative to the prior year’s FY 2025-26 Kaiser rate. This anticipated adjustment reflects prevailing trends in healthcare expenses and underscores our commitment to delivering valuable health benefits to employees and their families. As we navigate the complexities of the healthcare landscape, we remain steadfast in our commitment to ensuring our workforce has access to comprehensive, vital health coverage.

Other Expenditures

All other discretionary expenditures are projected to increase by an average of 2%. This average increase is based on prevailing economic trends, the Consumer Price Index (CPI) for the San Francisco area as of February 2026, and efforts to reduce or eliminate non-essential spending. This adjustment aims to manage payroll increases while maintaining overall financial stability effectively. To ensure a balanced budget in FY 2026-27, it is essential to reduce discretionary spending and optimize operational efficiency. By implementing these measures, we can streamline our resources and address the financial challenges posed by rising labor costs until we can generate additional revenue.

In addition to the previous assumptions, the following summarizes a comprehensive list of significant budget increases. These additional budget requests aim to enhance operational efficiency and to adjust compensation to reflect the increased responsibilities associated with various roles. Each proposed enhancement is clearly outlined, along with an explanation of its expected impact on the overall budget. Below is a summary of these increases, highlighting their implications for our financial planning and resource allocation strategies. This approach will help us better align our resources with organizational objectives and ultimately support our overall success.

	BUDGET IMPACT		
	General Fund	Other Funds	TOTAL
Ongoing costs:			
Reallocation of Full-Time Parking Enforcement Funding	\$11,000	-	\$11,000
Full-Time Recreation Technician - Child Care	\$21,000	-	\$21,000
Finance Director Salary Grade from 056 to 057	\$10,000	\$10,000	\$20,000
Reclassifying an Accounting Technician to an Accountant position	\$300	-	\$300
Total, Ongoing costs	\$42,300	\$10,000	\$52,300
One-Time Costs:			
Automated External Defibrillator (AED) Replacement	\$26,000	-	\$26,000
Community Center Oven Replacement	\$30,000	-	\$30,000
Dispatch Firewall Replacement	\$11,036	-	\$11,036
Total, One-Time costs	\$67,036	-	\$67,036
TOTAL	\$109,336	\$10,000	\$119,336

The City’s annual budget serves as an essential planning instrument that aligns community services with the resources needed to implement them. These critical services span multiple areas, including public safety through the police department, recreational opportunities in parks, community development initiatives, significant public works projects, and effective administrative operations. This comprehensive budget delineates a detailed financial strategy for the forthcoming fiscal year. It includes a five-year forecast for the General Fund, thereby facilitating informed planning for future needs and opportunities that will encourage growth and improve the quality of life for all residents.

As the City prepares to formulate the annual budget for FY 2026-27, we encourage community members to share their valuable insights on the priorities that matter most to residents, businesses, and other stakeholders. Our objective is to develop a budget that not only ensures the City’s financial sustainability but also supports the continuation of services deemed essential by our community. Your feedback is crucial to shaping a budget that accurately reflects the collective needs and expectations of our community.

The City utilizes fund accounting to ensure compliance with financial regulations and to exhibit transparency in its financial management. A fund is a collection of related accounts specifically organized to manage resources allocated for activities or objectives. In the Analysis section of this report, readers will find comprehensive and detailed

information regarding the various categories of funds, which underscore their unique purposes and financial implications. This section thoroughly presents information on the following fund categories:

- I. General Fund Revenue Estimates
- II. General Fund Expenditures Projections
- III. General Fund Projected Net Annual Result
- IV. General Fund Reserves
- V. General Fund Five-Year Forecast
- VI. Non-General Fund Programs

General Fund Budget

The General Fund serves as the City’s primary operating fund, providing essential financial resources for a diverse array of services. It is financed through various revenue sources, including property taxes, sales taxes, utility users tax, business licenses, fines, forfeitures, fees, and intergovernmental revenue. This fund plays a vital role in delivering critical services such as law enforcement, parks and recreation, public works—encompassing street and facility maintenance—and fundamental governmental functions, including administration and finance.

Unlike other funds designated for specific purposes, such as water and sewer projects or capital improvements, the General Fund supports a broad spectrum of City operations. Its importance cannot be overstated, as it ensures consistent delivery of essential services and equips the City to respond effectively to unexpected circumstances or



economic fluctuations.

A General Fund revenue budget is a comprehensive document that outlines the anticipated financial resources for a government’s primary operating fund. This budget provides a detailed account of various funding sources, including taxes, fees, and other forms of revenue expected to be collected throughout the fiscal year. It serves as a strategic financial plan, crucial to supporting essential services such as public safety, infrastructure maintenance, and administrative functions. Moreover, the General Fund revenue budget serves as a benchmark for measuring actual revenue performance against projections, enabling staff to assess financial stability and make informed decisions on fiscal management.

The General Fund revenues for FY 2026-27 are projected to increase modestly by about 2% compared to the audited actuals for FY 2024-25. This expected growth is primarily attributed to the new Franchise Fee agreement with Republic Services and improvements in investment income, which is mainly influenced by rising interest rates and the reinvestment of maturing, lower-yielding securities into higher-yield instruments.

The foundation of the General Fund revenues is composed of several essential tax sources, including the Utility User’s Tax (UUT), Sales Tax, Property Tax, Real Property Transfer Tax (RPTT), and Transient Occupancy Tax (TOT), among others. The interdependence of these key revenue streams is crucial; should one or more of these vital contributors cease operations within the City of Hercules, it could result in a significant decline in revenue. Such a decrease would threaten our financial stability and compromise the availability of critical programs and services for the community. This emphasizes the importance of maintaining a stable and diverse revenue base to ensure we can continue to meet the needs of our residents effectively.

The General Fund monitors the sources and applications of resources primarily determined by the City Council. Its purpose is to facilitate the provision of activities, programs, and services the community identifies as essential and desirable. Expenditures from the General Fund are strategically allocated to enhance public safety, maintain public infrastructure through comprehensive public works initiatives, promote community development, and enrich recreational and park opportunities. In addition, the fund underpins essential

administrative functions, ensuring that the City operates efficiently and effectively and addresses the needs of its citizens.

According to the assumptions previously established, the ongoing expenditures for the General Fund are projected to increase by 5% in comparison to the budget of the preceding fiscal year. This estimation seeks to guarantee sufficient funding for essential services and responsibilities.

A detailed breakdown of the General Revenues and Expenditures is included in the General Fund section of the budget book.

Several significant changes have been observed compared to previous fiscal years. Notably, there has been a 6% reduction in General Liability insurance expenses, based on actual figures for FY 2024-25. This decrease is attributed to improved loss history, particularly related to a single police incident. Additionally, there has been a sustained increase in funding for the County-administered animal control program, which has risen by \$100,000 to help offset the County’s additional expenses from prior years.

The General Fund is projected to conclude FY 2026-27 with a favorable net operating result of \$127,000. Additionally, it is expected to maintain an accumulated operating reserve of \$5.4 million. This reserve constitutes 25% of the overall General Fund budget, reflecting our commitment to effective financial management. Such a strong reserve not only demonstrates fiscal discipline but also provides a solid foundation for future planning and strategic initiatives.

General fund reserves, commonly known as rainy-day funds, are a critical component of government financial management, enabling the allocation of resources to address unforeseen expenses or economic downturns. These reserves function as a fundamental financial buffer, enabling governments to respond effectively to unexpected financial demands that fall outside of the regular budgeting process.

Typically utilized for one-time, unanticipated expenditures—such as emergency response efforts or sudden revenue declines—general fund reserves play a significant role in mitigating financial risks. The primary objective of establishing these reserves is to enhance fiscal stability, thereby facilitating the management of unexpected costs while diminishing the potential negative effects of economic uncertainty. By implementing sound

strategies for maintaining these reserves, governments can better navigate financial challenges and uphold their commitment to responsible fiscal governance.

The following is a comprehensive overview of the General Fund reserves. It outlines the various categories of reserves and provides the projected ending balance for FY 2026-27, offering a clear understanding of the financial landscape and resources available:

GENERAL FUND RESERVES OVERVIEW

Table with 2 columns: Category and Amount. Rows include Restricted (Section 115 Trust, Former RDA Project, PEG Fees), Designated (Earthquake Insurance, Hercules Hub, CIP, Reusable Bags, Economic Uncertainty, Community Benefit), and Unrestricted (Set-Aside for Programs and Projects). Total General Fund Reserves: \$17,736,280.

General Fund Five-Year Forecast

The General Fund Five-Year Forecast offers both a current and long-term financial assessment of revenues, expenditures, fund balances, and operating reserves. Its primary goal is to provide the City Council and the community with an economic outlook while identifying significant issues that may need to be addressed during the annual budget development process.

It’s important to note that a forecast is not a budget. Based on certain assumptions, the Five-Year Forecast serves as a tool that projects future financial conditions. If future deficits are anticipated, the forecast provides an opportunity to take corrective measures to maintain financial stability.

This analysis focuses on the City’s General Fund, which is the main operating budget for tax-supported municipal services. Long-range financial forecasting helps the City make



informed decisions that enable us to sustain the community's core services. Best practices recommend that the City update this plan annually.

The General Fund forecast suggests a potential structural deficit beginning FY 2028-29. This term indicates that, according to current projections, expenditure growth is beginning to outpace revenue growth. While the budget for FY 2026-27 appears balanced, the anticipated future gap underscores that various structural factors—such as rising pension costs, labor expenses, and contractual obligations—may lead to a small deficit, estimated at less than 1% of total expenditures, if appropriate measures are not taken. However, it is noteworthy that the City has successfully built a sufficient reserve to manage these projected deficits, offering a financial safeguard for the future. It is projected that the operating reserve will decrease from 25% to 23% by the end of FY 3031-32. This anticipated decline may necessitate careful consideration of financial strategies and resource allocation moving forward.

The five-year forecast includes the following assumptions, several of which are highly important to maintaining City services:

- Annual growth in various revenue sources is projected to be 0% to 3%, with an overall average annual growth of 2%.
- Applied a Cost-of-Living (COLA) Increase of 3% for salaries.
- PERS Miscellaneous and Public Safety Normal Cost and Unfunded Actuarial Liability (UAL) rates are projected as follows based on 2026 CalPERS actuarial assumptions.
- Health care costs, including medical, dental and vision, are projected to increase by 3% using current year premium as base.
- All other expenditures are estimated to increase by 3%.

Special Revenue Funds

Special revenue funds are established to effectively monitor and manage revenues allocated for specific programs or projects. This structured approach enhances transparency and accountability regarding the utilization of these funds. Typically, such revenues are obtained from grants or other designated funding sources that support particular initiatives, including transportation

projects, assessment districts, and various specialized programs.

Given the restricted nature of these funding sources, it is essential to maintain a clear distinction in the tracking of revenues and expenditures, separate from the City's primary operating fund, known as the General Fund. Currently, sufficient funding exists to complete ongoing projects and programs, thereby ensuring the responsible use of resources. However, the initiation of new projects or programs will be contingent upon the availability of future funding sources, necessitating thorough planning and consideration of potential funding opportunities. The following are funds under the Special Revenue category:

Asset Seizure (Fund #101): The City has established a forfeited assets fund designed to manage the financial proceeds obtained from drug-related assets seized by the police. This fund is essential for accounting for the monetary amounts and property confiscated during law enforcement operations addressing illegal drug activities. The funds will remain in custody until a final court determination is made, ensuring compliance with legal standards. Moreover, these resources are strictly restricted for use in activities pertaining to law enforcement.

AB 3229 COPS Program (Fund #201): The California State Legislature initiated the Citizens Options for Public Safety (COPS) program, a vital initiative designed to enhance front-line law enforcement services across the state. Each year, the City benefits from approximately \$150,000 in funding through this program. These essential funds are seamlessly integrated into the General Fund, providing crucial financial support that helps offset the costs associated with police services. This program plays a significant role in ensuring the safety and security of the community by bolstering the resources available to law enforcement agencies.

Landscaping and Lighting Assessment Districts (LLADs): This funding is designated specifically for the maintenance of landscaping and lighting, as well as for capital improvements in city parks, along major roadways, and within each of the five Landscaping and Lighting Assessment Districts (LLADs). These districts collectively encompass approximately 8,500 parcels. An annual assessment must be submitted to the county and included on the county tax rolls. To facilitate this process, an engineer's report

outlining the budget and assessment amount is required. It is important to note that the Victoria by the Bay LLAD is expected to continue in deficit. However, the assessment increase approved by voters is projected to address this gap within the next ten years. In addition, the Hercules Village LLAD is currently indicating a structural deficit for the fiscal year and is likely to maintain this deficit annually unless appropriate measures are implemented.

Stormwater (Fund #231): Stormwater funds are established to address the costs associated with managing stormwater runoff. This encompasses activities such as regulatory compliance, planning, maintenance, capital improvements, and infrastructure repairs. Typically, these funds are financed through user fees, ensuring that those who benefit from stormwater management services contribute to their expenses. The activities supported by the Stormwater fund are currently exhibiting a favorable trend and are anticipated to continue improving as the years progress. Staff will persist in monitoring and analyzing the financial health of the fund to ensure adherence to the Clean Water Act and other regulatory requirements.

Development Impact Fees (DIF): Under the California Mitigation Fee Act (AB 1600), municipalities and counties may implement Development Impact Fees (DIFs). This legislative framework enables local governments to impose fees on new development projects to support the financing of public infrastructure, facilities, improvements, and community amenities that are proportionate to the development's impacts. These fees play a crucial role in ensuring that the financial responsibilities associated with new developments are equitably distributed and that infrastructure improvements align with the community's needs. It is important to emphasize that DIFs are not intended to cover operational and maintenance costs, nor can they be utilized to remedy existing capital or infrastructure deficiencies. Their primary aim is to mitigate the effects of new development projects on public facilities and services. The City DIF funds are divided into specific categories, each of which has a projected available fund balance for FY 2026-27:

- **Public Facilities (Fund #241):** \$202,753
- **Community Development Tax Fund:** \$79,564
- **Other Development Fee (Fund #243):**



\$80,496

- **Police Facilities (Fund #244):** \$156,088
- **Parks & Recreation (Fund #247):** \$86,710
- **Public Benefit Fee (Fund #249):** \$1,091,960
- **Traffic Facilities (Fund #261):** \$748,541

State Gas Tax (Fund #262): A gas tax fund, or Highway Users Tax Account (HUTA), is a dedicated fund that receives revenue from taxes on gasoline and diesel fuel, which is then used to finance transportation-related projects like road construction, maintenance, and public transit. The primary purpose of a gas tax fund is to ensure that the revenue generated from fuel consumption is used to maintain and improve the infrastructure that supports transportation, including roads, bridges, and public transportation systems. The revenue for these funds comes from excise taxes (a tax on the sale of a specific good, in this case, gasoline and diesel fuel) levied on the sale of these fuels. For the FY 2026-27, projections indicate that the gas tax fund is expected to generate approximately \$770,000, providing vital support for the ongoing development and improvement of transportation.

Measure J Street Fund (Fund #263):

The Measure J Fund is a dedicated revenue fund established to monitor and manage the income generated from the County's ½-cent sales tax measure. This fund is specifically designated for critical initiatives focused on the maintenance and enhancement of local streets and transportation systems, operating in a manner similar to the Gas Tax. Funds collected through Measure J are reserved exclusively for projects that improve, repair, and preserve the City's transportation infrastructure, ensuring that it remains safe and efficient for all residents. For the FY 2026-27, the Measure J Fund is anticipated to generate \$495,000 in revenue, underscoring its vital role in supporting the agency's commitment to maintaining and advancing transportation services.

SB1 Road Maintenance and Rehabilitation Account (Fund #268): Senate Bill (SB) 1, Chapter 5, Statutes of 2017, represents

a significant advancement in the effort to revitalize California's aging transportation infrastructure. This legislation established the Road Maintenance and Rehabilitation Program (RMRP), a strategic initiative designed to address the significant backlog of maintenance needs affecting the State Highway System and local street networks. In addition, the

bill created the Road Maintenance and Rehabilitation Account (RMRA), a dedicated funding source intended to support essential infrastructure improvements. The funds generated through the RMRA will be distributed to eligible cities and counties according to a specific formula outlined in Streets and Highways Code section 2032(h). This funding is vital for conducting necessary maintenance, undertaking comprehensive rehabilitation projects, and implementing crucial safety enhancements. Through the implementation of this program, communities will be better positioned to manage and enhance their transportation infrastructure effectively. This initiative aims to ensure safer, more reliable transportation options for all residents. For FY2026-27, the estimated revenue is \$736,000.

Solid Waste and Recycling (Fund #291): The City of Hercules has entered into a Restated Solid Waste Franchise Agreement with Richmond Sanitary Service, Inc., operating as Republic Services, to oversee municipal waste and recycling services. This agreement is set to take effect in the years 2025 and 2026 and aims to improve the overall efficiency and effectiveness of waste management within the community. A key aspect of this agreement is the introduction of updated rate structures, which will include a 3% increase for specific services. This increase is necessary to address the rising costs associated with post-collection operations, ensuring the continued delivery of high-quality services. Furthermore, the agreement aligns with compliance initiatives related to California's Senate Bill 1383, which focuses on reducing organic waste and enhancing recycling efforts throughout the state. To facilitate a smooth transition to the new pricing structure, the remaining balance in the waste management fund will be designated as a rate stabilization fund. This allocation is intended to offset the initial rate increase of \$243,000 that will be incurred by the City Waste Program, thereby supporting residents during this adjustment period while ensuring the reliability of waste management services.

Water Quality Retention Basin (Fund #387):

This fund is established to collect revenues generated from the Property Tax Special Assessment associated with the creation of the City of Hercules Community Facilities District No. 2017-01, formed on April 11, 2017. The development projects at Bayfront and Muir Pointe necessitated the construction of a water

quality detention basin to manage and mitigate runoff produced by the enhancements made to support these developments. The establishment of this Community Facilities District (CFD) provides a structured funding mechanism to address the ongoing maintenance costs linked to the water quality detention basin, thus ensuring both environmental protection and community health within the district. FY 2026-27 projected ending available balance is \$440K.

Regional Water Quality (Fund #521):

This fund accounts for Regional Water Quality. Created by the State Legislature in 1967, the Board protects water quality by setting statewide policy, coordinating, and supporting the Regional Water Board efforts, and reviewing petitions that contest Regional Board actions. There are nine regional water quality control boards that exercise rulemaking and regulatory activities by basins. FY 2026-27 estimated ending available balance is \$57K.

BART Park & Ride (Fund #266): This fund is designated for the maintenance of BART's park-and-ride facility, ensuring its operational integrity and user satisfaction. BART will finance maintenance expenses through a revolving fund mechanism, thereby preventing the City from incurring any out-of-pocket costs. This approach facilitates consistent upkeep and fosters an efficient transit environment for all commuters.

General Plan Update Fee and Building Training Fee (Fund #267):

A general plan update fee is a fee established by local jurisdictions in California to recover costs associated with preparing, updating, and revising their general plans and related elements. These plans serve as fundamental frameworks for guiding a community's long-term vision. The fees are designed to cover the expenses incurred by local agencies in developing and maintaining these general plans, which are mandated by California law to address various dimensions of community development, including land use, circulation, housing, and more. In addition, the cash balance in the fund has been entirely allocated for FY 2025-26 to facilitate the update of the City's general plan.

Successor Housing (Fund #640): On February 27, 2024, the City Council adopted a resolution that designates the City as the Housing Successor to the Hercules Redevelopment Agency. This designation grants the City the authority to manage



outstanding loans effectively and access resources within the Housing Funds. These financial assets will be used to cover administrative costs and to support the development of affordable housing, with particular focus on households categorized as extremely low-income to low-income. Moreover, on January 28, 2025, the City Council approved a resolution to establish a policies and procedures manual for the administration of Hercules Successor Housing loans. This manual is designed to promote consistency and fairness in the management and oversight of approximately 41 collectible loans issued by the former Redevelopment Agency.

Sewer Enterprise Fund

On January 23, 2001, the cities of Hercules and Pinole formalized a joint letter agreement concerning the operation and ownership of the Pinole/Hercules Wastewater Treatment Plant. The City of Hercules holds a fifty percent undivided ownership interest in the plant, while the City of Pinole is responsible for its management and operations. Hercules is responsible for the operation and maintenance of its own wastewater collection system. Furthermore, the City of Pinole is tasked with managing the records and accounts for all transactions related to the wastewater treatment plant.

The City of Hercules operates a collection system that consists of over 60 miles of underground piping and five lift stations. Wastewater collected through this system is treated at the Hercules-Pinole Wastewater Treatment Plant (WWTP), which is operated by the City of Pinole. Hercules maintains a 50% ownership stake in the WWTP.

The City generates approximately \$6 million annually in service charges from more than 8,400 connections, with billing processed through the County tax roll. Additionally, developers are required to pay impact fees to ensure that there is adequate capacity for the wastewater produced by their projects.

On July 22, 2025, the City Council adopted a resolution to increase sewer rates. This adjustment, essential to the ongoing improvement and maintenance of the city’s sewer system, will take effect on July 1, 2025, and remain in place until 2029. The rates established by the resolution are as follows:

The Sewer Enterprise Fund is exclusively designated for the operations, maintenance,

SEWER RATES

Projected for Fiscal Year Ending June 30

Minimum Fixed Charge:	Existing Rates	2026	2027	2028	2029	2030
Single-Family Residence ⁽¹⁾	\$625.80	\$801.40	\$857.50	\$908.95	\$949.85	\$983.09
Multi-Family Residence (per Dwelling Unit) ⁽¹⁾	\$625.80	\$690.23	\$738.55	\$782.86	\$818.09	\$846.72
Senior Living (per Dwelling Unit) ⁽¹⁾⁽²⁾	\$427.16	\$562.37	\$601.74	\$637.84	\$666.54	\$689.87
Non-Residential Metered (per Business)	\$120.00	\$335.97	\$359.49	\$381.06	\$398.21	\$412.14
Volumetric Rates Per 100 Cubic Feet - Non-Residential Metered:						
All Flow	\$3.87	\$7.13	\$7.63	\$8.08	\$8.45	\$8.74
Notes:						
(1) All residential customers only pay a flat fee per dwelling unit, regardless of usage.						
(2) Apartments are currently charged the existing "Senior Living" flat fee per dwelling unit only, regardless of usage. Under the proposed rates, starting in FYE 2026, apartments will pay the "Multi-Family Residence" flat fee per dwelling unit only, regardless of usage.						

and capital improvements of the sewer system. Revenues generated from sewer fees are strictly allocated for sewer-related purposes and may not be diverted to non-sewer-related expenditures. For FY 2026-27, the proposed operating budget is estimated at \$10.3 million, which includes planned capital improvements totaling \$3.2 and an annual debt obligation payment of \$2.1 million.

Internal Service Funds (ISF)

ISFs are established to account for activities that provide goods or services to other departments within a government, rather than to the general public. The City uses five Internal Service Funds (ISFs). Three of these funds are dedicated to the management of capital replacement and asset management for vehicles, facilities, and technology items. The remaining two ISFs focus on overseeing the City’s Information Technology (IT) Operations and Facilities Maintenance.

Vehicle Replacement: The City has developed a vehicle replacement cycle plan. This model outlines a schedule for replacing vehicles based on their age and mileage. Some vehicles need to be replaced before reaching their targeted age and mileage thresholds, while others may remain in service longer than planned. Each vehicle is evaluated using these criteria, along with an assessment of maintenance and fuel costs, to determine the optimal time for replacement. For FY 2026-27, the police department plans to replace one patrol vehicle and one unmarked administrative vehicle at an estimated cost of \$132,000. The projected available balance for future vehicle

replacements is noted to be \$476,000.

Information Technology Operations: The Information Technology Fund is critical in providing the City with a comprehensive range of technology-related services. It encompasses components of essential networking and infrastructure technologies, including high-capacity servers and sophisticated switching systems that facilitate efficient data transmission. The fund strongly emphasizes security and cyber protection, ensuring the safeguarding of digital assets against potential threats. Additionally, it guarantees reliable internet connectivity, which is vital for departments to access essential online services and resources. The service desk operates as a key support mechanism, addressing and resolving technical issues as they arise. Furthermore, well-defined disaster recovery plans are implemented to protect critical data and maintain operational continuity in the event of unforeseen circumstances. Collectively, these elements constitute a robust framework of data communication technologies designed to enhance the efficiency and resilience of the City’s technological infrastructure. For FY 2026-27, the proposed IT operating Budget is estimated to be \$1.3 million. Resources are from administrative charges to departments based upon their proportional share of program costs.

Facilities Maintenance: The fund accounts for Facility Maintenance and provides and manages maintenance and emergency structural repair services for all City facilities. The source of revenue is reimbursement from departments for the cost of providing facility



maintenance services. This interservice fund pays for the maintenance and repair of the City’s facilities which include:

- City Hall (including the Police Department)
- Senior Center
- Library
- Lupin & Hanna Kids Center
- Teen Center
- Community Center
- Ohlone & Foxboro Community Center

Activities include contract janitorial, HVAC, plumbing and other miscellaneous activities; various repairs and improvements performed by City staff, and utilities. FY 26-27 proposed Facilities Maintenance Budget is estimated to be \$1.2 million. Resources are from charges to departments based upon their proportional share of program costs using the square footage of the building they occupied.

Facility Replacement ISF: This fund is designated to support the major replacement of City buildings and facilities. Currently, there is a considerable backlog of significant maintenance projects, particularly at City Hall and the Police Department.

IT Equipment Replacement ISF: This fund will be utilized to replace the infrastructure and equipment necessary to support the city’s technological requirements, including servers, switches, and data security systems. A model is currently being developed for the implementation of the IT Master Plan. Presently, expenditures are recorded under IT Operations using a “pay-as-you-go” approach.

The ISF plays a crucial role in financial management by receiving contributions from various operating funds, including the General Fund, Special Revenue Fund, and Sewer Enterprise Fund. These contributions not only support the ongoing operations of the organization but also facilitate future capital replacements. The utilization of internal service funds allows for a more equitable distribution of costs over the asset’s useful life. This budgeting approach is beneficial as it reduces the need for substantial financial allocations in one year followed by smaller ones in subsequent years. Instead, it involves calculating estimates for repairs or replacements in advance, with allocations made from the operating budget into the internal service funds. This proactive strategy ensures that resources are available when needed, promoting efficiency and financial stability.

Debt Service Funds

The Debt Service Fund is responsible for accumulating financial resources to cover the payment of principal, interest, and related costs for general long-term debt, primarily funded by taxes levied by the City. Debt is issued as necessary to support infrastructure improvements. Below is a summary of the City’s long-term debt and the debt service payment obligations for FY 2026-27:

DEBT DESCRIPTION

	Fund No.	Principal	Interest	Total
2020 Lease Revenue Refunding Bond	672	\$477,396	\$85,766	\$563,162
Taxable Lease Revenue Bonds, Series 2009 (Bio-RAD Project)	673	\$325,000	\$580,796	\$905,796
Engie Energy Construction Loan	388	\$158,064	\$97,545	\$255,609
Wastewater Revenue Bonds, Series 2021A	Sewer Fund	\$395,000	\$161,186	\$556,186
Public Owned Treatment Works Construction Loan	Sewer Fund	\$1,213,515	\$297,322	\$1,510,837
Total, Annual Debt Service		\$2,568,975	\$1,222,615	\$3,791,590

CalHFA Loans: The City received loans from CalHFA through the Residential Development Loan Program (RDLP) and the Housing Enabled by Local Partnerships (HELP) to build the Sycamore North project, also known as the Aventine development. The City expected income from leasing the residential units to be enough to repay these loans. However, the actual cost of finishing the project was much higher than the budget set by the City and the Redevelopment Agency. As a result, the project failed and was put up for sale to find a qualified developer who could offer the best deal. Now, the City is responsible for repaying the loans.

In 2012, City staff talked to CalHFA and negotiated new loan terms after several meetings. They extended the payment deadline and lowered the interest rate from 3% to 1.5%. The updated loan agreements for CalHFA Loan No. HELP-080604-03 and RDLP-060506-01 were signed on April 11, 2005, and February 15, 2007. These agreements will end on April 11, 2027, and August 15, 2026. The remaining loan balance must be paid in full by the contract expiration dates.

On January 10, 2023, the City Council approved a resolution to allocate funds from the State Local Assistance Funds in accordance with Senate Bill 154 (Skinner), as specified in the Budget Act of 2022. The Council has earmarked \$2.5 million for a partial repayment of loans from the California Housing Finance Agency (CalHFA).

At present, the City is engaged in discussions with CalHFA to establish a revised repayment plan for the outstanding loan balance following the application of the \$2.5 million payment. The proposed term for this repayment plan is five years. The staff has submitted a formal proposal to CalHFA and is currently awaiting the Board’s approval. Upon receiving this approval, the staff will provide an update to the Council regarding the proposed repayment terms.

Capital Improvement Projects (CIP)

Each year, the staff prepares and presents a Capital Improvement Program (CIP) budget to the City Council for adoption, alongside the operating budget for the upcoming fiscal year. The CIP budget is established for a single year, while also encompassing projected programming over a ten-year period. The formulation of the CIP is informed by a variety of sources, including assessments of ongoing projects, active grant applications, requests from the community and the City Council, regulatory mandates, as well as numerous condition reports, studies, and evaluations conducted by work groups. This comprehensive process entails the identification and prioritization of infrastructure needs. The staff diligently balances these requirements with available funding to develop the CIP, prioritizing projects for funding consideration as early as possible within the five-year framework, subject to available financial resources.



It is important to note that the demand for projects significantly exceeds the available funding over the ten-year horizon. Therefore, the staff maintains a list of projects that are not recommended for funding, referred to as "unfunded projects," which may be considered in subsequent years. The CIP contains the project list and its corresponding funding sources for FY 2026-27, as summarized below.

CIP FUNDING SOURCES	Fund No.	Amount
General Fund	100	\$2,650,495
SB1 RMRA	268	\$260,000
Gas Tax	262	\$455,000
Measure J	263	\$225,000
Sewer	420	\$444,700
MTC/TDA 3	296	\$150,000
TIRCP	354	\$1,000,000
		\$5,185,195

Future Developments

The City is committed to expanding its tax base and improving the quality of life by implementing new developments in strategically identified areas. The approval of development projects is essential to the City's strategy for promoting local economic growth, advancing fair housing initiatives, and fulfilling its obligation to provide 995 housing units under the Regional Housing Needs Allocation (RHNA) for the 2023-2031 Housing Element cycle. However, recent economic changes, including rising interest rates, decreased rental rates, and increased construction costs, have significantly affected the feasibility of several previously approved developments. In response, many developers have approached the City requesting accommodation, such as extending entitlements and utilizing infrastructure financing programs allowed under state law.

These factors highlight the challenges facing the economic viability of developments in recent years, including fluctuating interest rates, construction costs, and prevailing rental prices.

The following are upcoming proposed developments:

• **Emblem Hercules (Loop Site):** Proposed rental apartment community consisting of 162 market rate and 18 low-income units with a mixture of 1-, 2- and 3-bedroom units, surface parking, clubhouse with fitness room, leasing and management office, parcel storage and

social areas. Approval hearings were held in May 2026.

• **Bayline (Bayfront Blocks F & H):** Proposed 100% affordable housing development project consisting of 82 units restricted as affordable housing plus manager market rate unit, for a total of 83 units, on Bayfront Blocks F & H (APNs 404-490-102-5 and 404-490-101-7).

• **Bayfront final phases:** (Bayfront Blocks K-L-M-P-O, A-B-C-D-J, and E-G). The development of Blocks K-L-M-P-O was approved by the City Council in September 2025 for 171 townhouse units, including 9 affordable units.

• **The Hercules Hub:** Positioned to become the first West Coast facility combining three modes of transit (bus/rail/ferry) in one facility.

• **Sycamore Crossing:** Owned by the Lewis Group, this 12-acre mixed-use property on the south side of Sycamore Avenue is approved to be developed with retail, hotel, and residential uses to complement and expand on the Aventine and Bayside projects.

• **Hilltown (a.k.a., Hill Crest):** Approved mixed-use residential development of up to 598 attached multi-family units and 4,200 square feet of neighborhood commercial uses on a 44-acre former industrial site located on San Pablo Ave near Victoria by the Bay.

Looking Ahead

On May 28, 2024, the City Council formally approved the Hercules Strategic Plan for the years 2024-2026. This comprehensive plan outlines the key priorities that will guide our initiatives in serving the residents of Hercules. It reflects a collaborative process involving valuable input from staff, department heads, elected officials, and City leadership.

The strategic plan articulates the goals we aspire to achieve in community service, the strategies we will employ to reach them, and the metrics we will establish to ensure accountability throughout the implementation process. It is firmly anchored in the City's vision and mission statements, which shape our strategic initiatives.

Over the past year and into FY 2026-27, we will continue to execute the objectives outlined in this plan diligently. We wish to acknowledge the dedication, commitment, and creativity demonstrated by the Hercules staff as we strive to enhance constituent services, effectively recruit and retain talented employees, and coordinate collaborative efforts across

departments and with neighboring agencies to address the community's identified needs.

Staff members have made a concerted effort to align the budgetary process with the strategic plan. Each department has meticulously reviewed its proposed initiatives for the upcoming year, considering how these can best support our collective objectives. The budget review team has systematically assessed departmental goals and performance metrics, prioritizing budget requests expected to have the greatest impact on the outcomes specified in the strategic plan. Consequently, the budget includes several recommendations designed to facilitate further progress in our initiatives.

In Closing

The FY 2026-27 Recommended Annual Budget presents a framework that instills informed optimism for the Council, City Staff, and the community. This budget effectively aligns with community priorities while ensuring the continued provision of high-quality City services that residents have come to expect, through balanced, prudent strategies.

In light of various challenges, we are actively preparing Hercules for the future by implementing strategic fiscal decisions that address our expanding and diversifying population. This budget is structured to be responsible, responsive, and balanced. Our objective is to promote growth through careful planning, and this budget will help advance the City.

Hercules is in a comparatively robust financial position, allowing it to maintain current service levels. However, it is crucial to acknowledge that not every need can be fully accommodated. Nevertheless, this financial status permits the City to continue delivering essential services to community members who depend on them.

This favorable condition is largely due to the prudent fiscal policies established by the Council. A continued commitment to fiscal discipline will be vital for sustaining financial stability amidst current economic uncertainties and preparing for potential budgetary challenges. As pressures on spending increase, the City Council's guiding principles will be instrumental in shaping informed spending decisions. To date, these principles have effectively prioritized service delivery and the well-being of City employees, benefiting both the community and our workforce.



Acknowledgements

This budget proposal maintains existing services while strategically investing in essential areas to achieve long-term financial stability, consistent with the objectives outlined by the City Council. However, our analysis indicates that we may encounter budgetary challenges in the upcoming years. In light of this, the City has initiated planning efforts to ensure that the City Council is well-informed to make prudent decisions as we work towards establishing a sustainable budget.

We extend our sincere gratitude to all City staff for their invaluable contributions to the development of this budget for the City Council. Our employees are unwavering in their commitment to serving the City and its residents and community. Special recognition is warranted for the Finance Department

staff, whose dedication and thoroughness throughout the budget process have been instrumental in preparing the annual budget document.

The City Council’s shared vision, alongside its commitment to enhancing the Hercules community, is fundamental to the services we deliver. We greatly appreciate the expertise and resourcefulness of Department Heads throughout this budget process and commend each department for its exemplary work over the past several years, in anticipation of the forthcoming cycle of growth, projects, and services. The years ahead are expected to be both promising and challenging. This document reflects the considerable time devoted to thorough discussions and deliberations, as well as the invaluable insights and suggestions that demonstrate our collective commitment to the City of Hercules’s future success.

Respectfully submitted,



Patrick Tang
Interim City Manager



Edwin Gato
Finance Director





BUDGET AWARDS

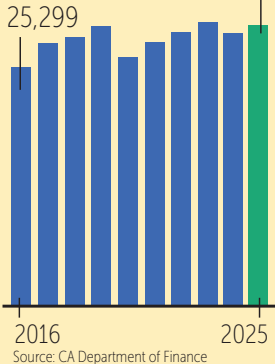
The City of Hercules received the Government Finance Officers Association’s (GFOA) Distinguished Budget Award and the California Society of Municipal Finance Officer’s (CSMFO) Operating Budget Excellence Award for the FY2025-26 budget. These awards represent a significant achievement and reflect a commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In preparing the FY2025-26 budget, staff has once again followed the GFOA and CSMFO criteria as well as made enhancements. This document will be submitted to the GFOA and CSMFO for consideration for the FY2026-27 budget awards.



HERCULES
DATA DIGEST
FY 2026-2027

26,225

Population of the
City of Hercules



43.5

Median age of residents

\$55,501

Per Capita Personal
Income

29,284

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

14,400

Total City Labor Force

Top 10 Employers, 2024-25

Employer	Number of Employees
1. Bio-Rad Laboratories:	2,000
2. West Contra Costa Unified School District:	243
3. Home Depot:	147
4. Safeway:	140
5. Contra Costa County Social Services:	138
6. Pacific BioLabs Inc.:	99
7. City of Hercules:	64
8. Lucky Supermarkets:	60
9. Blize Healthcare California, Inc.:	53
10. Kinder's Meats & Deli BBQ & Catering:	46



FISCAL YEAR 2026-2027

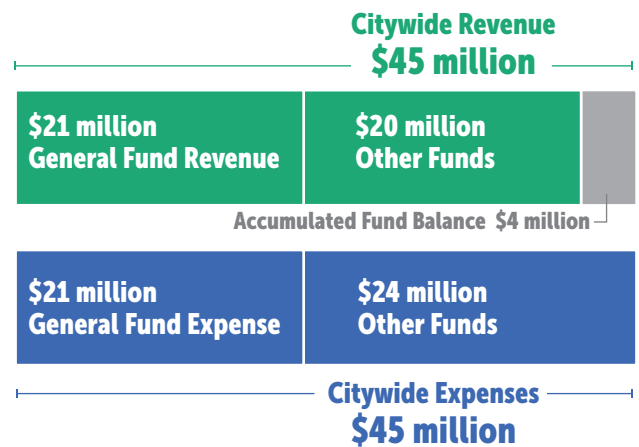
BUDGET AT A GLANCE

CITY OF HERCULES, CALIFORNIA

The Budget is the City's Roadmap

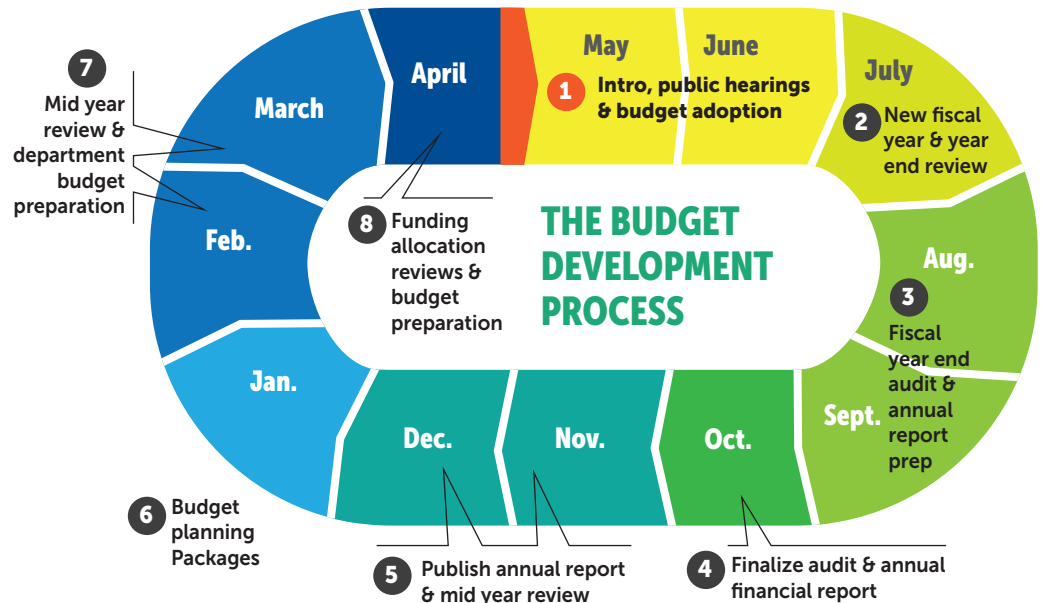
The City of Hercules' annual budget is one of our most important policy documents. The Budget at a Glance is a simplified version of the comprehensive budget document that includes highlights, and an overview of major revenue sources and expenditures.

CITY OF HERCULES FY 2026-2027 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/so3ScXZDpWY>



CITY OF HERCULES STRATEGIC GOALS

Goal #1: Advance the development of the Hercules Hub, creating a dynamic center for community engagement and economic activity.

Goal #2: Strengthen the city's fiscal sustainability through prudent financial management, ensuring long-term economic viability.

Goal #3: Enhance transparency and communication within the community, fostering a culture of openness and collaboration between residents and city officials.

Goal #4: Continue investing in a skilled and dedicated team at City Hall to ensure effective governance and service delivery.

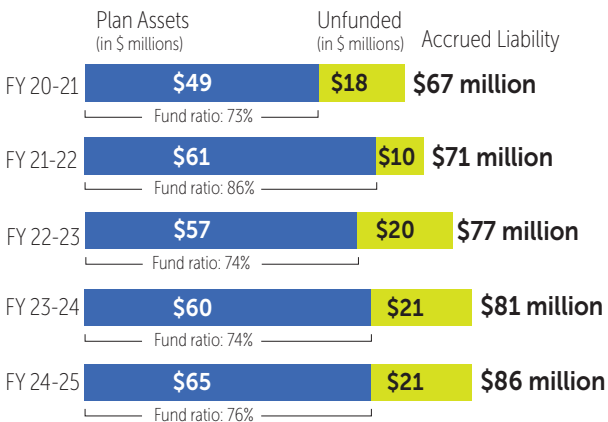
Goal #5: Strategically plan and fund major infrastructure projects to improve connectivity and enhance the quality of life for all citizens.

Goal #6: Develop a comprehensive land-use strategy that promotes responsible development while preserving the unique character of our neighborhoods.

Goal #7: Formulate a detailed economic development strategy to attract new businesses and stimulate local employment opportunities.

CalPERS Pension Funding Status

Safety/police pension funding



Based on June 2022 CalPERS actuarial report, The Fitch (a credit rating agency) generally considers a funded ratio of 70% to be adequate. Figures are rounded

FY 2026-27: Citywide Expenditures by Program \$45 million total

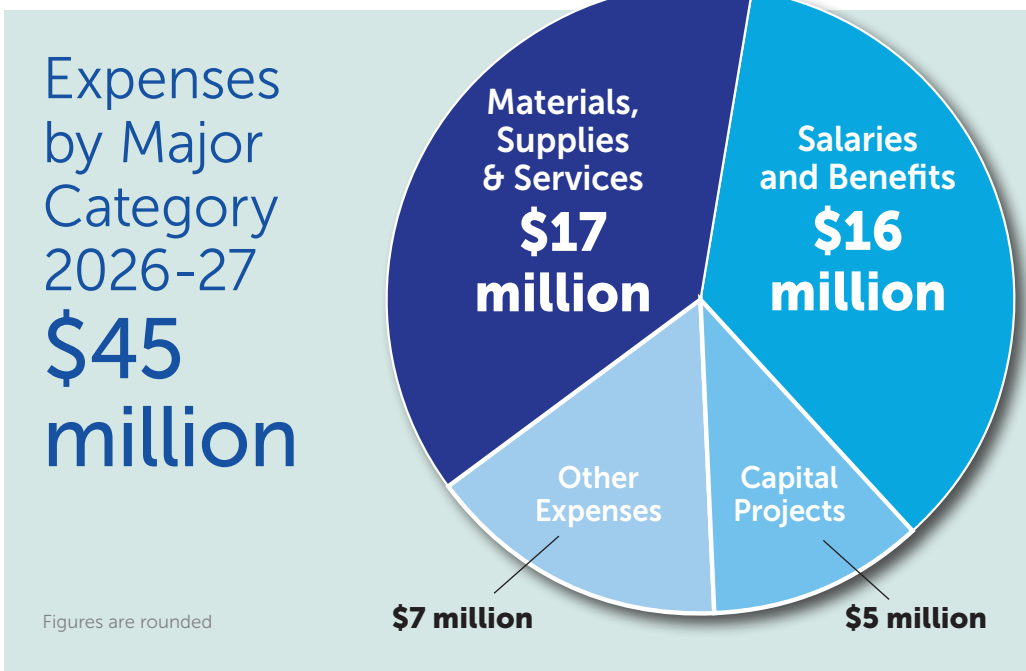
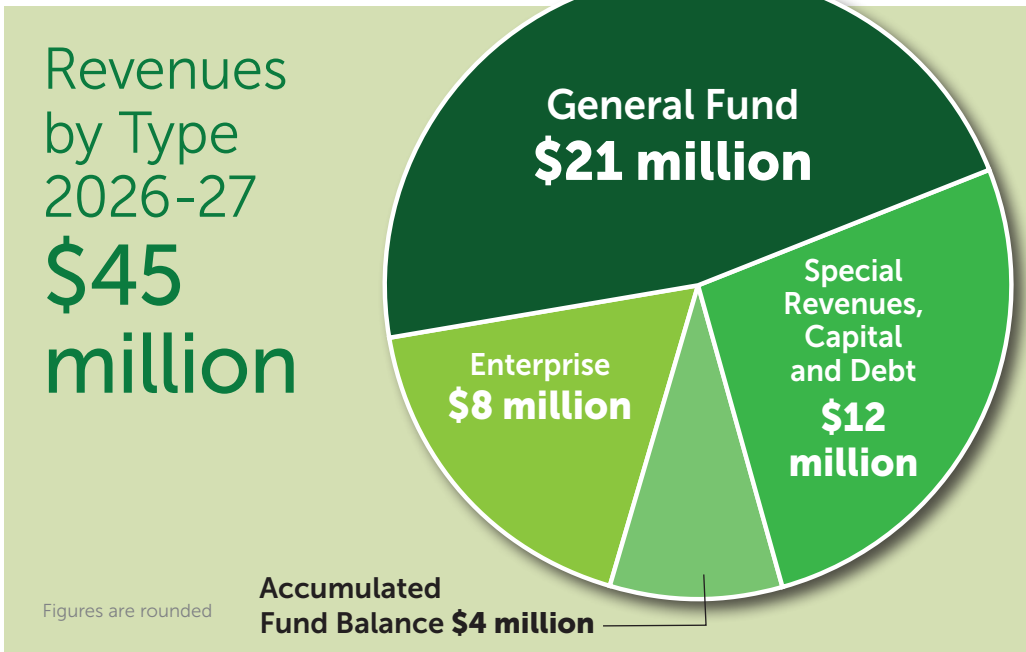


Figures are rounded



CITY OF HERCULES BUDGET FY 2026-27: 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 some of the services the City provides and facilities and infrastructure it maintains:

58 miles of city streets

1,494 street and parking lot features

14 traffic signals

7 miles of bike lanes

62 miles of sanitary sewers

13 parks

9 playground structures

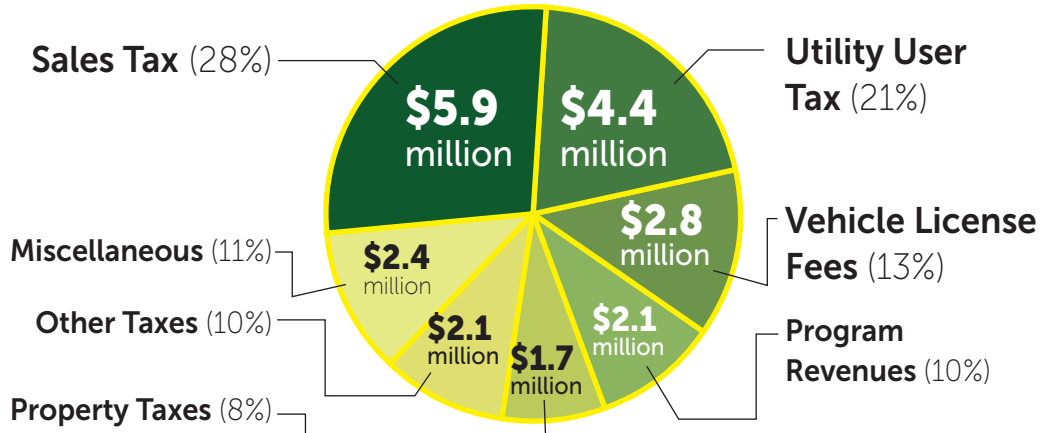
5 Recreation Centers



CITY OF HERCULES BUDGET FY 2026-27:

GENERAL FUND OPERATING BUDGET

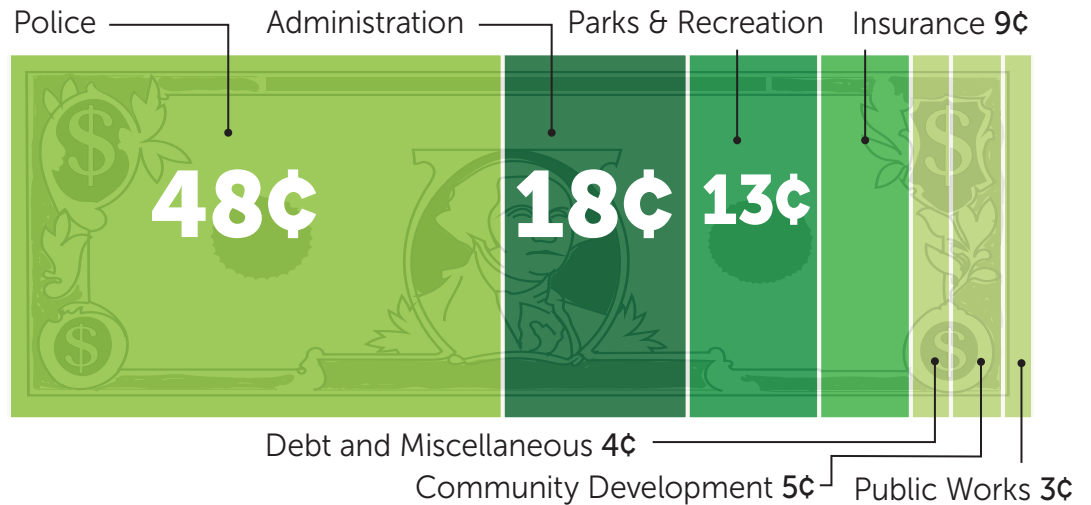
General Fund Revenue:
Where does the money come from?



Figures are rounded

General Fund Expenditures:
Where does the money go?

For every dollar spent on the general fund:

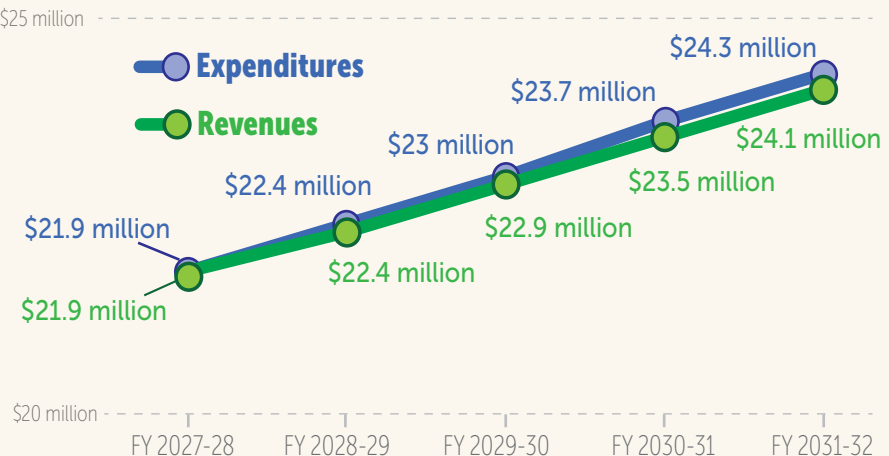


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A LOOK AHEAD

The Five-Year Forecast provides a current and long-range financial assessment of revenues, expenditures, fund balance, and operating reserves. The primary objective is to provide the City Council and the community with a financial forecast and identify any significant issues that may need to be addressed in the annual budget development process.

General Fund Five-Year Forecast





BUDGET PROCESS

GOVERNING STRUCTURE AND BASIS OF BUDGETING

The City of Hercules is a municipality incorporated in 1900 under provisions of the Constitution of the State of California. The City operates under a Council Manager general law form of government and is governed by a council of five elected members with staggered four-year terms. Additionally, City Council members act as the board of directors of the Hercules Public Financing Authority (PFA).



BASIS OF BUDGET AND FUND STRUCTURE

Local governments account for revenues and expenditures through separate funds such as General, Special Revenue, Enterprise, Internal Service and Fiduciary funds. The accounts of the City of Hercules are organized on the basis of funds, each of which is considered a separate financial entity. Each fund is comprised of a set of self-balancing accounts for its revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into generic fund types and fund categories as follows:

GOVERNMENTAL FUNDS

- **General Fund:** The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- **Special Revenue Funds:** Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.
- **Capital Projects Funds:** The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust / Agency Funds).
- **Debt Service Funds:** Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.
- **Internal Service Funds:** Internal Services Funds are a type of proprietary fund used to report any activity that provides goods and services on a cost reimbursement basis to other City funds and departments of the primary government and its component units.
- **Trust / Agency Funds:** Trust Funds are used to account for assets held by the City in a trustee capacity for individuals, private organizations, other governments, and/or other funds.



BUSINESS-TYPE FUNDS

Enterprise Funds: Enterprise Funds are used to account for operations:

(a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the full costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred is appropriate for capital maintenance, management control or

accountability. Because enterprise funds use the full-accrual basis of accounting under FASB, all long-term debt liabilities and debt service payments are recorded within the enterprise fund itself.

For tracking convenience, a separate fund for enterprise debt service payments is shown on the following table although all transactions are reported together within an enterprise fund’s financial statements. City budgets contain three major categories - operating, capital and debt. The table on the following page lists the City’s funds and the categories in which a fund’s financial transactions contain.

HERCULES FINANCIAL REPORTING FUND STRUCTURE

FUND DESCRIPTION	Fund #	Operating	Capital	Debt
GENERAL FUND (100)		X		X
SPECIAL REVENUE FUNDS				
Asset Seizure	101	X		
Ab 3229 Cops Program	201	X		
Citywide L&L Dist 83-2	220	X	X	
Victoria By The Bay L&L	221	X	X	
Hercules Village L&L Dist	222	X	X	
Baywood Assess 04-1 L&L	223	X	X	
Bayside Assess Dist L&L	224	X	X	
Arterial Roadways	225	X		
Stormwater Assessment	231	X		
Dif-Gen Public Facilities	241		X	
Community Development Fnd	242		X	
Development Fee Fund	243		X	
Dif-Police Facilities	244		X	
Dif-Fire Facilities	246		X	
Dif-Park & Rec	247		X	
Public Benefit Fee	249		X	
Dif-Traffic Facilities	261	X	X	
State Gas Tax Fund	262	X	X	
Measure "C" Street Fund	263	X	X	
Stmp Traffic Impact Fund	264		X	
Solid Waste And Recycling	291	X		
Regional Water Quality	521	X		
Bart (Park & Ride)	266	X		
CAPITAL PROJECT FUNDS				
Street Cip Grants	295		X	
City Capital Proj-Single	300, 310, 311		X	
Energy Conservation Project	301		X	
Grant Fund / Stip / Rip	340s, 350		X	
Water Quality Ret Basin	387		X	
DEBT SERVICE FUNDS				
2003b Debt Service Pfa	672			X
2009 Debt Service Pfa	673			X
Suntrust Lease	383			X
Equipment Lease	388			X



BASIS OF ACCOUNTING AND FINANCIAL REPORTING

The basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The basis of accounting depends on the purpose for which the fund has been established and by its measurement focus.

All *governmental and expendable trust funds* use a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are included on the balance sheet. Operating statements of these funds present increases (i.e., revenue/other financing sources) and decreases (i.e., expenditures/other financing uses) of net current assets.

All proprietary funds, pension trust and agency funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with operation are included on the balance sheet. Fund equity for proprietary funds (i.e., net total assets) is segregated into restricted net assets and unrestricted net assets. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. Agency and trust funds are custodial in nature (assets equal liabilities) and do not involve measuring the results of operations.

Modified Accrual Accounting. The modified accrual basis of accounting is used by all governmental funds and expendable trust funds, as required by generally accepted accounting principles (GAAP), the Governmental Accounting Standards Board (GASB) and the State of California. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets. Property tax and assessments are recognized as revenues in the fiscal year in which the taxes were levied. Sales and use taxes are reported as revenue when collected by the State of California for subsequent remittance to the City. Intergovernmental revenues and investment earnings are accrued when earned. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility

requirements are satisfied. Fines and permits revenue are not susceptible to accrual as they generally are not measurable until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general longterm debt, recognized when due, and accumulated unpaid vacation and compensatory pay that is accrued and reported on the government-wide financial statements for governmental funds.

Full Accrual Accounting. As mentioned previously, the full-accrual basis of accounting is used for the enterprise and proprietary fund types. Under this method, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. The City has chosen to utilize GASB as its standard setting body for the accounting in its proprietary funds, as allowed since November 30, 1989.

Deferred revenues arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when loans are extended upon agreement for future lease or loan repayment proceeds. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Past actual data presented in this budget document reconcile to the City’s financial statements using the GAAP basis of accounting for governmental funds and full-accrual basis for enterprise funds.

Basis of Budgeting Method. The budget uses the cash plus encumbrance basis budgeting. Cash plus encumbrance basis budgeting is a method of accounting that uses income when received and expenses when paid and committed. This method contrasts with accrual accounting, which recognizes income at the time the revenue is earned and records expenses when incurred regardless when cash is received or paid. The cash plus encumbrance basis of budgeting are the same for all governmental funds. The budgeting basis for enterprise or proprietary funds do not include depreciation and also at cash plus encumbrance basis budgeting.



BUDGET PROCESS AND PROCEDURES

The City follows the following procedures in establishing the budgetary data reflected in this document:

- 1. The City Manager submits to the City Council a proposed operating budget for the following fiscal year.** This budget includes proposed expenditures, by fund and department, and the revenues expected to finance them.
- 2. Public hearings are conducted** to obtain taxpayer comments.
- 3. The budget is legally enacted** through passage of a resolution before July 1.
- 4. The City Manager is authorized to transfer budgeted amounts between objects within the same department;** however, any revisions, which alter total expenditures of any fund, must be approved by the City Council.
- 5. Formal budgetary integration is employed as a management control device.** Special Revenue Fund budgets are adopted on a basis consistent with accounting principles generally accepted in the United States (USGAAP) and are consistent with the basis used for financial reporting.

Accordingly, actual revenues and expenditures can be compared with related budget amounts without any reconciliation. The General Fund budget is adopted on the budgetary basis, which is not consistent with accounting principles generally accepted in the United States of America.

Commitments for material and services, such as purchase orders and contracts, are recorded during the year as encumbrances to assist in controlling expenditures. Appropriations, which are encumbered at year-end lapse, then are added to the following year's budgeted appropriations. However, encumbrances at year-end are reported as reservations of fund balance.

6. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2018, based on the calculations by City Management, proceeds of taxes did not exceed the appropriations limit.

7. Budget revenue amounts represent the original budget modified by adjustments authorized during the year. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year, which were contingent upon new or additional revenue sources and re-appropriated amounts for prior year encumbrances. The City Manager must approve adjustments to departmental budgets; however, management may amend the budgeted amounts within departmental expenditure classifications, with approval of the Finance Director.

8. Certain appropriations carryover and are re-appropriated for the subsequent year.

9. Budget appropriations for the various governmental funds become effective July 1. The City Council may amend the budget during the fiscal year. The legal level of budgetary control has been established at the fund level.



BUDGETARY PROCESS

There are two pieces to the budget: an operating budget and a capital budget. The departmental operating budgets represent current year operations whereas the capital budget covers major construction projects and the purchase of major equipment for multiple fiscal years. The operating and capital budgets are concurrently created and adopted in a similar manner. However the operating budget covers a one-year period while the capital budget covers a five-year period with money being appropriated for the first year along with the current year operating budget and the remaining four years of the capital plan being approved in concept.

The budget and this document is the culmination of a process in which the community -- through its elected leaders, commission/committee members, public hearings, and the advice of City staff -- decides upon the services it shall receive from its government under the constraint of resources available to it through taxes, fees, and transfers from the federal, state, and county governments.

Operating Budget Process

The budget process began in March with the request by the Finance Department for revenue projections and an estimation of operating expenditures requests.

City Council / Finance Commission Budget Meetings. The City Manager and the City's senior staff discussed the City's General Fund budget issues with the City Council/Finance Commission as first looks at revenues and expenditures. The Finance Commission includes five appointed members from the public. The budget work sessions provided time for the Commission members to discuss issues related to the budget.

Citizen Input on the Budget and Final Adoption. Citizen participation was encouraged during the City Council / Finance Commission budget work sessions. Additionally, public notice of Council consideration of the City's proposed budget resolution was advertised per state law. A copy of the proposed Budget was available at the City Clerk's Office and on-line for

citizen review. Any amendments made by Council will be incorporated into the final adopted budget.

Mid-Year Budget Review and Revision Process.

After the adoption of the budget, there are scheduled reviews of the budget's progress. In March of the fiscal year, there is a major mid-year (second quarter) review in which revenues and expenditures are examined and adjustments made if necessary. There are also first, third and fourth quarter reports prepared and reviewed with the Finance Subcommittee of the City Council. Any adjustments to the budget must be passed by City Council resolution.

In addition to these scheduled reviews of the adopted budget, there is a process for amending the budget during the year if a department finds that more money is needed to be spent on a program than was originally anticipated, or finds that there are new funded or unfunded needs to be met. In this case, the department must present to City Council its reasons for requesting a budget adjustment. As with the scheduled budget reviews, these budget adjustments must also be adopted by City Council resolution before a department can spend money amounting to more than the original appropriation.

Requests for adjustment to the budget fall into two categories:

- **Pre-Approval** - Departments may present to Council on an individual basis revised funding requests for approval to proceed with a new initiative, program or project. Council approval of such requests constitutes formal budget appropriations authority.

- **New Requests** - Department requests may be submitted through the mid-year revision resolution. Departments submit a memorandum to the City Manager outlining the cost of the requested item, its justification, financing sources, whether the request is a one-time or ongoing cost, and accounting codes impacted. If approved by the City Manager, these requests are listed on the subsequent mid-year revision resolution. City Manager review includes a determination of the necessity for the request and its fiscal impact.



Capital Improvement Budget

The Capital Improvement Budget is a plan for capital projects, fixed assets, and infrastructure owned by the City of Hercules. Requests from senior staff are reviewed by the City Manager as part of the annual budget development process to insure that the City’s assets are maintained in an efficient manner and that Council long-term goals are met. The capital budget is organized by the department and/or fund responsible for the asset. The capital process starts with departments submitting their requests for maintenance, replacement, and the addition of assets under their control. The City Manager oversees a disciplined process to provide assurance to citizens that the City’s assets and infrastructure are maintained within the constraints of available funding.

USING THIS BUDGET DOCUMENT

The first section of this document is a general introduction to the budget and the document itself. The document covers both the operating and capital budgets for the City with most of this document being devoted to the City’s operating budgets. In general, the document is organized by fund type with the majority of it devoted to the General Fund.

The first section of this document gives a general overview of the City’s revenues, expenditures, and fund balances. This section gives a summary of the fund balances for all of the funds and the resources available to the City to meet current and future obligations. Also presented are the detailed account information of all the City’s revenues, and a list of the City employee positions for all departments.

The General Fund section shows budget expenditure details of each General Fund department. The sections following the General Fund are the City’s various special revenue funds, capital project funds, debt service funds, enterprise funds, and internal service and trust funds. The Appendices section includes the resolutions that adopted the budgets, and a glossary of budgeting and accounting terms.

CITY ORGANIZATIONAL STRUCTURE

The organizational structure of the City of Hercules’ municipal departments is found in the chart on the following page. The chart outlines the supervisory reporting structure of the City’s senior staff. The City Manager reports to and serves at the pleasure of the City Council, a five-member elected body.

The City Manager holds a weekly Department Head Meeting to review the occurrences of the prior week and the upcoming week. This meeting is also held to discuss any items of special interest or concern.



CITY COMMISSIONS AND SUB-COMMITTEES

The City has three (3) commissions and three (3) full/sub committees appointed by the City Council.

Commissions and committees provide advisory recommendations, counsel and guidelines on their relevant topic areas.

These commissions and committees include the following:

- Planning Commission
- Community and Library Services Commission
- Finance Commission
- Education Sub-Committee (Inactive)
- Economic Development Sub-Committee
- Public Safety/Traffic Sub-Committee



CITY OF HERCULES

STATEMENT OF FINANCIAL PRINCIPLES AND POLICIES

Adopted December 16, 2015

Establishing certain generalized principles governing the financial affairs of the City is desirable to guide both the financial management and financial planning for the City. The City of Hercules is accountable to its citizens, employees, and other stakeholders for the use of public funds and the best management of resources. These Financial Principles will provide City staff with guidance in preparing and submitting the annual budget for the City and in the preparation of financial forecasts. The adoption of certain financial policies is necessary and appropriate to implement the financial principles and to help ensure financial sustainability and to improve the City's credit worthiness and bond rating.

Financial Principles

- Adopt a balanced operating budget by June 30th of each year for the following fiscal year without using General Fund undesignated fund balances or reserves. The budget thus adopted shall include expenditures necessary to provide for the well-being and safety of the community subject to available revenues;
- Fees for services shall be updated annually to recover, as much as possible, the cost of providing the services and to allow for the impacts of inflation, with fees not exceeding the cost of providing the service. In some instances, the City Council may elect to not recover the full cost of providing the service and the City Council shall determine the appropriate cost recovery level of individual services;
- Revenues in excess of expenditures at the end of a fiscal year shall be applied on a priority basis to satisfy the general fund reserve requirements, capital projects reserves, capital equipment reserves, and liability reserves before being appropriated for other uses.
- Current year operating expenditures shall be funded by current year operating revenues;
- Manage the City's finances as to ensure repayment of debt and improvement in the City's bond rating in order to minimize future issuance and interest costs to the City.
- Meet all financial reporting requirements in a timely manner and ensure appropriate internal controls are in place to ensure financial accountability.

General City Financial Policies

- Employees are one of the most important assets of the City and should be compensated at an appropriate level and commensurately with the City's ability to pay;
- Establish, and then maintain, a "minimum reserve" for economic uncertainties equal to one month or 8.33% of expenditures of the current year General Fund budget exclusive of Nonspendable, Restricted, and Assigned fund balance with a goal of increasing that to two months or 16.66% of expenditures in the future.
- The General fund reserve shall provide for meeting contingency needs, investment earnings, and shall serve as a cash flow reserve.
- Provide for capital equipment replacement as necessary to achieve greater efficiency and effectiveness in the City's operations;
- One-time revenues shall be utilized for one-time expenditures or to enhance reserve funds as appropriate or necessary;
- The City shall maintain, replace, and improve its infrastructure and the City shall set aside a reasonable and prudent amount of General Fund monies for capital projects including the repair of various facilities as part of its annual budget process to the greatest extent possible.



Revenue & Expenditure Policies

- Realistic and prudent estimates of revenues shall be used to maintain financial flexibility;
- Revenue raising alternatives shall be explored as necessary and the City shall pursue grants available to local government;
- Programs funded through user fees shall be self-supporting to the greatest extent possible or at a level proscribed by the City Council;
- Full recovery of overhead and internal services from grant and special or enterprise funds shall be pursued to the greatest extent possible and as permitted by the restrictions associated with each fund.



Special Revenue, Enterprise, and Internal Service Fund Policies

- The City shall abide by applicable rules and regulations pertaining to the expenditures of special revenue funds as required by each funding source;
- Enterprise activities shall be programmed to generate sufficient revenues to support the enterprise's operations including overhead and internal services, debt service requirements, and current and future capital needs;
- Special Revenue and Enterprise funds shall adhere to all other applicable fiscal policies of the City.
- Internal Service funds shall be established as appropriate to ensure cost recovery on a fair and equitable basis;
- Transfers to the General fund from other funds for overhead costs shall be reviewed annually and

conform to the Federal Office of Management & Budget A-97 Guidelines.

Debt Policies

- Debt shall only be incurred for capital improvement projects and only if the project cannot be funded by recurring or one-time revenues;
- Proceeds from long-term debt shall not be used for current on-going expenditures;
- Short-term borrowing shall not be used for operating expenditures unless it is a Tax & Revenue anticipation Note or other short-term cash flow borrowing and shall be limited to repayment in the same fiscal year;
- The use of the City's General Fund as security for debt issues should be limited to the greatest extent possible to capital projects which serve the general benefit for the City.

Forecasting Policies

- The City shall develop and maintain a five to ten year Financial Forecast which shall be updated two times each year with any unexpected changes in economic conditions or other circumstances prompting more frequent updates;
- The Financial Forecast should recognize the effects of economic cycles and shall differentiate between one-time revenues associated with one-time economic activities and revenues resulting from base economic growth;
- Financial Forecasts shall identify the assumptions used in their preparation and the risks associated with those assumptions;
- Revenue and expenditure estimates should be prepared on a realistic basis with a target of +/- 2 percent variance from the estimate for revenues and a +/- 1 percent variance for expenditures;
- On-going revenue increases based upon site specific development shall be incorporated using a realistic estimation of timing and shall not exceed the midpoint of the range of estimated revenues.



1. The City Council hereby approve the following additions to the Statement of Financial Principles and Policies:

a. Service Level Expectations - Defining the types and levels of services expected in a given year includes a process of public engagement, understanding current services, identifying the City's mission, long-term vision, and goals of the community. Based on the goals established by the City Council, the City Manager identifies the resources required to deliver services, how best to organize those resources to achieve the City Council's vision for the community and presents those recommendations in the proposed Budget for the City Council review, consideration, and direction. In a service-oriented organization such as a city, it takes a combination of staff and consultants to provide services. As important as it is for a city to invest in its physical capital, it is just as important for a city to ensure it is investing appropriately in its human capital and to determine what is the proper level of staffing and the necessary skill sets required to deliver on the city's mission. City staff is currently evaluating potential needs for additional personnel and resources necessary to accomplish tasks related to the established priorities.

b. Reserve Policy - Increasing the general fund reserve policy limit from 16% to 25% (equal to three months of the General Fund Operating Budget) to protect the City from fluctuations in the economy or other significant unplanned needs. Once a 25% funding level is reached, available surplus funds would be directed to other Council priorities.

c. Long-Term Capital Improvement Project Funding – During the April 26, 2022, Budget

Workshop, the current funding strategy for capital projects entail a detailed analysis of the long-term capital improvement project funding needs based on a 5-year forecast. This strategy assumes a “pay as you go” philosophy that does not anticipate the use of debt financing.

d. General Fund Surplus Allocation – A surplus occurs when income exceeds expenditures. The term is often referred to in government as savings. A surplus is an indication that the City's finances are being effectively managed. Staff recommends that Available resources as determined annually through the closing of the financial records will be used as a basis for the following allocation:

i. 25% contribution to Pension/OPEB - The City has established an Internal Revenue Service Code Section 115 irrevocable trust which achieves a higher rate of return on investments than that earned on the pooled investment portfolio, LAIF. 25% of the available fund balance shall be put into a Trust Fund or directly into paying off the CalPERS unfunded liability for either pensions or post-employment benefits.

ii. 25% to Operating Reserve – 25% be put into operating reserves up to the 25% policy limit.

iii. 50% contribution to unmet/deferred infrastructure and maintenance needs – A funding mechanism to fund projects included in the Long-Term Capital Improvement Project Funding, as described in section c above.



LOCAL CITY BUDGET AND DEMOGRAPHIC COMPARISON FY 2025-2026

	HERCULES	SAN PABLO	EL CERRITO	PINOLE
Form of Government	Council-Manager General Law	Council-Manager General Law	Council-Manager General Law	Council-Manager General Law
Year Incorporated	1900	1948	1917	1903
BUDGET COMPARISON				
General Fund Revenue	\$20,891,627	\$56,320,577	\$53,779,792	\$31,537,898
General Fund Expenditures	\$20,647,868	\$56,304,989	\$53,764,017	\$32,801,047
Total Full Time Equivalent	39	103	90	89
Sworn Personnel FTE	26	62	74	28
DEMOGRAPHICS				
Population	26,499	31,562	26,409	18,663
Annual Percent Change	1.80%	-1.80%	1.70%	-1.90%
Median Age	44	35	42	45
Population per FTE	679	306	2,401	579
Population per Sworn FTE	1,019	509	714	667
Housing Units	9,355	9,743	10,831	6,588
Average Household Size	3	3	2	3
Labor Force	14,300	14,700	14,200	9,300
Unemployment Rate	3.7%	4.40%	3.7%	2.6%
Median Household Income	\$129,397	\$79,478	\$127,876	\$127,717
Per Capital Income	\$55,501	\$30,103	\$73,055	\$51,487

* The Budget Comparison data was obtained from the corresponding city's Adopted Budget for FY 2025-26

* The median age was obtained from the Census Reporter

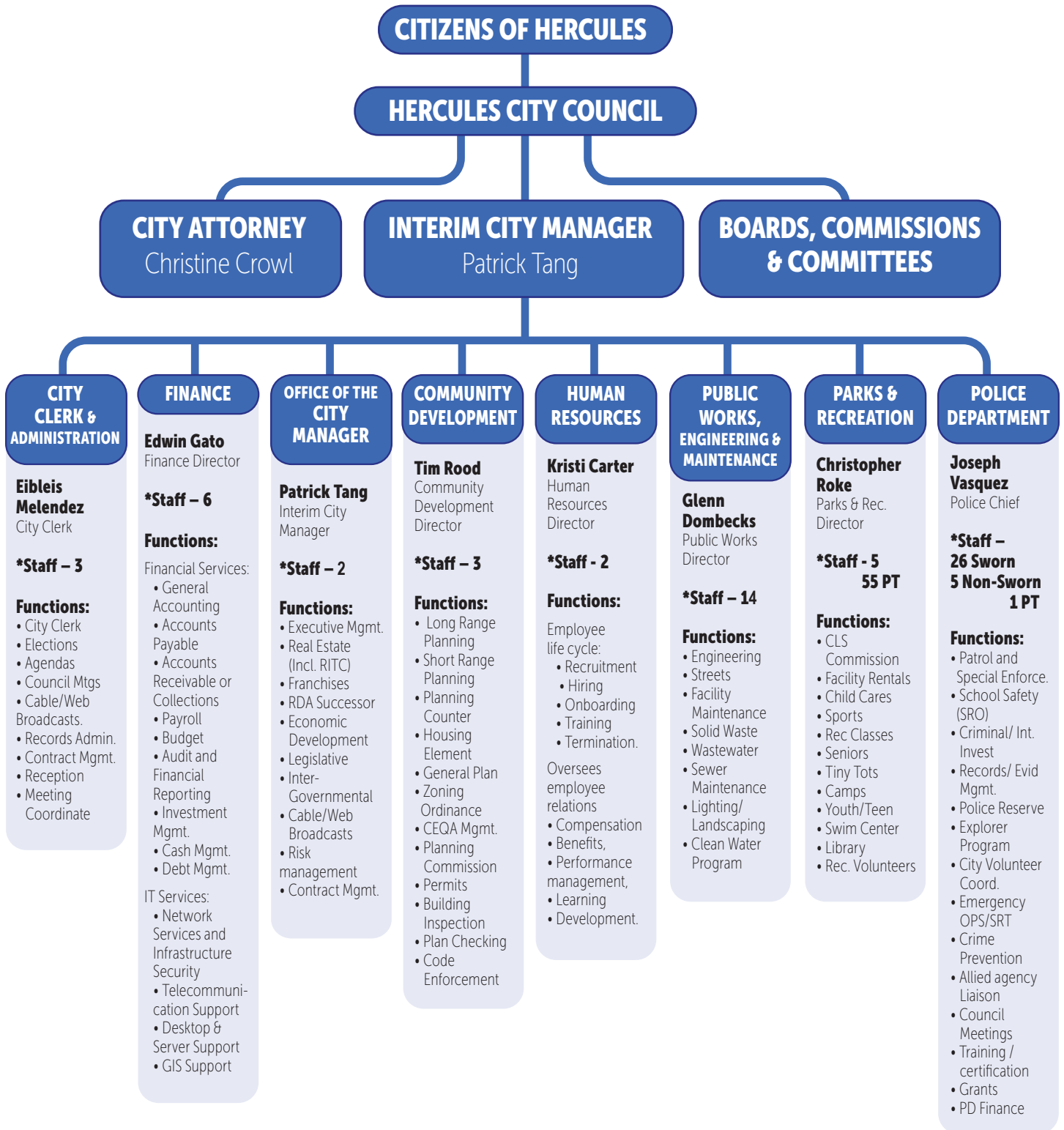
* The population, average household size, household units, median household income, and the per capital income was obtained from the Census Bureau published on July 2024

* The Labor Force and Unemployment Rate was obtained from the California Employment Development Department published on December 2025



FY 2026-27 CITY OF HERCULES

ORGANIZATION CHART



*includes department heads



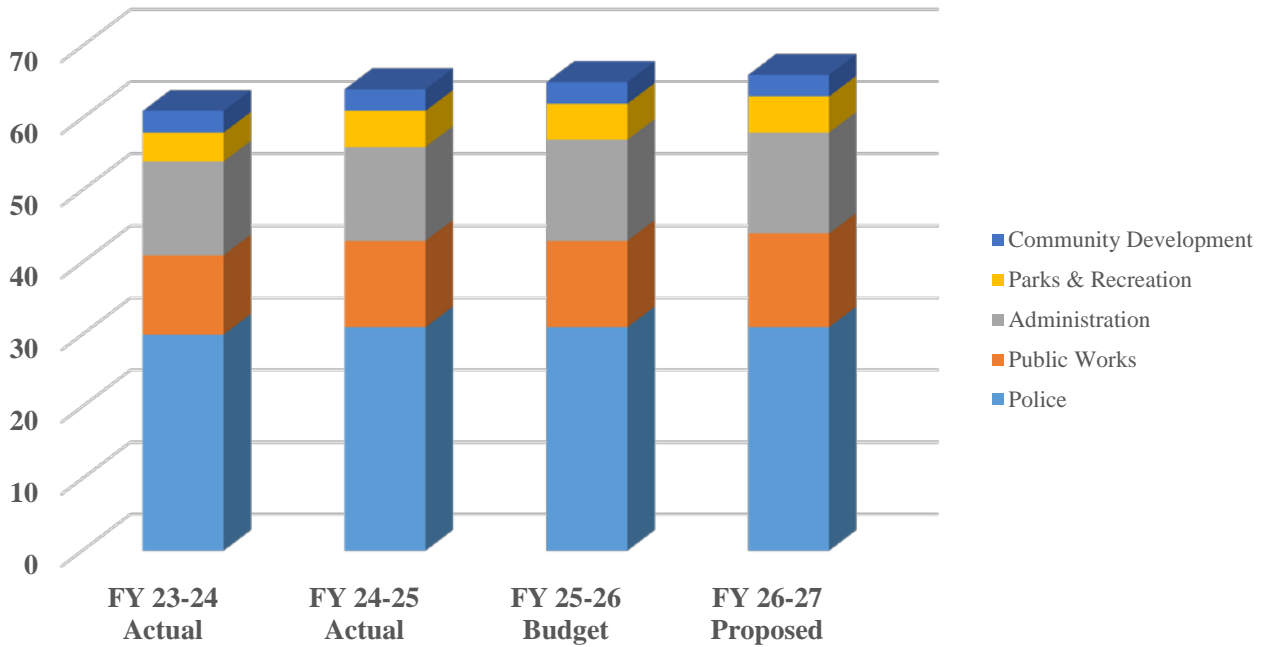
CITYWIDE BUDGET





Authorized Full-Time Positions By Classification Within Department

FTE Trends



Personnel by Department

	FY 23-24 Actual	FY 24-25 Budget	FY 25-26 Budget	FY 26-27 Proposed
<u>Police</u>				
Chief of Police	1	1	1	1
Police Commander	2	2	2	2
Police Sergeant	5	5	5	6
Police Officer	18	18	18	17
Police Support Specialist	3	3	3	3
Parking Enforcement Officer	1	1	1	1
Administrative Specialist	1	1	1	1
	30	31	31	31
<u>Public Works</u>				
Public Works Director	1	1	1	1
Public Works Superintendent	1	1	1	1
Public Works Inspector/Specialist	1	1	1	1
Sewer and Stormwater Supervisor				1
Maintenance Supervisor	1	1	1	1
LLAD Coordinator		1	1	1
Associate Engineer	1	1	1	1
Maintenance Worker I	4	1	1	2
Maintenance Worker II	2	5	5	4
	11	12	12	13



Authorized Full-Time Positions By Classification Within Department

Personnel by Department

	FY 23-24 Actual	FY 24-25 Budget	FY 25-26 Budget	FY 26-27 Proposed
<u>Community Development</u>				
Community Development Director	1	1	1	1
Senior Planner	1	1	1	1
Permit Technician				
Community Development Specialist	1	1	1	1
	3	3	3	3
<u>Parks & Recreation</u>				
Parks & Recreation Director	1	1	1	1
Recreation Manager	1	1	1	1
Recreation Supervisor				2
Recreation Coordinator	2	2	2	
Recreation Technician		1	1	1
	4	5	5	5
<u>Administration</u>				
Accounting Technician II	2	2	2	2
Administrative Specialist	1	1	1	1
City Clerk	1	1	1	1
City Manager	1	1	1	1
Finance Director	1	1	1	1
Human Resources Manager	1	1	1	1
Human Resources Technician			1	1
Information Systems Administrator	1	1	1	1
Information Systems Specialist	1	1	1	1
Management Analyst	1	1	1	1
Senior Accountant	1	1	1	1
Senior Clerk	2	2	2	2
	13	13	14	14
Total City-wide FTE Count	61	64	65	66



CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**Labor Allocation
By Fund**

Position Title	Fund Name	Fund No.																						Total		
		100	232	233	234	235	236	237	238	239	251	253	220	221	222	223	224	225	231	262	263	291	420		460	470
		General	LLAD No. 83-2 (Zone 1)	LLAD No. 83-2 (Zone 2)	LLAD No. 83-2 (Zone 3&4)	LLAD No. 83-2 (Zone 5A)	LLAD No. 83-2 (Zone 5B)	LLAD No. 83-2 (Zone 5C)	LLAD No. 83-2 (Zone 6)	LLAD No. 83-2 (Zone 7)	LLAD No. 83-2 (Zone 8)	LLAD No. 83-2 (Zone 9)	LLAD No. 83-2 (Zone 10)	LLAD No. 2002-1 (Victoria Bay)	LLAD No. 2002-2 (Hercules Villages)	LLAD No. 2004-1 (Baywood)	LLAD No. 2005-1 (Bayside)	Arterial Roadway	Stormwater	State Gas Tax	Measure "C" Street Fund	AB 939 - JPA	Sewer	IT Ops and Repl	Facility Maint	
Full-Time	Department																									
ADMINISTRATIVE SPECIALIST	POLICE	1.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CHIEF OF POLICE	POLICE	1.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
POLICE COMMANDER	POLICE	2.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
POLICE OFFICER	POLICE	18.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
POLICE SERGEANT	POLICE	5.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PARKING ENFORCEMENT OFFICER*	POLICE	1.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
POLICE SUPPORT SPECIALIST	POLICE	3.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		31.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ASSOCIATE ENGINEER	PUBLIC WORKS	-	-	-	-	-	-	-	-	-	-	-	0.15	-	-	-	-	-	0.15	0.20	0.20	-	0.30	-	-	1.00
MAINTENANCE WORKER I	PUBLIC WORKS	-	-	-	-	-	-	-	-	-	-	-	0.35	-	-	0.05	0.05	-	0.05	0.10	0.08	-	0.15	-	0.17	1.00
MAINTENANCE WORKER II	PUBLIC WORKS	0.13	0.05	0.04	0.00	0.01	0.01	0.01	0.00	0.06	0.07	0.06	0.80	0.22	0.04	0.12	0.07	0.15	0.40	0.51	0.29	-	1.05	-	0.92	5.00
MAINTENANCE SUPERVISOR	PUBLIC WORKS	-	-	-	-	0.00	-	-	0.02	-	-	-	0.02	0.10	-	0.01	-	-	0.05	0.10	0.08	-	0.15	-	0.47	1.00
LLAD COORDINATOR	PUBLIC WORKS	-	0.01	0.02	0.02	0.02	0.01	0.01	0.01	0.01	-	0.02	0.54	0.08	0.08	0.05	0.02	-	-	-	-	-	-	-	0.10	1.00
PUBLIC WORKS DIRECTOR	PUBLIC WORKS	0.10	-	-	-	-	-	-	-	-	-	-	0.05	-	-	-	-	-	0.10	0.20	0.20	-	0.30	-	0.05	1.00
PUBLIC WORKS SUPERINTENDENT	PUBLIC WORKS	0.03	0.02	0.02	0.01	0.02	0.02	0.02	0.01	0.02	0.02	0.01	0.03	0.02	0.02	0.02	0.02	0.02	0.20	0.10	0.10	-	0.25	-	0.02	1.00
SEWER AND STROMWATER SUPERVISOR	PUBLIC WORKS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00	-	-	1.00
PUBLIC WORKS INSPECTOR/SPECIALIST	PUBLIC WORKS	0.25	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.10	0.04	0.04	0.04	0.04	0.04	0.05	0.13	0.12	-	0.05	-	-	1.00
		0.51	0.09	0.09	0.04	0.06	0.05	0.05	0.05	0.10	0.10	0.10	2.04	0.46	0.18	0.29	0.20	0.21	1.00	1.34	1.07	-	3.25	-	1.73	13.00
COMMUNITY DEVELOPMENT DIRECTOR	COMMUNITY DEVELOPMENT	0.95	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.05	-	-	-	-	1.00
SENIOR PLANNER	COMMUNITY DEVELOPMENT	1.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00
PERMIT TECHNICIAN	COMMUNITY DEVELOPMENT	0.20	0.02	0.02	0.02	0.02	0.02	0.02	-	0.02	0.02	0.02	0.13	0.05	0.05	0.05	0.05	0.05	0.05	0.07	0.05	-	0.07	-	-	1.00
		2.15	0.02	0.02	0.02	0.02	0.02	0.02	-	0.02	0.02	0.02	0.13	0.05	0.05	0.05	0.05	0.05	0.05	0.07	0.10	-	0.07	-	-	3.00
PARKS & RECREATION DIRECTOR	PARKS & RECREATION	1.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00
RECREATION MANAGER	PARKS & RECREATION	1.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00
RECREATION TECHNICIAN	PARKS & RECREATION	1.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00
RECREATION SUPERVISOR	PARKS & RECREATION	2.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.00
		5.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.00
CITY MANAGER	ADMINISTRATION	0.59	-	-	-	-	-	-	-	-	-	-	0.12	-	-	-	-	-	-	-	-	-	0.29	-	-	1.00
CITY CLERK	ADMINISTRATION	0.64	-	-	-	-	-	-	-	-	-	-	0.02	0.02	0.02	0.02	0.02	-	-	-	-	-	0.10	0.16	-	1.00
FINANCE DIRECTOR	ADMINISTRATION	0.70	-	-	-	-	-	-	-	-	-	-	0.10	-	-	-	-	-	-	-	-	-	0.10	0.10	-	1.00
HUMAN RESOURCES MANAGER	ADMINISTRATION	1.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00
HUMAN RESOURCES TECHNICIAN	ADMINISTRATION	1.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00
MANAGEMENT ANALYST	ADMINISTRATION	0.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.25	0.10	0.30	-	0.10	1.00
INFORMATION SYSTEMS SPECIALIST	ADMINISTRATION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00	-	1.00
INFORMATION SYSTEMS ADMINISTRATOR	ADMINISTRATION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00	-	1.00
SENIOR CLERK	ADMINISTRATION	2.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.00
SENIOR ACCOUNTANT	ADMINISTRATION	0.80	-	-	-	-	-	-	-	-	-	-	0.10	-	-	-	-	-	-	-	-	-	0.10	-	-	1.00
ACCOUNTING TECHNICIAN II	ADMINISTRATION	1.60	-	-	-	-	-	-	-	-	-	-	0.20	-	-	-	-	-	-	-	-	-	0.20	-	-	2.00
ADMINISTRATIVE SPECIALIST	ADMINISTRATION	1.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00
		9.58	-	-	-	-	-	-	-	-	-	-	0.54	0.02	0.02	0.02	0.02	-	-	-	0.25	0.10	1.09	2.26	0.10	14.00
		48.24	0.11	0.11	0.06	0.08	0.07	0.07	0.05	0.12	0.12	0.12	2.71	0.53	0.25	0.36	0.27	0.26	1.05	1.41	1.42	0.10	4.41	2.26	1.83	66.00



Labor Allocation
By Fund

Fund No.		100	232	233	234	235	236	237	238	239	251	253	220	221	222	223	224	225	231	262	263	291	420	460	470	
Fund Name		General	LLAD No. 83-2 (Zone 1)	LLAD No. 83-2 (Zone 2)	LLAD No. 83-2 (Zone 3&4)	LLAD No. 83-2 (Zone 5A)	LLAD No. 83-2 (Zone 5B)	LLAD No. 83-2 (Zone 5C)	LLAD No. 83-2 (Zone 6)	LLAD No. 83-2 (Zone 7)	LLAD No. 83-2 (Zone 8)	LLAD No. 83-2 (Zone 9)	LLAD No. 83-2 (Zone 10)	LLAD No. 2002-1 (Victoria Bay)	LLAD No. 2002-2 (Hercules Village)	LLAD No. 2004-1 (Baywood)	LLAD No. 2005-1 (Bayside)	Arterial Roadway	Stormwater	State Gas Tax	Measure "C" Street Fund	AB 939 - JPA	Sewer	IT Ops and Repl	Facility Maint	Total
Part-Time																										
FACILITY ATTENDANT	PARKS & RECREATION	0.89	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.89
LIFEGUARD/SWIM INSTRUCTOR I	PARKS & RECREATION	3.49	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.49
LIFEGUARD/SWIM INSTRUCTOR II	PARKS & RECREATION	0.57	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.57
OFFICE ASSISTANT I (PT)	PARKS & RECREATION	0.21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.21
OFFICE ASSISTANT II (PT)	PARKS & RECREATION	1.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.27
RECORDS CLERK SPECIALIST	POLICE	0.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.50
RECREATION AIDE	PARKS & RECREATION	1.06	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.06
RECREATION LEADER I	PARKS & RECREATION	1.96	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.96
RECREATION LEADER II	PARKS & RECREATION	2.66	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.66
RECREATION LEADER III	PARKS & RECREATION	3.77	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.77
RECREATION SPECIALIST	PARKS & RECREATION	0.75	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.75
SENIOR LIFEGUARD	PARKS & RECREATION	0.15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.15
POLICE SUPPORT SPECIALIST	POLICE	1.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00
		18.29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18.29



City-Wide Budget
All Funds Summary

	Available Fund Balance FY 24-25	Projected Revenues/ Transfers In FY 25-26	Projected Expenses/ Transfers Out FY 25-26	Changes in Commitments/ Reserves FY 25-26	Projected Available Fund Balance FY 25-26	Proposed Revenues/ Transfers In FY 26-27	Proposed Expenses/ Transfers Out FY 26-27	Changes in Commitments/ Reserves FY 26-27	Proposed Available Fund Balance FY 26-27
General Fund									
100 GENERAL FUND	\$0	\$20,891,627	\$20,570,868	(\$320,759)	\$0	\$21,532,501	\$21,405,501		\$127,000
General Fund Total	-	20,891,627	20,570,868	(320,759)	-	21,532,501	21,405,501	-	127,000
Special Revenue Funds									
101 ASSET SEIZURE	100,000	-	100,000		-	-	-		-
201 AB 3229 COPS Program	80,822	150,000	186,159		44,663	207,000	251,663		-
220 CITYWIDE L&L DIST 83-2	1,269,818	2,351,768	2,199,033	-	1,422,553	2,401,767	2,325,183		1,499,137
221 VICTORIA BY THE BAY L&L	(703,095)	590,212	728,080		(840,963)	647,041	748,221		(942,143)
222 HERCULES VILLAGE L&L DIST	62,402	188,241	245,104	-	5,539	193,331	272,791		(73,921)
223 BAYWOOD ASSESS 04-1 L&L	96,547	186,035	185,981	-	96,601	190,618	189,086	-	98,133
224 BAYSIDE ASSESS DIST L&L	167,117	170,209	169,187		168,139	174,429	174,243		168,325
225 ARTERIAL ROADWAYS	320,815	349,928	376,790		293,953	369,370	408,042		255,281
231 STORMWATER ASSESSMENT	90,331	375,000	392,606		72,725	364,000	432,237	-	4,488
241 DIF-GEN PUBLIC FACILITIES	202,753	-	-		202,753	-	-		202,753
242 COMMUNITY DEVELOPMENT FND	79,564	-	-		79,564	-	-		79,564
243 DEVELOPMENT FEE FUND	80,496	-	-		80,496	-	-		80,496
244 DIF-POLICE FACILITIES	156,088	-	-		156,088	-	-		156,088
247 DIF-PARK & REC	236,710	-	150,000		86,710	-	-		86,710
249 PUBLIC BENEFIT FEE	1,091,960	-	-		1,091,960	-	-		1,091,960
261 DIF-TRAFFIC FACILITIES	748,541	-	-		748,541	-	-		748,541
262 STATE GAS TAX FUND	523,705	738,148	754,459	-	507,394	769,563	1,259,603	-	17,354
263 MEASURE "C" STREET FUND	719,878	493,303	612,868	-	600,313	495,000	883,402	-	211,911
266 BART PARK & RIDE	-	92,000	92,000		-	92,000	92,000		-
267 GENERAL PLAN AND BLDG TRAINING	1,542,868	-	1,300,000	(242,868)	-	-	-		-
268 SB1 - RMRA	981,630	683,809	500,000	-	1,165,439	735,835	510,000	-	1,391,274
291 AB 939 - JPA FUND	630,079	-	381,852		248,227	-	139,371		108,856
387 WATER QUALITY RETENTION BASIN	358,525	63,000	49,000		372,525	79,000	11,100		440,425
521 REGIONAL WATER QUALITY	57,884	-	-		57,884	-	-		57,884
640 HOUSING SUCCESSOR	5,879,840	-	120,595		5,759,245	-	-		5,759,245
Special Revenue Funds Total	14,775,278	6,431,653	8,543,714	(242,868)	12,420,349	6,718,954	7,696,942	-	11,442,361
Capital Projects Funds									
300 CITY - CAPITAL PROJECTS	-	2,923,720	2,923,720		-	2,750,495	2,750,495		-
354 HERCULES HUB	-	2,239,000	2,239,000		-	1,000,000	1,000,000		-
295 FEDERAL GRANTS	-	-	-		-	-	-		-
296 STATE AND LOCAL GRANTS	-	190,500	190,500		-	150,000	150,000		-
Capital Projects Funds Total	-	5,353,220	5,353,220	-	-	3,900,495	3,900,495	-	-



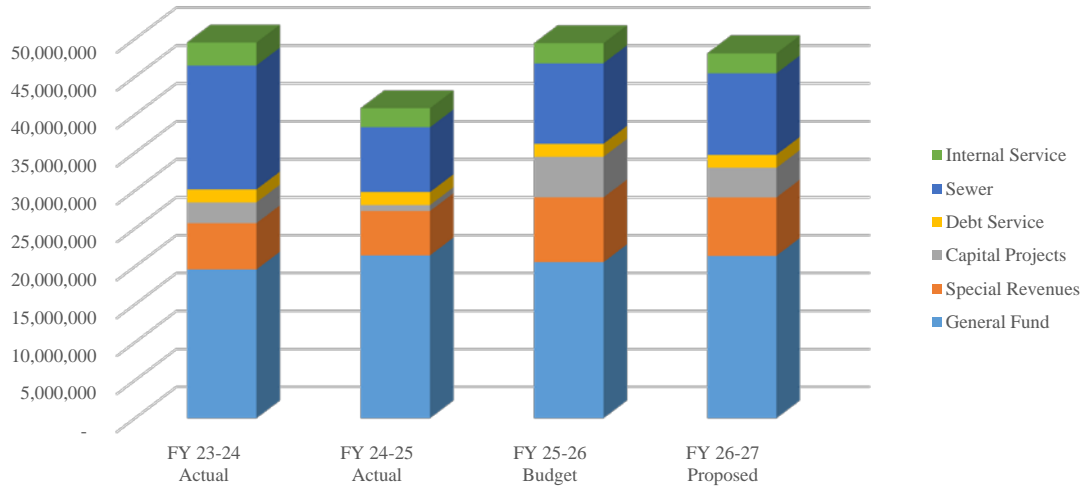
City-Wide Budget
All Funds Summary

	Available Fund Balance FY 24-25	Projected Revenues/ Transfers In FY 25-26	Projected Expenses/ Transfers Out FY 25-26	Changes in Commitments/ Reserves FY 25-26	Projected Available Fund Balance FY 25-26	Proposed Revenues/ Transfers In FY 26-27	Proposed Expenses/ Transfers Out FY 26-27	Changes in Commitments/ Reserves FY 26-27	Proposed Available Fund Balance FY 26-27
Debt Service Funds									
672 2003B DEBT SERVICE PFA	-	561,212	561,212		-	563,162	563,162		-
673 2009 DEBT SERVICE PFA	-	906,578	906,578		-	905,796	905,796		-
383 SUNTRUST LEASE	-	-	-	-	-	-	-	-	-
388 EQUIPMENT LEASE	-	245,079	245,079		-	255,609	255,609		-
Debt Service Funds Total	-	1,712,869	1,712,869		-	1,724,567	1,724,567	-	-
Enterprise Funds									
420 SEWER FUND (OPERATIONS)	13,919,941	7,200,934	10,080,152		11,040,723	7,503,360	10,290,454	(5,472,360)	2,781,269
421 SEWER FUND (CAPITAL)	-	536,680	536,680		-	444,700	444,700		-
Sewer Fund Total	13,919,941	7,737,614	10,616,832	-	11,040,723	7,948,060	10,735,154	(5,472,360)	2,781,269
Internal Service Funds									
450 VEHICLE REPLACEMENT FUND	279,650	163,000	-		442,650	166,000	132,645		476,005
460 IT OPERATING FUND	780,553	1,102,852	1,441,997		441,408	1,124,911	1,289,470		276,849
470 FACILITY MAINTENANCE FUND	573,344	1,047,125	1,201,184		419,285	1,000,985	1,183,505		236,765
480 IT EQUIPMENT REPLACEMENT FUND	8,000	292,000	-	-	300,000	30,000	30,000	-	300,000
490 FACILITY REPLACEMENT FUND	150,000	-	-	-	150,000	-	-	-	150,000
Internal Service Funds Total	1,791,547	2,604,977	2,643,181	-	1,753,343	2,321,896	2,635,620	-	1,439,619
Total, City Budget	\$30,486,766	\$44,731,960	\$49,440,684	(\$563,627)	\$25,214,415	\$44,146,473	\$48,098,279	(\$5,472,360)	\$15,790,249
Agency Funds									
382 ASSMT DIST 05-01 DEBT SVC	-	229,356	229,356		-	233,360	233,360		-
501 TAYLOR WOODROW MAINT LMOD	78,504	-	-		78,504	-	-		78,504
511 OPEB & SOMAR	3,091,977	144,000	115,800		3,120,177	183,000	119,400		3,183,777
730 HERCULES GOLF CLUB	-	-	-	-	-	-	-	-	-
Agency Funds Total	3,170,481	373,356	345,156	-	3,198,681	416,360	352,760	-	3,262,281
SUCCESSOR AGENCY & HOUSING	-	9,758,380	9,758,380	-	-	10,066,491	10,066,491	-	-
Totals	33,657,247	\$54,863,696	\$59,544,220	(\$563,627)	\$28,413,096	\$54,629,324	58,517,530	(\$5,472,360)	\$19,052,530



City-wide Expenditures Summary by Fund Type

Expenditure Trends



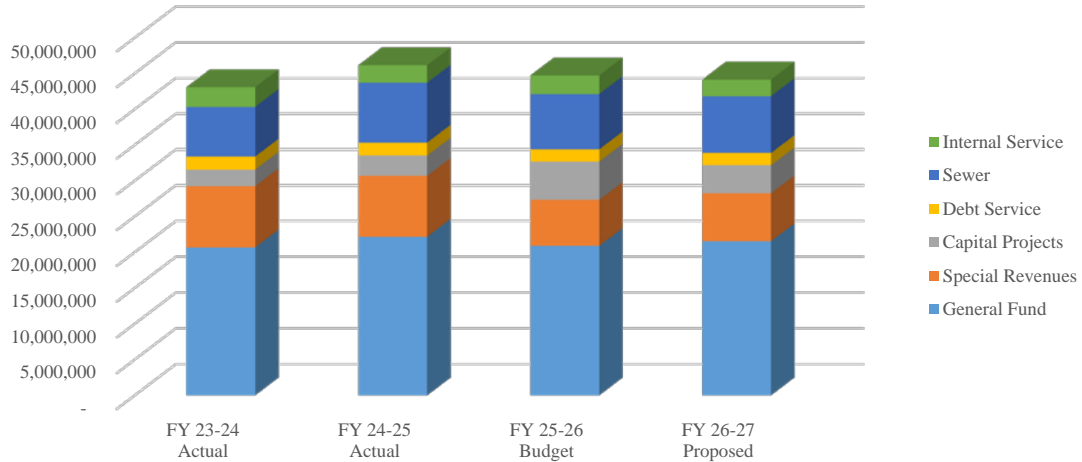
Expenditures By Department

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
<u>General Fund Operations by Department</u>				
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 & Recreation	2,673,550	2,873,344	2,700,746	2,853,964
Administration	4,682,817	5,618,060	5,517,787	5,820,653
Non-Department	260,000	284,756	260,000	62,000
Transfers Out	799,213	803,278	806,291	818,771
	18,610,782	20,359,818	20,467,868	21,405,501
One-time	991,639	1,103,771	103,000	-
	19,602,421	21,463,589	20,570,868	21,405,501
<u>Special Revenue, Capital and Debt</u>				
Special Revenues	6,111,060	5,851,617	8,543,714	7,696,942
Capital Projects	2,734,303	784,014	5,353,220	3,900,495
Debt Service	1,710,843	1,706,728	1,712,869	1,724,567
<u>Enterprise</u>				
Sewer	16,344,904	8,544,132	10,616,832	10,735,154
Net City Budget	46,503,531	38,350,080	46,797,503	45,462,659
<u>Internal Charges</u>				
Internal Service Funds	3,027,619	2,508,738	2,643,181	2,635,620
Total City Budget	\$ 49,531,150	\$ 40,858,818	\$ 49,440,684	\$ 48,098,279
<u>Fiduciary</u>				
Successor Agency	8,183,449	7,143,882	9,758,380	10,066,491
Other Agency	333,077	333,786	345,156	352,760
Total Organization	\$ 58,047,676	\$ 48,336,486	\$ 59,544,220	\$ 58,517,530



City-wide Revenues/Transfers In Summary by Fund Type

Revenue Trends



Revenues By Fund

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
General Fund				
Taxes	\$ 12,808,147	\$ 13,298,947	\$ 13,828,000	\$ 14,107,000
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	1,999,649	2,356,106	2,079,400	2,092,150
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 departments	667,863	791,929	785,968	801,688
Transfers In	156,727	176,556	186,159	251,663
	19,940,792	21,249,130	20,891,627	21,532,501
One-time	731,717	916,991	-	-
	20,672,509	22,166,121	20,891,627	21,532,501
Special Revenue, Capital and Debt				
Special Revenues	8,580,940	8,511,218	6,431,653	6,718,954
Capital Projects	2,307,981	2,840,901	5,353,220	3,900,495
Debt Service	1,814,172	1,820,536	1,712,869	1,724,567
Enterprise				
Sewer	6,956,530	8,380,356	7,737,614	7,948,060
Net City Budget	40,332,132	43,719,132	42,126,983	41,824,577
Internal Charges				
Internal Service Funds	2,747,989	2,440,749	2,604,977	2,321,896
Total City Budget	\$ 43,080,121	\$ 46,159,881	\$ 44,731,960	\$ 44,146,473
Fiduciary				
Successor Agency	7,046,757	10,101,312	9,758,380	10,066,491
Other Agency	547,635	586,520	373,356	416,360
Total Organization	\$ 50,674,513	\$ 56,847,713	\$ 54,863,696	\$ 54,629,324



**City-wide Budget
Transfers**

Transferred From (Sender)		Transferred To (Receiver)		FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Fund Name	Fund No.	Fund Name	Fund No.				
General Fund	100	Capital Projects	300	\$639,712	\$0	\$0	\$0
General Fund	100	Capital Projects	300	-	-	-	-
General Fund	100	Hercules HUB	340	-	-	-	-
General Fund	100	Hercules HUB	340	-	-	-	-
General Fund	100	SunTrust Lease	383	-	-	-	-
General Fund	100	OPEB Liability	511	60,000	84,756	60,000	62,000
General Fund	100	2003B Debt Service PFA	672	563,316	568,252	561,212	563,162
General Fund	100	2009 Debt Service PFA	673	-	2,625	-	-
General Fund	100	Asset Seizure	101	-	-	-	-
General Fund	100	Equipment Lease (Solar Project)	388	235,897	235,026	245,079	255,609
AB 3229 COPS Program	201	General Fund	100	156,727	176,556	186,159	251,663
Landscape & Lighting District 83-2	220	Arterial Roadways	225	-	-	-	-
Landscape & Lighting District Victoria by the Bay 2002-1	221	Arterial Roadways	225	28,016	29,529	30,373	32,060
Landscape & Lighting District Hercules Village 2002-2	222	Arterial Roadways	225	7,725	8,051	8,281	8,741
Landscape & Lighting District Baywood 2004-1	223	Arterial Roadways	225	2,781	2,841	2,922	3,084
Landscape & Lighting District Bayside 2005-1	224	Arterial Roadways	225	19,055	20,136	20,711	21,861
Landscape & Lighting District 83-2 (Zone 1)	232	Arterial Roadways	225	26,100	29,688	30,536	32,233
Landscape & Lighting District 83-2 (Zone 2)	233	Arterial Roadways	225	21,218	22,367	23,006	24,284
Landscape & Lighting District 83-2 (Zone 3&4)	234	Arterial Roadways	225	28,840	30,376	31,244	32,980
Landscape & Lighting District 83-2 (Zone 5A)	235	Arterial Roadways	225	21,218	22,316	22,953	24,229
Landscape & Lighting District 83-2 (Zone 5B)	236	Arterial Roadways	225	11,845	12,284	12,635	13,337
Landscape & Lighting District 83-2 (Zone 5C)	237	Arterial Roadways	225	16,583	15,970	16,426	17,339
Landscape & Lighting District 83-2 (Zone 6)	238	Arterial Roadways	225	25,235	26,570	27,329	28,848
Landscape & Lighting District 83-2 (Zone 7)	239	Arterial Roadways	225	32,651	34,351	35,332	37,295
Landscape & Lighting District 83-2 (Zone 8)	251	Arterial Roadways	225	53,148	56,052	57,653	60,856
Landscape & Lighting District 83-2 (Zone 9)	253	Arterial Roadways	225	28,222	29,679	30,527	32,223
State Gas Tax	262	Landscape & Lighting District 83-2 (Zone 10)	220	22,391	23,030	26,002	28,168
State Gas Tax	262	Landscape & Lighting District 83-2 (Zone 1)	232	888	921	1,000	1,288
State Gas Tax	262	Landscape & Lighting District 83-2 (Zone 2)	233	629	635	675	825
State Gas Tax	262	Landscape & Lighting District 83-2 (Zone 3&4)	234	909	829	890	949
State Gas Tax	262	Landscape & Lighting District 83-2 (Zone 5A)	235	1,261	1,423	1,510	1,558
State Gas Tax	262	Landscape & Lighting District 83-2 (Zone 5B)	236	283	345	367	385
State Gas Tax	262	Landscape & Lighting District 83-2 (Zone 5C)	237	266	193	205	143
State Gas Tax	262	Landscape & Lighting District 83-2 (Zone 6)	238	644	592	633	866



**City-wide Budget
Transfers**

Transferred From (Sender)		Transferred To (Receiver)		FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Fund Name	Fund No.	Fund Name	Fund No.				
State Gas Tax	262	Landscape & Lighting District 83-2 (Zone 7)	239	662	827	874	984
State Gas Tax	262	Landscape & Lighting District 83-2 (Zone 8)	251	2,005	2,457	2,571	2,691
State Gas Tax	262	Landscape & Lighting District 83-2 (Zone 9)	253	1,099	1,233	1,304	1,377
State Gas Tax	262	Landscape & Lighting District Victoria by the Bay 2002-1	221	10,248	13,052	13,454	13,823
State Gas Tax	262	Landscape & Lighting District Hercules Village 2002-2	222	4,062	4,347	4,736	5,281
State Gas Tax	262	Landscape & Lighting District Baywood 2004-1	223	2,665	3,259	3,367	3,426
State Gas Tax	262	Landscape & Lighting District Bayside 2005-1	224	2,330	2,822	2,970	3,048
State Gas Tax	262	Arterial Roadways	225	-	-	-	-
State Gas Tax	262	SB1 Road Maintenance and Repair Account (RMRA)	268	-	-	-	-
Measure "C" Street Fund	263	Arterial Roadways	225	-	-	-	-
SB1 Road Maintenance and Repair Account (RMRA)	268	State Gas Tax	262	-	-	-	-
Solid Waste and Recycling	291	Stormwater Assessment	231	125,000	125,000	125,000	125,000
City Capital Projects	300	General Fund	100	250,000	-	-	-
City Capital Projects	311	Federal Grant	295	-	-	-	-
American Rescue Plan Act (ARPA)	353	General Fund - Loss of Revenue Component	100	-	-	-	-
Sewer - Operation	420	Sewer - Capital	421	147,173	1,100,000	536,680	444,700
IT - Operation	460	IT - Replacement	480	365,516	-	292,000	30,000
Facility Maintenance	470	Facility Replacement	490	261,696	-	-	-
				\$3,178,016	\$2,688,390	\$2,416,616	\$2,166,316



CITY OF HERCULES FY 2026-27 LIST OF ADDITIONAL BUDGET REQUEST

ONGOING COSTS

Title	Fund	One-Time / Ongoing	Department	Description	Justification	BUDGET IMPACT		
						General Fund	Other Funds	Total
Reallocation of Full-Time Parking Enforcement Funding	General Fund	Ongoing	Police	The Parking Enforcement Officer has recently resigned from his full-time position, leaving a vacancy in the department. In response, the department intends to transition this position to part-time status. The funds saved from this reclassification will be reallocated to support the promotion of a Police Support Specialist to a Supervisor role and to elevate a Police Officer to the position of Administrative Sergeant.	The full-time Parking Enforcement Officer has resigned, creating a vacancy in this position. Staff will reclassify the role from full-time to part-time and believe that funds would be better reallocated to support the creation of an Administrative Sergeant position and the establishment of a Police Support Specialist Supervisor position for retention, recruitment, and succession planning purposes. Furthermore, as technology, social media, legal mandates, training requirements, and community engagement have increased, the need for an Administrative Sergeant has become more pressing. Also, the Police Support Specialist position has long required supervision to handle records, property, and evidence effectively, as well as the responsibilities associated with the Administrative Specialist role. This new supervisory position will not only provide backup for all administrative roles but will also promote opportunities for advancement to enhance employee retention.	\$11,000		\$11,000
Full-Time Recreation Technician - Child Care	General Fund	Ongoing	Parks & Recreation	Conversion of a part-time employee (30 hours per week) to a full-time employee (38 hours per week).	The Childcare Program is developing a sustainability initiative focused on staffing. Currently, the department has four part-time employees, each working 30 hours per week, assigned to the childcare sites: Hanna, Lupine, Ohlone, and Preschool. Converting one of these part-time positions to a full-time role would not only help preserve valuable institutional knowledge but also enhance our succession planning efforts.	\$21,000		\$21,000
Finance Director Salary Grade from 056 to 057	Internal Service Fund (ISF)	Ongoing	IT Operations	To address the adjustment of the salary grade for the Finance Director position. This revision reflects the additional responsibility of overseeing the Information Technology (IT) division.	Adjust the salary grade from 056 to 057. The Finance Director oversees both Finance and IT operations. Recently, the Finance Director completed an IT Strategic Plan designed to align technology investments with business goals. This plan evaluates current systems and outlines initiatives in security, data management, and digital transformation. It also includes a SWOT analysis, an action plan, and budget details. In addition to managing IT, the Finance Director is responsible for the administration of the Housing Successor Loan.	\$10,000	\$10,000	\$20,000
Reclassifying an Accounting Technician to an Accountant position	General Fund	Ongoing	Finance	Reclassifying an accounting technician as an accountant to perform higher-level, complex tasks—such as financial analysis, reconciliations, and month-end closing—along with routine clerical duties (accounts payable).	Reclassifying an accounting technician position to an accountant role acknowledges a significant increase in the complexity, responsibility, and required knowledge of the position, along with transactional, day-to-day bookkeeping to professional-level analysis, reporting, and strategic financial control. This shift aligns the employee's duties with their actual workload, providing better alignment with organizational needs and ensuring proper compensation, including succession planning.	\$300		\$300
Total, Ongoing Costs						\$42,300	\$10,000	\$52,300



CITY OF HERCULES FY 2026-27 LIST OF ADDITIONAL BUDGET REQUEST

ONE-TIME COSTS

Title	Fund	One-Time / Ongoing	Department	Description	Justification	BUDGET IMPACT		
						General Fund	Other Funds	Total
Automated External Defibrillator (AED) Replacement	General Fund	One-time	Parks & Recreation	Replace 14 units that have been discontinued, specifically those related to pads and batteries that are no longer in production. This replacement will entail 9 units for the Parks and Recreation department and 5 units for the Police Department.	A total of fourteen AED units require replacement. Although all units are presently in good working condition, their model has been discontinued, and there will be no availability of replacement pads or batteries in the future.	\$26,000		\$26,000
Community Center Oven Replacement	General Fund	One-time	Parks & Recreation	Replace the Commercial Oven at the Community Swim Center	The oven at the Community Swim Center has surpassed its expected lifespan, as it is the original unit installed during the building's construction in 1991. Commercial ovens generally have a life expectancy of 10 to 20 years, meaning this appliance has far exceeded its useful period. A recent malfunction during a December event prompted an inspection that confirmed the need to replace the oven for both efficiency and safety reasons.	\$30,000		\$30,000
Dispatch Firewall Replacement	General Fund	One-time	Police	The City of Hercules is accountable for the costs associated with replacing the dispatch firewall, as specified in the terms of the "Tri-City Agreement." This replacement is crucial for ensuring the security and efficiency of communication systems within the city's emergency services.	Nearly ten years ago, the West County Consortium was dissolved, which left seven law enforcement agencies without a host for record management and dispatch services. In response, the San Pablo, Pinole, and Hercules Police Departments formed a "Tri-City Consortium." San Pablo implemented a shared records management system, and Pinole upgraded its dispatch center to serve all three departments. The costs for construction and maintenance are shared based on personnel size and call volume. In the upcoming fiscal year, the Hercules Police Department needs to replace its dispatch firewall at a cost of \$11,036.00. The Pinole Police Department is currently pursuing a grant that may cover these expenses. However, we recommend preparing to pay the full amount, as this service is essential for public safety.	\$11,036		\$11,036
Total, One-Time Costs						\$67,036	\$0	\$67,036
Total						\$109,336	\$10,000	\$119,336



DEPARTMENT SUMMARIES





CITY COUNCIL



CHRIS KELLEY
Mayor



ALEXANDER WALKER-GRIFFIN
Vice Mayor



DION BAILEY
Council Member



TIFFANY GRIMSLEY
Council Member



DILLI BHATTARAI
Council Member

The five members of the City Council are elected at-large by the voters of Hercules, with one of the Council Members selected each year to serve as Mayor by their colleagues. Their primary responsibilities are to establish public policy, enact ordinances, adopt an annual budget for each fiscal year, and take other actions which guide and determine how to best provide services and enhance the quality of life in Hercules.

The City Council typically meets the second and fourth Tuesday of for their regular meetings, with special meetings called as needed, and this provides the primary means to hear from the City’s residents and other stakeholders. Another important role is that Council Members represent the City on a number of regional boards and agencies including the WestCAT, the West Contra Costa Transportation Advisory Committee, the West Contra Costa Regional Integrated Waste management Authority, the Contra Costa Mayors Conference, the Association of Bay Area Governments, and the League of California Cities, among others.

As the City’s main policy making body, the City Council is charged with guiding the City towards the realization of the Vision for our community as established in the current Strategic Plan:

CITY OF HERCULES: VISION

The City of Hercules is a richly diverse community, serving as a major transportation hub and a prime destination for the Bay Area. It is built on a sound economic and physical infrastructure, and its residents enjoy public safety, security, well-maintained parks, streets and public facilities. We conduct our work in an atmosphere of trust and respect. We constantly look for better ways to deliver services and always strive for excellence.



CITY OF HERCULES: MISSION

Our mission is to lead our diverse community and enhance the quality of life in the City of Hercules, now and in the future. We do this by providing effective, efficient, responsive, and innovative services with integrity and a culture of transparency.



CITY COUNCIL

CITY OF HERCULES: VALUES

•INTEGRITY

Honesty, transparency, fair dealing

•PROFESSIONALISM

Exemplary conduct, competence, continuous improvement, respect

•SERVICE

Customer orientation, courtesy, hard work, striving for excellence

•COLLABORATION

Teamwork, communication, community interaction and outreach

•CREATIVITY

Thinking, innovating, encouraging critical analysis

•TENACITY

Setting priorities, staying focused, not getting discouraged

•RESPONSIBILITY

Taking ownership of one's work, accountability, going the extra mile

FY 2026-27 STRATEGIC GOALS:

GOAL #1

Advance Progress of the Hercules Hub

GOAL #2

Take Steps to Address the City's Fiscal Sustainability

GOAL #3

Improve Community Transparency and Communication

GOAL #4

Continue Investing in a Winning Team at City Hall

GOAL #5

Plan and Fund Major Infrastructure

GOAL #6

Develop a Comprehensive Land-Use Strategy

GOAL #7

Develop a Comprehensive Economic Development Strategy





CITY COUNCIL

ACCOMPLISHMENTS

- The City of Hercules received **\$850,000 of Federal funds** through Congressman John Garamendi to advance the Hercules HUB project.
- Hercules Launches New Volunteer 'Team Up to Clean Up' Pilot Program.
- The City Council Adopted the **Parks and Recreation Facilities Master Plan**, representing the culmination of years of effort and collaboration between the City Council, City staff, a Steering Committee, community leaders, stakeholders, and residents.
- Hercules Assumes Role of **Housing Successor**, Paving the Way for New Affordable Housing Solutions.





CITY COUNCIL

STRATEGIC GOAL WORKPLAN

GOAL #1

Advance Progress of the Hercules Hub

- Develop regional partnerships
- Enhance lobbying efforts/contracts
- Continue to keep the community informed
- Initiate the Train Station

GOAL #2

Take Steps to Address the City’s Fiscal Sustainability

- Improve efficiency through a budget review process
- Explore revenue sources to meet current and future needs

GOAL #3

Improve Community Transparency and Communication

- Improve communication on the progress of Strategic Goals
- Provide community engagement opportunities outside of Council meetings
- Encourage residents to be more involved in civic affairs

GOAL #4

Continue Investing in a Winning Team at City Hall

- Address staff capacity
- Develop a succession plan
- Invest in ongoing staff education and training through conferences and other learning tools
- Build a high-performance culture that both yields efficient results and increases staff retention

GOAL #5

Plan and Fund Major Infrastructure

- Identify and set priorities related to major infrastructure
- Continue progress on the Capital Improvement Plan
- Devise a plan for funding the Parks and Recreation Facilities Master Plan

- Devise a plan for funding facilities assessment and maintenance

GOAL #6

Develop a Comprehensive Land-Use Strategy

- Complete the Housing Element certification process and begin implementation
- Update the General Plan
- Update Council and community on affordable housing progress and Regional Housing Needs Allocation (RHNA) obligations

GOAL #7

Develop a Comprehensive Economic Development Strategy

- Devise strategies to expand retail and attract businesses

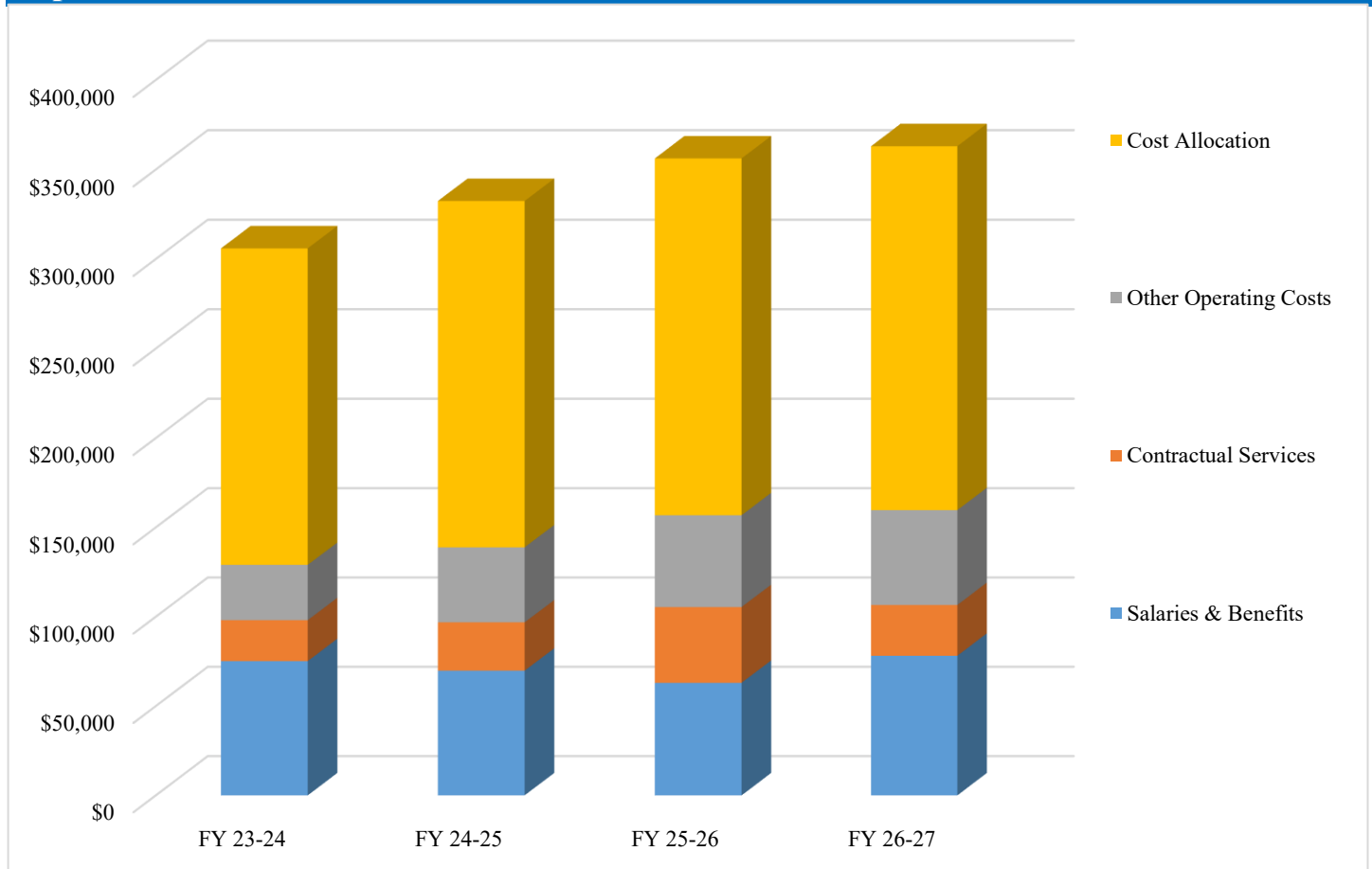




City Council Department Expenditure Summary

	<u>FY 23-24 Actual</u>	<u>FY 24-25 Actual</u>	<u>FY 25-26 Budget</u>	<u>FY 26-27 Proposed</u>
<u>Expenditures By Type</u>				
Salaries & Benefits	\$ 75,146	\$ 69,775	\$ 63,000	\$ 78,157
Contractual Services	22,923	27,053	42,400	28,400
Other Operating Costs	30,922	42,004	51,400	53,100
Cost Allocation	176,924	193,538	199,344	203,331
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
	<u>\$ 305,915</u>	<u>\$ 332,370</u>	<u>\$ 356,144</u>	<u>\$ 362,988</u>
<u>Expenditures By Fund/Program</u>				
General Fund	<u>\$ 305,915</u>	<u>\$ 332,370</u>	<u>\$ 356,144</u>	<u>\$ 362,988</u>

Expenditure Trends





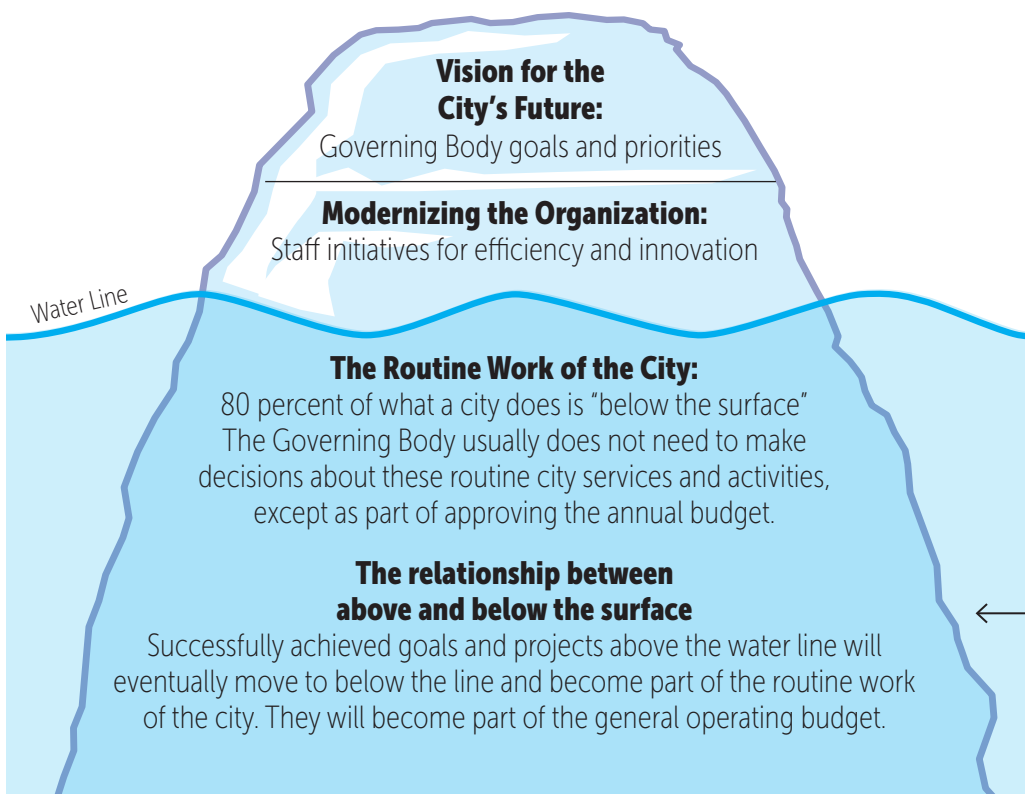
CITY MANAGER

The City Manager is appointed by and serves at the pleasure of the City Council and is responsible for implementing the policy direction provided by the City Council as given in City Council meetings based on the recommendations made by the City Manager and his staff, providing leadership to the City organization and employees, fostering a level of community engagement, and keeping the community informed through a variety of means. The City Manager also works with the City Council in regard to their regional and other agency assignments and support the City Council in the City’s legislative advocacy efforts.

As the City’s Chief Executive Officer, the City Manager responsible for ensuring the City organization is focused on meeting the Mission as defined Strategic Plan:

Our mission is to lead our diverse community and enhance the quality of life in the City of Hercules, now and in the future. We do this by providing effective, efficient, responsive, and innovative services with integrity and a culture of transparency.

The Iceberg Model of City Work



CITY MANAGER’S KEY PRIORITIES FOR FY 2026-27:

- To align Council’s priorities, ongoing programs, projects and activities with the budget, and staff resources.
- Develop a workplan to accomplish Council’s strategic goals.
- The mandated obligations of local government remain the core function of the City and need not be fully detailed in the Work Plan, including but not limited to public infrastructure, public safety, governmental transparency, financial accountability, and implementation of regulations.

This balance between core services and strategic goals is well depicted by the “Iceberg Model” depicted left.

Source: Nalbandian Consulting & Training, May 2003



CITY MANAGER STRATEGIC GOAL WORKPLAN HIGHLIGHTS

GOAL #1: ADVANCE PROGRESS OF THE HERCULES HUB

Objective

Tactical Steps

Develop regional partnerships	Participate and collaborate with other agencies, their boards and commissions, and other stakeholder groups to raise awareness of the Hercules Hub and regional transit-related issues, surface opportunities for partnership, and support appropriate transportation revenue generating measures.
Enhance lobbying efforts/contracts	Secure the services of a federal lobbyist as an advocate on behalf of the Hercules Hub.
Continue to keep the community informed	Utilize social media and other informational platforms to disseminate information regularly and when new developments occur.
Initiate the Train Station design	Secure sufficient grant funding to begin the station design.

GOAL #2: TAKE STEPS TO ADDRESS THE CITY'S FISCAL SUSTAINABILITY

Objective

Tactical Steps

Improve efficiency through a budget review process	Continue to improve and create a more robust Capital Improvement Plan (CIP) with special attention to service delivery methodology, addressing deferred maintenance, and prioritizing projects.
Explore revenue sources to meet current and future needs	Present to Council future revenue-generating options that include: <ul style="list-style-type: none"> • Sales Tax • UUT (Utility User Tax) • Grant opportunities • Real Property Transfer Tax • General Obligation (GO) bonds • Lease Revenue/Certificate of Participation (COP) bonds

GOAL #3: IMPROVE COMMUNITY TRANSPARENCY AND COMMUNICATION

Objective

Tactical Steps

Improve communication on the progress of Strategic Goals	Provide quarterly updates at City Council meetings and post the progress to a dedicated strategic plan web page on the City's website.
Provide community engagement opportunities outside of Council meetings	Provide twice-a-year workshops/town halls to allow residents to connect with the City outside of Council meetings and the rigid public comment process.
Encourage residents to be more involved in civic affairs	Evaluate and report back on ways to improve resident engagement, such as a resident academy.



CITY MANAGER

STRATEGIC GOAL WORKPLAN HIGHLIGHTS



GOAL #4: CONTINUE INVESTING IN A WINNING TEAM AT CITY HALL

Objective

Tactical Steps

<p>Address staff capacity</p>	<ul style="list-style-type: none"> • Initiate a gap analysis of strategic goal priorities and staff capacity. • Initiate a staffing comparison study of comparable cities (population, city services, department size, and total FTEs).
<p>Develop a succession plan</p>	<ul style="list-style-type: none"> • Identify critical and vulnerable positions; Identify a talent pipeline; and identify employees in the qualified positions who could temporarily fill the vacancy and potentially apply as candidates for the position should the need arise. • Create a succession development plan with training and learning opportunities that are aligned with the successor position.
<p>Invest in ongoing staff education and training through conferences and other learning tools</p>	<ul style="list-style-type: none"> • Survey staff to assess service and/or training gaps in each department and the City organization, as a whole. • Use the above-mentioned (succession plan) education/experience assessment and cross reference with survey/interviews.. • Identify training opportunities/conferences, including complimentary webinars, for each department.
<p>Build a high-performance culture that both yields efficient results and increases staff retention</p>	<ul style="list-style-type: none"> • Review and analyze potential standards to define and measure high performance culture. • Survey and initiate standards for efficiency. • Survey and initiate standard retention goals, to include impediments and opportunities.



CITY MANAGER STRATEGIC GOAL WORKPLAN HIGHLIGHTS

GOAL #5: PLAN AND FUND MAJOR INFRASTRUCTURE

Objective	Tactical Steps
Identify and set priorities related to major infrastructure	Review and refine policy for prioritizing capital projects as part of the budgeting process.
Continue progress on the Capital Improvement Plan	Continue to update the City Council on progress during the mid-year CIP progress report process.
Devise a plan for funding the Parks and Recreation Facilities Master Plan	Identify grant opportunities, sponsorships, partnerships, and available Capital Improvement funds for projects called out in the 5-year Park Master Plan Action Plan.
Devise a plan for funding facilities assessment and maintenance	Maintain and refine the recently established Facility Replacement Fund to address the backlog of large unfunded maintenance and infrastructure projects.

GOAL #6: DEVELOP A COMPREHENSIVE LAND-USE STRATEGY

Objective	Tactical Steps
Complete the Housing Element certification process and begin implementation	Work with the State Department of Housing and Community Development to complete the review and certification of the Housing Element.
Update the General Plan	<ul style="list-style-type: none"> • Secure the services of a consultant to update the General Plan, which will include land-use strategies for the redevelopment of shopping centers and commercial sites with mixed-use. <p>-----</p> <ul style="list-style-type: none"> • Complete the General Plan Update
Update Council and community on affordable housing progress and RHNA obligations	Continue annual reporting to the City Council on the status of development projects and Housing Element RHNA (Regional Housing Needs Allocation) progress.

GOAL #7: DEVELOP A COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

Objective	Tactical Steps
Devise strategies to expand retail and attract businesses	<ul style="list-style-type: none"> • Develop an Economic Development strategy in conjunction with the General Plan update. <p>-----</p> <ul style="list-style-type: none"> • Continue to implement the Business Attraction Grant program.



RISK MANAGEMENT

Risk Management is a unit under the Administrative Services Department. The Administrative Services Director works with Departments to eliminate or mitigate potential risk and preserve public property, as well as manage the City’s Workers’ Compensation Program.



The City is a member of the Municipal Pooling Authority (“MPA”), a joint powers agency that is governed by a board of member municipalities. The City’s deposits with the Municipal Pooling Authority are in accordance with formulas established by the Municipal Pooling Authority. Actual surpluses or losses are shared in accordance with a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

PERFORMANCE MEASURE	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
# of Workers Compensation claims	19	15	25	10	10
# of General Liability claims	17	17	14	20	20

OBJECTIVES:

- Preservation of the City’s assets and public service capabilities from loss, destruction and depletion.
- Systematized internal procedures for identifying and constantly reassessing the fluctuating exposures to risk, and implementing courses of action to minimize or eliminate that risk.
- The establishment, to the extent possible of an exposure-free work and service environment in which the City personnel and members of the public can enjoy safety and security in the course of their daily pursuits.
- Protection against the financial consequences of catastrophic loss through avoidance, risk transfer, and/or purchased insurance.

COUNCIL STRATEGIC GOAL

Reduce exposure to litigation and claims.

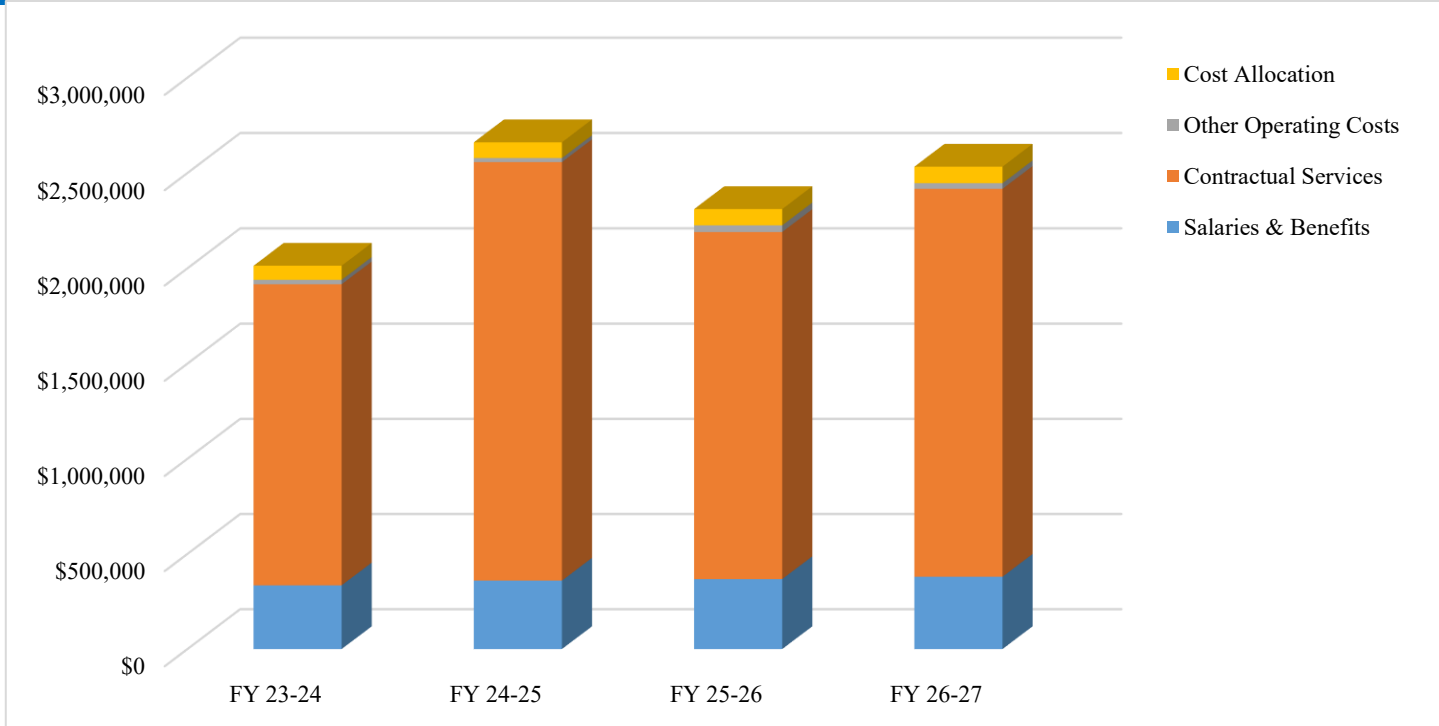
- The City has been successful in reducing claims and litigation over the past few years. Efforts to continue this trend include updates to the city’s standard form of contracts and the development of specialty contract models, the investment of monies to address key infrastructure issues like the maintenance of trees and the filling of major potholes. However, the more recent period has seen an uptick in claims and possible litigation.



City Manager Department Expenditure Summary

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
<u>Expenditures By Type</u>				
Salaries & Benefits	\$ 334,817	\$ 359,572	\$ 367,613	\$ 379,963
Contractual Services	1,581,320	2,197,448	1,822,800	2,036,834
Other Operating Costs	23,320	21,247	35,000	29,400
Cost Allocation	73,941	82,735	85,217	86,922
	\$ 2,013,398	\$ 2,661,002	\$ 2,310,630	\$ 2,533,119
<u>Expenditures By Fund/Program</u>				
General Fund				
City Manager	\$ 532,417	\$ 565,210	\$ 553,611	\$ 562,720
Risk Management	1,480,981	2,095,792	1,757,019	1,970,399
	2,013,398	2,661,002	2,310,630	2,533,119

Expenditure Trends





HUMAN RESOURCES

In support of the City’s principles, values and vision, it is the goal of the Human Resources Department to support the total operation in meeting its goals through its most valuable resource – its people. The Human Resources office strives to develop an attitude of teamwork and quality in our day-to-day operations; create an atmosphere that fosters challenges, fun and safety; and commit to doing and to acting openly, equitably and consistently in our pursuit of uncompromising quality.



OBJECTIVES:

To act as a catalyst to enable all City of Hercules employees to contribute at optimum levels toward the success of a greater community by:

- Attract and retain a highly qualified, diverse workforce.
- Offering a competitive salary and benefits package and developing the full potential of our workforce by providing training and development for career enhancement.
- Foster amicable employee/labor relations.
- Promote employee safety, wellness, high productivity and performance.
- Ensure compliance with laws and regulations
- Maintain consistency and fairness when implementing and administering policy decisions and direction.

COUNCIL STRATEGIC GOAL

Provide a means for employees to report concerns of possible wrong doing (whistle-blowing).

- The City maintains a whistleblower hotline through a third party and regularly makes that information available to employees.

Continue a formal volunteer program to help various departments.

- The Police Department makes good use of volunteers in a variety of roles with two volunteers added to the roster recently. A cadre of Police volunteers is also now working in support of our voluntary code compliance efforts to enhance the community. Volunteers were utilized in the recent upgrades at the Ohlone and Foxboro community Centers. In Parks & Recreation volunteers support a variety of events and activities.

PERFORMANCE MEASURE	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
New Hires	46	13	42	44	44
Tuition Reimbursements	7	3	5	5	5
Tuition Reimbursement Amounts	\$11,590	\$8,375	\$13,054	\$15,311	\$15,311

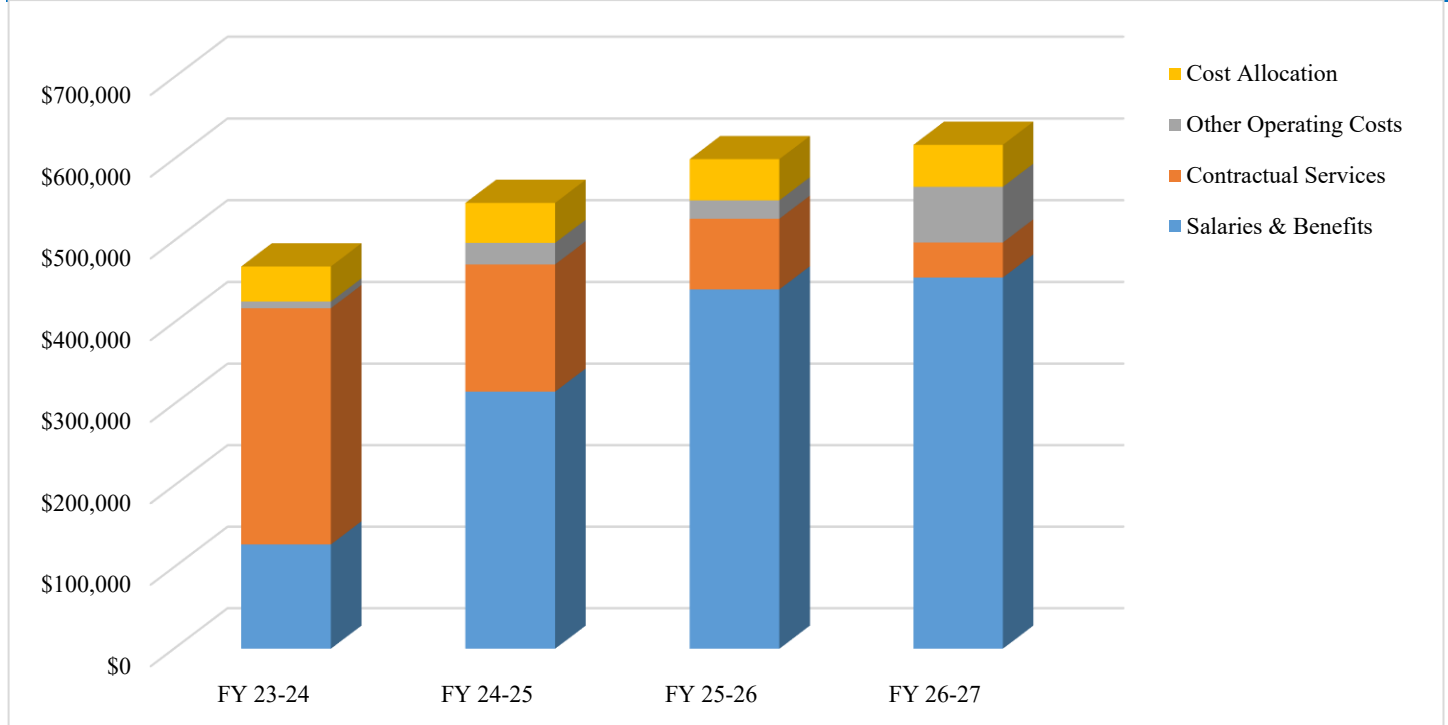


Human Resources

Department Expenditure Summary

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
<u>Expenditures By Type</u>				
Salaries & Benefits	\$ 127,931	\$ 315,408	\$ 440,636	\$ 455,100
Contractual Services	289,654	155,780	86,400	42,900
Other Operating Costs	8,163	26,330	22,500	68,100
Cost Allocation	42,949	48,918	50,386	51,394
	\$ 468,697	\$ 546,436	\$ 599,922	\$ 617,494
<u>Expenditures By Fund/Program</u>				
General Fund				
Human Resources	468,697	546,436	599,922	617,494
	468,697	546,436	599,922	617,494

Expenditure Trends





CITY CLERK

The **Office of the City Clerk** serves as a liaison between the public and the City Council. The City Clerk ensures that the City’s democratic and legislative decision-making processes are properly executed, recorded, archived and administered in accordance with federal, state and local statutes and regulations.



As the City’s Elections Official and Political Reform Act compliance officer, the City Clerk administers **municipal elections** from election pre-planning to the declaration of election results; and ensures compliance and the timely filing of matters pertaining to the Political Reform Act.

The City Clerk serves as the **Clerk of the City Council** and ensures that meetings of the City Council follow the Brown Act (open meeting laws). The Office of the City Clerk prepares and distributes the legislative agenda, records all legislative actions of the Council, performs attestations, administers Oaths of Office, verifies that legal notices have been posted or published, and administers the boards and commissions appointment process.

The City Clerk is the **Custodian of Records** and archives and is responsible for compliance with the Public Records Act. The Office of the City Clerk administers the City’s Records Management Program for the Preservation, Protection, Retention and Legal Disposition of the City’s Records which includes receiving and responding to public records requests in adherence to all the provisions of the Public Records Act.

The Office of the City Clerk staff greet and assist the public at City Hall and provide administrative support for business license application processing and the filing of claims presented to the City.

OBJECTIVES:

- To ensure open access to information, documents, and the legislative process.
- To ensure fair and impartial elections.
- To maintain the official record of all City Council proceedings.
- To develop and maintain on-going efforts that increase transparency in city government.
- Perform other State and municipal statutory duties.





CITY CLERK

CITY CLERK PERFORMANCE GOAL:

Develop an updated comprehensive records management program including a records management policy and a retention schedule designed to control the creation, acquisition, processing, maintenance, storage, and final disposition of all recorded information, regardless of form or media, handled during normal business practices.

PHASE	Phase Tasks	% Complete
Phase 1: Update current policies, procedures and Retention Schedules	Review and assess current storage, records management policies, procedures and retention schedules. Research governmental and regulatory minimum required retention periods	100%
Phase 2: Retention Schedule Training	Develop a records retention reference guide. Schedule training.	25%
Phase 3: Inactive & Obsolete Records Review	Identify and determine designation (permanent storage or disposition) of inactive and obsolete records. Repackage inactive records for proper permanent storage, prepare designated obsolete records for disposition.	50%

The Office of the City Clerk aligns its objectives and strategies with City Council Strategic Goal #3: Improve Community Transparency and Communication.

THE OFFICE OF THE CITY CLERK SERVICE AREA OBJECTIVES AND STRATEGIES

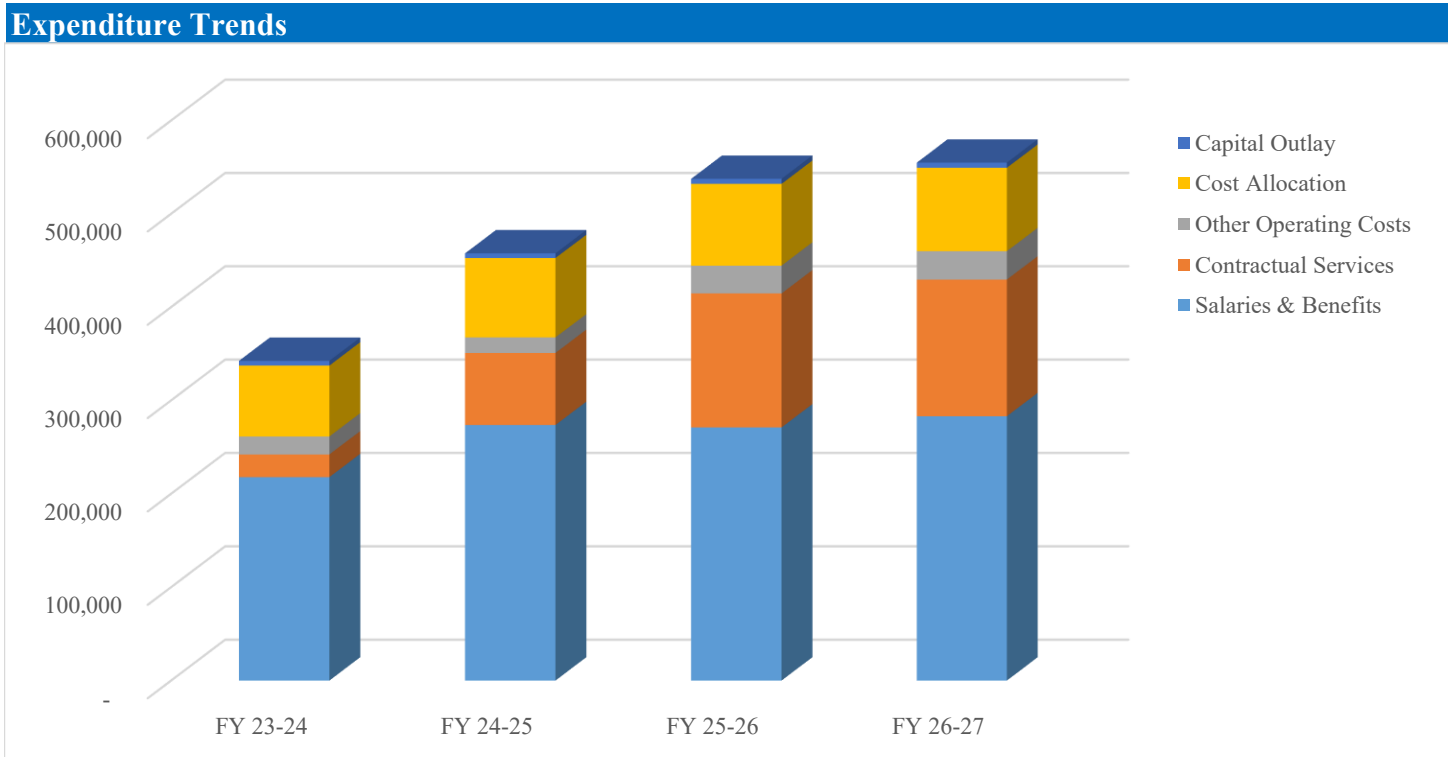
Municipal Elections	Clerk of City Council	Custodian of Records
Objective 1: Ensure fair and impartial elections.	Objective 2: Maintain the official record of all City Council proceedings.	Objective 3: Ensure open access to information, documents, and the legislative process.
<p>Objective 1 Strategies:</p> <p>1a. Open access to Municipal elections information and resources including Public Notices of Election, nomination process and posting guidelines, candidates and filing deadlines on the City website.</p> <p>1b. Provide links to elections resources, voter registration, polling information, and Election results on the City website.</p> <p>1c. Declare and attest election results and retain election records as required by law.</p>	<p>Objective 2 Strategies:</p> <p>2a. Post for open access City Council and Commission meeting notices on the City website, at City Hall, and the Community Center.</p> <p>2b. Record proceedings and attest to the actions of City Council.</p> <p>2c. Retain City Council records per the adopted retention schedule.</p>	<p>Objective 3 Strategies:</p> <p>3a. Accept public records requests online, in person, or over the phone.</p> <p>3b. Post adopted minutes and video recording of meetings on the City website.</p> <p>3c. Post link to access records repository on the City website.</p> <p>3d. Review and update the City's records management program as needed to ensure alignment with changes in regulations/legal requirements.</p>

PERFORMANCE MEASURE	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
City Council Meeting Agendas	21	21	21	21	25	26
Finance Commission Agendas	6	6	6	6	3	9
Planning Commission Agendas	23	24	24	24	8	5
Community & Library Services Commission Agendas	12	12	12	12	10	10
Economic Development Subcommittee Agendas	-	1	2	-	-	2
Public Safety & Traffic Subcommittee Agendas	2	1	-	2	-	1
West Contra County Mayors & Supervisors Association	4	-	5	-	-	2
Public Comments at City Council Meetings	-	-	-	-	41	114
Public Records Request	38	34	46	66	39	92



City Clerk Department Expenditure Summary

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
<u>Expenditures By Type</u>				
Salaries & Benefits	\$ 217,840	\$ 273,646	\$ 271,048	\$ 283,057
Contractual Services	24,306	77,240	143,600	146,472
Other Operating Costs	19,212	16,606	29,800	30,396
Cost Allocation	75,966	85,095	87,648	89,401
Capital Outlay	5,000	5,000	5,400	5,508
	\$ 342,324	\$ 457,587	\$ 537,496	\$ 554,834
<u>Expenditures By Fund/Program</u>				
General Fund				
City Clerk	\$ 328,751	\$ 443,422	\$ 497,296	\$ 513,830
Outreach	413	405	400	408
Cable TV	13,160	13,760	39,800	40,596
	\$ 342,324	\$ 457,587	\$ 537,496	\$ 554,834





CITY ATTORNEY

Appointed by the City Council as the City’s chief legal advisor, the City Attorney provides all legal services and advice to the City Council, Commissions, and staff. The City Attorney represents the City in all litigation, and manages any special counsel services, including when used for litigation. Elements of the City’s risk management efforts and claims administration are also handled by the City Attorney.



Serving as the City’s legal counsel, the City Attorney contributes to the City’s overall operation in a multiplicity of service areas and in support of all Strategic Plan goals, and in particular Goal H and two related strategies:

Continue to Provide Exemplary Governance and City Administration

Strategy 1: Improve administrative processes and overall quality of executive and administrative management.

Strategy 3: Provide and enhance exemplary governance.

KEY PRIORITIES 2026-27:

- Provide high-quality legal services in a cost-effective manner
- Develop and recommend strategies to reduce legal risk and exposure to liability
- Work to minimize litigation exposure and resolve litigation in an effective manner
- Effectively manage special counsel contracts and services

PERFORMANCE INDICATOR **FY 2021** **FY 2022** **FY 2023** **FY 2024** **FY 2025**

# of developer projects	7	5	9	7	7
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CITY ATTORNEY

WORKPLAN HIGHLIGHTS:

- **Perform all requested legal work and review and prepare required documents and contracts in a timely manner**, including ordinances, resolutions, legal opinions, and contracts and agreements.
- **Provide the City Council with regular litigation and claims updates**, including assessment of success, liability, and advise as to how to best manage and respond to pending or active litigation and claims.
- **Review all agenda items, staff reports, and related attachments for consideration by the City Council, and Commissions as needed**, including assessing and ensuring compliance with law and best practices from a legal perspective, approving required documents as to form, advising staff and the City Council on those matters.
- **Facilitate the City's public improvements and private development projects through on-going support of these activities**, including consideration by the Planning Commission and City Council of private development, preparation and award of bids for public projects, assisting with contract award and management, resolution of legal issues which may arise, and close-out of completed projects and assisting with any claims which may arise.
- **Identify on a pro-active basis any opportunities to avoid exposure to legal risk or concerns and take steps to do so**, including regularly consulting with the City Council, City Manager, and staff on up-coming projects and activities, monitoring the changing legal landscape and new case law, and engaging with a variety of stakeholders to better assess areas of possible concern.

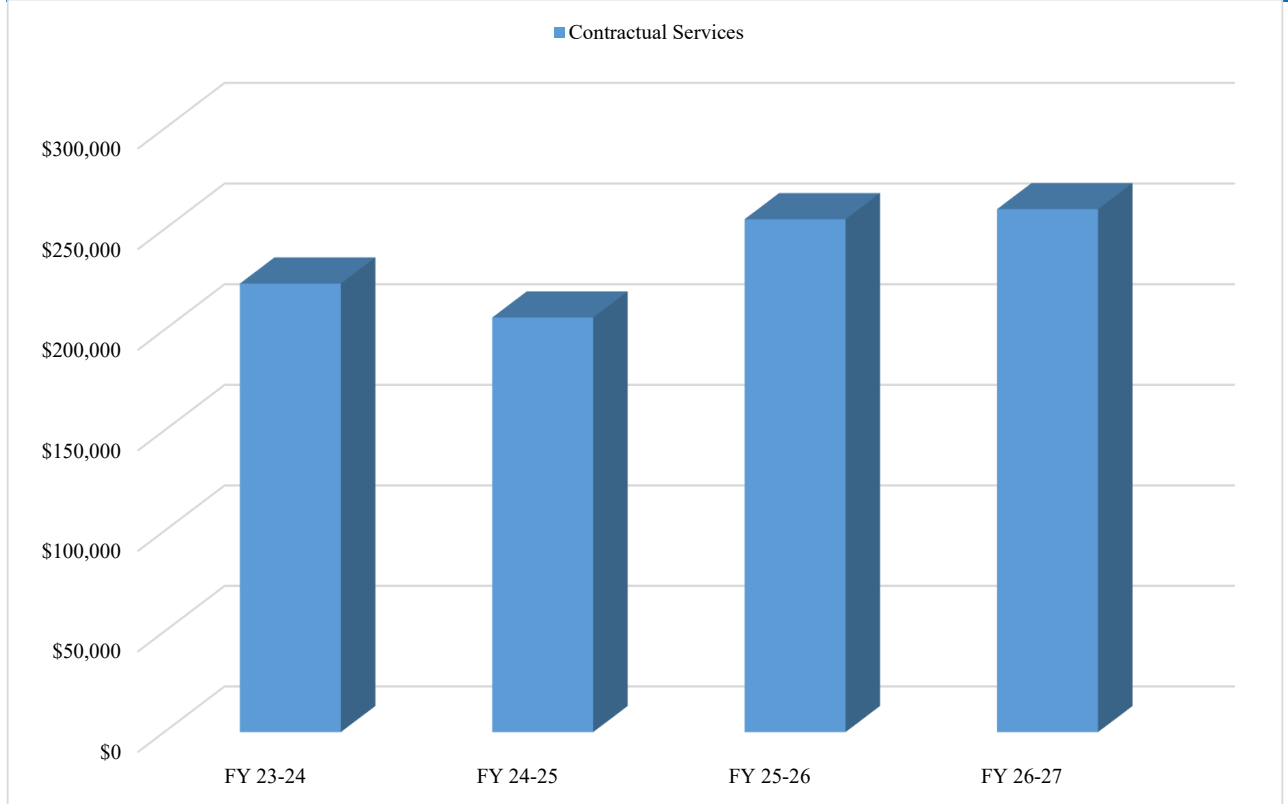




City Attorney Department Expenditure Summary

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
<u>Expenditures By Type</u>				
Salaries & Benefits	-	-	-	-
Contractual Services	\$223,043	\$206,188	\$255,000	\$260,000
Other Operating Costs	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
	\$223,043	\$206,188	\$255,000	\$260,000
<u>Expenditures By Fund/Program</u>				
General Fund	\$223,043	\$206,188	\$255,000	\$260,000

Expenditure Trends





FINANCE

The Finance Department holds the essential responsibility of providing fiscal oversight and controls for the City and its associated agencies, including the Successor Agency and the Public Financing Authority. This Department is integral to budgeting, accounting, revenue collection, and the protection of citywide assets.

To ensure prudent and effective management of the City’s fiscal resources, the Department undergoes an external audit annually. Furthermore, it provides critical internal support to all city departments and offers reporting services designed to enhance accountability, facilitate strategic planning, and support decision-making.

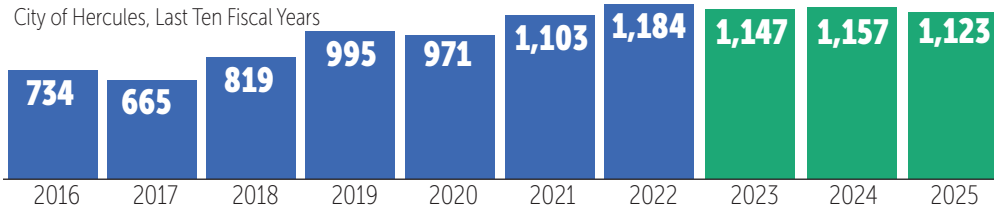
The Finance Department is committed to delivering timely financial information while upholding a standard of excellence in customer service for both external and internal stakeholders. Additionally, the Department is responsible for coordinating and completing the annual audit for all City funds, as well as related audits for the Wastewater fund, federal funds, Measure B (Additional Sales Tax), and Measure N (Utility Users Tax).



OPERATING INDICATORS

Number of Business Licenses Issued

City of Hercules, Last Ten Fiscal Years



PERFORMANCE INDICATOR

PERFORMANCE INDICATOR	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Journal Entries	361	205	189	195	245
Cash Receipt	677	607	476	490	872
Accounts Payable	282	188	149	153	128
Budget Adjustments	9	5	12	13	12



KEY PRIORITIES 2026-27:

- Budget Development and Management
- Financial Reporting
- Financial Analysis
- Revenue Collection:
- Debt Management
- Payroll Processing
- Vendor Payments
- Cash Flow Management
- Procurement Oversight
- Business License Administration



FINANCE

KEY PRIORITIES 2026-27:

The Finance Department is committed to ensuring effective financial management that fosters the City’s sustainable growth and upholds fiscal responsibility. Our areas of focus include:

- **Budget Development and Management:** Responsible for preparing and overseeing the City’s annual and multi-year budgets, ensuring alignment with City Council policies and priorities.
- **Financial Reporting:** Prepares accurate and transparent financial reports, including the Annual Comprehensive Financial Report (ACFR), to facilitate informed decision-making and ensure accountability.
- **Financial Analysis:** Conduct a comprehensive financial analysis to assess the City’s financial health, identify potential risks, and formulate strategies for enhancement.
- **Revenue Collection:** Our team oversees the collection of diverse revenue streams, including taxes, fees, and grants, to ensure adequate funding for essential City services.
- **Debt Management:** Manage the City’s debt portfolio, encompassing the issuance and repayment of bonds to maintain long-term financial stability.
- **Payroll Processing:** The department efficiently processes employee payroll to ensure timely and accurate payments while adhering to all relevant regulations.
- **Vendor Payments:** Ensure the timely processing of vendor payments and maintain meticulous records for all transactions.
- **Cash Flow Management:** Oversight of cash flow management ensures sufficient funds are available to meet all financial obligations while maximizing investment returns.
- **Procurement Oversight:** Manage the procurement of goods and services for the City, ensuring cost-effectiveness and compliance with applicable regulations.
- **Business License Administration:** The department administers business licenses and ensures a streamlined compliance and regulation process.

Through these activities, the Finance Department strives to uphold the highest standards of financial integrity and contribute to the City’s overall fiscal health.

COUNCIL STRATEGIC GOALS:

TAKE STEPS TO ADDRESS THE CITY’S FISCAL SUSTAINABILITY

Objectives and Tactical Steps:

• **Improve efficiency through a budget review process.**

- Continue to improve and create a more robust Capital Improvement Plan (CIP) with special attention to service delivery methodology, addressing deferred maintenance and prioritizing projects.

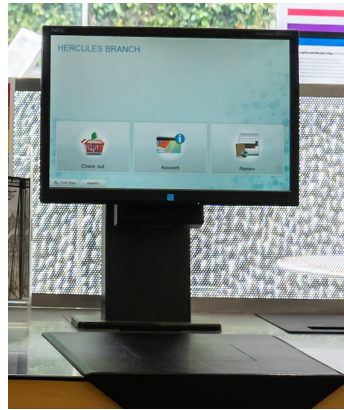
• **Explore revenue sources to meet current and future needs.**

- Present to Council future revenue-generating options that include:
 - Sales Tax (based on feasibility study)
 - Other future opportunities:
 - Grant Opportunities
 - Lease Revenue/Certificate of Participation (COP) bonds



INFORMATION TECHNOLOGY

The Information Technology Department is dedicated to managing the City’s technology infrastructure and ensuring efficient daily operations. We leverage information and communications technology to design, select, and implement a range of solutions that support the City and its various departments in delivering services and achieving strategic objectives, thereby fostering growth in technology and telecommunications.



The department collaborates closely with all City departments and provides comprehensive support for network users and mobile devices. Additionally, we maintain data centers, server networks, switches, routers, and a variety of software applications.

OBJECTIVES:

- Deliver timely desktop computer support to City staff.
- Maintain and support software applications, including those critical to public safety services.
- Execute necessary updates for software applications as required.
- Ensure reliable connectivity among network routers, switches, and devices to facilitate the availability and dependability of services for City staff and external customers.
- Establish and maintain servers for new applications.
- Implement prioritized recommendations outlined in the IT Master Plan.

PERFORMANCE MEASURE

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
# tickets	2,043	2,080	2,500	3,000	3,100
# of upgrades	80	10	120	150	150
# of software installation	5	15	10	10	5

PERFORMANCE GOALS

	FY 2023	FY 2024	FY 2025
Percentage of software applications supported citywide	70%	70%	80%
Employee service request fulfilled with 7-10 days	90%	90%	95%

IT STRATEGIC GOALS

The City’s IT strategic goals are designed to enhance service delivery through modernization and innovation, foster digital inclusion, improve customer experience, and fortify cybersecurity measures.

Customer Service and Engagement:

- Enhance online access to City services.
- Streamline interactions and communication with citizens.
- Employ technology to elevate customer experience.

Digital Workplace:

- Support a flexible and efficient digital workforce.

- Modernize internal processes and workflows to enhance productivity.
- Foster collaboration and communication within city government.

Infrastructure and Operations:

- Maintain and upgrade the City’s IT infrastructure to ensure optimal performance.
- Provide reliable and secure IT services for all city operations.
- Optimize resource allocation and budgeting for maximum efficiency.

Security:

- Safeguard city data and systems against cyber threats.

- Ensure the resilience of City services in the face of natural disasters and emergencies.

Innovation and Technology Roadmap:

- Develop a comprehensive roadmap for future technology investments.
- Explore and implement emerging technologies to enhance City services.
- Stay proactive in navigating the evolving technology landscape.

Data and Analytics:

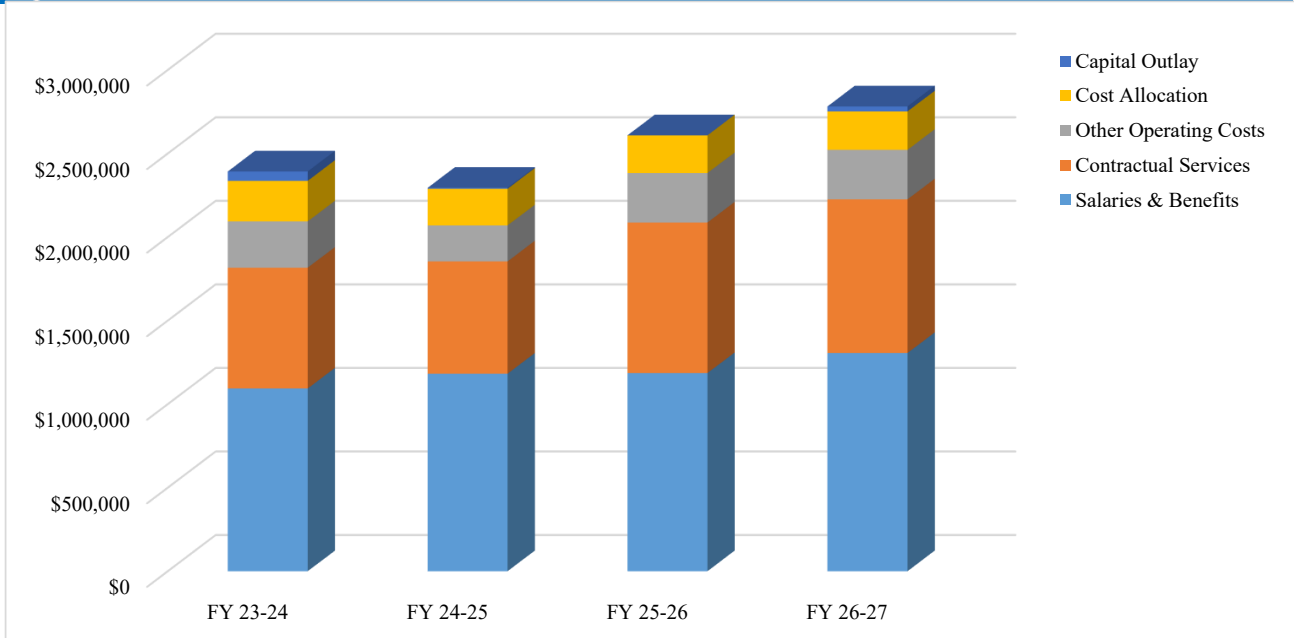
- Leverage data to inform strategic decision-making and improve city services.
- Evaluate the effectiveness of IT initiatives and programs through robust data analysis.



Finance Department Expenditure Summary

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Expenditures By Type				
Salaries & Benefits	\$1,093,374	\$1,182,214	\$1,185,837	\$1,305,848
Contractual Services	723,187	671,855	900,924	919,595
Other Operating Costs	276,987	215,653	296,146	296,046
Cost Allocation	242,755	219,112	225,685	230,199
Capital Outlay	56,002	5,473	-	30,000
	\$ 2,392,305	\$ 2,294,307	\$ 2,608,592	\$ 2,781,688
Expenditures By Fund/Program				
General Fund	\$1,355,417	\$1,242,775	\$1,458,595	\$1,492,218
Internal Service Fund				
Information Technology (IT) Operations	1,036,888	1,051,532	1,149,997	1,259,470
IT Equipment Replacement	-	-	-	30,000
	\$ 2,392,305	\$ 2,294,307	\$ 2,608,592	\$ 2,781,688

Expenditure Trends





POLICE



CONTACT INFORMATION

Phone:

(510) 799 8260

Office Address:

111 Civic Drive,
Hercules CA, 94547

Office Hours:

M-TH, 8 AM-5 PM

Website:

herculesca.gov

Facebook:

Hercules
Police Department

The Hercules Police Department has 26 sworn officers and 5 non-sworn full-time positions within numerous operating units and Divisions, including Patrol, Investigations, Traffic, Records and Property and Evidence.

The HPD is responsible for protecting the City’s residents, property owners, and businesses by patrolling 10.6 square miles of Hercules using cars, bicycles, and motorcycles.

The Department fosters a problem-solving, community policing philosophy, and works collaboratively with policy makers, the City Manager’s Office, and the community to address problems of crime and property damage.



COMMUNITY SERVICE

We focus on being professional and compassionate while committing to public safety.

Our mission is to serve our community with honor and create community partnerships through positive and transparent engagement. We adhere strictly to our core values of loyalty, duty, respect, service, humility, integrity, and perseverance ... LDRSHIP.

We maintain a caring attitude and empathize with those we serve. We welcome and seek an active partnership with the community in carrying out our responsibilities.

We recognize that to be an effective law enforcement agency we must have the support, confidence, and trust of our community. We work diligently to be a part of this community and not apart from it.

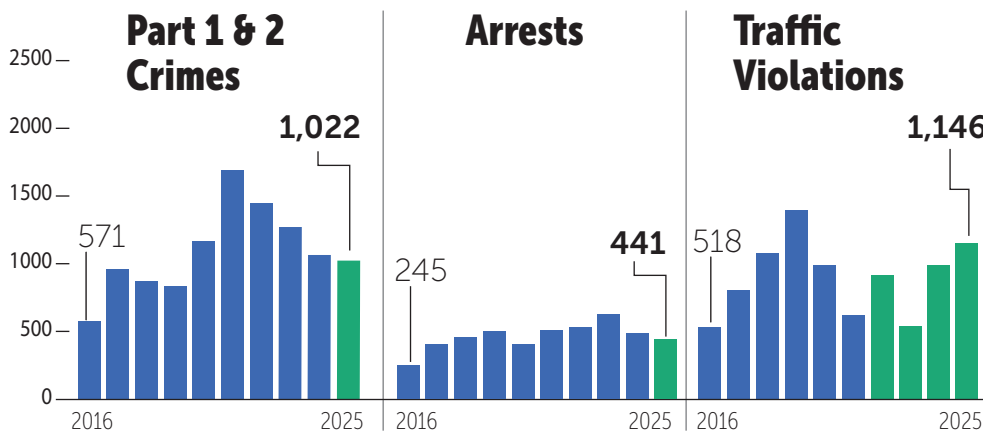


OPERATING INDICATORS

Calls for Service

Hercules Police Department Last Ten Fiscal Years

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
7,707	13,142	16,245	16,918	29,935	25,784	26,071	25,196	24,223	25,696





POLICE



- 1 PUBLIC SAFETY**
Keeping our community, and visitors safe while improving the overall quality of life.
- 2 BUILDING TRUST**
through open and honest engagement with the community we serve.
- 3 CRIME PREVENTION**
Utilizing technology and industry practice.
- 4 PROVIDE EFFICIENT COMMUNICATION**
Consistently and accurately.
- 5 RECRUIT, HIRE AND DEVELOP**
qualified men and women to maintain quality service for the present and future of this community
- 6 AUTHENTIC COMMUNITY EVENTS**
to build and foster positive relationships with our community which instills trust in our department.



WORKPLAN HIGHLIGHTS:

- We will continue to provide traffic safety, enforcement, and education services to the community
- We will continue to coordinate disaster preparedness with Fire, Emergency Medical Services and the County and State Office of Emergency Services.
- Critical training for all Department personnel will continue to be provided including Crisis Intervention Team (CIT), De-Escalation Tactics, Procedural Justice, and Racial Profiling, and Officer Wellness.
- Parolees, probationers, and registered sex offenders living within Hercules will continue to be strictly monitored.
- We will continue to seek Federal, State, and other funding to enhance staffing and equipment.

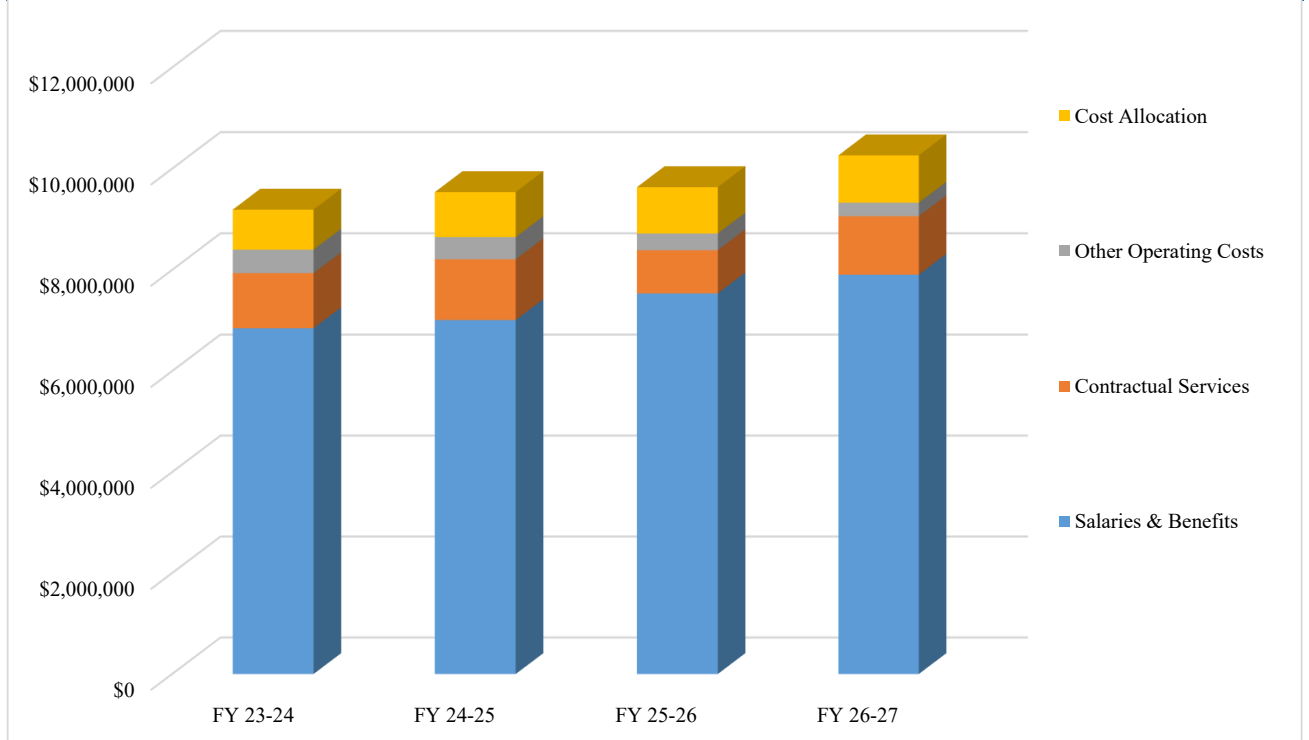




Police Department Expenditure Summary

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
<u>Expenditures By Type</u>				
Salaries & Benefits	\$ 6,848,157	\$ 7,009,221	\$ 7,536,154	\$ 7,906,181
Contractual Services	1,089,136	1,200,396	853,671	1,155,514
Other Operating Costs	463,304	437,731	329,188	267,014
Cost Allocation	790,179	889,904	916,411	935,239
Capital Outlay	20,227	-	100,000	-
	\$ 9,211,003	\$ 9,537,252	\$ 9,735,424	\$ 10,263,948
<u>Expenditures By Fund/Program</u>				
General Fund				
Administration/Inspection/Support	\$ 4,288,984	\$ 4,313,706	\$ 4,289,699	\$ 4,645,907
Patrol	4,870,976	5,201,147	\$ 5,345,725	5,618,041
	9,159,960	9,514,853	\$ 9,635,424	10,263,948
Asset Forfeiture	51,043	22,399	\$ 100,000	-
	\$ 9,211,003	\$ 9,537,252	\$ 9,735,424	\$ 10,263,948

Expenditure Trends





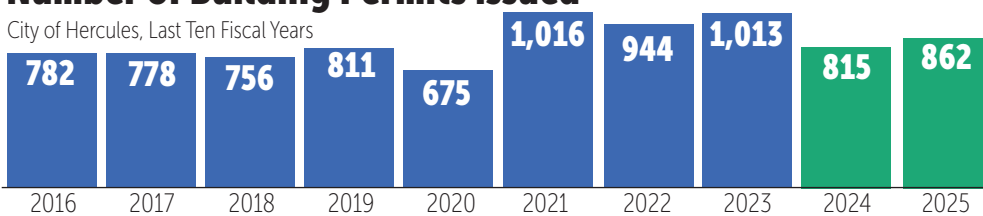
COMMUNITY DEVELOPMENT

The Community Development Department provides information and advisory services to decision makers and the public regarding the growth and development of the community to ensure balanced and appropriate land use. The Community Development Department processes development applications in accordance with the City’s adopted General Plan and zoning ordinance, maintains and updates the City’s codes, General Plan and other long-range plans, and provides staff support to the City Council and Planning Commission as well as other City departments. In addition, the Community Development Department responds to public inquiries regarding zoning, land use, use permits, and development standards. The Community Development Department is also responsible for fostering the City’s economic development, including business assistance grants and incentives. Community Development includes the Planning, Building, and Code Enforcement Divisions, which ensure the safety of the citizens of Hercules through enforcement of state and local codes, standards, and regulations. The Department works diligently to ensure that all new construction meets the standard of construction required by the codes and that all existing structures are maintained in a safe condition.

OPERATING INDICATORS

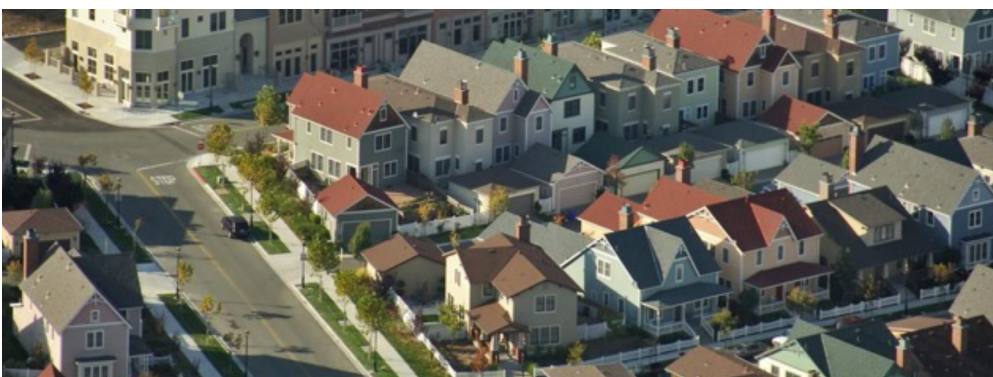
Number of Building Permits issued

City of Hercules, Last Ten Fiscal Years



PERFORMANCE INDICATOR FY 2021 FY 2022 FY 2023 FY 2024 FY 2025

PERFORMANCE INDICATOR	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
# of Administrative Use Permits	59	49	38	38	35



KEY PRIORITIES 2026-27:

- Begin a comprehensive General Plan Update, including the Land Use, Economic Development, Circulation, Open Space & Conservation, and Noise Elements
- Develop a strategy to bring the Hercules Hub station area into partial compliance with the regional Transit-Oriented Communities Policy
- Steward the City’s Housing Successor Agency funds and loans
- Expand the City’s tax base through quality development, including the Bayfront project and other housing developments
- Continue attracting desired new businesses to Hercules by replenishing the funds for the successful Business Attraction Grant program, if Council directs
- Pursue other new business attraction and retention initiatives as directed by the Council



COMMUNITY DEVELOPMENT

WORKPLAN HIGHLIGHTS:

- **Initiate the process of updating the City’s General Plan** to reflect current conditions and goals.

- **Leverage \$5 million in remaining Housing Asset Funds** from the former Redevelopment Agency to support one or more affordable housing developments.

- **Maintain a safe and attractive community**, including enforcing the

City’s codes and ensuring new development adds to the overall quality of the community.

- **Expand the City’s tax base through new development**, including facilitating the start of construction of approved developments.

- **Enhance the City’s economic base**, including developing and managing business attraction programs, with an

emphasis on attracting restaurants, cafés and other uses that expand the City’s tax base as well as its vibrancy.

- **Identify and pursue grant opportunities** for the Hercules Hub, including working with our regional partners, advancing the design of the next phases and building support for the project among key constituencies.

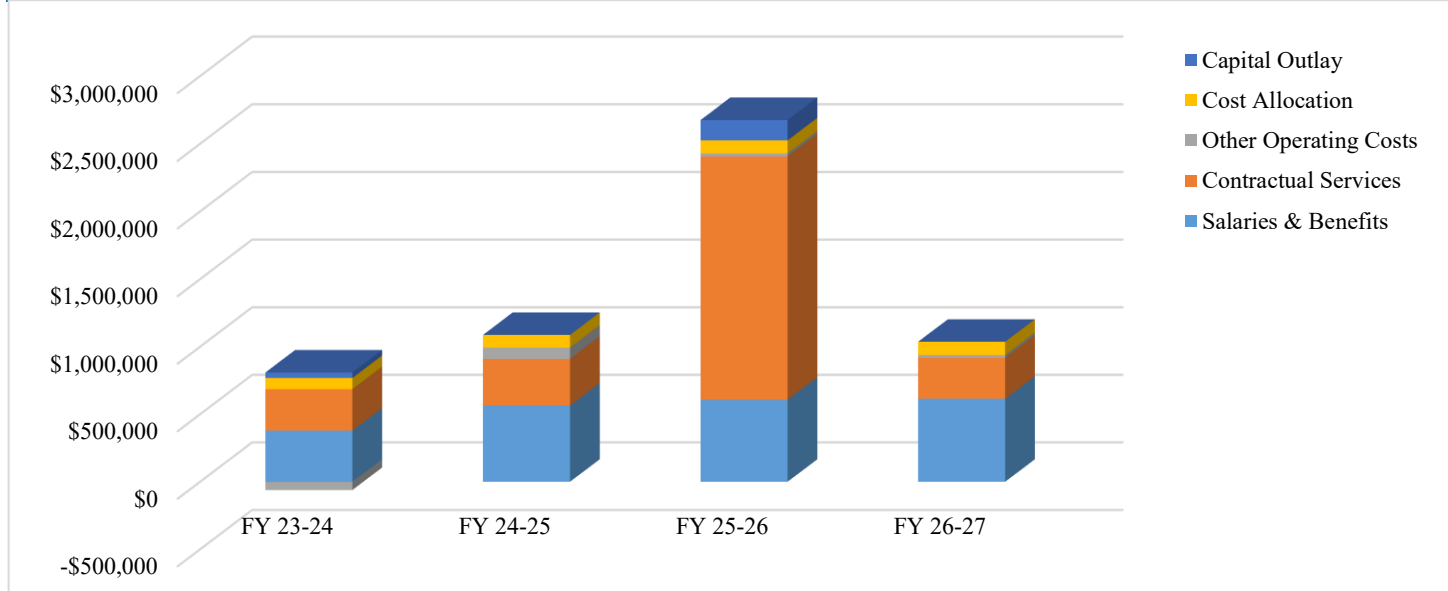




Community Development Department Expenditure Summary

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
<u>Expenditures By Type</u>				
Salaries & Benefits	\$378,754	\$564,686	\$606,924	\$614,394
Contractual Services	306,904	345,417	1,799,482	303,100
Other Operating Costs	(60,031)	83,319	21,924	20,600
Cost Allocation	82,777	93,693	96,504	98,433
Capital Outlay	40,596	-	150,000	-
	\$749,000	\$1,087,115	\$2,674,834	\$1,036,527
<u>Expenditures By Fund/Program</u>				
General Fund	\$723,145	\$1,021,000	\$1,104,239	\$1,036,527
DIF-Public Facilities	-	-	-	-
Community Development Fund	-	-	-	-
Development Fee	-	-	-	-
DIF-Police Facilities	830	-	-	-
DIF-Fire Facilities	-	-	-	-
DIF-Park & Recreation	39,766	-	150,000	-
Public Benefit Fee	-	-	-	-
DIF-Traffic Facilities	-	-	-	-
STMP Traffic Impact	-	-	-	-
General Plan and Training Fees	-	-	1,300,000	-
Successor Housing	(14,741)	66,115	120,595	-
	749,000	\$1,087,115	\$2,674,834	\$1,036,527

Expenditure Trends





PUBLIC WORKS



The Public Works Department constructs, maintains, and operates the City’s public infrastructure including streets, sidewalks, traffic signals, bridges, streetlights, storm drain system, stormwater basins, creeks, sewer collection system, landscaping, parks, urban forest, and public buildings. The Department is staffed with 13 employees and is organized into two Divisions overseen by the Public Works Director/City Engineer who reports to the City Manager.

The Engineering Division administers the City’s Capital Improvement Program including grant funding, reviews and inspects grading and public improvements on private development projects, reviews traffic engineering, and administers the City’s Clean Water Program. The Division also responds to public inquiries, administers the sewer lateral certification program, and issues encroachment permits, grading permits, and wide-load permits. The Engineering Division consists of 2 employees, an Associate Engineer and Public Works Inspector, in addition to the City Engineer.

The Maintenance & Operations Division maintains the City’s public parks, streets, sidewalks, infrastructure and public facilities. This division makes certain that the stormwater and wastewater discharged into San Pablo Bay is clean through the City’s Creek and Stormwater Basin Maintenance Program, Storm Drain Maintenance Program, Street Sweeping Program and Sanitary Sewer Program. The Division also abates graffiti and cleans up illegal dumping. It is staffed with a Maintenance Superintendent and 7 Maintenance Workers.

The Lighting and Landscaping Division maintains the City’s Lighting and Landscaping Assessment Districts. They maintain the City’s public parks, landscape medians, urban forest, eliminate safety hazards with the City’s Fire Break Program in open spaces and provide tree trimming in parks and streets. It is staffed with a Landscape and Lighting Program Coordinator.

A Management Analyst reporting directly to the Public Works Director/City Engineer provides administrative support to the Department on budgeting, managing grant funding, contract, processing invoices, and other related office support.

KEY PRIORITIES 2026-27:

- Continue to aggressively pursue grant funding for the City’s CIP projects
- Support funding mechanisms for street rehabilitation projects
- Advance the Hercules Hub
- Effectively manage day-to-day operations to ensure Hercules keeps its reputation as a well-maintained City
- Expedite processing of private development projects
- Utilize Capital Reserve funding to improve public infrastructure
- Increase oversight of City-wide public facilities
- Improve Day to Day oversight of Storm and Sewer facilities



PUBLIC WORKS

The Public Works inventory includes:



60 miles
of city streets

1,494
street and parking lot features

14 traffic signals

7 miles
of bike lanes

62 miles
of sanitary sewers

The Public Works Department supports the achievement of all Strategic Plan goals, and in particular:

Goal D: Enhance Transportation Access and Options

Strategy 1: Promote Alternative Forms of Transit

Goal G: Invest In and Enhance Maintenance of Public Infrastructure and Facilities

Strategy 1: Re-evaluate and Make Recommendations to Improve the City’s Capital Improvement Programs, Clean Water Programs and all Lighting and Landscaping Assessment Districts.



PERFORMANCE INDICATOR

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Facility Projects	1	0	3	2	4
Parks and Open Space Projects	7	4	6	6	6
Streets Projects	5	5	5	5	2
Sewer Projects	7	1	2	1	1
Regional Transit Intermodal Center Phases	3	1	3	2	2
# of Sewer Lateral Permits Issued	143	145	98	100	36

WORKPLAN HIGHLIGHTS:

- Advance the Capital Improvement Program, completing Facility, Street and Park Improvement Projects throughout the City.

Accomplishments in 2025 include starting construction of the Bay Trail Sinkhole Repair Project, the Police Lobbies Project, Falcon Way Pavement Rehabilitation, and the Refugio-Foxboro Parks Improvement Project. Design work is also underway for the Refugio Lake Restoration Project and the Foxboro Pavement Rehabilitation Project.

- Advancing development of the \$1.15M Design Contract for the Hercules Hub and securing funding for Project Development and

Final Design with a \$23 million grant application for the Federal Railroad Administration’s National Railroad Partnership Program.

- Facilitate the successful completion of the Owl Ranch and Loop Emblem Projects, including roadway improvements and utility relocations.

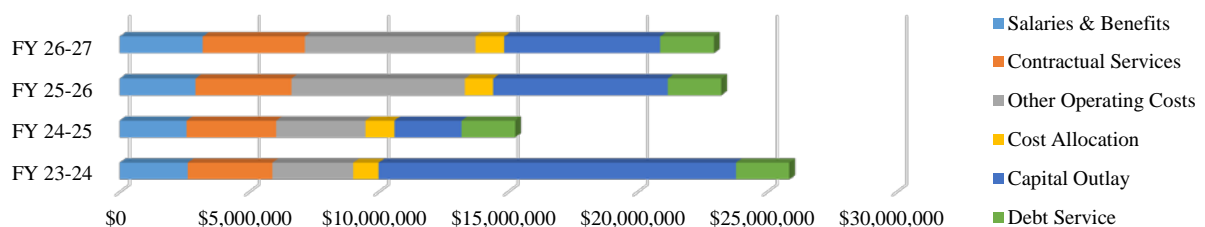
- Increase focus on Maintenance & Operations organizational development and training, including cross training on Clean Water Program asset management, operation of sewer lift stations and HVAC systems in buildings.



Public Works Department Expenditure Summary

	<u>FY 23-24 Actual</u>	<u>FY 24-25 Actual</u>	<u>FY 25-26 Budget</u>	<u>FY 26-27 Proposed</u>
<u>Expenditures By Type</u>				
Salaries & Benefits	\$2,618,517	\$2,577,716	\$2,919,989	\$3,206,493
Contractual Services	3,275,993	3,465,582	3,705,184	3,934,237
Other Operating Costs	3,128,896	3,448,150	6,707,639	6,600,316
Cost Allocation	979,194	1,113,767	1,087,563	1,108,996
Capital Outlay	13,792,114	2,601,714	6,742,729	6,025,769
Debt Service	2,063,430	2,064,605	2,066,304	2,067,023
	<u>\$25,858,144</u>	<u>\$15,271,534</u>	<u>\$23,229,408</u>	<u>\$22,942,834</u>
<u>Expenditures By Fund/Program</u>				
General Fund	\$433,138	\$520,809	\$443,381	\$549,638
Citywide L&L 83-2	1,716,784	1,607,967	1,911,389	2,021,559
Victoria By The Bay L&L 2002-1	766,388	680,858	697,707	716,161
Hercules Village L&L 2002-2	207,422	198,935	236,823	264,050
Baywood L&L 2004-1	141,066	139,192	183,059	186,002
Bayside L&L 2005-1	161,595	155,223	148,476	152,382
Arterial Roadways	308,731	350,216	376,790	408,042
Stormwater	398,039	495,319	392,606	432,237
State Gas Tax	603,463	689,791	693,901	1,194,791
Measure "C" Street Fund	444,631	575,359	612,868	883,402
BART Park & Ride	358,411	26,490	92,000	92,000
SB1 - RMRA	249,696	65,091	500,000	510,000
Solid Waste and Recycling	12,986	70,214	256,852	14,371
Grants	473,609	-	-	-
GRANT FUND / STIP / RIP	1,101,014	22,920	190,500	150,000
City Capital Project	673,876	424,247	2,923,720	2,750,495
Hercules HUB	235,804	336,847	2,239,000	1,000,000
Water Quality Retention Basin	10,242	10,717	49,000	11,100
Sewer - Operations	5,613,269	6,004,808	9,543,472	9,845,754
Sewer - Capital	10,584,462	1,439,324	536,680	444,700
ISF - Equipment Replacement	162,900	192,987	-	132,645
ISF - Facilities Maintenance	1,184,248	1,261,742	1,201,184	1,183,505
ISF - IT Replacement	2,344	2,478	-	-
ISF - Facilities Replacement	14,027	-	-	-
Regional Water Quality	-	-	-	-
	<u>\$25,858,145</u>	<u>\$15,271,534</u>	<u>\$23,229,408</u>	<u>\$22,942,834</u>

Expenditure Trends





PARKS AND RECREATION

The Hercules Parks and Recreation Department plans, organizes, and implements a wide range of programs and activities for all ages: from toddler classes through senior activities and everything in between.

We create three seasonal guides annually that cover a 4-month period. At the time of this publication, we are running Spring programs, promoting and registering the community in our summer programs, and planning for Fall programs. The goal is to have the seasonal guides in our residents' homes 6 weeks before the start of each season, so parents can plan in advance.

Each season the Parks and Recreation Department features upcoming events. Some large, some small, but something for everyone. Programs include Pre-school, Afterschool (RAP), Summer Camps (Camp Dynamite), Youth & Teen programs, Online (virtual programs), Ed2Go (or Lifelong Learning courses), Adult, Senior (50+ programming), Aquatics (swim lessons, rec swim, lap swim, water exercise, swim teams, water polo, and new "Scuba" lessons), as well as Contract Classes, Sports, Special Events, and much more.

For summer 2026, with Refugio Valley Park being under for construction of shade structures, picnic sites, and parking lot, as well as the potential dredging of the lake, Refugio Valley Park will have limited availability. We still plan to hold our popular Movies in the Park – however the location for each is to be determined. We will continue to offer the Cultural Festival, National Night Out, Unity Day, Trunk or Treat, PUMPKATAAZ, Tree Lighting, Breakfast with Santa,



GOALS:

- Offer fun and exciting events to the community (like the Trunk or Treat and Lunar New Year).
- Keep growing programs and improving rentals to generate revenue for the City.
- Continue to follow the trends in the industry, and constantly look to create new programs.
- Concentrate on our department's strongest programs and help ensure that they thrive.
- Continue to work on important projects like CIP and grant funded projects; i.e. Beechnut Mini Park project (Prop 68 - Clean Water and Parks Act).

etc. However, the fireworks will not be a part of the program this summer. The land is not available. We plan to transition to a parade and fair in future years for the 4th of July, so look for this in 2027.

We will continue to offer the Spring into Wellness (Senior Health), the Rec EGGs-Po featuring a Hydro Hunt (egg hunt in the pool), and many other events. The community has responded to all of these great programs and continues to support day-to-day programs like RAP, swim lessons, and Tiny Tots.

Parks and Recreation also works with our volunteer groups at our Senior Center, the T.Y.C. (Teens and Youth Council), Adopt-A-Trail/Adopt-A-Park program, and more. These volunteers help our department provide services and activities in support at our community-wide special events and facilities and even help keep parks clean.

But the real strength of recreation is the opportunities we provide to increase your personal health, allowing you to focus on quality of life, reduce self-destructive and anti-social behavior, build strong families and healthy communities, reduce health care, social services, and police/justice costs, and produce significant economic generators in the community. It's a well-known fact that recreation improves work performance, increases productivity, decreases absenteeism, decreases staff turnover, and reduces on-the-job accidents. We look forward to continuing delivering high quality programming and events for our community in the 2026-27FY.



PARKS AND RECREATION

**Parks
Make
Life
Better!**

WORKPLAN HIGHLIGHTS:

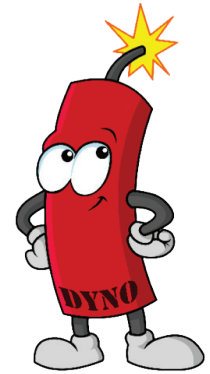
- Continue to grow our brand.
- Provide quality citywide community events.
- Add new contractors to meet needs of the community.
- Follow the trends and adjust programs based on community input.

EVENTS:

- Cultural Festival (Su 6/7/26)
- Juneteenth (Sa 6/13/26)
- Movie Nights – Summer Series (6/26, 7/17, and 8/4/26)
- National Night Out (Tu 8/4/26)
- Unity Day (W 10/21/26)
- Trunk or Treat & PUMPKATAAZ (F 10/30/26)
- Holiday Tree Lighting (Su 12/6/26)
- Breakfast with Santa (Sa 12/12/26)
- Lunar New Year (Su 2/20/27)
- Spring Into Wellness (Tu 3/30/27)
- Rec EGGs-Po featuring Hydro Hunt (Sa 3/27/27)
- Community Clean-up Day (Sa 5/1/27)
- Cultural Festival (Su 6/6/27)
- And more...

ACCOMPLISHMENTS

- Received (2) playground grants for \$89,000 for Foxboro Park, and \$94,000 for Hanna Ranch Park.
- Completed the Foxboro Playground and Basketball Court project, and the Shade Structure and Picnic site refurbishment project at Refugio Valley Park.
- Smaller projects included the replacement of the slot drains around the pools at the Hercules Swim Center, repaired the floor at Ohlone Community Center, refurbished the gym floor Community Swim Center, and the dance floor at the Senior Center.
- Delivered outstanding events in the 2025-26FY, including but not limited to the 4th of July Fireworks Celebration at the Bay Front, National Night Out, Movie Nights, Trunk or Treat & PUMPKATAAZ, the 125th Anniversary and Tree Lighting (at City Hall), Spring into Wellness, Rec EGGs-Po/Hydro Hunt, the Senior Food Program (Brown Bag program), Community Cleanup Day and many more.
- Trainings: Staff attended the CPRS Conference in Long Beach, the Fall Institute in Woodland, the Summer Leader Institute Pleasant Hill, CPO Certification, AED/CPR Training, and several internal online trainings.



FACILITIES

- 13** Parks
- 9** Playground Structures
- 8** Picnic Areas
- 8** Tennis Courts
- 5** Swings
- 5** Recreation Centers (including a Teen Center and Senior Center)
- 4** Outdoor Basketball Courts
- 3** Childcare Facilities
- 3** Multi-Use Fields
- 2** Baseball/Softball Fields
- 2** Soccer Fields
- 2** Horseshoe Pits
- 2** Bocce Ball Courts
- 2** Gazebos
- 2** Pools
- 1** Gymnasium
- 1** Dog Park
- 1** Outdoor Fitness Par Course
- 1** All Abilities Swing and miles of trails to walk, hike, bike, skate, etc.

PERFORMANCE INDICATOR

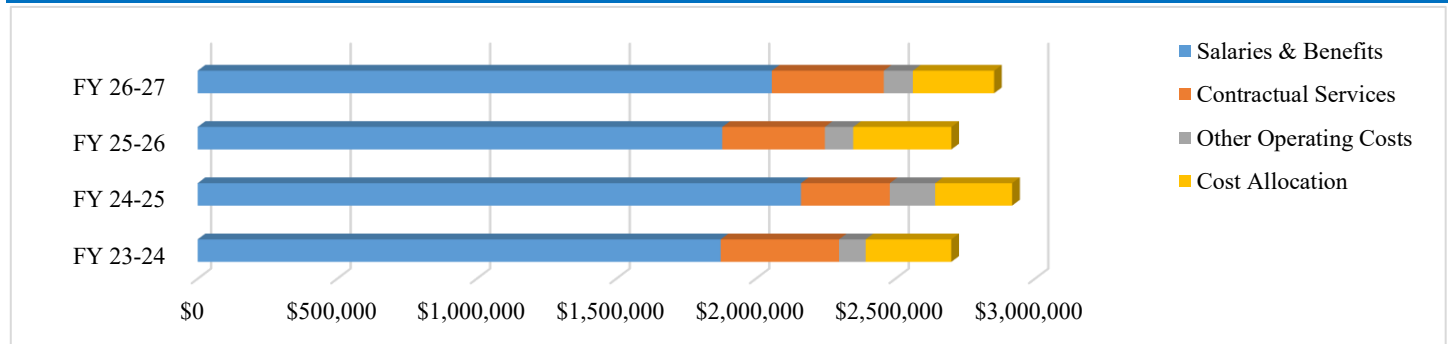
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
YOUTH & TEENS: # of youth programs	8	-	10	13	-
# of youth attendees	112	-	243	178	-
AQUATICS: # of aquatics programs	2	4	9	308	328
# of aquatics attendees	533	1,098	1,943	2,128	2,390
RECREATION CLASSES: # of recreation programs	4	3	16	24	397
# of recreation attendees	124	16	500	398	3,746
PRESCHOOL/GRADESCHOOL: # of preschool/gradeschool programs	8	-	11	9	9
# of preschool/gradeschool attendees	869	-	2,510	2,482	3,755
SENIORS: # of senior programs	14	-	14	21	25
# of senior attendees	2,778	-	5,984	15,655	21,045
# of meals served	3,399	8,212	5,124	6,662	8,858



Parks & Recreation Department Expenditure Summary

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
<u>Expenditures By Type</u>				
Salaries & Benefits	\$ 1,874,264	\$ 2,161,769	\$ 1,879,831	\$ 2,057,145
Contractual Services	423,759	318,511	367,628	401,550
Other Operating Costs	95,494	162,477	101,600	104,100
Cost Allocation	306,983	275,778	351,687	291,169
	<u>\$ 2,700,500</u>	<u>\$ 2,918,535</u>	<u>\$ 2,700,746</u>	<u>\$ 2,853,964</u>
<u>Expenditures By Fund/Program</u>				
General Fund				
Library	147,422	-	140,466	102,000
Administration	136,980	169,761	152,900	155,800
Facility Rentals	241,164	238,814	181,283	188,902
Lupine Day Camp	203,822	274,511	145,804	170,486
Ohlone Day Camp	11,253	10,693	5,962	6,060
Ohlone Child Care	181,093	216,998	236,224	248,277
Hanna Child Care	295,476	348,285	257,142	329,529
Lupine School Child Care	316,879	274,656	251,177	256,410
Recreation Classes	108,750	109,413	100,264	112,525
Senior Citizens	36,222	87,239	79,989	36,312
Tiny Tots	236,802	309,802	322,066	338,285
Swim Center	455,309	553,012	511,831	590,945
Sport Program	120,444	111,970	117,675	115,509
Teen Program	27,856	27,232	21,266	21,731
Community Center-Concession Stand	366	362	400	500
Youth/Teen Resource Center	180,662	185,787	176,297	180,693
	<u>\$ 2,700,500</u>	<u>\$ 2,918,535</u>	<u>\$ 2,700,746</u>	<u>\$ 2,853,964</u>

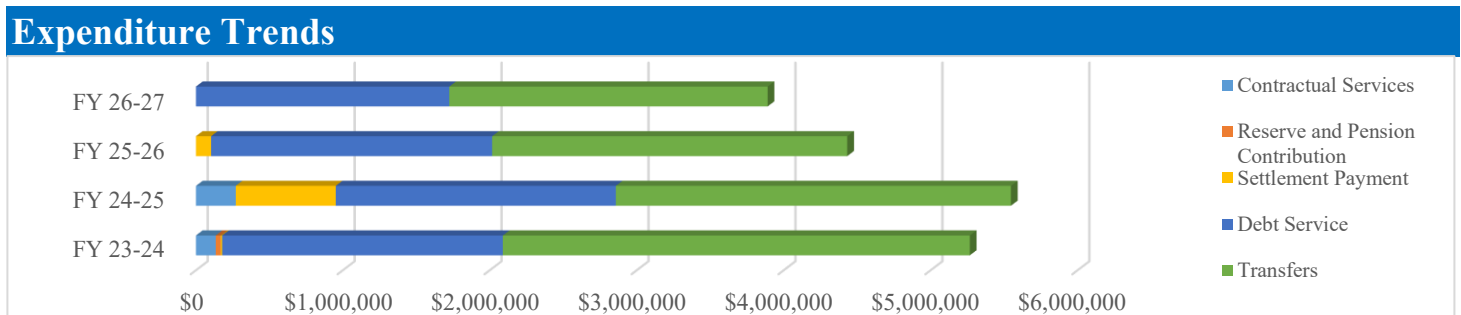
Expenditure Trends





Non-Departmental Department Expenditure Summary

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
<u>Expenditures By Type</u>				
Contractual Services	134,827	271,217	-	-
Reserve and Pension Contribution	34,027	-	-	-
Settlement Payment	9,103	680,159	103,000	-
Debt Service	1,910,843	1,906,728	1,912,869	1,724,567
Transfers	3,178,016	2,688,390	2,416,616	2,166,316
	\$ 5,266,816	\$ 5,546,494	\$ 4,432,485	\$ 3,890,883
<u>Expenditures By Fund/Program</u>				
General Fund	\$ 177,957	\$ 951,377	\$ 103,000	\$ (200,000)
<u>Debt Service</u>				
CalHFA Loans	200,000	200,000	200,000	200,000
Suntrust Lease	-	-	-	-
Equipment Lease	235,897	235,026	245,079	255,609
2003B PFA Lease Revenue Bonds	566,537	565,030	561,212	563,162
2009 PFA Taxable Lease Revenue Bonds	908,409	906,671	906,578	905,796
	1,910,843	1,906,727	1,912,869	1,924,567
<u>Transfers</u>				
General Fund	1,498,925	890,659	866,291	880,771
AB3229 COPS Program	156,727	176,556	186,159	251,663
Citywide L&L 83-2	265,060	279,653	287,641	303,624
Victoria By The Bay L&L 2002-1	28,016	29,529	30,373	32,060
Hercules Village L&L 2002-2	7,725	8,051	8,281	8,741
Baywood L&L 2004-1	2,781	2,841	2,922	3,084
Bayside L&L 2005-1	19,055	20,136	20,711	21,861
State Gas Tax	50,342	55,965	60,558	64,812
Solid Waste and Recycling	125,000	125,000	125,000	125,000
City Capital Projects	250,000	-	-	-
Sewer - Capital	147,173	1,100,000	536,680	444,700
Information Technology (IT) Operations	365,516	-	292,000	30,000
ISF - Facilities Maintenance	261,696	-	-	-
	3,178,016	2,688,390	2,416,616	2,166,316
	\$ 5,266,816	\$ 5,546,494	\$ 4,432,485	\$ 3,890,883





FUND SUMMARIES





Fund Listing

General Fund

This fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City. The General Fund includes activities for police, planning, public works, operations and maintenance, and legal and administration.

Fund Number	Fund Name	Responsible Department
100	GENERAL FUND	ALL

Special Revenue Funds

These funds are used to account for the proceeds of special revenue sources that are legally restricted to expenditure for specified purposes.

Fund Number	Fund Name	Responsible Department
101	ASSET SEIZURE	Police
201	AB 3229 COPS Program	Police
220	CITYWIDE L&L DIST 83-2	Public Works
221	VICTORIA BY THE BAY L&L	Public Works
222	HERCULES VILLAGE L&L DIST	Public Works
223	BAYWOOD ASSESS 04-1 L&L	Public Works
224	BAYSIDE ASSESS DIST L&L	Public Works
225	ARTERIAL ROADWAYS	Public Works
231	STORMWATER ASSESSMENT	Public Works
241	DIF-GEN PUBLIC FACILITIES	Community Development
242	COMMUNITY DEVELOPMENT FND	Community Development
243	DEVELOPMENT FEE FUND	Community Development
244	DIF-POLICE FACILITIES	Community Development
246	DIF-FIRE FACILITIES	Community Development
247	DIF-PARK & REC	Community Development
249	PUBLIC BENEFIT FEE	Community Development
261	DIF-TRAFFIC FACILITIES	Community Development
262	STATE GAS TAX FUND	Public Works
263	MEASURE "C" STREET FUND	Public Works
264	STMP TRAFFIC IMPACT FUND	Community Development
266	BART (PARK & RIDE)	Public Works
267	GENERAL PLAN UPDATE FEE	Community Development
268	SB1 - RMRA	Public Works
291	SOLID WASTE AND RECYCLING	Public Works
353	AMERICAN RESCUE PLAN ACT (ARPA)	Finance
387	WATER QUALITY RET BASIN	Public Works
521	REGIONAL WATER QUALITY	Public Works



Fund Listing

Sewer Enterprise Funds

These funds are used for services provided to the public on an user charge basis, similar to the operation of a commercial enterprise.

Fund Number	Fund Name	Responsible Department
420	WASTEWATER - Operations	Public Works
421	WASTEWATER - Capital Projects	Public Works

Internal Service Funds

These funds are used for operations serving other funds or departments within a government on a cost-reimbursement basis.

Fund Number	Fund Name	Responsible Department
450	VEHICLE REPLACEMENT FUND	Public Works
460	IT OPERATIONS	City Manager
470	FACILITY MAINTENANCE FUND	Public Works
480	IT EQUIPMENT REPLACEMENT	City Manager
490	FACILITIES REPLACEMENT	Public Works

Debt Service Funds

These funds are used to account for money that will be used to pay the interest and principal of long-term debts. Bonds used by a government to finance major construction projects, to be paid by tax levies over a period of years, require a debt service fund to account for their repayment. The debts of special assessment and proprietary funds are serviced within those funds, rather than by a separate debt service fund.

Fund Number	Fund Name	Responsible Department
672	2003B DEBT SERVICE PFA	Finance
673	2009 DEBT SERVICE PFA	Finance
383	SUNTRUST LEASE	Finance
388	EQUIPMENT LEASE	Finance

Capital Projects Funds

These funds are used to account for the construction or acquisition of fixed assets, such as buildings, equipment and roads. Depending on its use, a fixed asset may instead be financed by a special revenue fund or a proprietary fund. A capital project fund exists only until completion of the project.

Fund Number	Fund Name	Responsible Department
295	FEDERAL GRANTS - CIP	Public Works
296	STATE AND LOCAL GRANTS - CIP	Public Works
300	CITY CAPITAL PROJ-SINGLE	Public Works
354	HERCULES HUB	Public Works



Fund Listing

Agency Funds

These funds are used to account for assets held in trust by the City for the benefit of individuals or other entities. Financial Statements may further distinguish fiduciary funds as either trust or agency funds; a trust fund generally exists for a longer period of time than an agency fund.

Fund Number	Fund Name	Responsible Department
382	ASSMT DIST 05-01 DEBT SVC	Finance
501	TAYLOR WOODROW MAINT LMOD	Finance
511	OPEB AND SOMAR	Finance

Private Purpose Trust Funds

A fiduciary fund type used by the City to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities, and activities of the Hercules Redevelopment Successor Agency. The sole purpose of this fund is to retire debt of the former redevelopment agency.

Fund Number	Fund Name	Responsible Department
600	SUCCESSOR AGENCY FUND	Finance



GENERAL FUND





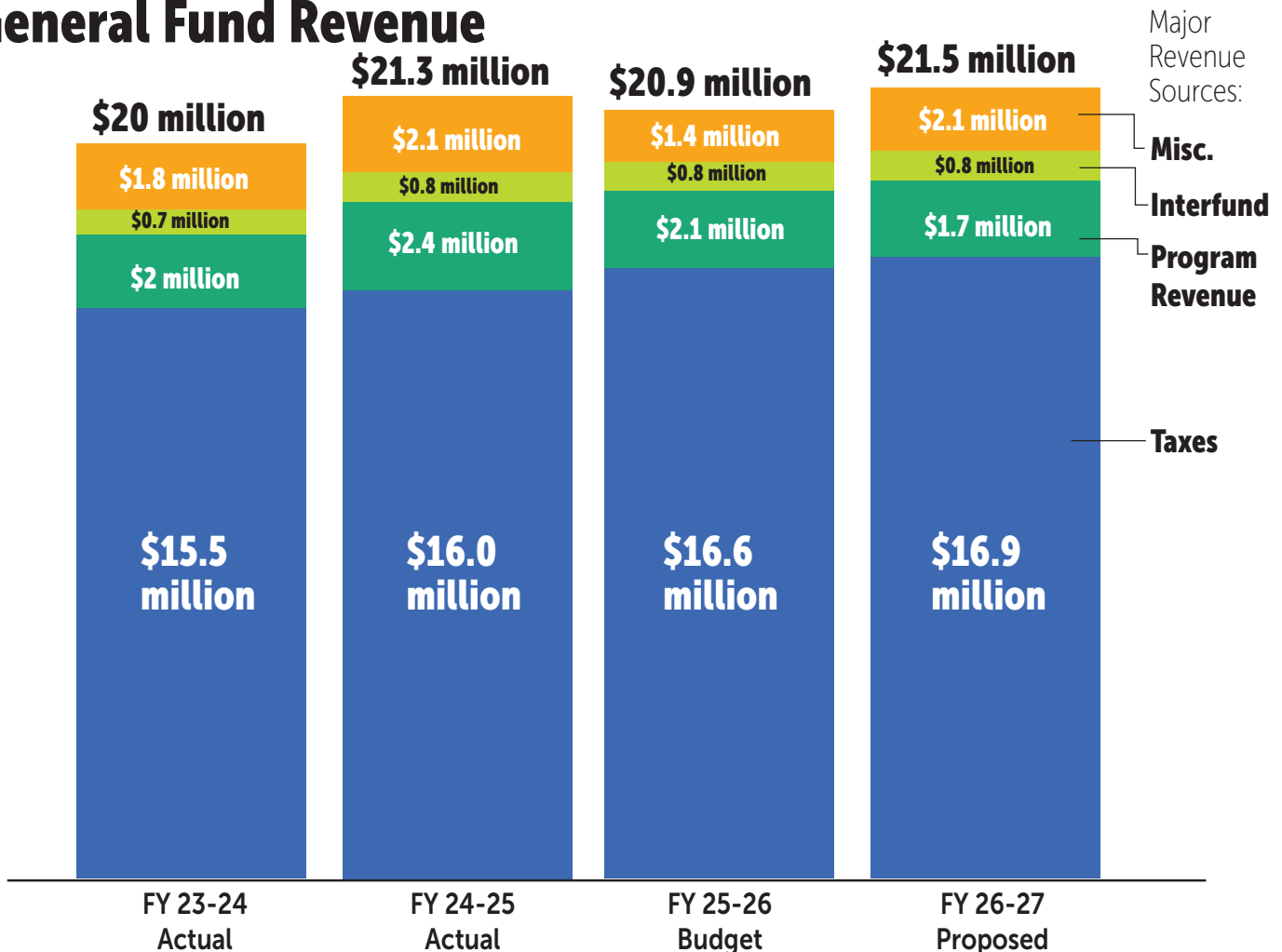
GENERAL FUND OVERVIEW

The General Fund is the chief operating fund of the City. This fund is used to record all resource inflows and outflows that are not associated with special-purpose funds. The activities being paid for through the general fund constitute the core administrative and operational tasks of the City.

MAJOR REVENUE

The City strategically relies on several key revenue sources to support its General Fund budget effectively. The accompanying graph illustrates that projected General Fund revenues for Fiscal Year 2026-27 are anticipated to increase by approximately 3% compared to the Fiscal Year 2025-26 budget. This projected revenue growth is primarily attributed to enhancements in general tax proceeds, investment income, program fees associated with the reopening of Parks and Recreation programs, and adjusted franchise fees from Republic Services. A significant portion of the General Fund revenues is derived from various taxes, including the Utility User’s Tax (UUT), Sales Tax, Property Tax, Real Property Transfer Tax (RPTT), and Transient Occupancy Tax (TOT), among other tax sources.

General Fund Revenue

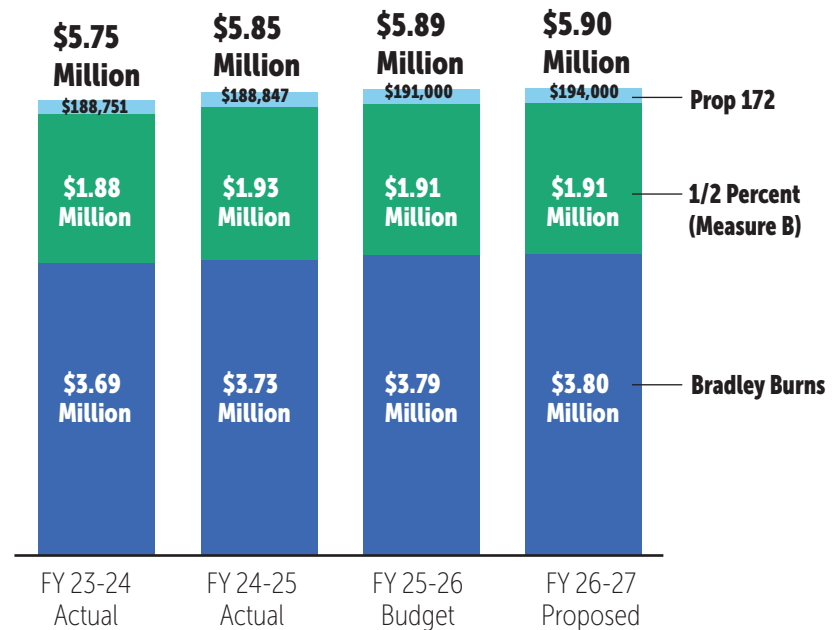




Sales and Use Tax

Sales tax revenue is the principal funding source for the City’s General Fund, which is vital for ensuring financial stability. Recent data from the California Department of Tax and Fee Administration (CDTFA) suggests that sales tax revenues for fiscal year 2026-27 are projected to remain consistent with the budget estimates for fiscal year 2025-26. It is noteworthy that over 50% of the City’s sales tax revenues are generated by just three key operators, indicating that any fluctuations in their contributions could have a substantial impact on future funding for programs and services.

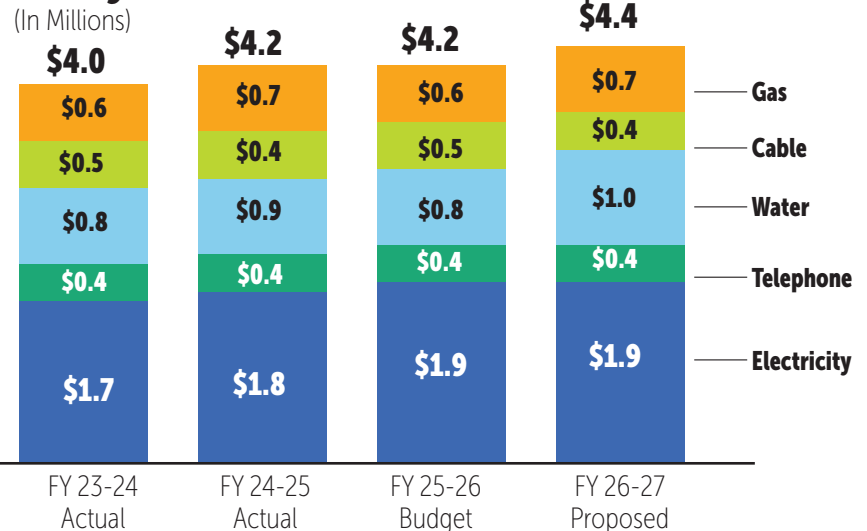
Sales and Use Tax



Utility User’s Tax

The Utility User’s Tax (UUT) is an 8% tax imposed on essential utilities that residents and businesses utilize daily. This tax applies to services such as electricity, gas, water, and sewer, as well as communication services including telephone (which encompasses cell phone usage and long-distance calls) and cable television. The City is responsible for establishing the tax rate and determining how the resulting revenue is allocated to address community needs and services.

Utility User’s Tax (UUT)



For the fiscal year 2026-27, the City projects UUT revenues to reach approximately \$4.3 million. However, it is important to note a concerning trend: revenues derived from Wireless Telecommunications are experiencing a decline. This decrease can be attributed to telecom companies adjusting their service packages, resulting in a greater portion of costs being allocated to non-

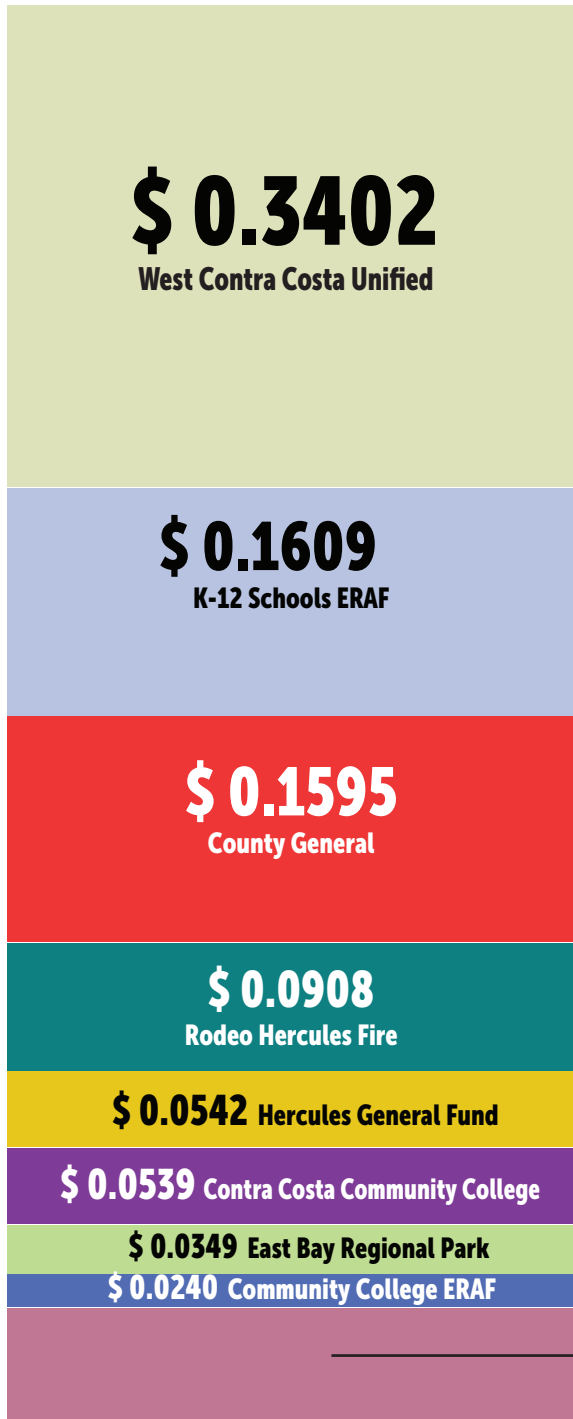
taxable data services.

On a positive note, it is anticipated that the reduction in Wireless Telecom revenues will be counterbalanced by an increase in UUT revenues from other essential utilities, such as electricity, gas, and water. This growth is primarily driven

by recent rate adjustments for these services, aimed at addressing escalating infrastructure requirements and ensuring the provision of high-quality utilities to the community. Thus, while there are challenges to navigate, the overall outlook for UUT revenue within the City remains stable.



City Of Hercules Property Tax Dollar Breakdown



Property Tax

The City receives a historically low percentage of property tax revenue compared to other municipalities, often deemed negligible because of its post-Proposition 13 property tax recapture rate. It currently receives only 5% of the base 1%. While residents of Hercules pay a high median effective property tax rate of 1.62%, the City’s budget relies largely on alternative revenue sources, which necessitates the management of City services within a relatively limited financial framework.

In the current fiscal period, the Assessor’s office has implemented a Consumer Price Index (CPI) factor of 2%, which reflects the projected assessed values of properties in the City. This adjustment is intended to ensure that property valuations remain consistent with prevailing economic conditions. Consequently, the City’s allocation from the 1% property value tax will be approximately \$1.7 million for FY 2026-27.

- \$ 0.01781 WCC Healthcare District
- \$ 0.01738 County Library
- \$ 0.01684 County Superintendent of Schools
- \$ 0.01587 EBMUD
- \$ 0.00736 BART
- \$ 0.00214 Bay Area Air Management
- \$ 0.00204 Contra Costa Flood Control
- \$ 0.00182 Contra Costa Mosquito Abatement
- \$ 0.00042 County Water Agency

Source: HdL Coren & Cone

ATI (Annual Tax Increment) Ratios for Tax Rate Area 004-001, Excluding Redevelopment Factors & Additional Debt Service

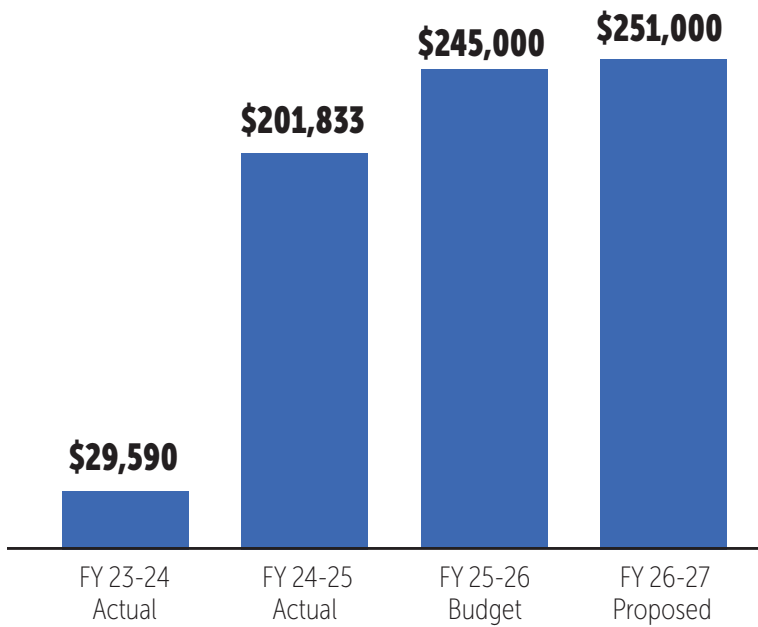
Data Source: Contra Costa County Assessor 2025/26 Annual Tax Increment Tables

Prepared On 11/20/2025 By MW

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone



Transient Occupancy Tax (TOT)



Transient Occupancy Tax (TOT)

TOT, often called the “hotel tax,” is a charge levied on individuals who temporarily occupy rental properties. Each guest who stays at these accommodations is mandated to pay 10% of the rental amount set by the property operator.

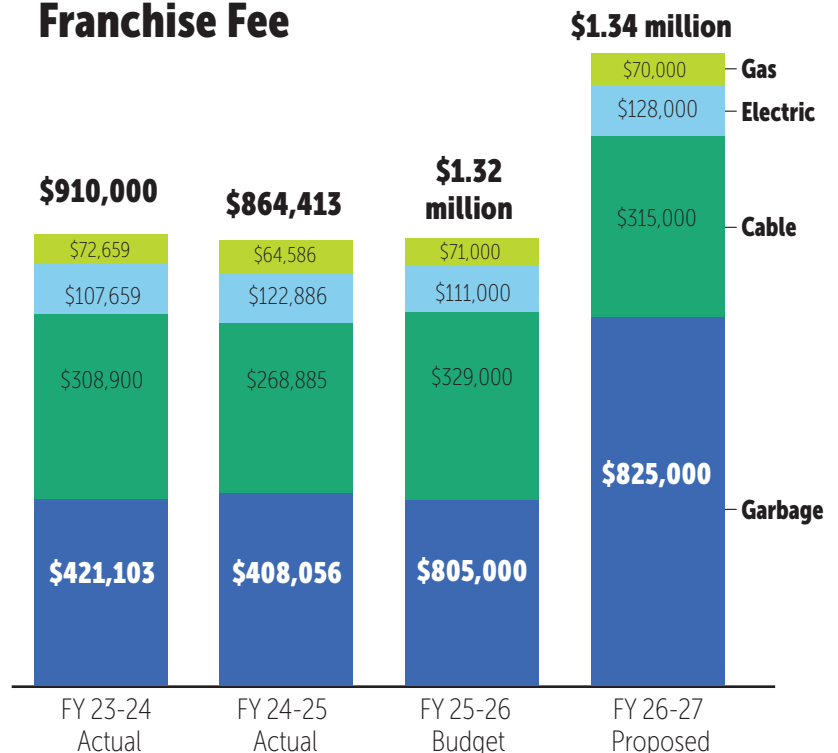
On October 22, 2019, the City entered into a Voluntary Collection Agreement with Airbnb to enhance the process of reporting, collecting, and remitting Transient Occupancy Tax (TOT) to the City.

Furthermore, pursuant to the Development Agreement for the Hercules Self-Storage facility, the City is entitled to receive 10% of Hercules Self-Storage Management LLC’s rental income in place of TOT. The City began collecting this revenue in FY 24-25, estimating an annual revenue of approximately \$200,000.

Franchise Fee

A City franchise fee is a charge imposed by local governments on utility companies for using public rights-of-way—like roads and sidewalks—to provide services such as electricity and water. This fee compensates the City for the use of public space. The franchise fee helps cover infrastructure maintenance costs and is crucial for funding community projects and supporting local finances. These fees are dictated by a franchise agreement, which outlines the terms of use between the utility provider and the local government. On March 25, 2025, the City Council reaffirmed the Solid Waste Franchise Agreement with Republic Services, which will increase the City’s annual revenue.

Franchise Fee



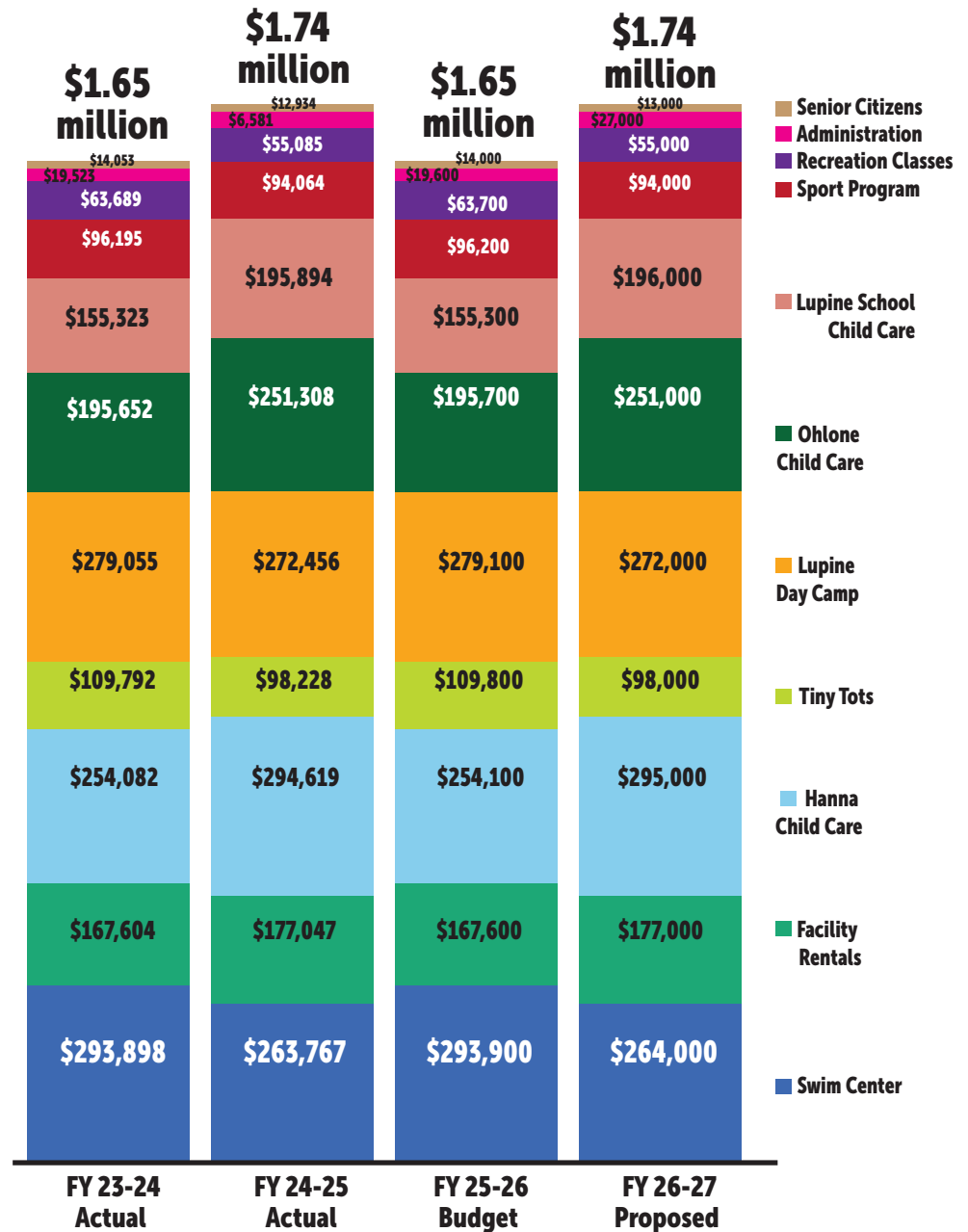


Parks & Recreation Program Revenues

(Based on Actual Receipts)

Parks & Recreation Program Revenues

Hercules Parks & Recreation aims to enhance community well-being through a variety of programs, including summer camps, sports leagues, educational classes, and cultural events. The department faced a significant revenue decline during the pandemic due to program restrictions and facility closures. Since then, it has successfully reopened programs and fully recovered. The proposed budget for FY 26-27 anticipates ongoing growth in program revenues and a wider range of offerings, indicating strong community interest in recreational activities that promote well-being and social connections.



Fees for Services

The City sets fees that reflect the actual costs of its services. These fees are listed in the Master Fees Schedule and require periodic approval from the City Council. Fees can be adjusted throughout the fiscal year if they are linked to service delivery costs. On October 10, 2023, the City conducted a user fee study to establish fair cost recovery levels for services that mainly benefit specific individuals or groups. Based on this study, the new fee structure was adopted on October 24, 2023, aligning it with the value provided to the community.



GENERAL FUND EXPENSES

The General Fund includes expenses for operations, debt, capital, and transfers out.

The operating costs are for departments that provide services to the Hercules community, including Police, Public Works, Community Development, Parks & Recreation, and the general administrative departments. Operating expenses include retirement, health insurance, and one-time expenditures, and other capital projects.

Indirect Cost

The City of Hercules General Fund includes expenses for all administrative services (e.g., finance, human resources, attorney services, etc.). A portion of these services support the enterprise funds, and other restricted funds. The City uses a fair and equitable indirect cost allocation process to allocate departmental costs from the General Fund to all funds that benefit from the services that the General Fund departments provide. The plan is completed under generally accepted accounting principles (GAAP) as recognized by the Governmental Accounting Standards Board (GASB). The primary principles used to develop the plan are: 1) the allocated cost is necessary and reasonable for the proper performance of a department, division, unit, and program; 2) the allocated cost is charged to departments, divisions, units, and programs relative to the benefits received; and 3) costs are consistently treated as direct or indirect. Those costs that cannot reasonably be directly charged are included in the Cost Plan.



Capital and Debt Expenditures

The General Fund includes Capital Improvement Projects (CIPs) related to public buildings, general improvements, street improvements, drainage improvements, and park improvements.

The detail for each CIP that includes additional funding in the upcoming budget year can be found in the Capital Improvement Program section of this document. Debt in the General Fund includes the principal payments on outstanding loans that are the obligation of the General Fund.

Transfers Out

Funds are transferred out of the General Fund for debt service, loan repayments, and capital projects. Future budgets will include a transfer Capital Reserve Fund for future capital needs, Pension Reserve Trust Fund to assist in funding future pension contributions and Operating Reserve up to the reserve limit.

Non-Recurring Expenditures

These include projects that are related to special studies. For example, full cost projects related to future developments and engineering projects, such as traffic studies, all of which are pass-through expenses that are funded by developer contributions.



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
Revenues				
Taxes				
Utility User Tax	\$4,011,166	\$4,212,443	\$4,202,000	\$4,371,000
Sales Tax	5,753,278	5,852,353	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 & Forfeitures	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	19,940,792	21,249,130	20,891,627	21,532,501
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	18,610,782	20,359,818	20,467,868	21,405,501



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
Net Annual Activity				
Ongoing Operations	1,330,010	889,312	\$ 423,759	\$ 127,000
One-Time Revenues	731,717	916,991	-	-
One-Time Expenditures	(991,639)	(1,103,771)		-
Outstanding Encumbrances	(626,897)	(565,165)		
Adjusted (Labor Agreements)			(103,000)	
Annual Surplus (Deficit)	\$443,191	\$137,367	\$ 320,759	\$127,000
Note: CalHFA Loan Balance Payment ⁽¹⁾				(\$3,750,000)
(1) The remaining balance on the CalHFA loan is now due. There are sufficient reserves available to facilitate the payment				
Transfer to Reserve (per Council Policy)				
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
Operating Reserve:				
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
<u>Expenditures by Category</u>				
<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
General Fund Projected Reserves

Reserve Description	Type of Reserves	FY 26-27 (Activities)					Projected Ending Balance	
		Projected Beginning Balance	Surplus Allocation	Interest Income (Operating Reserve)	Capital Improvement Projects (CIP)	One-Time Use		Council Designation
Section 115 Trust (Pension)	Restricted	\$2,723,451	31,750				\$2,755,201	
General Fund Set-Aside:								
Former RDA Project Negative Cash Balance	Restricted	3,400,000					3,400,000	
Programs and Projects	Unrestricted	3,373,376			(1,966,909)	(56,000)	(50,000)	1,300,467
General Fund Reserve or Designations:								
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 Community Benefit	Designated						50,000	50,000
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)	(\$2,574,000)	\$0	\$17,736,280



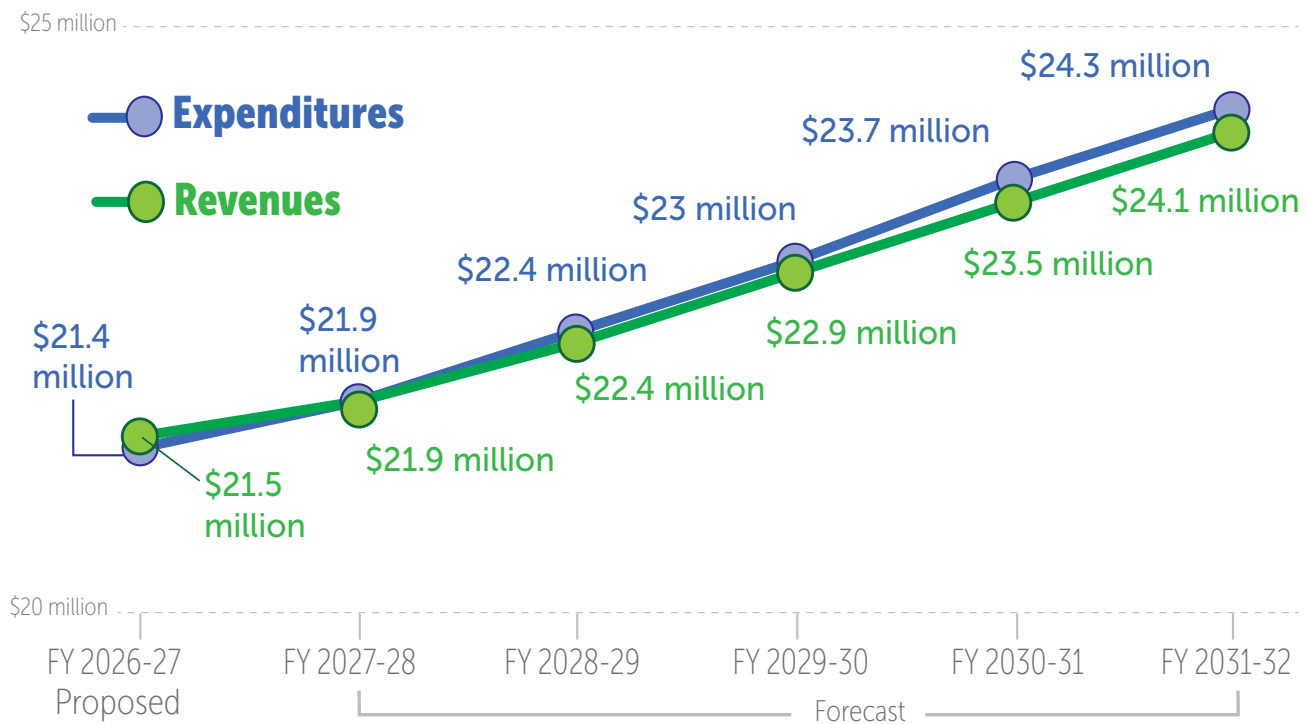
FIVE-YEAR GENERAL FUND FORECAST

The Five-Year Forecast offers both a current and long-term financial assessment of revenues, expenditures, fund balances, and operating reserves. Its primary goal is to provide the City Council and the community with an economic outlook while identifying significant issues that may need to be addressed during the annual budget development process.

It's important to note that a forecast is not a budget. Based on certain assumptions, the Five-Year Forecast serves as a tool that projects future financial conditions. If future deficits are anticipated, the forecast provides an opportunity to take corrective measures to maintain financial stability.

This analysis focuses on the City's General Fund, which is the main operating budget for tax-supported municipal services. Long-range financial forecasting helps the City make informed decisions that enable us to sustain the community's core services. Best practices recommend that the City update this plan annually.

General Fund Five-Year Forecast



The general fund forecast suggests a potential structural deficit beginning FY 2028-29. This term indicates that, according to current projections, expenditure growth is beginning to outpace revenue growth. While the budget for FY 2026-27 appears balanced, the anticipated gap underscores that various structural factors—such as rising pension costs, labor expenses, and contractual obligations—may lead to a small deficit, estimated at less than 1% of total expenditures, if appropriate measures are not taken. However, it is noteworthy that the City has successfully built a sufficient reserve to manage these projected deficits, offering a financial safeguard for the future. It is projected that the operating reserve will decrease from 25% to 23% by the end of FY 3031-32. This anticipated decline may necessitate careful consideration of financial strategies and resource allocation moving forward.



GENERAL FUND

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**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	5,852,353	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 & Forefeitures	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	21,249,130	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
	<u>18,610,782</u>	<u>20,359,818</u>	<u>20,467,868</u>	<u>21,405,501</u>	<u>21,829,900</u>	<u>22,420,000</u>	<u>23,026,000</u>	<u>23,651,000</u>	<u>24,287,000</u>
Net Operating Results									
Ongoing Operations	\$1,330,010	\$889,312	\$423,759	\$127,000	\$57,000	(\$83,000)	(\$132,000)	(\$187,000)	(\$236,000)
One-Time Revenues	731,717	916,991	-	-	-	-	-	-	-
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)	(137,367)	(320,759)	(127,000)	(57,000)	83,000	132,000	187,000	236,000
Net Operating Surplus (Deficit)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Note: CalHFA Loan Balance Payment ⁽³⁾				(\$3,750,000)	(\$1,600,000)				
Transfer to Reserve (per Council Policy)									
Operating Reserve	110,798	34,342	80,190	31,750	14,250	-	-	-	-
Section 115 Trust (Pension)	110,798	34,342	80,190	31,750	14,250	-	-	-	-
Capital Improvement Projects	221,595	68,683	160,379	63,500	28,500	-	-	-	-
	<u>443,191</u>	<u>137,367</u>	<u>320,759</u>	<u>127,000</u>	<u>57,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	<u>\$4,610,007</u>	<u>\$4,989,742</u>	<u>\$5,217,932</u>	<u>\$5,406,682</u>	<u>\$5,583,932</u>	<u>\$5,665,932</u>	<u>\$5,699,932</u>	<u>\$5,677,932</u>	<u>\$5,604,932</u>
% 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.

(3) The remaining balance on the CalHFA loan is now due. There are sufficient reserves available to facilitate the payment



SPECIAL REVENUE FUNDS





Asset Seizure Fund Summary - Fund 101

Fund Description / Budget Highlights

The purpose of this fund is to manage monetary and property assets obtained through police confiscations related to drug offenses. These funds will be held until a final court determination is made and are earmarked exclusively for activities that support law enforcement efforts.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 100,000	\$ -
Revenues				
Intergovernmental	\$ 1,133	\$ -	-	-
Interest Income	10,019	9,783	-	-
Miscellaneous Revenues	-	-	-	-
	<u>11,152</u>	<u>9,783</u>	<u>-</u>	<u>-</u>
Transfers In	-	-	-	-
	<u>11,152</u>	<u>9,783</u>	<u>-</u>	<u>-</u>
Expenditures				
Salaries and Benefits	-	-	-	-
Contractual Services	-	-	-	-
Utilities	-	-	-	-
Other Expenses	29,977	22,398	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Capital Improvement Projects (CIP)	21,066	-	100,000	-
Debt Service	-	-	-	-
	<u>51,043</u>	<u>22,398</u>	<u>100,000</u>	<u>-</u>
Transfer Out	-	-	-	-
	<u>51,043</u>	<u>22,398</u>	<u>100,000</u>	<u>-</u>
Changes in restricted reserves				
Net Annual Activity	<u>(39,891)</u>	<u>(12,615)</u>	<u>(100,000)</u>	<u>-</u>
Ending Available Fund Balance		\$ 100,000	\$ -	\$ -



AB 3229 COPS Program Fund Summary - Fund 201

Fund Description / Budget Highlights

California state legislation (AB 3229) established the Citizens' Options for Public Safety (COPS) program. This initiative provides funding to enhance frontline law enforcement services, with the funds being allocated to the General Fund.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 80,822	\$ 44,663
Revenues				
Intergovernmental	\$ 186,159	\$ 194,663	150,000	207,000
Interest Income	-	-	-	-
Miscellaneous Revenues	-	-	-	-
	186,159	194,663	150,000	207,000
Transfers In	\$ -	-	-	-
	186,159	194,663	150,000	207,000
Expenditures				
Salaries and Benefits	-	-	-	-
Contractual Services	-	-	-	-
Utilities	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
	-	-	-	-
Transfer Out	156,727	176,556	186,159	251,663
	156,727	176,556	186,159	251,663
Changes in restricted reserves				
	-	-	-	-
Net Annual Activity	29,432	18,107	(36,159)	(44,663)
Ending Available Fund Balance		\$ 80,822	\$ 44,663	\$ -



Lighting and Landscape District 83-2 Fund Summary - Fund 220

Fund Description / Budget Highlights

The purpose of this fund is to effectively manage the financial requirements for Zones #1 through #10 of the Lighting and Landscape District No. 83-2, which focuses on financing landscaping and public lighting costs. In accordance with the provisions of the 1972 Act, the District has the authority to recover the total expenses for the installation, construction, operation, maintenance, and servicing of landscaping, street lighting, and park and recreational facilities. For additional information, please refer to the Engineer's Report.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 1,269,818	\$ 1,422,553
Revenues				
Assessment	\$ 2,218,229	\$ 2,265,856	2,315,737	2,362,533
Interest Income	57,238	65,982	-	-
	2,275,467	2,331,838	2,315,737	2,362,533
Transfers In	31,037	32,485	36,031	39,234
	2,306,504	2,364,323	2,351,768	2,401,767
Expenditures				
Salary and Benefits	546,550	494,687	654,852	714,313
Contractual Services	395,012	356,010	533,200	549,385
Utilities	378,032	468,828	448,688	477,090
Maintenance & Repairs	72,437	143,855	55,775	59,000
Other Expenses	7,604	1,576	14,317	14,316
Cost Allocation	200,830	140,517	144,731	147,626
Capital Improvement Projects (CIP)	116,319	2,496	-	-
Loan Repayment (10 years)	-	-	59,829	59,829
	1,716,784	1,607,969	1,911,392	2,021,559
Transfer Out	265,060	279,653	287,641	303,624
	1,981,844	1,887,622	2,199,033	2,325,183
Changes in restricted reserves				
Net Annual Activity	\$ 324,660	476,701	152,735	76,584
Ending Available Fund Balance (Based on Engineer's Report)		\$ 1,269,818	\$ 1,422,553	\$ 1,499,137



SPECIAL REVENUE FUNDS

Landscaping and Lighting Assessment District No. 83-2

Summary by Zone

	Zone 1	Zone 2	Zone 3 & 4	Zone 5A	Zone 5B	Zone 5C	Zone 6	Zone 7	Zone 8	Zone 9	Zone 10	
	Hercules by the Bay	Foxboro	The Gems/Birds	Business Park	Commercial	Development Parcels	Village Parkway	Heights	Trees and Flowers	Birds and Country Run	City-Wide	Total
Revenues												
Assessments	108,166	82,960	124,237	100,631	49,161	33,021	102,437	128,650	205,630	101,265	1,326,375	2,362,533
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-
General Benefit Contribution	1,288	825	949	1,558	385	143	866	984	2,691	1,377	28,168	39,234
	109,454	83,785	125,186	102,189	49,546	33,164	103,303	129,634	208,321	102,642	1,354,543	2,401,767
Expenditures By Type												
Salaries & Benefits	22,102	28,199	12,156	13,367	13,980	3,421	15,561	28,298	24,786	22,886	529,557	714,313
Contractual Services	11,346	4,888	8,627	15,959	2,395	1,149	4,888	3,642	34,799	6,134	455,558	549,385
Utilities	17,985	7,393	25,299	42,245	301	400	9,877	16,170	73,694	38,924	244,802	477,090
Tree Trimming	12,000	-	-	-	-	-	12,000	-	-	-	35,000	59,000
Other Expenses	947	750	883	310	269	292	982	1,098	1,295	925	6,565	14,316
Cost Allocation	-	-	470	6,026	2,328	1,872	-	-	-	-	136,930	147,626
Capital Improvement Projects (CIP)	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment (10 years)	20,260	-	42,192	-	-	-	17,637	33,867	-	-	(54,127)	59,829
	84,640	41,230	89,627	77,907	19,273	7,134	60,945	83,075	134,574	68,869	1,354,285	2,021,559
Transfers Out	32,233	24,284	32,980	24,229	13,337	17,339	28,848	37,295	60,856	32,223	-	303,624
	116,873	65,514	122,607	102,136	32,610	24,473	89,793	120,370	195,430	101,092	1,354,285	2,325,183
Net Annual Results	(7,419)	18,271	2,579	53	16,936	8,691	13,510	9,264	12,891	1,550	258	76,584
Estimated:												
Beginning Balance, 7/1/2026	(46,590)	164,272	89,950	104,813	274,901	3,993	(70,750)	112,437	354,447	31,520	403,560	1,422,553
Ending Balance, 6/30/2027	(54,009)	182,543	92,529	104,866	291,837	12,684	(57,240)	121,701	367,338	33,070	403,818	1,499,137

(Based on Engineer's Report)



**Victoria by the bay Lighting and Landscape District
Fund Summary - Fund 221**

Fund Description / Budget Highlights

The purpose of this fund is to manage the Victoria by the Bay Lighting and Landscape District No. 2002-1, which finances landscaping and lighting in public areas. The 1972 Act allows the District to recover the total expenses for the installation, construction, operation, maintenance, and servicing of landscaping, street lighting, and park and recreational facilities. For more detailed information, please refer to the Engineer's Report.

Fund Activity

	<u>FY 23-24 Actual</u>	<u>FY 24-25 Actual</u>	<u>FY 25-26 Budget</u>	<u>FY 26-27 Proposed</u>
Beginning Available Fund Balance			\$ (703,095)	\$ (840,963)
Revenues				
Assessment	\$ 508,538	\$ 520,569	576,758	633,218
Interest Income	-	-	-	-
Miscellaneous Revenues	-	-	-	-
	<u>508,538</u>	<u>520,569</u>	<u>576,758</u>	<u>633,218</u>
Transfers In	\$ 10,248	13,052	13,454	13,823
	<u>518,786</u>	<u>533,621</u>	<u>590,212</u>	<u>647,041</u>
Expenditures				
Salary and Benefits	98,644	71,966	121,368	100,808
Contractual Services	256,268	210,473	210,225	216,635
Utilities	303,488	330,406	280,000	292,000
Maintenance & Repairs	54,916	38,225	30,000	49,999
Other Expenses	974	410	854	854
Cost Allocation	28,523	29,379	30,260	30,865
Capital Outlay	23,575	-	25,000	25,000
	<u>766,388</u>	<u>680,859</u>	<u>697,707</u>	<u>716,161</u>
Transfer Out	28,016	29,529	30,373	32,060
	<u>794,404</u>	<u>710,388</u>	<u>728,080</u>	<u>748,221</u>
Changes in restricted reserves				
Net Annual Activity	\$ (275,618)	(176,767)	(137,868)	(101,180)
Ending Fund Balance (Based on Engineer's Report)		(703,095)	\$ (840,963)	\$ (942,143)



Hercules Village Lighting and Landscape District Fund Summary - Fund 222

Fund Description / Budget Highlights

The purpose of this fund is to manage the Hercules Village Lighting and Landscape District No. 2002-2, which finances landscaping and lighting in public areas. The 1972 Act allows the District to recover the total costs of installation, construction, operation, maintenance, and servicing of landscaping, street lighting, and park and recreational facilities. For more detailed information, please refer to the Engineer's Report.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Projection	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 62,402	\$ 5,539
Revenues				
Assessment	\$ 174,570	\$ 178,701	183,505	188,050
Interest Income	7,835	6,361	-	-
Miscellaneous Revenues	-	-	-	-
	182,405	185,062	183,505	188,050
Transfers In	\$ 4,062	4,347	4,736	5,281
	186,467	189,409	188,241	193,331
Expenditures				
Salary and Benefits	43,918	27,018	41,362	46,834
Contractual Services	48,609	58,533	68,625	84,540
Utilities	80,080	88,925	89,397	94,977
Maintenance & Repairs	22,543	11,820	24,000	24,000
Other Expenses	-	-	421	421
Cost Allocation	12,271	12,639	13,018	13,278
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
	207,421	198,935	236,823	264,050
Transfer Out	7,725	8,051	8,281	8,741
	215,146	206,986	245,104	272,791
Changes in restricted reserves				
Net Annual Activity	\$ (28,679)	(17,577)	(56,863)	(79,460)
Ending Fund Balance		\$ 62,402	\$ 5,539	\$ (73,921)
(Based on Engineer's Report)				



Baywood Lighting and Landscape District Fund Summary - Fund 223

Fund Description / Budget Highlights

The purpose of this fund is to manage Baywood Lighting and Landscape District No. 2004-1, which finances the costs associated with landscaping and lighting in public areas. According to the 1972 Act, the District can recover the total costs of installation, construction, operation, maintenance, and servicing of landscaping, street lighting, and park and recreational facilities. For more detailed information, please refer to the Engineer's Report.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 96,547	\$ 96,601
Revenues				
Assessment	\$ 166,246	\$ 177,884	182,668	187,192
Interest Income	3,171	3,850	-	-
Miscellaneous Revenues	-	-	-	-
	169,417	181,734	182,668	187,192
Transfers In	2,665	3,259	3,367	3,426
	172,082	184,993	186,035	190,618
Expenditures				
Salary and Benefits	49,842	40,536	52,929	53,331
Contractual Services	39,479	3,281	49,195	50,347
Utilities	28,955	40,400	39,400	40,538
Maintenance & Repairs	10,985	42,816	14,000	14,001
Other Expenses	-	-	311	311
Cost Allocation	11,805	12,159	12,524	12,774
Capital Outlay	-	-	14,700	14,700
Debt Service	-	-	-	-
	141,066	139,192	183,059	186,002
Transfer Out	2,781	2,841	2,922	3,084
	143,847	142,033	185,981	189,086
Changes in restricted reserves				
Net Annual Activity	\$ 28,235	42,960	54	1,532
Ending Fund Balance (Based on Engineer's Report)		\$ 96,547	\$ 96,601	\$ 98,133



Bayside Lighting and Landscape District Fund Summary - Fund 224

Fund Description / Budget Highlights

The purpose of this fund is to manage the Bayside Lighting and Landscaping District No. 2005-1, which finances landscaping and lighting costs in public areas. Under the 1972 Act, the District can recover the total costs of installing, constructing, operating, maintaining, and servicing landscaping, street lighting, and park and recreational facilities. For more detailed information, please refer to the Engineer’s Report.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 167,117	\$ 168,139
Revenues				
Assessment	\$ 159,093	\$ 162,856	167,239	171,381
Interest Income	7,432	6,592	-	-
Miscellaneous Revenues	-	-	-	-
	166,525	169,448	167,239	171,381
Transfers In	2,330	2,822	2,970	3,048
	168,855	172,270	170,209	174,429
Expenditures				
Salary and Benefits	40,332	31,677	36,351	37,532
Contractual Services	3,307	3,281	3,285	3,445
Utilities	68,533	71,680	38,790	39,966
Maintenance & Repairs	41,004	39,913	60,500	61,710
Other Expenses	-	-	618	618
Cost Allocation	8,419	8,672	8,932	9,111
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
	161,595	155,223	148,476	152,382
Transfer Out	19,055	20,136	20,711	21,861
	180,650	175,359	169,187	174,243
Changes in restricted reserves				
Net Annual Activity	\$ (11,795)	(3,089)	1,022	186
Ending Fund Balance (Based on Engineer's Report)		\$ 167,117	\$ 168,139	\$ 168,325



Arterial Roadways Fund Summary - Fund 225

Fund Description / Budget Highlights

This fund has been established to effectively manage the Arterial Roadways Lighting and Landscape District. Its primary purpose is to finance the costs associated with landscaping and lighting in public areas, ensuring a well-maintained and visually appealing environment for the community.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 320,815	\$ 293,953
Revenues				
Assessment	\$ -	\$ -	-	-
Interest Income	28,325	20,547	-	-
Miscellaneous Revenues	-	-	-	-
	<u>28,325</u>	<u>20,547</u>	<u>-</u>	<u>-</u>
Transfers In	322,637	340,210	349,928	369,370
	<u>350,962</u>	<u>360,757</u>	<u>349,928</u>	<u>369,370</u>
Expenditures				
Salary and Benefits	25,151	42,106	26,772	47,654
Contractual Services	32,824	-	-	-
Utilities	192,320	242,560	275,200	283,456
Maintenance & Repairs	50,109	52,911	61,800	63,654
Other Expenses	-	-	-	-
Cost Allocation	8,327	12,639	13,018	13,278
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
	<u>308,731</u>	<u>350,216</u>	<u>376,790</u>	<u>408,042</u>
Transfer Out	-	-	-	-
	<u>308,731</u>	<u>350,216</u>	<u>376,790</u>	<u>408,042</u>
Changes in restricted reserves				
Net Annual Activity	<u>\$ 42,231</u>	<u>10,541</u>	<u>(26,862)</u>	<u>(38,672)</u>
Ending Fund Balance		\$ 320,815	\$ 293,953	\$ 255,281



Stormwater Assessment Fund Summary - Fund 231

Fund Description / Budget Highlights

A stormwater assessment fee is a charge applied to property owners to ensure the effective maintenance of drainage systems, pipes, pumps, and water quality programs. This fee supports essential infrastructure and environmental protection efforts within our community.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 90,331	\$ 72,725
Revenues				
Assessment	\$ 221,305	\$ 241,252	250,000	239,000
Interest Income	-	-	-	-
Miscellaneous Revenues	-	-	-	-
	<u>221,305</u>	<u>241,252</u>	<u>250,000</u>	<u>239,000</u>
Transfers In	125,000	125,000	125,000	125,000
	<u>346,305</u>	<u>366,252</u>	<u>375,000</u>	<u>364,000</u>
Expenditures				
Salary and Benefits	217,583	208,241	214,406	235,417
Contractual Services	100,896	162,702	145,400	171,520
Utilities	2,226	2,187	2,200	2,200
Maintenance & Repairs	21,738	61,785	27,300	19,700
Other Expenses	2,728	2,445	3,300	3,400
Cost Allocation	52,869	57,959	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
	<u>398,040</u>	<u>495,319</u>	<u>392,606</u>	<u>432,237</u>
Transfer Out	-	-	-	-
	<u>398,040</u>	<u>495,319</u>	<u>392,606</u>	<u>432,237</u>
Changes in restricted reserves				
Net Annual Activity	\$ (51,735)	(129,067)	(17,606)	(68,237)
Ending Available Fund Balance		\$ 90,331	\$ 72,725	\$ 4,488



Development Impact Fee - Public Facilities

Fund Summary - Fund 241

Fund Description / Budget Highlights

A Development Impact Fee (DIF) represents a charge imposed by local governmental entities on newly proposed development projects. This fee funds the essential public infrastructure required to adequately support the new development, including, but not limited to, educational institutions, recreational areas, and transportation networks. Authorized under the Mitigation Fee Act, these fees are explicitly prohibited from being allocated to rectify existing deficiencies within infrastructure. Moreover, a demonstrable "nexus" (or relationship) must be established between the development project and the costs associated with the facilities being financed.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 202,753	\$ 202,753
Revenues				
Fees	\$ 5,670	\$ 33,462	-	-
Interest Income	7,828	9,639	-	-
Miscellaneous Revenues	-	-	-	-
	13,498	43,101	-	-
Transfers In	-	-	-	-
	13,498	43,101	-	-
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	-	-	-	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
	-	-	-	-
Transfer Out	-	-	-	-
	-	-	-	-
Changes in restricted reserves				
	-	-	-	-
Net Annual Activity	\$ 13,498	43,101	-	-
Ending Available Fund Balance		\$ 202,753	\$ 202,753	\$ 202,753



Community Development Tax Fund Summary - Fund 242

Fund Description / Budget Highlights

Accounts for the activities and services of the Community Development Department. Revenues are derived from fees, licenses, and fines collected in conjunction with the planning, permitting and enforcement activities of the department in accordance with state law, requiring fees not to exceed the cost of providing services.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 79,564	79,564
Revenues				
Fees	\$ -	\$ 58,500	-	-
Interest Income	8,899	11,296	-	-
Miscellaneous Revenues	-	-	-	-
	8,899	69,796	-	-
Transfers In	-	-	-	-
	8,899	69,796	-	-
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	-	-	-	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Capital Improvement Projects (CIP)	-	-	-	-
Debt Service	-	-	-	-
	-	-	-	-
Transfer Out	-	-	-	-
	-	-	-	-
Changes in restricted reserves				
	-	-	-	-
Net Annual Activity	\$ 8,899	69,796	-	-
Ending Available Fund Balance		\$ 79,564	\$ 79,564	\$ 79,564



Development Fee Fund Fund Summary - Fund 243

Fund Description / Budget Highlights

This fund accounts for revenues from citywide development impact fees required from certain new developments. Funds are used to mitigate the impacts on availability and condition of public facilities caused by these developments.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 80,496	\$ 80,496
Revenues				
Fees	\$ -	\$ -	-	-
Interest Income	3,780	4,252	-	-
Miscellaneous Revenues	-	-	-	-
	3,780	4,252	-	-
Transfers In	-	-	-	-
	3,780	4,252	-	-
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	-	-	-	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
	-	-	-	-
Transfer Out	-	-	-	-
	-	-	-	-
Changes in restricted reserves				
	-	-	-	-
Net Annual Activity	\$ 3,780	4,252	-	-
Ending Available Fund Balance		\$ 80,496	\$ 80,496	\$ 80,496



Development Impact Fee - Police Facilities

Fund Summary - Fund 244

Fund Description / Budget Highlights

To account for the collection of and expenditure of fees imposed as a condition of new development within the City, in compliance with California Government Code Section 66006 (AB 1600). Police Facilities needs through 2035 to be funded by this fee include: a waterfront police substation; an expansion of the existing station; an auditorium/emergency operations center; equipment and additional patrol vehicles for ten new police officers; needed to serve new development.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 156,088	\$ 156,088
Revenues				
Fees	\$ 2,530	\$ 59,358	-	-
Interest Income	13,848	16,910	-	-
Miscellaneous Revenues	-	-	-	-
	16,378	76,268	-	-
Transfers In	-	-	-	-
	16,378	76,268	-	-
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	-	-	-	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Capital Improvement Projects (CIP)	830	-	-	-
Debt Service	-	-	-	-
	830	-	-	-
Transfer Out	-	-	-	-
	830	-	-	-
Changes in restricted reserves				
Net Annual Activity	\$ 15,548	76,268	-	-
Ending Available Fund Balance		\$ 156,088	\$ 156,088	\$ 156,088



Development Impact Fee - Parks & Recreation Fund Summary - Fund 247

Fund Description / Budget Highlights

To account for the collection of and expenditure of fees imposed as a condition of new development within the City, in compliance with California Government Code Section 66006 (AB 1600). Assessed only on new residential development, the Parks & Recreation impacts fees are based on the costs to the City of providing new facilities defined in the 2001 Nexus study, including a 4,000-sq.-ft. teen center, a 4,240-sq.-ft. child care center, and a 10,000-sq.-ft. community cultural arts center, as well as acquiring 46.72 acres of land and improving 59.52 acres for neighborhood and community parks.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 236,710	\$ 86,710
Revenues				
Fees	\$ -	\$ 69,030	-	-
Interest Income	8,415	10,296	-	-
Miscellaneous Revenues	-	-	-	-
	8,415	79,326	-	-
Transfers In	-	-	-	-
	8,415	79,326	-	-
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	-	-	-	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Capital Improvement Projects (CIP)	39,766	-	150,000	-
Debt Service	-	-	-	-
	39,766	-	150,000	-
Transfer Out	-	-	-	-
	39,766	-	150,000	-
Changes in restricted reserves				
Net Annual Activity	\$ (31,351)	79,326	(150,000)	-
Ending Available Fund Balance		\$ 236,710	\$ 86,710	\$ 86,710



Public Benefit Fee Fund Summary - Fund 249

Fund Description / Budget Highlights

The purpose of this fund is to account for fees charged by City to Owner in the amount specified under the line item, "New Public Benefit Fee" on the Schedule of Exactions.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 1,091,960	\$ 1,091,960
Revenues				
Fees	\$ -	\$ -	-	-
Interest Income	51,274	57,675	-	-
Miscellaneous Revenues	-	-	-	-
	51,274	57,675	-	-
Transfers In	-	-	-	-
	51,274	57,675	-	-
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	-	-	-	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Capital Improvement Projects (CIP)	-	-	-	-
Debt Service	-	-	-	-
	-	-	-	-
Transfer Out	-	-	-	-
	-	-	-	-
Changes in restricted reserves				
	-	-	-	-
Net Annual Activity	\$ 51,274	57,675	-	-
Ending Available Fund Balance		\$ 1,091,960	\$ 1,091,960	\$ 1,091,960



Development Impact Fee - Transportation Facilities

Fund Summary - Fund 261

Fund Description / Budget Highlights

To account for the collection of and expenditure of fees imposed as a condition of new development within the City, in compliance with California Government Code Section 66006 (AB 1600). The purpose of the transportation impact fee program is to fund improvements to the City’s major roadway, bicycle, and pedestrian facilities needed to accommodate travel demand generated by new land development within the City over the next 22 years (through 2040).

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 748,541	\$ 748,541
Revenues				
Fees	\$ 330,718	\$ 241,956	-	-
Interest Income	18,770	31,802	-	-
Miscellaneous Revenues	-	-	-	-
	349,488	273,758	-	-
Transfers In	-	-	-	-
	349,488	273,758	-	-
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	-	-	-	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
	-	-	-	-
Transfer Out	-	-	-	-
	-	-	-	-
Changes in restricted reserves				
	-	-	-	-
Net Annual Activity	\$ 349,488	273,758	-	-
Ending Available Fund Balance		\$ 748,541	\$ 748,541	\$ 748,541



State Gas Tax Fund Summary - Fund 262

Fund Description / Budget Highlights

This fund accounts for revenues received from the State of California under Street and Highways Code Sections 2015, 2106, 2107, and 2107.5 and 7360. Expenditures support the street maintenance and construction projects in conformance with the Streets and Highways Code requirements.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 523,705	\$ 507,394
Revenues				
Gas Tax	\$ 721,198	\$ 733,801	738,148	769,563
Interest Income	24,710	32,155	-	-
Miscellaneous Revenues	-	-	-	-
	<u>745,908</u>	<u>765,956</u>	<u>738,148</u>	<u>769,563</u>
Transfers In	-	-	-	-
	<u>745,908</u>	<u>765,956</u>	<u>738,148</u>	<u>769,563</u>
Expenditures				
Salary and Benefits	264,427	267,744	282,940	312,032
Contractual Services	77,103	106,126	113,300	115,600
Utilities	15,064	16,475	13,100	13,400
Maintenance & Repairs	63,599	118,755	83,900	94,000
Other Expenses	9,857	22,962	20,800	21,300
Cost Allocation	102,413	126,078	129,861	132,459
Capital Outlay	21,682	31,653	50,000	51,000
Capital Improvement Projects (CIP)	49,320	-	-	455,000
Debt Service	-	-	-	-
	<u>603,465</u>	<u>689,793</u>	<u>693,901</u>	<u>1,194,791</u>
Transfer Out	50,342	55,965	60,558	64,812
	<u>653,807</u>	<u>745,758</u>	<u>754,459</u>	<u>1,259,603</u>
Changes in restricted reserves				
Net Annual Activity	<u>\$ 92,101</u>	<u>20,198</u>	<u>(16,311)</u>	<u>(490,040)</u>
Ending Available Fund Balance		<u>\$ 523,705</u>	<u>\$ 507,394</u>	<u>\$ 17,354</u>



Measure "C" Street Fund Fund Summary - Fund 263

Fund Description / Budget Highlights

This fund accounts for revenue allocated by the Contra Costa County Transportation Authority to the City from the State collected sales tax to be expended for growth management planning and local street maintenance and improvement.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 719,878	\$ 600,313
Revenues				
Gas Tax	\$ 1,043,772	\$ 554,631	493,303	495,000
Interest Income	29,866	31,171	-	-
Miscellaneous Revenues	-	-	-	-
	1,073,638	585,802	493,303	495,000
Transfers In	-	-	-	-
	1,073,638	585,802	493,303	495,000
Expenditures				
Salary and Benefits	278,193	277,326	275,050	313,793
Contractual Services	9,982	146,870	68,300	69,700
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	49,092	67,493	69,518	70,909
Capital Outlay	107,364	83,671	-	204,000
Capital Improvement Projects (CIP)	-	-	200,000	225,000
Debt Service	-	-	-	-
	444,631	575,360	612,868	883,402
Transfer Out	-	-	-	-
	444,631	575,360	612,868	883,402
Changes in restricted reserves				
Net Annual Activity	\$ 629,007	10,442	(119,565)	(388,402)
Ending Available Fund Balance		\$ 719,878	\$ 600,313	\$ 211,911



BART Park & Ride Fund Summary - Fund 266

Fund Description / Budget Highlights

The Hercules Transit Center (HTC), a park and ride facility in the City of Hercules has been maintained and operated under a joint agreement between the City of Hercules, BART and Western Contra Costa Transit Authority (WestCat). This fund is to account for the maintenance of the facility and fully reimburse by BART.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ -	\$ -
Revenues				
Fees	\$ -	\$ -	-	-
Interest Income	-	-	-	-
Miscellaneous Revenues	32,318	33,500	92,000	92,000
	<u>32,318</u>	<u>33,500</u>	<u>92,000</u>	<u>92,000</u>
Transfers In	-	-	-	-
	<u>32,318</u>	<u>33,500</u>	<u>92,000</u>	<u>92,000</u>
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	245,897	13,273	25,000	25,000
Utilities	2,459	1,786	21,000	21,000
Maintenance & Repairs	3,532	4,140	46,000	46,000
Other Expenses	6,525.00	7,290	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Capital Improvement Project (CIP)	100,000	-	-	-
Debt Service	-	-	-	-
	<u>358,413</u>	<u>26,489</u>	<u>92,000</u>	<u>92,000</u>
Transfer Out	-	-	-	-
	<u>358,413</u>	<u>26,489</u>	<u>92,000</u>	<u>92,000</u>
Changes in restricted reserves				
Net Annual Activity	<u>\$ (326,095)</u>	<u>7,011</u>	<u>-</u>	<u>-</u>
Fund Balance				
Ending Available Fund Balance		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



General Plan Update Fee and Building Training Fee Fund Summary - Fund 267

Fund Description / Budget Highlights

The fund is to account for the General Plan Update Fee and Building Training Fee. The General Update Fee (1% of construction valuation of any permit issued) is a fee to pay for the costs of preparing and adopting an updated general plan and the associated environmental documents, and maintaining and preparing legally required reports on the general plan. The Building Training Fee was discontinued and the fee was collected to comply with AB 1608.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 1,542,868	\$ -
Revenues				
Fees	\$ 254,542	\$ 269,265	-	-
Interest Income	42,315	68,184	-	-
Miscellaneous Revenues	-	-	-	-
	296,857	337,449	-	-
Transfers In	-	-	-	-
	296,857	337,449	-	-
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	-	-	1,300,000	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
	-	-	1,300,000	-
Transfer Out	-	-	-	-
	-	-	1,300,000	-
Changes in restricted reserves			(242,868)	
	-	-	(242,868)	
Net Annual Activity	\$ 296,857	337,449	(1,542,868)	-
Fund Balance				
Ending Available Fund Balance		\$ 1,542,868	\$ -	\$ -



Road Maintenance Rehabilitation Account (SB1 - RMRA) Fund Summary - Fund 268

Fund Description / Budget Highlights

Senate Bill (SB) 1, Chapter 5, Statutes of 2017, created the Road Maintenance and Rehabilitation Program (RMRP) to address deferred maintenance on the State Highway System and the local street and road system, and the Road Maintenance and Rehabilitation Account (RMRA) for the deposit of various funds for the program. A percentage of this new RMRA funding will be apportioned by formula to eligible cities and counties pursuant to Streets and Highways Code section 2032(h) for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system.

Fund Activity

	<u>FY 23-24 Actual</u>	<u>FY 24-25 Actual</u>	<u>FY 25-26 Budget</u>	<u>FY 26-27 Proposed</u>
Beginning Available Fund Balance			\$ 981,630	\$ 1,165,439
Revenues				
RMRA	\$ 664,869	\$ 709,040	683,809	735,835
Interest Income	40,692	61,368	-	-
Miscellaneous Revenues	-	-	-	-
	<u>705,561</u>	<u>770,408</u>	<u>683,809</u>	<u>735,835</u>
Transfers In	-	-	-	-
	<u>705,561</u>	<u>770,408</u>	<u>683,809</u>	<u>735,835</u>
Expenditures				
Salary and Benefits	-	-	-	-
Pass through to other agency	87,930	-	-	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Street Maintenance Program	-	-	-	-
Capital Improvement Projects (CIP)	161,766	65,091	500,000	510,000
Debt Service	-	-	-	-
	<u>249,696</u>	<u>65,091</u>	<u>500,000</u>	<u>510,000</u>
Transfer Out	-	-	-	-
	<u>249,696</u>	<u>65,091</u>	<u>500,000</u>	<u>510,000</u>
Changes in restricted reserves				-
Net Annual Activity	<u>\$ 455,865</u>	<u>705,317</u>	<u>183,809</u>	<u>225,835</u>
Ending Available Fund Balance		<u>\$ 981,630</u>	<u>\$ 1,165,439</u>	<u>\$ 1,391,274</u>



Solid Waste and Recycling Fund Summary - Fund 291

Fund Description / Budget Highlights

The funding is from the rate differential between the fees collected by Richmond Sanitary Services (RSS) per their franchise agreement with Hercules and the fees for the post-collection agreement. The differential occurred when lower post-collection fees were adopted in 2013 due to the payoff of the bonds. On September 22, 2015, Hercules City Council restrict the use of funds to the purchase and distribution of reusable bags, street sweeping, and street repairs.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 630,079	\$ 248,227
Revenues				
Fees	\$ -	\$ -	-	-
Interest Income	44,590	50,950	-	-
Miscellaneous Revenues	176,206	212,647	-	-
	<u>220,796</u>	<u>263,597</u>	-	-
Transfers In	-	-	-	-
	<u>220,796</u>	<u>263,597</u>	-	-
Expenditures				
Salary and Benefits	12,986	13,676	13,852	14,371
Contractual Services	-	56,538	-	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	243,000	-
Cost Allocation	-	-	-	-
Capital Improvement Projects (CIP)	-	-	-	-
Debt Service	-	-	-	-
	<u>12,986</u>	<u>70,214</u>	<u>256,852</u>	<u>14,371</u>
Transfer Out	125,000	125,000	125,000	125,000
	<u>137,986</u>	<u>195,214</u>	<u>381,852</u>	<u>139,371</u>
Changes in restricted reserves				
Net Annual Activity	\$ 82,810	68,383	(381,852)	(139,371)
Ending Available Fund Balance		\$ 630,079	\$ 248,227	\$ 108,856



Water Quality Retention Basin Fund Summary - Fund 387

Fund Description / Budget Highlights

This fund accounts for revenues from Property Tax Special Assessment for the formation of City of Hercules Community Facilities District No. 2017-01 on April 11, 2017. Development of the Bayfront and Muir Pointe created the need for construction of water quality detention basin for runoff generated by the improvements constructed to support the developments. The CFD was formed to create a funding mechanism for the maintenance costs associated with the water quality detention basin.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 358,525	\$ 372,525
Revenues				
Property Tax	\$ 58,161	\$ 60,293	\$ 57,000	61,000
Interest Income	13,747	17,149	6,000	18,000
Miscellaneous Revenues	-	-	-	-
	<u>71,908</u>	<u>77,442</u>	<u>63,000</u>	<u>79,000</u>
Transfers In	-	-	-	-
	<u>71,908</u>	<u>77,442</u>	<u>63,000</u>	<u>79,000</u>
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	10,242	10,717	49,000	11,100
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
	<u>10,242</u>	<u>10,717</u>	<u>49,000</u>	<u>11,100</u>
Transfer Out	-	-	-	-
	<u>10,242</u>	<u>10,717</u>	<u>49,000</u>	<u>11,100</u>
Changes in restricted reserves				
Net Annual Activity	\$ 61,666	\$ 66,725	14,000	67,900
Ending Available Fund Balance		\$ 358,525	\$ 372,525	\$ 440,425



Regional Water Quality Fund Summary - Fund 521

Fund Description / Budget Highlights

This fund accounts for the Regional Water Quality. Created by the State Legislature in 1967, the Board protects water quality by setting statewide policy, coordinating and supporting the Regional Water Board efforts, and reviewing petitions that contest Regional Board actions. There are nine regional water quality control boards that exercise rulemaking and regulatory activities by basins.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 57,884	\$ 57,884
Revenues				
Fees	-	-	-	-
Interest Income	2,718	3,057	-	-
Miscellaneous Revenues	-	-	-	-
	2,718	3,057	-	-
Transfers In	-	-	-	-
	2,718	3,057	-	-
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	-	-	-	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
	-	-	-	-
Transfer Out	-	-	-	-
	-	-	-	-
Changes in restricted reserves				
	-	-	-	-
Net Annual Activity	\$ 2,718	3,057	-	-
Fund Balance				
Ending Available Fund Balance		\$ 57,884	\$ 57,884	\$ 57,884



Successor Housing Agency

Fund Summary - Fund 640

Fund Description / Budget Highlights

On February 27, 2024, the City elected to become the Successor Housing Authority and retain the housing assets and functions previously performed by the Hercules Redevelopment Agency in accordance with HSC Section 34176.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 5,879,840	\$ 5,759,245
Revenues				
Tax Increment (RPTTF)	-	-	-	-
Interest Income	478,616	505,725	-	-
Miscellaneous Revenues	253,594	188,000	-	-
	732,210	693,725	-	-
Transfers In	-	-	-	-
	732,210	693,725	-	-
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	-	-	-	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	(14,741)	66,115	120,595	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
	(14,741)	66,115	120,595	-
Transfer Out	-	-	-	-
	(14,741)	66,115	120,595	-
Changes in restricted reserves				
Net Annual Activity	\$ 746,951	627,610	(120,595)	-
Ending Available Fund Balance		\$ 5,879,840	\$ 5,759,245	\$ 5,759,245



SEWER ENTERPRISE FUND





Sewer - Operations Fund Summary - Fund 420

Fund Description / Budget Highlights

The Sewer Enterprise Fund is exclusively allocated to the operations, maintenance, and capital improvements of the sewer system. Revenues derived from sewer fees are designated specifically for sewer-related activities and are strictly prohibited from being redirected toward non-sewer-related expenditures.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Projection	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 13,919,941	\$ 11,040,723
Revenues				
Charges for Services	\$ 5,891,836	\$ 6,330,490	6,235,000	6,235,000
Interest Income	577,482	819,177	270,000	154,000
Rate Stabilization Fund	340,039	130,689	695,934	1,114,360
Miscellaneous Revenues	-	-	-	-
	<u>6,809,357</u>	<u>7,280,356</u>	<u>7,200,934</u>	<u>7,503,360</u>
Transfers In	-	-	-	-
	<u>6,809,357</u>	<u>7,280,356</u>	<u>7,200,934</u>	<u>7,503,360</u>
Expenditures				
Salary and Benefits	756,775	705,152	797,035	965,055
Contractual Services	1,062,574	1,078,622	475,100	484,600
Utilities	78,634	82,761	93,400	95,200
Maintenance & Repairs	24,489	18,945	53,200	54,300
Sewer Plant Operating Expenses	2,128,446	2,490,580	2,862,426	2,974,801
Other Expenses	11,262	5,986	6,800	6,900
Cost Allocation	271,061	420,784	433,408	442,076
Capital Outlay	-	-	-	-
Capital Improvement Projects (CIP)	-	-	-	-
Capital Outlay - Pinole (Hercules' Share)	79,226	-	2,755,799	2,755,799
Debt Service	2,063,430	2,064,605	2,066,304	2,067,023
	<u>6,475,897</u>	<u>6,867,435</u>	<u>9,543,472</u>	<u>9,845,754</u>
Transfer Out	147,173	1,100,000	536,680	444,700
	<u>6,623,070</u>	<u>7,967,435</u>	<u>10,080,152</u>	<u>10,290,454</u>
Changes in restricted reserves				(5,472,360)
Net Annual Activity	<u>186,287</u>	<u>(687,079)</u>	<u>(2,879,218)</u>	<u>(8,259,454)</u>
Ending Available Fund Balance		\$ 13,919,941	\$ 11,040,723	\$ 2,781,269
Debt Service Coverage Ratio	1.20	1.20	1.20	1.20
Operating & Maintenance Reserve (180 days)				1,256,000
Capital Reserve (Equal to annual system depreciation)				1,002,000
Debt Service Reserve (Equivalent to 1-year of debt service)				2,100,000



Sewer - Capital Projects Fund Summary - Fund 421

Fund Description / Budget Highlights

A sewer capital project fund is a designated governmental or enterprise fund to manage financial resources for constructing, upgrading, or replacing major sewer and wastewater infrastructure.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Projection	FY 26-27 Proposed
Beginning Available Fund Balance			\$ -	\$ -
Revenues				
Charges for Services	\$ -	\$ -	-	-
Interest Income	-	-	-	-
Bond Proceeds	-	-	-	-
Miscellaneous Revenues	-	-	-	-
Transfers In	147,173	1,100,000	536,680	444,700
	147,173	1,100,000	536,680	444,700
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	-	-	-	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Sewer Plant Operating Expenses	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Capital Improvement Projects (CIP)	10,584,462	1,439,324	536,680	444,700
Debt Service	-	-	-	-
	10,584,462	1,439,324	536,680	444,700
Transfer Out	-	-	-	-
	10,584,462	1,439,324	536,680	444,700
Changes in restricted reserves				
Net Annual Activity	\$ (10,437,289)	(339,324)	-	-
Ending Fund Balance		\$ -	\$ -	\$ -



INTERNAL SERVICE FUNDS





Vehicle Replacement Fund Summary - Fund 450

Fund Description / Budget Highlights

An Internal Service Fund (ISF) for vehicle replacement serves as a specialized accounting framework to systematically gather funds through charges imposed on user departments. This mechanism is designed to facilitate the acquisition of new fleet assets when existing vehicles need to be replaced. By operating as an internal business unit, the ISF effectively reduces the risk of substantial, unpredictable budgetary fluctuations associated with the purchase of high-cost equipment, thereby enhancing financial planning and ensuring stable fiscal management.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 279,650	\$ 442,650
Revenues				
Charges for Services	\$ 153,000	\$ 158,000	163,000	166,000
Interest Income	8,914	-	-	-
Miscellaneous Revenues	-	-	-	-
	161,914	158,000	163,000	166,000
Transfers In	-	-	-	-
	161,914	158,000	163,000	166,000
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	-	-	-	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	162,900	192,987	-	132,645
Debt Service	-	-	-	-
	162,900	192,987	-	132,645
Transfer Out	-	-	-	-
	162,900	192,987	-	132,645
Changes in restricted reserves				
Net Annual Activity	\$ (986)	(34,987)	163,000	33,355
Ending Available Fund Balance		279,650	\$ 442,650	\$ 476,005



Information Technology (IT) Operations Fund Summary - Fund 460

Fund Description / Budget Highlights

An Information Technology (IT) Internal Service Fund serves as a proprietary accounting entity to streamline, oversee, and bill back IT services to various departments on a cost-reimbursement basis. It functions like a business, providing essential services such as application development, security, and hardware procurement.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 780,553	\$ 441,408
Revenues				
Charges for Services	\$ 1,013,843	\$ 1,070,728	\$ 1,102,852	1,124,911
Interest Income	-	-	-	-
Miscellaneous Revenues	6,065	165,137	-	-
	<u>1,019,908</u>	<u>1,235,865</u>	<u>1,102,852</u>	<u>1,124,911</u>
Transfers In	-	-	-	-
	<u>1,019,908</u>	<u>1,235,865</u>	<u>1,102,852</u>	<u>1,124,911</u>
Expenditures				
Salary and Benefits	416,762	478,257	472,499	495,692
Contractual Services	2,708	1,068	100,524	120,925
Utilities	53,678	28,352	54,800	32,750
Maintenance and Subscriptions	406,899	473,321	447,800	543,020
Other Expenses	2,650	6,393	13,946	5,446
Cost Allocation	98,189	58,668	60,428	61,637
Capital Outlay	56,002	5,473	-	-
	<u>1,036,888</u>	<u>1,051,532</u>	<u>1,149,997</u>	<u>1,259,470</u>
Transfer Out	365,516	-	292,000	30,000
	<u>1,402,404</u>	<u>1,051,532</u>	<u>1,441,997</u>	<u>1,289,470</u>
Changes in restricted reserves				
Net Annual Activity	<u><u>\$ (382,496)</u></u>	184,333	(339,145)	(164,559)
Ending Available Fund Balance		<u><u>\$ 780,553</u></u>	<u><u>\$ 441,408</u></u>	<u><u>\$ 276,849</u></u>



Facility Maintenance Fund Summary - Fund 470

Fund Description / Budget Highlights

A Facility Maintenance Internal Service Fund (ISF) serves as a dedicated financial mechanism to consolidate the costs associated with the maintenance, repair, and remodeling of city or county facilities. This fund operates on a cost-reimbursement model, in which other departments are charged usage-based fees to cover maintenance, utilities, and facility enhancements.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 573,344	\$ 419,285
Revenues				
Charges for Services	\$ 938,955	\$ 1,046,683	1,047,125	1,000,985
Interest Income	-	-	-	-
Miscellaneous Revenues	-	-	-	-
	938,955	1,046,683	1,047,125	1,000,985
Transfers In	-	-	-	-
	938,955	1,046,683	1,047,125	1,000,985
Expenditures				
Salary and Benefits	247,854	307,085	362,965	323,777
Contractual Services	165,432	217,596	199,300	203,300
Utilities	461,122	397,190	289,700	295,500
Maintenance & Repairs	140,513	176,196	184,800	188,600
Other Expenses	25,063	32,200	29,000	34,200
Cost Allocation	144,264	131,474	135,419	138,128
	1,184,248	1,261,741	1,201,184	1,183,505
Transfer Out	261,696	-	-	-
	1,445,944	1,261,741	1,201,184	1,183,505
Changes in restricted reserves				
Net Annual Activity	\$ (506,989)	(215,058)	(154,059)	(182,520)
Ending Available Fund Balance		\$ 573,344	\$ 419,285	236,765



Information Technology (IT) Equipment Replacement Fund Summary - Fund 480

Fund Description / Budget Highlights

An Information Technology (IT) internal service fund for equipment replacement centralizes funding for the management, maintenance, and replacement of essential technology infrastructure. By accumulating resources through internal billing, this approach stabilizes IT expenses and mitigates the risk of substantial, unforeseen financial impacts associated with technology lifecycle replacements.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 8,000	\$ 300,000
Revenues				
Charges for Services	\$ -	\$ -	-	-
Interest Income	-	-	-	-
Miscellaneous Revenues	-	200	-	-
	-	200	-	-
Transfers In	365,516	-	292,000	30,000
	365,516	200	292,000	30,000
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	-	-	-	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	30,000
Debt Service	-	-	-	-
	-	-	-	30,000
Transfer Out	-	-	-	-
	-	-	-	30,000
Changes in restricted reserves				
Net Annual Activity	\$ 365,516	200	292,000	-
Ending Available Fund Balance		\$ 8,000	\$ 300,000	\$ 300,000



Facilities Replacement Fund Summary - Fund 490

Fund Description / Budget Highlights

The Facility Replacement Internal Service Fund serves as a specialized accounting mechanism for accumulating funds for the future maintenance, repair, and replacement of infrastructure components. This fund collects resources through internal billing, enabling costs to be allocated to departments based on their usage. This strategy effectively reduces the likelihood of substantial, unanticipated increases in capital expenditures, thereby promoting more efficient financial planning and resource allocation.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 150,000	\$ 150,000
Revenues				
Charges for Services	\$ -	\$ -	-	-
Interest Income	-	-	-	-
Miscellaneous Revenues	-	-	-	-
Transfers In	261,696	-	-	-
	<u>261,696</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	-	-	-	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Capital Improvement Projects (CIP)	14,027	-	-	-
Debt Service	-	-	-	-
Transfer Out	14,027	-	-	-
	<u>14,027</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in restricted reserves				
Net Annual Activity	<u>\$ 247,669</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Available Fund Balance		<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>



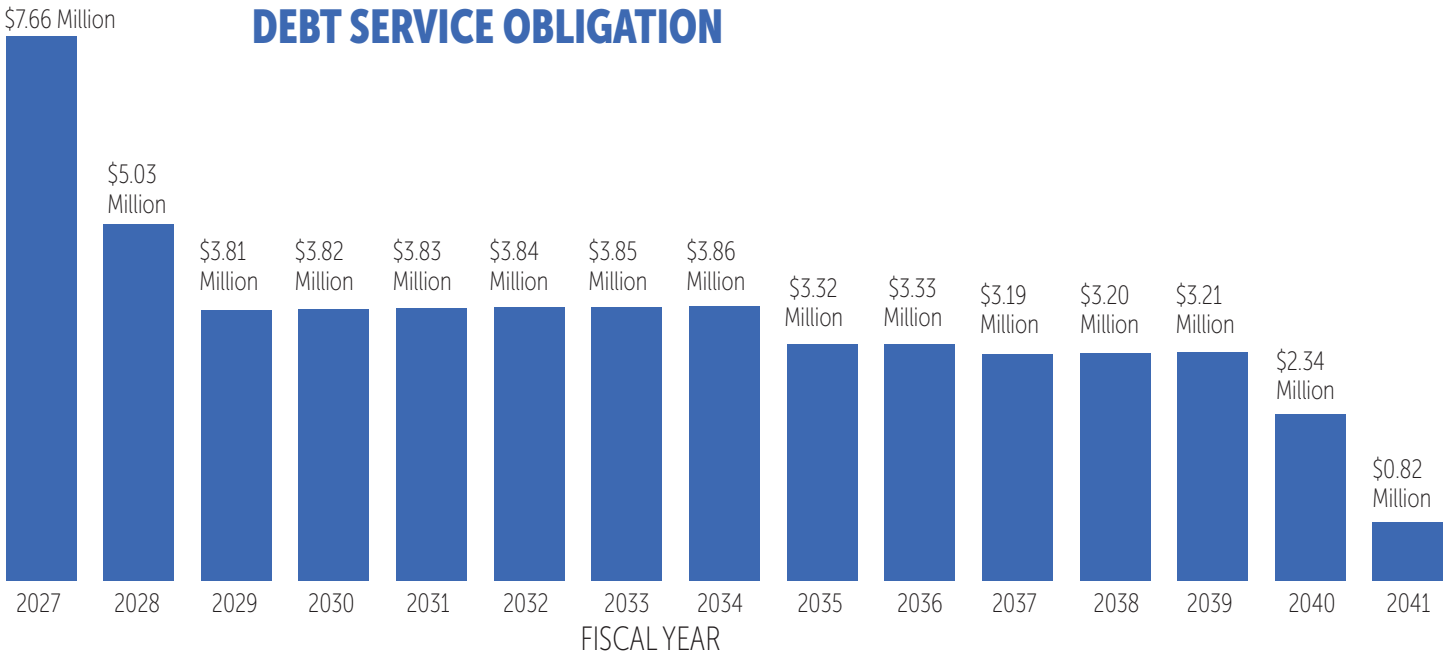
DEBT SERVICE FUNDS





FY 2026-27 DEBT DETAIL

Summary of Annual Debt Service Obligation from FY 2025-26 through Maturity



Total Outstanding Debt Obligation by Debt Category in FY 2026-27	Principal	Interest	Total
2020 Public Financing Authority (PFA) Lease Revenue Refunding Bonds	\$4,119,526	\$374,008	\$4,493,534
2009 Public Financing Authority (PFA) Taxable Lease Revenue Bonds (Bio-Rad Project)	\$7,100,000	\$4,528,871	\$11,628,871
California Housing Financing Authority (CalHFA) HELP Loan	\$1,211,455	\$18,733	\$1,230,188
California Housing Financing Authority (CalHFA) RDLP Loan	\$3,750,000	\$113,572	\$3,863,572
Engie Construction Loan	\$3,599,458	\$828,580	\$4,428,038
2021 Public Financing Authority (PFA) Wastewater Revenue Bonds	\$6,970,000	\$1,317,449	\$8,287,449
Public Owned Treatment Works Construction Loan	\$18,682,748	\$2,468,971	\$21,151,719
Total	\$45,433,187	\$9,650,184	\$55,083,371

Note: In FY 2026-27, a partial payment of \$2.5 million will be made. Of this amount, \$1.4 million will pay off the HELP loan, and the remainder will go toward the RDLP loan. The outstanding balance on the RDLP loan will be extended for five years, with annual payments of \$379,000 and a final balloon payment of about \$1 million due at maturity, with an interest rate of 1.5%.



CITY OF HERCULES

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

Under State law, the City may not issue debt in excess of 15% of the total assessed valuation of taxable property within its boundaries.

In accordance with California Governmental Code Section 43605, only the City’s general obligation bonds are subject to that legal debt limit.

For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Assessed Valuation	\$3,035,240,481	\$3,279,761,098	\$3,505,792,898	\$3,655,023,232	\$3,873,427,943	\$4,107,894,266	\$4,278,246,435	\$4,499,945,010	\$4,675,468,550	\$4,844,438,045
Conversion Percentage	>25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted Assessed Valuation	\$758,810,120	\$819,940,275	\$876,448,225	\$913,755,808	\$968,356,986	\$1,026,973,567	\$1,069,561,609	\$1,124,986,253	\$1,168,867,138	\$1,211,109,511
Debt Limit Percentage	>15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Legal Debt Margin	\$113,821,518	\$122,991,041	\$131,467,234	\$137,063,371	\$145,253,548	\$154,046,035	\$160,434,241	\$168,747,938	\$175,330,071	\$181,666,427

Total debt applicable to the limit as a percentage of debt limit ¹

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

¹Section 43605 of the California Government Code for General Obligation Bonds.

Sources: City Finance Department
County Tax Assessor’s Office



FY 2026-27 DEBT DETAIL

2020 PFA Lease Revenue Refunding Bonds

On August 1, 2020, the Hercules Public Financing Authority refinanced the proceeds of the Lease Revenue Bonds, Series 2003B, in the aggregate principal amount of \$5,876,843. The interest rate of 2.21% with a final maturity due on December 1, 2023. The debt service payments are scheduled semi-annually at amounts that ranges from \$106,428 to \$560,249.

The City is obligated to pay only its Base Rental Payments and Additional Payments under the Lease. The obligation of the City to pay Base Rental Payments or Additional Payments does not constitute an obligation of the city for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation.

Future debt service requirements on the 2020 Hercules Public Financing Authority Lease Revenue Refunding Bond are as follows:

Year Ending June 30	Principal	Interest	Total
FY 2026-27	\$477,396	\$85,766	\$563,162
FY 2027-28	\$489,075	\$75,087	\$564,162
FY 2028-29	\$500,055	\$64,157	\$564,212
FY 2029 to Maturity	\$2,653,000	\$148,998	\$2,801,998
Total	\$4,119,526	\$374,008	\$4,493,534



FY 2026-27 DEBT DETAIL

2009 Public Financing Authority Taxable Lease Revenue Bonds (Bio-Rad Project)

The Authority issued taxable lease revenue bonds, series 2009, dated July 29, 2009, totaling \$10,080,000. The purpose of the bonds was to finance the acquisition of certain commercial condominium properties, consisting of approximately 96,847 square feet located at 203-295 Linus Pauling Drive within the City from the City, funding a reserve fund for the Bonds and to paying the costs of issuance of the Bonds. The interest rates on the bonds range from 6.00% to 8.40%. The interest is payable semiannually on January 1 and July 1, commencing January 1, 2010. The bonds are subject to optional special mandatory redemption, and mandatory sinking account redemption provisions. The bonds are payable from and secured by revenues consisting primarily of the base rental payments of the property lease, Principal is due annually beginning on July 1, 2010, in amounts ranging from \$165,000 to \$845,000. The bonds mature on July 1, 2038.

The Bonds constitute limited obligations of the Authority payable solely from Revenues. The Authority has no taxing power. The obligation of the City to make City Advances does not constitute an obligation of the City which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation.

Future debt service requirements on the 2009 Public Financing Authority Taxable Lease Revenue bonds are as follows:

Year Ending June 30	Principal	Interest	Total
FY 2026-27	\$325,000	\$580,796	\$905,796
FY 2027-28	\$350,000	\$552,953	\$902,953
FY 2028-29	\$380,000	\$522,840	\$902,840
FY 2029 to Maturity	\$6,045,000	\$2,872,283	\$8,917,283
Total	\$7,100,000	\$4,528,871	\$11,628,871



FY 2026-27 DEBT DETAIL

Housing Enabled by Local Partnerships (H.E.L.P.) Loan (“H.E.L.P Loan”)

In April 2005 the City entered into an agreement with the California Housing Finance Agency (Agency), a public instrumentality and political subdivision of the state of California to develop a 50-unit multifamily rental project that is a component to a mixed-used development, also consisting of 26,825 square feet of ground-floor commercial space. The Agency has authorized the making of a loan in the amount of \$1,600,000 known as the Housing Enabled by Local Partnerships (H.E.L.P.) to the City for the purpose of assisting in operating a local housing program. Under the terms of this original agreement the City of Hercules agreed to reimburse the Agency \$1,600,000, 10 years from April 11, 2005 at a 3% simple per annum interest. Interest is to be charged only on funds disbursed. In October 2013, the City and Agency amended the agreement to extend the due date of the loan and accumulated interest until April 2027 and to reduce the interest rate to 1.5% simple interest effective October 31, 2013.

The annual debt service requirements to maturity for the California Housing Financing Authority (CalHFA) H.E.L.P. Loan are as follows:

Year Ending June 30	Principal	Interest	Total
FY 2026-27	–	–	–
FY 2027-28	\$1,211,455	\$18,733	\$1,230,188
Total	\$1,211,455	\$18,733	\$1,230,188



FY 2026-27 DEBT DETAIL

Residential Development Loan Program Loan (“R.D.L.P Loan”)

In February 2007, the City entered into a loan agreement with the California Housing Finance Agency (Agency) in the amount of \$3,750,000 (\$1,750,000 for predevelopment costs and \$2,000,000 for construction costs). The funds will be used to assist with site acquisition, predevelopment, and construction costs for 23 affordable ownership units within a 52-unit condominium project, which is a component to the Sycamore Downtown Street project, a mixed-use, mixed-income development. Under the terms of the original agreement, the City agreed to repay the Agency \$3,750,000, four years from February 2007 at 3% simple per annum interest. In October 2013, the City and Agency amended the agreement to extend the due date of the loan and accumulated interest until August 2026 and to reduce the interest rate to 1.5% simple interest effective October 31, 2013.

Future debt service requirements to maturity for the R.D.L.P. Loan are as follows:

Year Ending June 30	Principal	Interest	Total
FY 2026-2027	\$3,750,000	\$113,572	\$3,863,572
FY 2027-2028	–	–	–
Total	\$3,750,000	\$213,572	\$3,963,572



FY 2026-27 DEBT DETAIL

Engie Construction Loan

On August 14, 2020, the City entered into an equipment lease purchase agreement for the implementation of the “Option A” Energy Services Contract. Interest rate is 2.71%, 30/360 basis, and payment commencing August 14, 2020, and ending on September 14, 2040.

Future annual debt service requirements to maturity for the rental payment are as follows:

Year Ending June 30	Principal	Interest	Total
FY 2026-27	\$158,064	\$97,545	\$255,609
FY 2027-28	\$173,379	\$93,262	\$266,641
FY 2028-29	\$189,633	\$88,563	\$278,196
FY 2029 to Maturity	\$3,078,382	\$549,210	\$3,627,592
Total	\$3,599,458	\$828,580	\$4,428,038

Note: PG&E savings are re-directed to offset the loan payments. The Base Option would result in a net annual projected savings of approximately \$28,000 per year for the first 20 years and a total projected savings of \$2 million over the 25-year life of the project.



FY 2026-27 DEBT DETAIL

Wastewater Revenue Bonds, Series

In July, 2021, the City issued the Direct Purchase Lease in the amount of \$8,450,000 and the proceeds were used to early pay off the 2010 PFA Wastewater Revenue Bonds. The bonds bear interest at 2.38%. Interest on the bonds is payable semi-annually on February 1 and August 1 in each year, commencing February 1, 2022. Principal payments are due in annual installments ranging from \$355,000 to \$545,000, commencing August 1, 2022, through August 1, 2040.

In the event of default, the City shall declare the entire principal amount of the unpaid series 2021 installment payments and accrued interest thereon to be due and payable immediately in writing.

Future debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest	Total
FY 2026-27	\$395,000	\$161,186	\$556,186
FY 2027-28	\$400,000	\$151,725	\$551,725
FY 2028-29	\$410,000	\$142,086	\$552,086
FY 2029 to Maturity	\$5,765,000	\$862,453	\$6,627,453
Total	\$6,970,000	\$1,317,449	\$8,287,449



FY 2026-27 DEBT DETAIL

State Water Resources Construction Loan

In June 2016, the City entered into an installment sale agreement with the California State Water Resources Control Board in the amount of \$26,500,000. The funds are for construction costs for the Pinole-Hercules Wastewater Pollution Control Plant Improvement Project. The interest rate on the loan is 1.7%. The first principal and interest payment are due August 31, 2019, and is contingent on the total drawdowns at project completion. The loan matures on August 31, 2038.

Future debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest	Total
FY 2026-27	\$1,193,230	\$317,607	\$1,510,837
FY 2027-28	\$1,213,515	\$297,322	\$1,510,837
FY 2028-29	\$1,234,145	\$276,692	\$1,510,837
FY 2029 to Maturity	\$15,041,858	\$1,577,350	\$16,619,208
Total	\$18,682,748	\$2,468,971	\$21,151,719



2020 DEBT SERVICE PFA Fund Summary - Fund 672

Fund Description / Budget Highlights

This fund accounts for the 2020 Public Financing Authority (PFA) Lease Revenue Refunding Bond. The City and the Authority refinance a portion of the costs of the acquisition, construction and installation of various public improvements of the City, including the City Library, that were originally financed and refinanced from the proceeds of the Lease Revenue Bonds, Series 2003B.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ -	\$ -
Revenues				
Property Lease Revenue	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous Revenues	-	-	-	-
	-	-	-	-
Transfers In/General Fund	563,316	568,252	561,212	563,162
	563,316	568,252	561,212	563,162
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	-	-	-	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	1,600	1,600	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	564,937	563,430	561,212	563,162
	566,537	565,030	561,212	563,162
Transfer Out	-	-	-	-
	566,537	565,030	561,212	563,162
Changes in restricted reserves				
Net Annual Activity	\$ (3,221)	3,222	-	-
Ending Available Fund Balance (Restricted for Debt Service)		\$ -	\$ -	\$ -



2009 DEBT SERVICE PFA Fund Summary - Fund 673

Fund Description / Budget Highlights

This fund accounts for the 2009 Public Financing Authority (PFA) Taxable Lease Revenue Bonds (Bio-Rad Project). The purpose of the bonds was to finance the acquisition of certain commercial condominium properties, consisting of approximately 96,847 square feet located at 203-295 Linus Pauling Drive. The bonds is secured by revenues consisting primarily of the base rental payments of the property lease, Principal is due annually and will mature on July 1, 2038.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ -	\$ -
Revenues				
Property Lease Revenue	\$ 921,499	\$ 927,751	906,578	905,796
Interest Income	93,460	86,882	-	-
	1,014,959	1,014,633	906,578	905,796
Transfers In	-	2,625	-	-
	1,014,959	1,017,258	906,578	905,796
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	-	-	-	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	908,409	906,671	906,578	905,796
	908,409	906,671	906,578	905,796
Transfer Out	-	-	-	-
	908,409	906,671	906,578	905,796
Changes in restricted reserves				
Net Annual Activity	\$ 106,550	110,587	-	-
Ending Available Fund Balance (Restricted for Debt Service)		-	\$ -	\$ -



Equipment Lease Fund Summary - Fund 388

Fund Description / Budget Highlights

This fund accounts for Engie Solar Project Lease. On August 14, 2020, the City entered into master lease agreements with Sterling National Bank in order to provide funds for the financing of the Solar Energy Project by ENGIE Services U.S. Inc. Payments are due annually and the payments are offset by the energy savings of approximately \$28,000 annually. The Master Lease Agreement matures on September 14, 2040.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ -	\$ -
Revenues				
Charges for Services	\$ -	\$ -	-	-
Interest Income	-	-	-	-
Property Lease Revenue	-	-	-	-
	-	-	-	-
Transfers In	235,897	235,026	245,079	255,609
	235,897	235,026	245,079	255,609
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	-	-	-	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	235,897	235,026	245,079	255,609
	235,897	235,026	245,079	255,609
Transfer Out	-	-	-	-
	-	-	-	-
Changes in restricted reserves	(1,053)			
Net Annual Activity	\$ (1,053)	-	-	-
Ending Available Fund Balance		\$ -	\$ -	\$ -



CAPITAL PROJECT FUNDS





FISCAL YEAR 2026-27 CAPITAL PROJECTS BUDGET & TEN-YEAR CAPITAL IMPROVEMENT PLAN (CIP)

The City of Hercules is committed to preserving and enhancing the City’s aging public infrastructure within the constraints of available resources. The maintenance of existing infrastructure is essential for fostering a resilient and thriving community. To that extent, this Capital Improvement Plan (CIP) reflects a balanced approach to capital improvements - identifying active projects that provide meaningful benefit to the City while candidly acknowledging the significant funding challenges that remain across streets, parks, facilities, and the sewer system.

This Capital Improvement project emphasizes:

- A “fix it first” philosophy, prioritizing the rehabilitation and maintenance of existing City infrastructure over the pursuit of new construction.
- Continued progress on grant-funded and locally matched transportation and infrastructure projects, with significant capital work completed on Falcon Way and underway in the Foxboro neighborhood and at Refugio Valley and Foxboro Parks, and across key portions of the sewer system.
- Transparent disclosure of the City’s unfunded infrastructure gap, which spans parks, facilities, and long-term street rehabilitation needs, and requires exploration of new revenue and financing strategies.
- Full funding of fiscal year (FY) 2026-27 CIP projects, including renovations at Refugio Valley and Beechnut Parks as well as through the Sewer Fund, demonstrating the strength of the City’s rate-supported sewer enterprise.

City Council Strategic Goals, Specific to CIP:

GOAL #1: ADVANCE PROGRESS OF THE HERCULES HUB

Objective	Tactical Steps	Timeline
Develop regional partnerships	Participate and collaborate with other agencies, boards and commissions, and stakeholder groups to raise awareness of the Hercules Hub and regional transit-related issues; surface partnership opportunities and support appropriate transportation revenue measures	Ongoing
Enhance lobbying efforts/ contracts	Maintain and leverage the services of a federal lobbyist as an advocate on behalf of the Hercules Hub to maximize federal funding opportunities.	Ongoing
Keep the community informed	Utilize social media and other platforms to disseminate information regularly and when new developments occur.	Ongoing
Initiate the Train Station design	Secure sufficient grant funding to proceed with station design.	Ongoing



GOAL #5: PLAN AND FUND MAJOR INFRASTRUCTURE

Objective	Tactical Steps	Timeline
Identify and set priorities related to major infrastructure	Review and refine policy for prioritizing capital projects as part of the annual budgeting process, informed by the Pavement Management Program, Sanitary Sewer Master Plan, Parks Master Plan, and Building Facilities Assessment.	Spring 2026
Continue progress on the Capital Improvement Plan	Provide the City Council with regular updates on CIP progress through the mid-year CIP progress report process.	Spring 2026
Devise a plan for funding the Parks and Recreation Facilities Master Plan	Identify grant opportunities, sponsorships, partnerships, and available Capital Improvement funds for projects in the 5-Year Park Master Plan Action Plan.	Ongoing
Devise a plan for funding facilities assessment and maintenance	Maintain and refine the Facility Replacement Fund to address the growing backlog of unfunded large maintenance and infrastructure projects.	Spring 2026

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

Public infrastructure encompasses the City’s streets, sewers, storm drains, transportation systems, facilities, and parks. The CIP is structured on a ten-year horizon; however, the City Council allocates funds specifically for FY 2026-27. This CIP and its associated budget are presented for approval by the City Council during the annual budget adoption process.

The CIP articulates a comprehensive vision for short-term and long-term project delivery and funding. Its primary focus is on maintaining, improving, and developing new and existing infrastructure assets to serve the needs of residents, businesses, property owners, and visitors. The program is designed to align with the City of Hercules General Plan ^[1], the Parks Master Plan ^[2], the Hercules Collection System Master Plan Update, ^[3] 2025 Comprehensive Sewer Utility Rate Study ^[4], the 2022 Pavement Management Program (PMP) Update ^[5], and the Building Facilities Assessment ^[6]—ensuring a structured, data-driven approach to planning and scheduling capital projects over the next decade.

Projects included in the CIP are characterized as long-term investments involving the construction, replacement, or enhancement of assets such as facilities, roadways, parks, sewer systems, and drainage lines. To qualify for inclusion in the CIP, a project must have a useful life of at least five years and entail a minimum cost of \$50,000.

¹ City of Hercules General Plan web page. <https://www.herculesca.gov/government/planning/general-plan>

² City of Hercules Parks and Recreation Facilities Master Plan prepared by MIG, February 2024 <https://www.herculesca.gov/government/parks-recreation/parks-and-recreation-facilities-master-plan>

³ Hercules Collection System Master Plan Update, prepared by West Yost Associates, April 24, 2020

⁴ City of Hercules Comprehensive Sewer Utility Rate Study prepared by Wildan Financial Services, March 17, 2025 <https://www.herculesca.gov/home/showpublisheddocument/18204/638845482292270000>

⁵ 2022 PMP Update PTAP Round 23 Final Report March 2023 prepared by Pavement Engineering Inc.

⁶ City of Hercules Building Assessment Report for a Ten-Year Capital Improvement Project, prepared by CSG Consultants, Inc., July 12, 2024.



It is important to note the distinction between capital and operating budgets. Capital projects are approved for funding in one fiscal year, but their implementation through planning, design and construction may extend over several years. Unused capital funds are ‘carried over’ and remain available in subsequent fiscal years. Conversely, operating budgets are focused on continuous maintenance and operate on a “use-it-or-lose-it” principle at fiscal year-end, with unspent funds returned to their originating funds.

The following sections summarizes the City’s fully funded Capital Improvement Program (CIP) projects for FY 2026–27, along with the City’s broader Ten-Year CIP outlook. In FY 2026–27, the CIP programs a practical, deliverable set of improvements that are aligned with available and eligible funding sources—advancing priority work in Streets, Parks, Facilities, Sewer, and the Hercules Hub, including completion of facilities repairs supported by prior-year appropriations (carryover). The remainder of the Ten-Year CIP identifies additional projects that reflect the City’s longer-range capital needs and priorities; these projects are included to guide planning, maintain grant readiness, and support transparent long-term financial forecasting, but will advance as future funding is secured through a combination of annual appropriations, grants, partnerships, and other financing actions.

STREETS CIP

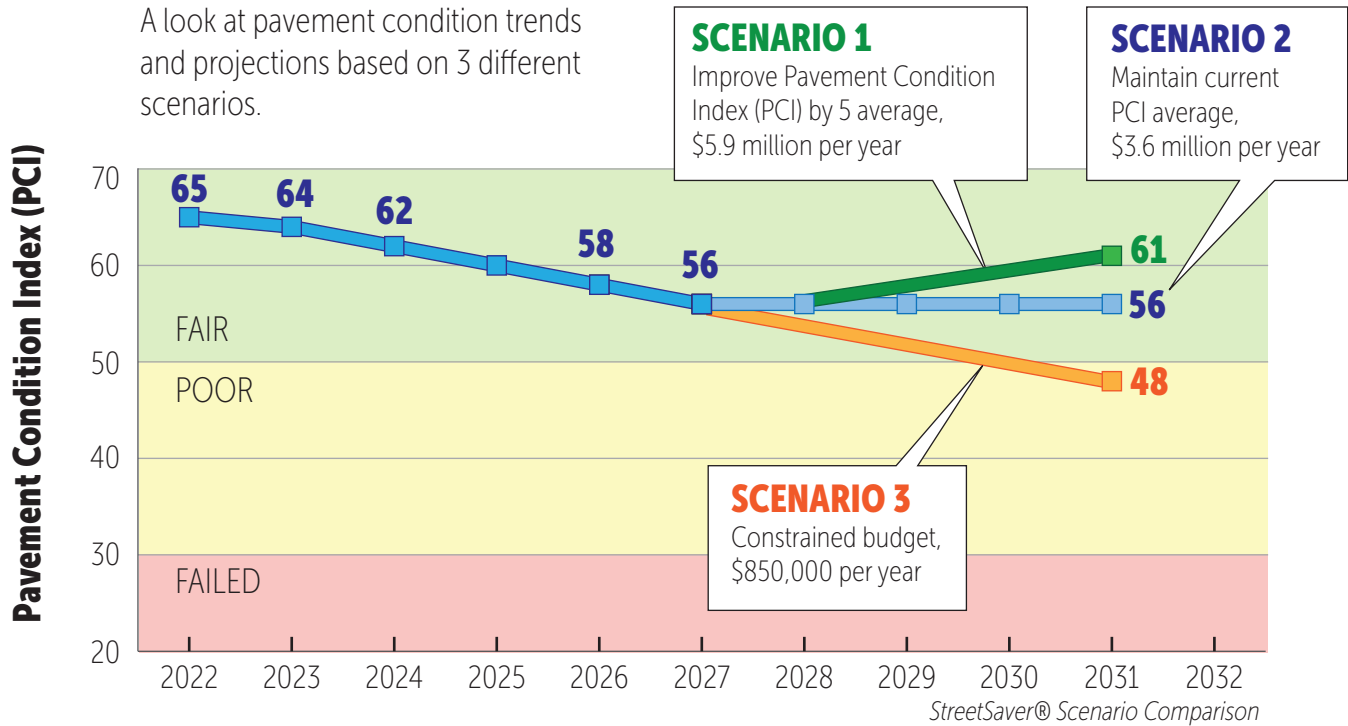
The City of Hercules maintains approximately 60 centerline miles of public streets—an infrastructure asset with an estimated replacement value of nearly \$197 million. The City’s 2022 Pavement Management Program (PMP) update reported a network-wide average Pavement Condition Index (PCI) of 65, placing the system in the “Fair” range. Based on PMP modeling under a budget-constrained scenario, the average PCI is projected to decline to approximately 58 by 2026, which remains “Fair” but reflects a continuing downward trend. The 2022 network condition distribution also found that roughly 72 percent of the street system was in Good to Fair condition, while the remaining segments were Poor or Failed—a distinction that is important because streets in Poor/Failed condition typically require more intensive rehabilitation rather than lower-cost preventive maintenance.

As discussed in the PMP report, the City uses the StreetSaver® pavement management program as the technical basis for selecting and prioritizing street projects in the CIP. StreetSaver maintains an inventory of roadway segments, tracks field-collected pavement condition information and applies industry-standard deterioration models and treatment decision rules to identify the right treatment at the right time (e.g., preventive maintenance, overlays, or full rehabilitation). Using this data, the City evaluates alternative funding scenarios and develops a ranked work program that emphasizes cost-effective preservation of streets before they decline into poor or failed condition, while also considering coordination with utility work, constructability, and opportunities to bundle projects for efficient delivery. Modeling based on PMP conditions projects that funding at approximately \$850,000 per year (the budget-constrained scenario) will result in the average PCI continuing to decline from 58 to approximately 48 within the next five years, while deferred maintenance is projected to grow from \$22.8 million to nearly \$49.3 million over the same period. Stabilizing the current PCI of 58 requires an



CITY OF HERCULES PAVEMENT CONDITION TREND

A look at pavement condition trends and projections based on 3 different scenarios.



annual investment of approximately \$3.6 million and reversing the downward PCI trend and raising the PCI to 61 would require expenditure of approximately \$5.9 million annually.

Consistent with this condition-based approach, the City’s near-term strategy prioritizes rehabilitation of the worst-condition neighborhoods first, coupled with targeted preservation treatments where feasible within available funding. Project No. 63074 (Falcon Way) was awarded in October 2025 to address severely distressed pavement on Falcon Way and nearby courts, with construction scheduled for completion by June 2026. Project No. 63075 (Foxboro Neighborhood) is currently in design, with Phase 1 programmed for construction in FY 2026–27 and subsequent phases planned in FY 2027–29. Looking ahead, Project No. 63081 (Hercules by the Bay) is programmed to begin design in FY 2028–29, with construction planned to follow in FY 2030–31. Together, these neighborhood-focused projects are intended to materially reduce the City’s Poor/Failed street inventory and improve overall pavement performance over time.

Active Projects in FY 2026-27

Foxboro Neighborhood Street Rehabilitation (Project 63075)

This is the City’s largest active street project. Phase 1 construction will repair and resurface poor and failing residential streets in the Foxboro neighborhood, including Dartford Way, Oxford Street, Brighton Street, and Willow Avenue (from Highway 4 to Mariner’s Pointe and select spot repairs west thereof). Work includes mill-and-fill resurfacing, cape seal, and crack fill treatments. Funding for this phase



draws from the General Fund/Capital Reserves, SB1 RMRA, Measure J, and Gas Tax. A second phase addressing Canterbury Drive, Bedford Court, Brighton Street upper segments is planned for FY 2027-28 following gas line repair work scheduled by PG&E, and a third phase incorporating street repairs and sewer system upgrades on Newbury Street and Willow Avenue (from Sycamore to the Hercules Transit Center) is planned on or before late 2028, bringing the total project budget to approximately \$4.8 million over four fiscal years.

Annual Street Repair Project (Project 63083)

The FY 2026-27 Annual Street Repair scope includes stop control warrant analyses at five locations, Falcon Way V-ditch repair, John Muir Parkway Phase 2 improvements, and the citywide annual restriping program which will be funded from carryover allocations from FY25/26. Although a projected investment of approximately \$3,600,000 per year is needed to maintain the current PCI of 58, the proposed budget for Annual Street Repair projects from FY26/27 through FY 2031-32 is significantly lower due to funding priorities for Foxboro and Hercules by the Bay neighborhood projects and other fiscal constraints. Beginning in FY 2031-32, the Annual Street Repair program expands to approximately \$940,000 annual investment covering pavement rehabilitation on San Pablo Avenue and other corridors, ongoing Citywide pavement restriping, minor traffic calming, sidewalk repair, ADA improvements, traffic warrant analyses, and other pavement maintenance projects identified by staff or the community.

Public Right-of-Way Bioretention Project (Project 63082)

This project designs and constructs a new bioretention facility on the south side of John Muir Parkway between Tsushima Street and Bayfront Loop. The project satisfies a Regional Water Quality Control Board Clean Water Program C.3.j requirement to design and fund bioretention for 1.58 acres of public right-of-way on or before June 30, 2027. This project is entirely funded from General Fund/Capital Reserves. Implementation of this project may be impacted by ongoing deliberations regarding the City's possible inclusion in the proposed Regional Alternative Compliance (RAC) Joint Powers Authority. If the City joins the RAC, project funding can be re-purposed to fund ongoing RAC payments.

Sycamore Avenue Bike/Pedestrian East-West Connector Project

This east-west active transportation connector along Sycamore Avenue will provide a safe bike and pedestrian route linking the western and eastern portions of the city. MTC TDA3 grant funds support preliminary planning and design work in FY 2026-27, and HSIP grant funding supports design and construction phases in FY 2028-30, with remaining construction costs (\$1.23 million) currently unfunded and pending additional grant awards.

Future Projects in FY 2027-2031

Hercules by the Bay Neighborhood Street Rehabilitation (Project 63081)

The next highest priority street rehabilitation project after the Foxboro project is the Hercules by the Bay neighborhood Street Rehabilitation Project. This residential area requires a combination of



reconstruction, heavy rehabilitation, and preventative maintenance treatments across multiple streets—including Buckley Court, Dunham Court, Hercules Ave, Skelly Way, Williams Way, Woodfield Way, and others. These projects are estimated to cost approximately \$2.3M, and are proposed to begin in FY 2029-30, depending on funding availability.

John Muir Parkway Traffic Calming Improvements (Project 63084)

The John Muir Parkway Traffic Calming Improvements Project provides for the design and installation of approved traffic calming measures along John Muir Parkway between Alfred Nobel Drive and the Transit Loop, addressing neighborhood safety needs resulting from land use changes since the parkway's original commercial oriented design. In FY 2025 26, the City allocated \$258,000 in General Fund/Capital Reserve funding to complete the project design and implement recommended improvements. In January 2026, the project was formally advertised for construction. However, the apparent low bid exceeded the Engineer's Estimate, prompting the City to defer award. The City is now pursuing value engineering and project redesign to reduce construction costs while also seeking supplemental grant funding to fully deliver the improvements. With these adjustments underway, the project is proposed to be rebid in FY 2027, with construction anticipated in FY 2028.

Gateway Monument Sign Project

At the October 14, 2025, City Council meeting, following a presentation on city signage options and Council discussion regarding preferred monument types and locations, the Council directed staff to proceed with development of a medium scale monument sign to serve as a formal city entryway to be installed at either the intersection of San Pablo Avenue and John Muir Parkway or at San Pablo Avenue median island near the Market Drive/San Pablo Avenue intersection,. This Gateway Entryway Project includes a total projected cost of \$250,000, of which approximately \$90,000 in General Fund capital reserves is currently available, leaving the remaining balance unfunded and subject to future budget allocations or grant opportunities. Design is programmed for FY 2026–27, and construction planned for FY 2030–32, enabling the City to finalize conceptual design, develop construction documents, and secure the additional funding needed to deliver the project.

Additional Candidate Projects

Rodeo–Hercules Pedestrian Connections

The General Plan Circulation Element identifies the need for continuous pedestrian and bicycle connections between Hercules and Rodeo, Although the City has completed sidewalk and bike lane improvements on Willow Avenue between John Muir Parkway and the I 80 Park and Ride Lot, further work is needed to close remaining multimodal gaps and strengthen regional access. Future phases may include sidewalk infill, expanded multi use pathways, wayfinding, and barrier free accessibility enhancements. These improvements will advance long term connectivity between the two communities and support active transportation consistent with Policy 1.C.1 of the Circulation Element; design and construction for this project will begin as soon as viable funding sources are identified.



Traffic Calming Projects

Several priority traffic calming locations originally identified through the 2006 Traffic Calming Workshop process remain outstanding. These locations continue to experience pedestrian safety concerns, school circulation conflicts, or vehicle speed issues, and warrant future funding consideration in subsequent CIP cycles:

- **Refugio Valley Road** – Middle School Area, Hannah Ranch Elementary Enhanced Crosswalk
- **Turquoise Drive** – Ohlone Center Area, Turquoise Dr. at Albertsons/Rite Aid driveway– Pedestrian Refuge
- **Lupine Road & Sequoia Road** – Lupine Hills Elementary

Streets CIP – 10-Year Funding Summary

Funding Source	FY 2026-27 Budget	10-Year Total
General Fund / Capital Reserves	\$346,000	\$3,747,447
SB1 Road Maintenance & Repair Account	\$260,000	\$2,900,000
Gas Tax (Fund 262)	\$455,000	\$4,550,000
Measure J (Fund 263)	\$225,000	\$2,364,966
MTC TDA3 Grant	\$150,000	\$150,000
Sewer Fund (coordination)	—	\$1,000,000
HSIP Grant	—	\$330,000
Unfunded	—	\$1,795,665
TOTAL FY 2026-27 Streets CIP	\$1,436,000	\$16,838,078

The Ten-Year Streets CIP totals approximately \$16.8 million. Unfunded needs of \$1.8 million are primarily associated with the John Muir Parkway Traffic Calming Project, the Sycamore Avenue Bike/ Pedestrian Connector and the Gateway Monument Sign project, all of which are dependent on future grant awards or General Fund availability.

PARKS CIP – FY 2026-27

The Parks CIP is guided by the City of Hercules Parks and Recreation Facilities Master Plan, prepared by MIG, Inc. in February 2024. The City’s park system serves residents across diverse neighborhoods and age groups, and the long-term investment plan reflects a broad range of improvements—from ecological restoration to playground upgrades, community gathering spaces, and ADA compliance. FY 2026-27 focuses on two projects with active funding, while the broader ten-year plan carries a significant unfunded balance requiring future revenue solutions.



Active Projects in FY 2026-27

Refugio Lake Restoration Project (Project 63079)

This is the most significant Park Master Plan project in FY 2026-27. The scope includes lake dredging and maintenance, with the wood bridge deck replacement and repainting incorporated into the work to take advantage of the creek diversion. The approximately \$1.9 Million project budget is fully funded from General Fund/Capital Reserves. Mitigation monitoring and maintenance activities continue in FY 2027-28 and FY 2028-29 at a combined cost of approximately \$100,000. This restoration is critical for the long-term ecological health and public enjoyment of Refugio Valley Regional Park’s centerpiece feature.

Beechnut Park Improvements (Project 63063)

FY 2026-27 closes out the remaining carryover balance for Beechnut Park improvements, which include installation of a shade feature near the tricycle loop, replacement of existing swings with all-ages swings, and tree removal and pruning to improve site visibility and safety. Prior-year funding was secured through East Bay Regional Park District Watershed-Wide (WW) Grant funds, Proposition 68 Grant funds, Parks Impact Fee, and General Fund contributions. Possible future improvements at Beechnut Park, including a youth play area expansion, entry signage upgrades, conversion of the asphalt parking lot, and a pump track, are shown for consideration in FY 32-33.

Refugio Valley Park Capital Improvements (Project 63089)

A \$55,000 General Fund carryover is carried into FY 2026-27 for this project, with no new appropriation in this fiscal year. Major phased improvements begin in FY 2027-28 and include restroom replacement (design and construction), tennis court rehabilitation, central lawn regrading and drainage improvements, destination playground renovation and expansion, and the design of a new flexible event space. These improvements are currently unfunded beyond the initial carryover and represent the single largest parks unfunded item at \$6.4 million over the ten-year plan.

Parks CIP – 10-Year Funding Summary

Funding Source	FY 2026-27 Budget	10-Year Total
General Fund / Capital Reserves	\$1,885,995	\$2,581,136
East Bay Regional Park District (WW Grant)	—	\$40,095
Proposition 68	—	\$156,610
Parks Impact Fee Fund	—	\$150,000
Land & Water Conservation Fund (LWCF)	—	Pending
Unfunded	—	\$32,595,000



TOTAL Parks CIP	\$1,895,995	\$35,522,841
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The ten-year Parks CIP totals approximately \$35.5 million, of which an estimated \$32.6 million (96%) remains unfunded. Major unfunded parks projects include Ohlone Park (\$9.1 million), Hanna Ranch Park (\$6.5 million), Refugio Valley Park (\$6.4 million), Woodfield Park (\$5.0 million), and Shoreline, Bayside, Duck Pond, and Foxboro Parks. Addressing this gap will require a sustained and creative approach to grant pursuit, partnership development, and potential bond financing.

FACILITIES CIP

The Facilities CIP is based on the City of Hercules Building Assessment Report for a Ten-Year Capital Improvement Project, prepared by CSG Consultants on February 22, 2024, which evaluated the condition of all City-owned buildings and identified priority maintenance and capital needs across a ten-year horizon. The FY 2026-27 Facilities CIP is funded entirely through General Fund/Capital Reserves carryover balances from prior-year appropriations. No new FY 2026-27 appropriations are proposed; rather, existing carryover funds support active work at several facilities this fiscal year.

Facilities projects in the CIP are prioritized using a clear four-tier ranking system developed from the Draft Building Assessment and the City’s operating needs, ensuring limited resources are directed first to the most critical risks and obligations. Rank A (Health and Safety) designated projects address immediate life-safety, code, security, or operational risks that could impact public access, staff safety, or continuity of services. Rank B (ADA / Aging Facility) designated projects focus on regulatory compliance and replacement of aging architectural and building systems—particularly accessibility improvements and time-sensitive renewals needed to prevent accelerated deterioration. Rank C (Discretionary) designated projects include preventive maintenance or functional enhancements that improve longevity and usability but are not immediately critical to operations. Rank D (Special/ Dedicated Revenue) projects are projects primarily supported by dedicated or special revenue sources and are advanced consistent with funding eligibility, timing, and available appropriations.

Active Facilities Projects

City Hall (Project 63065)

The CIP includes removal of the temporary modular trailer at the Civic Center/City Hall campus in FY 2026–27 through FY 2027–28 as part of a broader effort to restore the site to a permanent, compliant, and functional civic facility layout. The City’s facilities assessment notes that site circulation and accessibility around City Hall—including areas serving the Police wing—requires ADA redesign, and that temporary storage/container facilities are currently placed on dirt and need to be relocated onto a solid pad with a proper walkway and an ADA-compliant path of travel, along with improved access to IT/communications functions in the parking area. Removing the modular trailer allows the City to eliminate temporary structures that complicate access and operations, reclaim and organize civic campus space, and implement permanent site improvements that better support long-term service delivery at City Hall.



Community Swim Center (Project 63067)

Electrical improvements funded in FY 2026-27 include replacement of emergency and exit lighting with new exit signs and landing lights, mechanical room electrical upgrades, GFI system testing, and replacement of the uninterruptible power supply (UPS) for communications. These are critical life safety and system reliability improvements at one of the City’s most heavily used recreation facilities.

Additional improvements to the Swim Center’s safety and electrical systems, pool deck lighting and site utilities, and ADA access and core pool/mechanical components are planned for FY 1, FY 2, and FY 3. In FY 1, work focuses on emergency/safety upgrades and targeted electrical repairs (including disconnects/circuit protection and backup power). In FY 2, the program advances pool deck lighting improvements and civil work for leak detection/surge pit lining. In FY 3, the City plans a larger set of ADA upgrades (curb cuts, restriping/signage) along with pool and building system renewals such as deck repairs and water line/tile replacements, GFCI testing, painting, and key pool equipment replacements.

Senior Center (Project 63066)

LED lighting replacement throughout the Senior Center is the active FY 2026-27 scope item. This energy-efficiency improvement reduces operating costs while improving interior light quality for patrons and staff. Additional improvements to ADA access, cabinetry, lobby safety, plumbing, and fire alarm systems are planned in FY 2027-28 and FY 2028-29. An internal fund transfer of approximately \$2,100 from Project 63065 City Hall Project is required to fund FY26/27 Senior Center Project.

Library (Project PW0004)

Replacement of 50 T5 ballasts with 100 LED T5 lights is the active FY 2026-27 scope item. Future years include significant HVAC system replacements across multiple rooftop units, preaction fire protection system installation, and building control system upgrades—reflecting the building’s aging mechanical and electrical infrastructure.

Foxboro Community Center (Project 63073)

FY 2026-27 scope includes replacement of the 53-gallon storage water heater and replacement of exit sign and landing lighting. These are essential system reliability improvements for this neighborhood community center. An internal fund transfer of approximately \$18K from Project 63065 City Hall Project is required to fund FY26/27 Foxboro Community Center Projects.

Ohlone Community Center (Project 63072)

Active FY 2026-27 improvements include installation of a fire extinguisher cabinet, replacement of the gas water heater, replacement of exit and parking lot lighting, and replacement of solar panel inverters. Future years include interior bathroom renovation, perimeter fence replacement, exterior bathroom renovation, and LED lighting throughout.



Leila’s by the Bay (Project 63080)

Repair of the ceiling HVAC system is the active FY 2026-27 scope item for this waterfront facility. A full roof replacement is planned for FY 2035-36.

Teen Center (Project 63068), Hanna Ranch Childcare (Project 63069), Lupine Kidz Center (Project 63070), Public Works Maintenance Yard (Project 63071)

Each of these facilities carries a prior-year General Fund/Capital Reserves appropriation into FY 2026-27. No new scoped work is budgeted at these locations in the current year; the carryover balances reflect funds previously appropriated that are in various stages of project closeout or encumbrance. Substantive improvement scopes at these facilities are planned in FY 2027-28 and beyond, as detailed in the individual project sheets.

Facilities CIP – 10-Year Funding Summary

Funding Source	FY 2026-27 Budget	10-Year Total
General Fund / Capital Reserves	\$715,676	\$715,676
Unfunded	—	\$7,600,600
TOTAL Facilities CIP	\$715,679	\$8,316,273

The ten-year Facilities CIP totals approximately \$8.3 million. The General Fund/Capital Reserves carryover of \$715,679 is fully committed to active projects across eleven City facilities in FY 2026-27. All future-year improvements totaling \$7.6 million remain unfunded. The largest unfunded facility needs include City Hall (\$2.6 million for ADA improvements, roof rehabilitation, exterior painting, parking lot rehabilitation, and emergency generator replacement), the Community Swim Center (\$1.4 million), the Library (\$1.0 million), and the Public Works Maintenance Yard (\$627,500).

SEWER CIP

The Sewer CIP is guided by the Hercules Collection System Master Plan Update (West Yost Associates, April 2020) and the Comprehensive Sewer Utility Rate Study (Wildan Financial Services, May 2025) and is funded entirely through the Sewer Enterprise Fund (Fund 421)—a dedicated, rate-supported revenue source. Unlike other CIP categories, the ten-year Sewer CIP currently carries no unfunded balance, reflecting the stability of the City’s sewer rate structure and the fiscal discipline of the enterprise fund model. The FY 2026–27 Sewer CIP is programmed to be consistent with the reinvestment strategy and revenue assumptions in the 2025 Rate Study, supporting ongoing rehabilitation, reliability improvements, and long-term asset management.

Based on the recommendations of the Collection System Master Plan Update, the ten-year Sewer CIP includes three larger projects—Lower Sycamore Relief Sewer, Sycamore Avenue Upper Trunk Main, and Promenade Lift Station Improvements that are carried in the program for long-range planning and funding readiness: these projects may ultimately be unnecessary pending further collection system



modeling and operational evaluation, and/or may be funded through alternative sources as opportunities are secured. Collectively, these three projects represent \$9.55M of the \$15.9M ten-year Sewer CIP -- excluding these items, the remaining \$6.35M program costs reflect the core rehabilitation and renewal projects that are within the funding level anticipated by the 2025 Rate Study.

Active Sewer Projects in FY 2026-27

Willow-Newbury Sewer Rehabilitation (Project 63086)

This project addresses the repair and replacement of approximately 1,700 linear feet of sewer pipe under State Route 4 and along Willow Avenue and in Newbury Street, using 8" to 14" diameter sewer pipe. FY 2026-27 funding covers the design phase (\$269,700), with construction following in FY 2027-28 (\$1,206,100) and FY 2028-29 (\$1,080,000). The total project budget is \$2.76 million from the Sewer Fund. These aging mains represent a significant reliability and overflow risk, and their rehabilitation is a high priority consistent with the Sanitary Sewer Collection System Master Plan.

Sewer Condition Assessment Program

This annual program funds sewer cleaning, CCTV inspection and condition assessment of the sewer collection system including lift stations to identify deteriorating pipes, root intrusion, structural defects, and capacity constraints. Results directly inform future CIP project prioritization. The program is funded at \$175,000 in both FY 2026-27 and FY 2027-28, tapering to \$100,000 annually through FY 2035-36, for a ten-year total of \$1.15 million.

Upcoming Major Sewer Projects (FY 2028-29 and Beyond)

Several major sewer infrastructure investments are planned in the mid-to-late years of the ten-year CIP.

The Annual Sewer System Improvements Program (\$2.5 million over FY 2027-36, including manhole rim repairs and miscellaneous collection system improvements) round out the long-term program.

The Promenade Lift Station Improvements (\$6.3 million, FY 2028-31) represent the single largest capital investment in the sewer program, based on a construction estimate from a competitive bid process performed in 2014. This project is being advanced in coordination with broader planning for the Hercules Hub area; the City is actively exploring grant funding opportunities to support this work and reduce the burden on ratepayer-funded capital resources.

The Lower Sycamore Avenue Relief Sewer (\$1.95 million, FY 2030-32) and **Sycamore Avenue Upper Trunk Main** (\$1.3 million, FY 2033-2035). Consistent with prior master planning recommendations, the CIP includes allowances for the Lower Sycamore Overflow and Upper Sycamore Trunk Main replacement; however, these capacity-related projects have been deferred and will be revisited as additional technical work is completed. Preliminary findings from the City's hydraulic model evaluation indicate the existing facilities can accommodate anticipated buildout flows, suggesting these improvements may be reduced in scope or may not be required, pending further analysis and confirmation of operational performance.



Sewer CIP – 10-Year Funding Summary

Funding Source	FY 2026-27 Budget	10-Year Total
Sewer Fund 421	\$ 444,700	\$ 15,161,079
Prior Year Carryover (Sewer Fund)	\$ 351,680	—
Unfunded	—	—
TOTAL Sewer CIP (10-Year)	\$ 796,380	\$ 15,605,779



HERCULES HUB

The Hercules Hub is a multi phased, long range regional transportation project that will deliver a fully integrated transit center, including future passenger rail service, expanded bus operations, bicycle and pedestrian connections, roadway improvements, and supporting utilities and access infrastructure. Advancing the Hub requires continued progress on environmental compliance, final design, right of way coordination, and utility relocation work.

To date, the City has secured substantial outside funding— including State Transit and Intercity Rail Capital Program (TIRC dollars, West Contra Costa Transportation Advisory Committee’s Subregional Transportation Mitigation Program (WCCTAC STMP) funds, and a federal Garamendi earmark. In



early February 2026, the City submitted a \$21.7 million grant application for Federal Support Program (FSP) National Railroad Partnership Program (NRPP) contributions, supplemented by a 20 percent local match including up to \$3 million General Fund/Capital Reserves.

Major construction is planned to be funded primarily through large State and Federal programs such as Consolidated Rail Infrastructure and Safety Improvements (CRISI) Federal Railroad Administration grant, FRA Corridor ID grant, and future CCTA transportation funding measures. Completion of the Hub will require an estimated \$107.7 million, with \$104.7 million anticipated from future competitive grants, to construct the remaining rail station and multimodal access improvements.

The project will ultimately provide Hercules with a regional rail connection and a modern, walkable, transit oriented mobility hub that links the community to the greater Bay Area.

Funding Source FY 2026-27 Budget 10-Year Total

General Fund / Capital Reserve (Design)	\$418,500	\$418,500
General Fund (Construction)	—	\$2,581,500
FSP/NRPP	—	\$16,518,000
Grant WCCTAC STMP Funding	—	\$6,400,000
Grant TIRCP	\$1,000,000	\$2,400,000
Grant Garamendi Earmark	\$850,000	\$850,000
Affordable Housing and Sustainable Communities (AHSC) *	—	\$15,000,000
Corridor ID *	—	\$87,688,409
Future CCTA Measure *		\$5,700,000
Transformative Climate Communities (TCC) *		\$30,000,000
TOTAL FY 2026-27 Hercules Hub CIP	\$2,268,500	\$167,556,409

* potential grant funding source



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

CITY OF HERCULES TEN-YEAR CAPITAL IMPROVEMENT PROJECT (CIP) PROGRAM SPENDING PLAN FY 2026-2036

Project	Funding Source:	Prior Year Carryover	FY 2026-27 Proposed	FY 2027-28 Projection	FY 2028-29 Projection	FY 2029-30 Projection	FY 2030-31 Projection	FY 2031-32 Projection	FY 2032-33 Projection	FY 2033-34 Projection	FY 2034-35 Projection	FY 2035-36 Projection	Total Budget
City Hall	General Fund/Capital Reserves	\$ 335,256	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 335,256
	Asset Seizure Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Unfunded	\$ -	\$ -	\$ 440,700	\$ 445,000	\$ 793,700	\$ 67,000	\$ 105,000	\$ -	\$ -	\$ 157,800	\$ 595,000	\$ 2,604,200
Community Swin Center	General Fund/Capital Reserves	\$ 30,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,200
	Unfunded	\$ -	\$ -	\$ 172,200	\$ 370,300	\$ 660,700	\$ 22,100	\$ -	\$ 196,000	\$ -	\$ -	\$ -	\$ 1,421,300
Senior Center	General Fund/Capital Reserves	\$ 38,649	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,649
	Unfunded	\$ -	\$ -	\$ 123,400	\$ 21,000	\$ 28,000	\$ 22,400	\$ -	\$ -	\$ -	\$ -	\$ 51,800	\$ 246,600
Library	General Fund/Capital Reserves	\$ 91,577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,577
	Unfunded	\$ -	\$ -	\$ -	\$ 286,300	\$ 324,500	\$ 283,600	\$ -	\$ 119,000	\$ -	\$ -	\$ -	\$ 1,013,400
Foxboro Community Center	General Fund/Capital Reserves	\$ 10,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,200
	Unfunded	\$ -	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ 54,100	\$ -	\$ 14,000	\$ -	\$ -	\$ 103,100
Oholone Community Center	General Fund/Capital Reserves	\$ 82,684	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,684
	Unfunded	\$ -	\$ -	\$ -	\$ 80,700	\$ 121,200	\$ 65,100	\$ 41,700	\$ -	\$ 3,500	\$ -	\$ -	\$ 312,200
Oholone Childcare Center	General Fund/Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Unfunded	\$ -	\$ -	\$ 5,300	\$ 43,800	\$ 35,400	\$ -	\$ -	\$ 18,200	\$ -	\$ -	\$ -	\$ 102,700
Lupine Kidz Center	General Fund/Capital Reserves	\$ 16,660	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,660
	Unfunded	\$ -	\$ -	\$ -	\$ 27,300	\$ 490,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 517,300
Teen Center	General Fund/Capital Reserves	\$ 30,612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,612
	Unfunded	\$ -	\$ -	\$ 49,500	\$ -	\$ 130,200	\$ -	\$ 30,100	\$ 56,000	\$ 3,500	\$ -	\$ -	\$ 269,300
Hanna Ranch Childcare Center	General Fund/Capital Reserves	\$ 41,187	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,187
	Unfunded	\$ -	\$ -	\$ 120,100	\$ 103,600	\$ 64,400	\$ -	\$ -	\$ -	\$ 29,400	\$ -	\$ -	\$ 317,500
Public Works Maintenance Yard	General Fund/Capital Reserves	\$ 8,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,650
	Unfunded	\$ -	\$ -	\$ 49,100	\$ 201,300	\$ 258,700	\$ 116,200	\$ -	\$ -	\$ -	\$ -	\$ 2,200	\$ 627,500
Leila's By The Bay Roof	General Fund/Capital Reserves	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ 65,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,500
Total, Facilities		\$ 715,676	\$ -	\$ 960,300	\$ 1,614,300	\$ 2,972,300	\$ 576,400	\$ 230,900	\$ 389,200	\$ 50,400	\$ 157,800	\$ 649,000	\$ 8,316,276
Refugio Valley Park Capital Improvements	General Fund/Capital Reserves	\$ 55,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,000
	Community Development Tax Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Unfunded	\$ -	\$ -	\$ 355,000	\$ 1,485,000	\$ 1,503,000	\$ 1,300,000	\$ 150,000	\$ 1,600,000	\$ -	\$ -	\$ -	\$ 6,393,000
Refugio Lake Restoration Project	General Fund/Capital Reserves	\$ 23,546	\$ 1,870,700	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,994,246
	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Beechnut Park	Eastbay Regional Park District WW Grant Funds	\$ 40,095	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,095
	Prop. 68	\$ 156,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,610
	Parks Impact Fee Fund	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000
	General Fund/Capital Reserves	\$ 98,000	\$ 15,295	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 113,295
	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 700,000	\$ -	\$ -	\$ -	\$ 700,000



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

CITY OF HERCULES TEN-YEAR CAPITAL IMPROVEMENT PROJECT (CIP) PROGRAM SPENDING PLAN FY 2026-2036

Project	Funding Source:	Prior Year Carryover	FY 2026-27 Proposed	FY 2027-28 Projection	FY 2028-29 Projection	FY 2029-30 Projection	FY 2030-31 Projection	FY 2031-32 Projection	FY 2032-33 Projection	FY 2033-34 Projection	FY 2034-35 Projection	FY 2035-36 Projection	Total Budget
Duck Pond Park	General Fund/Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 680,000	\$ -	\$ 780,000
Foxboro Park	General Fund/Capital Reserves	\$ 418,595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 418,595
	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,000	\$ -	\$ -	\$ -	\$ -	\$ 74,000
Hanna Ranch Park	General Fund/Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	LWCF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,780,000	\$ 2,730,000	\$ -	\$ 6,510,000
Ohlone Park	General Fund/Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Unfunded	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ 3,000,000	\$ 3,000,000	\$ -	\$ 9,100,000
Bayside Park	General Fund/Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,183,000	\$ -	\$ 1,183,000
Woodfield Park	General Fund/Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Unfunded	\$ -	\$ -	\$ -	\$ 215,000	\$ 375,000	\$ 738,000	\$ 1,500,000	\$ 2,217,000	\$ -	\$ -	\$ -	\$ 5,045,000
Hercules Point - Nuisance Abatement	General Fund/Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ 200,000	\$ 150,000	\$ -	\$ -	\$ -	\$ 500,000
Shoreline Park	General Fund/Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 749,000	\$ 931,000	\$ -	\$ -	\$ -	\$ -	\$ 1,680,000
Frog Pad Park	General Fund/Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 630,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 630,000
Total, Parks		\$ 941,846	\$ 1,885,995	\$ 505,000	\$ 1,750,000	\$ 1,878,000	\$ 3,567,000	\$ 4,355,000	\$ 6,167,000	\$ 6,880,000	\$ 7,593,000	\$ -	\$ 35,522,841
Willow-Newbury Sewer Rehabilitation	Sewer Fund - 421	\$ 200,000	\$ 269,700	\$ 1,206,100	\$ 1,080,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,755,800
	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lower Sycamore Ave. SS Overflow Pipeline	Sewer Fund - 421	\$ 151,680	\$ -	\$ -	\$ -	\$ -	\$ 151,700	\$ 1,650,000	\$ -	\$ -	\$ -	\$ -	\$ 1,953,380
	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sycamore Ave. Upper Trunk Main	Sewer Fund - 421	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 1,241,800	\$ -	\$ 1,291,800
	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Promenade Lift station	Sewer Fund - 421	\$ -	\$ -	\$ -	\$ 450,463.00	\$ 2,928,008	\$ 2,928,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,306,479
	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Condition Assessment Projects	Sewer Fund - 421	\$ -	\$ 175,000	\$ 175,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,150,000
	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Sewer System Improvements	Sewer Fund - 421	\$ -	\$ -	\$ 100,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 2,500,000
	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total, Sewer		\$ 351,680	\$ 444,700	\$ 1,481,100	\$ 1,930,463	\$ 3,328,008	\$ 3,479,708	\$ 2,050,000	\$ 400,000	\$ 450,000	\$ 1,641,800	\$ 400,000	\$ 15,957,459



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

CITY OF HERCULES TEN-YEAR CAPITAL IMPROVEMENT PROJECT (CIP) PROGRAM SPENDING PLAN FY 2026-2036

Project	Funding Source:	Prior Year Carryover	FY 2026-27 Proposed	FY 2027-28 Projection	FY 2028-29 Projection	FY 2029-30 Projection	FY 2030-31 Projection	FY 2031-32 Projection	FY 2032-33 Projection	FY 2033-34 Projection	FY 2034-35 Projection	FY 2035-36 Projection	Total Budget
Chelsea Wetlands	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	General Fund/Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000
Total, The HUB		\$ 850,000	\$ 1,418,500	\$ 5,988,544	\$ 4,279,644	\$ 5,420,344	\$ 42,118,030	\$ 38,658,087	\$ 38,658,087	\$ 31,665,173	\$ -	\$ -	\$ 169,056,409
Total, CIP		\$ 4,589,779	\$ 5,535,195	\$ 10,564,944	\$ 12,154,407	\$ 16,633,652	\$ 51,387,638	\$ 46,313,987	\$ 46,554,287	\$ 39,985,573	\$ 10,332,600	\$ 1,989,000	

Funding sources:													
General Fund/Capital Reserves	\$ 2,601,428	\$ 2,750,495	\$ 740,000	\$ 218,335	\$ 626,000	\$ 3,208,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,144,258
Asset Seizure Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Community Development Tax Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Eastbay Regional Park District WW Grant Funds	\$ 40,095	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,095
Prop. 68	\$ 156,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,610
Parks Impact Fee Fund	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000
LWCF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer Fund - 421	\$ 351,680	\$ 444,700	\$ 1,481,100	\$ 2,930,463	\$ 3,328,008	\$ 3,479,708	\$ 2,050,000	\$ 400,000	\$ 450,000	\$ 1,641,800	\$ 400,000	\$ 400,000	\$ 16,957,459
SB1 RMRA	\$ 300,000	\$ 510,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 3,150,000
Measure J Fund - 263	\$ 139,966	\$ 225,000	\$ 225,000	\$ 200,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 2,364,966
Gas Tax	\$ -	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 4,550,000
CCTA 28B	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MTC TDA3	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000
HSIP	\$ -	\$ -	\$ -	\$ 165,000	\$ 165,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 330,000
FSP/ NRPP	\$ -	\$ -	\$ 2,188,544	\$ 4,279,644	\$ 3,920,344	\$ 6,129,468	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,518,000
Grant WCCTAC STMP Funding	\$ -	\$ -	\$ 2,400,000	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 6,400,000
Grant TIRCP	\$ -	\$ 1,000,000	\$ 1,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,400,000
Grant Garamendi Earmark	\$ 850,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 850,000
AHSC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000,000
Corridor ID	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,207,062	\$ 30,658,087	\$ 30,658,087	\$ 18,165,173	\$ -	\$ -	\$ -	\$ 87,688,409
Future CCTA Measure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,200,000	\$ -	\$ -	\$ 2,500,000	\$ -	\$ -	\$ -	\$ 5,700,000
TCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000	\$ 8,000,000	\$ 8,000,000	\$ 9,000,000	\$ -	\$ -	\$ -	\$ 30,000,000
Unfunded	\$ -	\$ -	\$ 1,415,300	\$ 3,645,965	\$ 7,654,300	\$ 4,223,400	\$ 4,665,900	\$ 6,556,200	\$ 6,930,400	\$ 7,750,800	\$ 649,000	\$ 649,000	\$ 43,491,265
Total, Funding	\$ 4,589,779	\$ 5,535,195	\$ 10,564,944	\$ 12,154,407	\$ 16,633,652	\$ 51,387,638	\$ 46,313,987	\$ 46,554,287	\$ 39,985,573	\$ 10,332,600	\$ 1,989,000	\$ 1,989,000	\$ 246,041,062



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

City of Hercules 10 Year Capital Improvement Plan - Facilities Fiscal Years 2026-27 through 2035-36

Project	Project #	Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total
			Carryover	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
City Hall	63065	General Fund/Capital Reserves	\$ 335,256	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 335,256
		Unfunded	\$ -	\$ -	\$ 440,700	\$ 445,000	\$ 793,700	\$ 67,000	\$ 105,000	\$ -	\$ -	\$ 157,800	\$ 595,000	\$ 2,604,200
Community Swin Center	63067	General Fund/Capital Reserves	\$ 30,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,200
		Unfunded	\$ -	\$ -	\$ 172,200	\$ 370,300	\$ 660,700	\$ 22,100	\$ -	\$ 196,000	\$ -	\$ -	\$ -	\$ 1,421,300
Senior Center	63066	General Fund/Capital Reserves	\$ 38,649	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,649
		Unfunded	\$ -	\$ -	\$ 123,400	\$ 21,000	\$ 28,000	\$ 22,400	\$ -	\$ -	\$ -	\$ -	\$ 51,800	\$ 246,600
Library	PW0004	General Fund/Capital Reserves	\$ 91,577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,577
		Unfunded	\$ -	\$ -	\$ -	\$ 286,300	\$ 324,500	\$ 283,600	\$ -	\$ 119,000	\$ -	\$ -	\$ -	\$ 1,013,400
Foxboro Community Center	63073	General Fund/Capital Reserves	\$ 10,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,200
		Unfunded	\$ -	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ 54,100	\$ -	\$ 14,000	\$ -	\$ -	\$ 103,100
Ohlone Community Center	63072	General Fund/Capital Reserves	\$ 82,684	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,684
		Unfunded	\$ -	\$ -	\$ -	\$ 80,700	\$ 121,200	\$ 65,100	\$ 41,700	\$ -	\$ 3,500	\$ -	\$ -	\$ 312,200
Ohlone Childcare Center		General Fund/Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Unfunded	\$ -	\$ -	\$ 5,300	\$ 43,800	\$ 35,400	\$ -	\$ -	\$ 18,200	\$ -	\$ -	\$ -	\$ 102,700
Lupine Kidz Center	63070	General Fund/Capital Reserves	\$ 16,660	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,660
		Unfunded	\$ -	\$ -	\$ -	\$ 27,300	\$ 490,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 517,300
Teen Center	63068	General Fund/Capital Reserves	\$ 30,612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,612
		Unfunded	\$ -	\$ -	\$ 49,500	\$ -	\$ 130,200	\$ -	\$ 30,100	\$ 56,000	\$ 3,500	\$ -	\$ -	\$ 269,300
Hanna Ranch Childcare Center	63069	General Fund/Capital Reserves	\$ 41,187	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,187
		Unfunded	\$ -	\$ -	\$ 120,100	\$ 103,600	\$ 64,400	\$ -	\$ -	\$ -	\$ 29,400	\$ -	\$ -	\$ 317,500
Public Works Maintenance Yard	63071	General Fund/Capital Reserves	\$ 8,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,650
		Unfunded	\$ -	\$ -	\$ 49,100	\$ 201,300	\$ 258,700	\$ 116,200	\$ -	\$ -	\$ -	\$ -	\$ 2,200	\$ 627,500
Leila's By The Bay Roof	63080	General Fund/Capital Reserves	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
		Unfunded	\$ -	\$ -	\$ -	\$ -	\$ 65,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,500
Total			\$ 715,676	\$ -	\$ 960,300	\$ 1,614,300	\$ 2,972,300	\$ 576,400	\$ 230,900	\$ 389,200	\$ 50,400	\$ 157,800	\$ 649,000	\$ 8,316,276

Funding source:														
General Fund/Capital Reserves		\$ 715,676	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 715,676
Unfunded		\$ -	\$ -	\$ 960,300	\$ 1,614,300	\$ 2,972,300	\$ 576,400	\$ 230,900	\$ 389,200	\$ 50,400	\$ 157,800	\$ 649,000	\$ 7,600,600	
Total		\$ 715,676	\$ -	\$ 960,300	\$ 1,614,300	\$ 2,972,300	\$ 576,400	\$ 230,900	\$ 389,200	\$ 50,400	\$ 157,800	\$ 649,000	\$ 8,316,276	

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year. All costs include 40% markup for Design, Project Mgmt, Const. Mgmt and Contingencies.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**City of Hercules
Capital Improvement Plan - Facilities
Fiscal Years 2026-27 through 2035-36**

Asset Type:
Project Number: 63065
Project Name: City Hall

Description:	FY26/27 (Yr 1)	Architectural - Remove Existing Trailer ^A	\$ 41,500
	FY 27/28 (Yr 2)	Architectural - ADA Improvements to City Hall & Police Parking Lots (Design & Construction) ^B	\$ 210,000
		Architectural -ADA Parking – Restriping & Vertical Signage (7 spaces) ^B	\$ 14,000
		Architectural - Remove Existing Trailer ^A	\$ 41,500
		Architectural - City Hall interior cubicle w/furnishings ^B	\$ 62,500
		Plumbing - 20-Gallon Electric Storage Water Heater (1) ^A	\$ 9,400
		Plumbing - 50-Gallon Electric Storage Water Heaters (2) ^A	\$ 20,200
		Electrical - Fire Alarm System ^A	\$ 14,000
		Mechanical - Split Heat Pump (Gym at Police Wing) ^A	\$ 17,500
		Mechanical - Exhaust Fans^A	\$ 10,100
	FY 28/29 (Yr 3)	Architectural - Interior Painting and Replace carpet ^B	\$ 135,000
		Architectural - Roof Rehabilitation ^B	\$ 300,000
		Plumbing - 4-Gallon Point-of-Use Electric Water Heaters (4)^A	\$ 10,000
	FY 29/30 (Yr 4)	Architectural - Exterior Wall Painting – City Hall ^B	\$ 70,000
		Architectural - Exterior Wall Painting – City Hall (Additional Scope) ^B	\$ 14,700
		Architectural - Roof Rehabilitation ^B	\$ 300,000
		Civil - Parking Lot Pavement Overlay & Rehab (Civic Center) ^C	\$ 329,000
		Civil - Re-Striping Parking Spaces ^C	\$ 28,000
		Electrical - Emergency Generator Replacement ^B	\$ 52,000
	FY 30/31 (Yr 5)	Electrical - Emergency Generator Replacement ^B	\$ 53,000
		Architectural - Building Lobbies ^C	\$ 14,000
	FY 34/35 (Yr 9)	New Police Trailer – New EOC, Locker Rooms (40×40 trailer) ^D	\$ 157,800
	FY 35/36 (Yr 10)	New Police Trailer – New EOC, Locker Rooms (40×40 trailer) ^D	\$ 595,000



Justification: Identified in the Draft Building Assessment 10-Year CIP for health, safety, building longevity, and service to the community.
A - Health and Safety: Improvements required to address immediate health, safety, or operational risks.
B – ADA / Aged Architectural Systems: Projects necessary for ADA compliance or replacement of aging architectural components
C – Discretionary: Preventive maintenance or enhancements that improve longevity or functionality, but are not critical to current operations.
D – Special/Dedicated Revenue – Projects primarily supported through dedicated funding or special revenue funds.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ 335,256	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 335,256
Unfunded	\$ -	\$ -	\$ 440,700	\$ 445,000	\$ 793,700	\$ 67,000	\$ 105,000	\$ -	\$ -	\$ 157,800	\$ 595,000	\$ 2,604,200
Total	\$ 335,256	\$ -	\$ 440,700	\$ 445,000	\$ 793,700	\$ 67,000	\$ 105,000	\$ -	\$ -	\$ 157,800	\$ 595,000	\$ 2,939,456

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**City of Hercules
Capital Improvement Plan - Facilities
Fiscal Years 2026-27 through 2035-36**

Project Number: 63067
Project Name: Community swim center

Description:

Fiscal Year	Project / Scope	Amount (\$)
FY26/27 (Yr 1)	Electrical - Emergency / Exit Lighting - Replace with New Exit Signs & Landing Lights ^a	\$ 2,900
	Electrical - Replace Disconnects for AC Units, Circuit Breakers, PVC Conduit ^a	\$ 12,900
	Electrical - Mechanical Room Upgrades	\$ 9,200
	Electrical - Test GFI System ^a	\$ 3,500
	Electrical - Uninterruptible Power System - Replace UPS for Communication ^a	\$ 1,700
FY 27/28 (Yr 2)	Electrical - Pool Deck Lighting ^a	\$ 25,200
	Civil - Leak Detection and Surge Pit Lining ^a	\$ 147,000
FY 28/29 (Yr 3)	Architectural - ADA - Curb Cut Upgrade (3) ^a	\$ 63,000
	Architectural - ADA - Parking Restriping and Vertical ADA Signage ^a	\$ 4,200
	Civil - Wood Deck Repair, Adjacent to Shed ^a	\$ 63,000
	Civil - Main Pool - Replace Water Line Tile ^a	\$ 28,000
	Electrical - Test GFI System ^a	\$ 5,300
	Electrical - Clean and Paint Service ^a	\$ 3,500
	Plumbing - Domestic Water Heater (w/H-2) ^a	\$ 2,200
	Plumbing - Grease Interceptor ^a	\$ 3,400
	Plumbing - CO ₂ Feed Unit (2) ^a	\$ 49,000
	Plumbing - Chlorine Pumps ^a	\$ 7,700
	Plumbing - Chlorine Feed System ^a	\$ 63,000
	Plumbing - Pool Heater, 750 MBtu/hr ^a	\$ 68,000
	Plumbing - Pool Filter Media (5 filters) ^a	\$ 5,000
	Plumbing - Flow Meters (5) ^a	\$ 5,000
FY 29/30 (Yr 4)	Architectural - Men's Shower - New Benches ^a	\$ 16,800
	Architectural - Interior Walls Painting & Damaged Ceiling Tile Replacement (Allowance) ^a	\$ 245,000
	Civil - Wood Fence Repair - 30 LF Including Painting ^a	\$ 7,000
	Civil - Main Pool - Replace Diving Board ^a	\$ 21,000
	Civil - Side Pool - Replaster ^c	\$ 56,000
	Civil - Side Pool - Replace Water Line Tile ^a	\$ 16,800
	Civil / Plumbing - Demo Ex Underground Chlorine Tanks - Replace with Aboveground Tanks ^a	\$ 140,000
	Plumbing - Variable Frequency Drive (2) ^a	\$ 24,500
	Plumbing - Pool Heater, 1,999 MBtu/hr ^a	\$ 130,200
	Plumbing - Pool Filter Media (5 filters) ^a	\$ 3,400



FY 30/31 (Yr 5)	Electrical - Pool Deck Lighting ^a	\$ 22,100
FY 32/33 (Yr 7)	Civil - Landscaping in Parking Lot Replace with Stone & Weed Barrier at Islands ^a	\$ 77,000
	Civil - Landscaping in Parking Lot - Replace with Bark & Weed Barrier at Perimeter ^a	\$ 56,000
	Civil - Pavement - Parking Lot Asphalt Slurry ^c	\$ 49,000
	Civil - Pavement - Restriping Parking Spaces ^c	\$ 14,000

Justification: Identified in the Draft Building Assessment 10-Year CIP for health, safety, building longevity, and service to the community.
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B - ADA / Aged Architectural Systems: Projects necessary for ADA compliance or replacement of aging architectural components
C - Discretionary: Preventive maintenance or enhancements that improve longevity or functionality, but are not critical to current operations.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ 30,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,200
Unfunded	\$ -	\$ -	\$ 172,200	\$ 370,300	\$ 660,700	\$ 22,100	\$ -	\$ 196,000	\$ -	\$ -	\$ -	\$ 1,421,300
Total	\$ 30,200	\$ -	\$ 172,200	\$ 370,300	\$ 660,700	\$ 22,100	\$ -	\$ 196,000	\$ -	\$ -	\$ -	\$ 1,451,500

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**City of Hercules
Capital Improvement Plan - Facilities
Fiscal Years 2026-27 through 2035-36**

Project Number: 63066
Project Name: Senior Center

Description:	Fiscal Year	Project / Scope	Amount (\$)
	FY 26/27 (Yr 1)	Electrical - Replace Lighting with New LED Lighting ^A	\$ 38,100
	FY 27/28 (Yr 2)	Civil - Non-Compliant Curb Ramp – Removal and Replacement ^A	\$ 42,000
		Architectural - Cabinet and Counter Replacement ^B	\$ 9,100
		Architectural - Lobby Safety Enhancement (Separation Wall) ^A	\$ 21,000
		Plumbing - Architectural - 40-Gallon Storage Water Heater ^A	\$ 5,700
		Plumbing - Electric Water Heater (4 gallons) ^A	\$ 3,200
		Electrical - Clean and Paint Service ^A	\$ 3,500
		Electrical - Add UPS to VOIP Phone System ^A	\$ 800
		Electrical - Replace Lighting with New LED Lighting ^A	\$ 38,100
	FY 28/29 (Yr 3)	Architectural - Lobby Safety Enhancement (Separation Wall) ^A	\$ 21,000
		Architectural - Interior Walls – Painting (Allowance) ^B	\$ 7,000
	FY 29/30 (Yr 4)	Architectural - Exterior Walls – Painting ^B	\$ 22,400
	FY 35/36 (Yr 10)	Electrical - Coordinate with PG&E to Relocate Transformer ^A	\$ 51,800



Justification: Identified in the Draft Building Assessment 10-Year CIP for health, safety, building longevity, and service to the community.
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B – ADA / Aged Architectural Systems: Projects necessary for ADA compliance or replacement of aging architectural components
C – Discretionary: Preventive maintenance or enhancements that improve longevity or functionality, but are not critical to current operations.
D – Special/Dedicated Revenue – Projects primarily supported through dedicated funding or special revenue funds.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	38,649	-	-	-	-	-	-	-	-	-	-	38,649
Unfunded	-	-	123,400	21,000	28,000	22,400	-	-	-	-	51,800	246,600
Total	38,649	-	123,400	21,000	28,000	22,400	-	-	-	-	51,800	285,249

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

City of Hercules
Capital Improvement Plan - Facilities
Fiscal Years 2026-27 through 2035-36

Project Number: PW0004
Project Name: Library

Description:	Fiscal Year	Project / Scope	Amount (\$)
	FY 26–27 (Yr 1)	Electrical - Remove and Replace 50 T5 Ballasts and 100 LED T5 Lights ^A	\$ 22,900
	FY 27–28 (Yr 2)	Plumbing - 20-Gallon Electric Water Heaters (4) ^A	\$ 18,800
	FY 28–29 (Yr 3)	Architectural - ADA Parking – Restriping and Vertical ADA Signage ^B	\$ 4,600
		Mechanical – Preaction Fire Protection System ^A	\$ 150,400
		Mechanical – Exhaust Fans (EF-1, EF-2, EF-4) ^A	\$ 7,600
		Mechanical – Exhaust Fan (EF-3) ^A	\$ 2,500
		Mechanical – Rooftop Package Air Conditioner (7.5 tons) ^A	\$ 39,200
		Mechanical – Rooftop Package Air Conditioner (12.5 tons) ^A	\$ 82,000
	FY 29–30 (Yr 4)	Mechanical – Rooftop Package Air Conditioner (6.25 tons) ^A	\$ 59,500
		Mechanical – Rooftop Package Air Conditioner (17.5 tons) ^A	\$ 97,000
		Mechanical – Building HVAC Control System (BMS) ^B	\$ 168,000
	FY 30–31 (Yr 5)	Mechanical – Building HVAC Control System (BMS) ^B	\$ 168,000
		Civil - Asphalt Slurry Seal ^C and Striping for Parking Lot ^C	\$ 28,700
		Mechanical – Rooftop Package Air Conditioner (10 tons) ^A	\$ 67,300
		Mechanical – Split DX HVAC System (2 tons) ^A	\$ 19,600
	FY 32–33 (Yr 7)	Architectural - Carpet Replacement ^C	\$ 119,000



Justification: Identified in the Draft Building Assessment 10-Year CIP for health, safety, building longevity, and service to the community.
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B – ADA / Aged Architectural Systems: Projects necessary for ADA compliance or replacement of aging architectural components
C – Discretionary: Preventive maintenance or enhancements that improve longevity or functionality, but are not critical to current operations.
D – Special/Dedicated Revenue – Projects primarily supported through dedicated funding or special revenue funds.

Funding Source:	Prior Year	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ 91,577		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,577
Unfunded		\$ -	\$ -	\$ 286,300	\$ 324,500	\$ 283,600	\$ -	\$ 119,000	\$ -	\$ -	\$ -	\$ 1,013,400
Total	\$ 91,577	\$ -	\$ -	\$ 286,300	\$ 324,500	\$ 283,600	\$ -	\$ 119,000	\$ -	\$ -	\$ -	\$ 1,104,977

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**City of Hercules
Capital Improvement Plan - Facilities
Fiscal Years 2026-27 through 2035-36**

Project Number: 63073
Project Name: Foxboro Community Center

Description:	Fiscal Year	Project / Scope	Amount (\$)
FY 26/27 (Yr 1)		Plumbing – 53-Gallon Storage Water Heater ^A	\$ 7,300
		Electrical – Replace Lighting with Exit Signs / Landing Lighting ^A	\$ 2,900
FY 28/29 (Yr 3)		Electrical – Restore Solar Panels / System ^C	\$ 35,000
FY 31/32 (Yr 6)		Architectural – Roofing – Asphaltic Tiles ^B	\$ 16,800
		Architectural – Exterior Walls – Painting ^B	\$ 7,000
		Architectural – Interior Walls – Painting (Allowance) ^C	\$ 2,100
		Electrical – Replace Interior Lighting with LED Lighting ^A	\$ 24,700
		Electrical – Install Exterior Front Path Lighting ^C	\$ 3,500
FY 33–34 (Yr 8)		Civil – Pavement – Full Trash Capture Catch Basin Inlet Filters ^B	\$ 2,800



Justification: Identified in the Draft Building Assessment 10-Year CIP for health, safety, building longevity, and service to the community.
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B – ADA / Aged Architectural Systems: Projects necessary for ADA compliance or replacement of aging architectural components
C – Discretionary: Preventive maintenance or enhancements that improve longevity or functionality, but are not critical to current operations.
D – Special/Dedicated Revenue – Projects primarily supported through dedicated funding or special revenue funds.

Funding Source:	Prior Year	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ 10,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,200
Unfunded		\$ -		\$ 35,000			\$ 54,100		\$ 14,000			\$ 103,100
Total	\$ 10,200	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ 54,100	\$ -	\$ 14,000	\$ -	\$ -	\$ 113,300

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CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**City of Hercules
Capital Improvement Plan - Facilities
Fiscal Years 2026-27 through 2035-36**

Project Number: 63072
Project Name: Ohlone Community Center

Description:	Fiscal Year	Project / Scope	Amount (\$)
FY 26/27 (Yr 1)		Architectural – Fire Extinguisher Cabinet ^A	\$ 3,500
		Plumbing – Gas Water Heater ^A	\$ 4,900
		Electrical – Replace Lighting with Exit Signs / Lighting Lights ^A	\$ 2,900
		Electrical – Install Exterior Parking Lot Lighting ^A	\$ 14,700
		Electrical – Replace Solar Panel Inverters ^A	\$ 3,500
FY 28/29 (Yr 3)		Architectural – Interior Bathrooms ^B	\$ 28,000
		Civil – Demo / Replace Perimeter Fence ^B	\$ 28,000
		Electrical – Replace Interior Lighting with LED Lighting ^A	\$ 24,700
FY 29/30 (Yr 4)		Architectural – Exterior Bathrooms/Lavatory – Design, Demo, and Renovation ^B	\$ 78,400
		Civil – Pavement – Concrete Ramp– Design ^B	\$ 14,000
		Civil – Pavement – Curb Cut ^B	\$ 21,000
		Mechanical – Range Hood with Exhaust Fan and Toilet Exhaust Fans (2 Units) ^A	\$ 7,800
FY 30/31 (Yr 5)		Architectural – Cabinets and Counters in Kitchen ^C	\$ 9,100
		Civil – Pavement – Concrete Ramp– Construction ^B	\$ 56,000
FY 31/32 (Yr 6)		Architectural – ADA – Restriping and Vertical ADA Signage for ADA Spaces ^B	\$ 2,100
		Architectural – Flooring – VCT ^B	\$ 13,300
		Architectural – Exterior Walls – Painting ^C	\$ 11,200
		Civil – Pavement – Parking Lot Asphalt Slurry ^B	\$ 7,700
		Civil – Pavement – Parking Lot Restriping ^B	\$ 2,100
		Electrical – Replace Phone System ^B	\$ 5,300
FY 33–34 (Yr 8)		Architectural – Interior Walls – Painting (Allowance) ^C	\$ 3,500



Justification: Identified in the Draft Building Assessment 10-Year CIP for health, safety, building longevity, and service to the community.
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B – ADA / Aged Architectural Systems: Projects necessary for ADA compliance or replacement of aging architectural components
C – Discretionary: Preventive maintenance or enhancements that improve longevity or functionality, but are not critical to current operations.
D – Special/Dedicated Revenue – Projects primarily supported through dedicated funding or special revenue funds.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ 82,684	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,684
Unfunded	\$ -	\$ -	\$ -	\$ 80,700	\$ 121,200	\$ 65,100	\$ 41,700	\$ -	\$ 3,500	\$ -	\$ -	\$ 312,200
Total	\$ 82,684	\$ -	\$ -	\$ 80,700	\$ 121,200	\$ 65,100	\$ 41,700	\$ -	\$ 3,500	\$ -	\$ -	\$ 394,884

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CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**City of Hercules
Capital Improvement Plan - Facilities
Fiscal Years 2026-27 through 2035-36**

Project Number: -
Project Name: Ohlone Childcare Center

Description:	Fiscal Year	Project / Scope	Amount (\$)
	FY 27/28 (Yr 2)	Electrical – Replace Phone System ^A	\$ 5,300
	FY 28/29 (Yr 3)	Mechanical – 4-Ton Bard Wall-Mounted HVAC (3 units) ^A	\$ 21,700
		Electrical – Replace with LED Lighting ^A	\$ 22,100
	FY 29/30 (Yr 4)	Architectural – ADA – Paint / Refinishing & Repair ^B	\$ 4,200
		Mechanical – 4-Ton Bard Wall-Mounted HVAC (3 units) ^A	\$ 21,700
		Mechanical – Exhaust Fans (3 units) ^A	\$ 5,000
		Plumbing – Electric Water Heater (3 units) ^A	\$ 4,500
	FY 32/33 (Yr 7)	Architectural – Exterior Walls – Painting in Window Guards ^B	\$ 14,700
		Architectural – Interior Walls – Painting (Allowance) ^B	\$ 3,500



Justification: Identified in the Draft Building Assessment 10-Year CIP for health, safety, building longevity, and service to the community.
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B – ADA / Aged Architectural Systems: Projects necessary for ADA compliance or replacement of aging architectural components
C – Discretionary: Preventive maintenance or enhancements that improve longevity or functionality, but are not critical to current operations.
D – Special/Dedicated Revenue – Projects primarily supported through dedicated funding or special revenue funds.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unfunded	\$ -	\$ -	\$ 5,300	\$ 43,800	\$ 35,400			\$ 18,200				\$ 102,700
Total	\$ -	\$ -	\$ 5,300	\$ 43,800	\$ 35,400	\$ -	\$ -	\$ 18,200	\$ -	\$ -	\$ -	\$ 102,700

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

City of Hercules
 Capital Improvement Plan - Facilities
 Fiscal Years 2026-27 through 2035-36

Project Number: 63070
 Project Name: Lupine Childcare Center

Description:

Fiscal Year	Project / Scope	Amount (\$)
FY 28/29 (Yr 3)	Civil – Pavement – Parking Lot Asphalt Slurry ^B	\$ 4,900
	Civil – Pavement – Parking Lot Re-Striping ^B	\$ 3,500
	Civil – Concrete Pathway to Electrical Service Panel ^B	\$ 18,900
FY 29/30 (Yr 3)	Civil / Facilities – Demo and Replace Admin Modular Building, Site Preparation ^C	\$ 49,000
	Civil / Facilities – Installation of new Modular Admin building, Interior Improvements, Utility Connections, and ADA Ramps ^C	\$ 441,000



Justification:

Identified in the Draft Building Assessment 10-Year CIP for health, safety, building longevity, and service to the community.
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B – ADA / Aged Architectural Systems: Projects necessary for ADA compliance or replacement of aging architectural components
C – Discretionary: Preventive maintenance or enhancements that improve longevity or functionality, but are not critical to current operations.
D – Special/Dedicated Revenue – Projects primarily supported through dedicated funding or special revenue funds.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ 16,660	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,660
Unfunded				\$ 27,300	\$ 490,000							\$ 517,300
Total	\$ 16,660	\$ -	\$ -	\$ 27,300	\$ 490,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 533,960

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



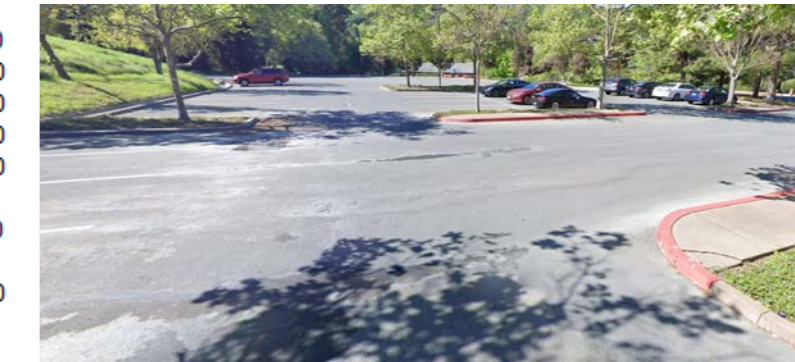
CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**City of Hercules
Capital Improvement Plan - Facilities
Fiscal Years 2026-27 through 2035-36**

Project Number: 63068
Project Name: Teen Center

Description:	Fiscal Year	Project / Scope	Amount (\$)
	FY 27/28 (Yr 2)	Civil – Pavement – Non-Compliant Curb Ramp Removal and Replacement ^B	\$ 21,000
		Civil – Erosion Control, Regrading, and Installation of Drainage ^B	\$ 7,000
		Mechanical – Toilet Exhaust Fans (2 units) ^A	\$ 5,000
		Mechanical – Range Hood with Exhaust Fan ^A	\$ 2,800
		Plumbing – 180 MBH Gas Water Heater ^A	\$ 10,500
		Plumbing – 6-Gallon Electric Water Heater ^A	\$ 3,200
	FY 29/30 (Yr 3)	Mechanical – 5-Ton Condensing Unit with Coil (2 units) ^A	\$ 48,300
		Mechanical – 3.5-Ton Condensing Unit with Coil (2 units) ^A	\$ 44,100
		Mechanical – Gas Furnace (4 units) ^A	\$ 37,800
	FY 31/32 (Yr 6)	Architectural – Exterior Walls – Painting ^B	\$ 11,200
		Architectural – ADA – Restriping and Vertical ADA Signage for ADA Spaces ^B	\$ 2,100
		Civil – Pavement – Parking Lot Asphalt Slurry ^B	\$ 7,700
		Civil – Pavement – Parking Lot Restriping ^B	\$ 2,100
		Civil – Wood Fence Repair – 30 LF Including Painting ^C	\$ 7,000
	FY 32/33 (Yr 7)	Architectural – Roofing – Asphaltic Tile ^B	\$ 56,000
	FY 33/34 (Yr 8)	Architectural – Interior Walls – Painting (Allowance) ^C	\$ 3,500



Justification: Identified in the Draft Building Assessment 10-Year CIP for health, safety, building longevity, and service to the community.
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B – ADA / Aged Architectural Systems: Projects necessary for ADA compliance or replacement of aging architectural components
C – Discretionary: Preventive maintenance or enhancements that improve longevity or functionality, but are not critical to current operations.
D – Special/Dedicated Revenue – Projects primarily supported through dedicated funding or special revenue funds.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ 30,612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,612
Unfunded			\$ 49,500		\$ 130,200		\$ 30,100	\$ 56,000	\$ 3,500			\$ 269,300
Total	\$ 30,612	\$ -	\$ 49,500	\$ -	\$ 130,200	\$ -	\$ 30,100	\$ 56,000	\$ 3,500	\$ -	\$ -	\$ 299,912

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**City of Hercules
Capital Improvement Plan - Facilities
Fiscal Years 2026-27 through 2035-36**

Project Number: 63069
Project Name: Hanna Ranch Childcare Center

Description:	Fiscal Year	Project / Scope	Amount (\$)
	FY 27/28 (Yr 2)	Electrical – Lighting Replacement with LED Lighting ^A Mechanical – 3-Ton Bard Wall-Mounted Heat Pumps ^A	\$ 101,600 \$ 18,500
	FY 28/29 (Yr 3)	Architectural – VCT Flooring Replacement at Classroom ^A Mechanical – 3.5-Ton Bard Wall-Mounted Heat Pumps (4 units) ^A Mechanical – 3-Ton Bard Wall-Mounted Heat Pumps ^A Plumbing – Electric Water Heater (3 Units) ^A	\$ 35,000 \$ 43,400 \$ 18,500 \$ 6,700
	FY 29/30 (Yr 4)	Architectural – Cabinet and Counter Refinishing & Repair (Kitchenette) ^B Architectural – Interior Walls – Painting (Allowance) ^B Architectural – ADA – Parking Restriping and Vertical ADA Signage for ADA Parking Spaces ^B Civil – Pavement – Asphalt Slurry Seal ^C Civil – Pavement – Striping for Parking Lot ^C	\$ 9,100 \$ 29,400 \$ 2,800 \$ 16,800 \$ 6,300
	FY 33/34 (Yr 8)	Architectural – Exterior Walls – Painting ^C	\$ 29,400



Justification: Identified in the Draft Building Assessment 10-Year CIP for health, safety, building longevity, and service to the community.
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B – ADA / Aged Architectural Systems: Projects necessary for ADA compliance or replacement of aging architectural components
C – Discretionary: Preventive maintenance or enhancements that improve longevity or functionality, but are not critical to current operations.
D – Special/Dedicated Revenue – Projects primarily supported through dedicated funding or special revenue funds.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ 41,187	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,187
Unfunded			\$ 120,100	\$ 103,600	\$ 64,400		\$ -		\$ 29,400		\$ -	\$ 317,500
Total	\$ 41,187	\$ -	\$ 120,100	\$ 103,600	\$ 64,400	\$ -	\$ -	\$ -	\$ 29,400	\$ -	\$ -	\$ 358,687

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**City of Hercules
Capital Improvement Plan - Facilities
Fiscal Years 2026-27 through 2035-36**

Project Number: 63071
Project Name: Public Works Maintenance Yard

Description:	Fiscal Year	Project / Scope	Amount (\$)
FY 27/28 (Yr 2)		Architectural – Trailer Roof Repair ^A	\$ 14,000
		Architectural – Interior Wall Repair (Damaged Wall) ^A	\$ 14,000
		Electrical – Upgrade LED Lighting for Shops ^A	\$ 11,200
		Plumbing – Electric Water Heater (1 Unit) ^B	\$ 2,200
		Plumbing – Hose Reel ^B	\$ 7,700
FY 28/29 (Yr 3)		Architectural – Office Trailer Flooring – VCT (5,000 SF Coverage) ^A	\$ 35,000
		Architectural – Interior Wall Painting ^C	\$ 2,800
		Architectural – Carpet Replacement ^B	\$ 2,800
		Architectural – Interior Walls Painting (Allowance) ^C	\$ 14,000
		Civil – Removal of Abandoned Silo Structure ^B	\$ 7,000
		Civil – Infill of Abandoned WWTP Settlement Pond ^A	\$ 70,000
		Civil – Removal / Demolition of Abandoned Trailers (6 Units) ^B	\$ 50,400
		Plumbing – 220 LF Underground Schedule 40 PVC Pipe ^A	\$ 27,700
		Electrical – Remove Gutter with PG&E Unswitched Wire Between Shop and Trailer ^A	\$ 8,400
		Electrical – Remove Abandoned MCCs ^A	\$ 36,400
FY 29/30 (Yr 4)		Electrical – Remove Electrical to Fueling Canopy ^A	\$ 4,200
		Architectural – Exterior Walls Painting – Trailers (4), Including Metal Shed and Butler Building ^C	\$ 44,100
		Architectural – ADA – Parking Restriping and Vertical ADA Signage for ADA Parking Spaces ^C	\$ 3,500
		Civil – Pavement – Parking Lot Asphalt Slurry (incl. in the Refugio Lake Rest. Project) ^C	\$ 5,600
	Civil – Pavement – Re-Striping Parking Spaces ^C	\$ 5,600	



Justification: Identified in the Draft Building Assessment 10-Year CIP for health, safety, building longevity, and service to the community.
A - Health and Safety: Improvements required to address immediate health, safety, or operational risks.
B – ADA / Aged Architectural Systems: Projects necessary for ADA compliance or replacement of aging architectural components
C – Discretionary: Preventive maintenance or enhancements that improve longevity or functionality, but are not critical to current operations.
D – Special/Dedicated Revenue – Projects primarily supported through dedicated funding or special revenue funds.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ 8,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,650
Unfunded			\$ 49,100	\$ 201,300	\$ 258,700	\$ 116,200					\$ 2,200	\$ 627,500
Total	\$ 8,650	\$ -	\$ 49,100	\$ 201,300	\$ 258,700	\$ 116,200	\$ -	\$ -	\$ -	\$ -	\$ 2,200	\$ 636,150

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

City of Hercules
Capital Improvement Plan - Facilities
Fiscal Years 2025-26 through 2034-35

Project Number: 63080
Project Name: Leila's By The Bay

Description:	Fiscal Year	Project / Scope	Amount (\$)
	FY 26/27 (Yr 1)	Mechanical – Repair Ceiling HVAC System ^B	\$ 7,500
	FY 35-36 (Yr 10)	Civil - Replace Roof	\$ 88,000



Justification: Identified in the Draft Building Assessment 10-Year CIP for health, safety, building longevity, and service to the community.
A - Health and Safety: Improvements required to address immediate health, safety, or operational risks.
B – ADA / Aged Architectural Systems: Projects necessary for ADA compliance or replacement of aging architectural components
C – Discretionary: Preventive maintenance or enhancements that improve longevity or functionality, but are not critical to current operations.
D – Special/Dedicated Revenue – Projects primarily supported through dedicated funding or special revenue funds.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Unfunded	\$ -	\$ -	\$ -	\$ -	\$ 65,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,500
Total	\$ 30,000	\$ -	\$ -	\$ -	\$ 65,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,500

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

City of Hercules
10 Year Capital Improvement Plan - Parks
Fiscal Years 2026-27 through 2035-36

Project	Project No.	Funding Source:	Prior	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total
			Carryover	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Refugio Valley Park Capital Improvements	63089	General Fund/Capital Reserves	\$ 55,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,000
		Unfunded	\$ -	\$ -	\$ 355,000	\$ 1,485,000	\$ 1,503,000	\$ 1,300,000	\$ 150,000	\$ 1,600,000	\$ -	\$ -	\$ -	\$ 6,393,000
Refugio Lake Restoration Project	63079	General Fund/Capital Reserves	\$ 23,546	\$ 1,870,700	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,994,246
Beechnut Park	63063	Eastbay Regional Park District WW Grant Funds	\$ 40,095	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,095
		Prop. 68	\$ 156,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,610
		Parks Impact Fee Fund	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000
		General Fund/Capital Reserves	\$ 98,000	\$ 15,295	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 113,295
		Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 700,000	\$ -	\$ -	\$ -	\$ 700,000
Duck Pond Park		Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 680,000	\$ -	\$ 780,000
Foxboro Park	63088	General Fund/Capital Reserves	\$ 418,595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 418,595
		Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,000	\$ -	\$ -	\$ -	\$ -	\$ 74,000
Hanna Ranch Park	-	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,780,000	\$ 2,730,000	\$ -	\$ 6,510,000
Ohlone Park	-	Unfunded	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ 3,000,000	\$ 3,000,000	\$ -	\$ 9,100,000
Bayside Park	-	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,183,000	\$ -	\$ 1,183,000
Woodfield Park	-	Unfunded	\$ -	\$ -	\$ -	\$ 215,000	\$ 375,000	\$ 738,000	\$ 1,500,000	\$ 2,217,000	\$ -	\$ -	\$ -	\$ 5,045,000
Hercules Point - Nuisance Abatement	-	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ 200,000	\$ 150,000	\$ -	\$ -	\$ -	\$ 500,000
Shoreline Park	-	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 749,000	\$ 931,000	\$ -	\$ -	\$ -	\$ -	\$ 1,680,000
Frog Pad Park	-	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 630,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 630,000
Total			\$ 941,846	\$ 1,885,995	\$ 505,000	\$ 1,750,000	\$ 1,878,000	\$ 3,567,000	\$ 4,355,000	\$ 6,167,000	\$ 6,880,000	\$ 7,593,000	\$ -	\$ 35,522,841

Funding source:														
Eastbay Regional Park District WW Grant Funds	\$ 40,095	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,095
Prop. 68	\$ 156,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,610
General Fund/Capital Reserves	\$ 595,141	\$ 1,885,995	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,581,136
Parks Impact Fee Fund	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Community Development Tax Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LWCF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unfunded	\$ -	\$ -	\$ 455,000	\$ 1,700,000	\$ 1,878,000	\$ 3,567,000	\$ 4,355,000	\$ 6,167,000	\$ 6,880,000	\$ 7,593,000	\$ -	\$ -	\$ -	\$ 32,595,000
Total		\$ 941,846	\$ 1,885,995	\$ 505,000	\$ 1,750,000	\$ 1,878,000	\$ 3,567,000	\$ 4,355,000	\$ 6,167,000	\$ 6,880,000	\$ 7,593,000	\$ -	\$ -	\$ 35,522,841

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year. All costs include 40% markup for Design, Project Mgmt, Const. Mgmt and Contingencies.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**City of Hercules
Capital Improvement Plan
Fiscal Years 2026-27 through 2035-36**

Project Number: 63089
Project Name: Refugio Valley Park Capital Improvements

Description:	Fiscal Year	Project	Amount (\$)
	FY 2027–28	Refugio Valley Park – Restroom Replacement (Design)	\$ 200,000
		Refugio Valley Park – Accessory Painting	\$ 35,000
		Refugio Tennis Courts (Design)	\$ 55,000
		Refugio Tennis Center – Replace Wood Stairs and Steps	\$ 120,000
	FY 2028–29	Refugio Valley Park – Restroom Replacement (Construction)	\$ 1,200,000
		Refugio Valley Park – Central Lawn Regrading & Drainage Improvements	\$ 150,000
		Refugio Tennis Courts (Construction)	\$ 135,000
	FY 2029–30	Refugio Valley Park – Central Lawn Regrading & Drainage Improvements	\$ 1,168,000
		Refugio Valley Park – Destination Playground Renovation & Expansion; Demo Toddler Playground & Relocate Adjacent	\$ 200,000
		Refugio Tennis Courts	\$ 135,000
	FY 2030–31	Refugio Valley Park – Destination Playground Renovation & Expansion; Demo Toddler Playground & Relocate Adjacent	\$ 1,300,000
	FY 2031–32	Refugio Valley Park – New Flexible Event Space (6,000–8,000 SF)	\$ 150,000
	FY 2032–33	Refugio Valley Park – New Flexible Event Space (6,000–8,000 SF)	\$ 1,600,000



Justification: This phased program replaces/rehabilitates restrooms, renews tennis courts and access features, and addresses deferred maintenance (painting, stairs/steps, railings) to reduce liability and extend asset life. Lawn drainage regrading, a flexible event space, and playground renovation improve year-round usability, support programming, and increase park activation. Identified in the 5 Year Action Plan in the parks Master Plan. For detailed justification, please refer to the master plan.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ 55,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,000
Unfunded	\$ -	\$ -	\$ 355,000	\$ 1,485,000	\$ 1,503,000	\$ 1,300,000	\$ 150,000	\$ 1,600,000	\$ -	\$ -	\$ -	\$ 6,393,000
Total	\$ 55,000	\$ -	\$ 355,000	\$ 1,485,000	\$ 1,503,000	\$ 1,300,000	\$ 150,000	\$ 1,600,000	\$ -	\$ -	\$ -	\$ 6,448,000

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**City of Hercules
Capital Improvement Plan
Fiscal Years 2026-27 through 2035-36**

Project Number: 63079
Project Name: Refugio Lake Restoration Project

Description:	Fiscal Year	Project / Scope	Amount (\$)
	FY 26/27	Refugio Lake Dredging & Maintenance: Lake dredging and ongoing maintenance, including wood bridge deck replacement	\$ 1,870,700
	FY 27/29	Refugio Lake – Mitigation monitoring and maintenance	\$ 100,000



Justification:

Project is necessary to remove accumulated sediment to restore lake to original volume and reduce nuisance algae. Work conducted in accordance with federal and state regulations. Required mitigation work removing invasive plants and replacing with native vegetation will occur around lake. Similar discretionary mitigation work upstream of the pedestrian bridge near inlet may occur in following year.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ 23,546	\$ 1,870,700	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,994,246
Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 23,546	\$ 1,870,700	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,994,246

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**City of Hercules
Capital Improvement Plan
Fiscal Years 2026-27 through 2035-36**

Project Number: 63063
Project Name: Beechnut Park

Description:	Fiscal Year	Project / Scope	Amount (\$)
	FY 2026-27	Beechnut Park – Shade Feature near Tricycle Loop	
		Beechnut Park – Swing Replacement with All-Ages Swings	
		Beechnut Park – Tree Removal / Pruning for Visibility	
		Total Estimated Cost (FY 2026-27)	\$ 460,000
	FY 2032-33	Beechnut Park – Entry Access and Park Sign Upgrade	\$ 70,000
		Beechnut Park – Paved Lot Conversion to Youth Play Area	\$ 350,000
		Beechnut Park – Neighborhood Library Kiosk	\$ 14,000
		Beechnut Park – Pump Track / Bike Skills Course	\$ 266,000



Justification:

Beechnut Park has seen minimal reinvestment for many years and needs modern, safe neighborhood amenities. This project will improve park entry and visibility, convert the underutilized paved lot into an active youth play area, and add shade and all-ages play features to increase comfort and daily use. A small community library kiosk and pump track/bike skills elements will broaden recreation options for children and teens and activate the site year-round.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Eastbay Regional Park District WW Grant Funds	\$ 40,095	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,095
Prop. 68	\$ 156,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,610
Parks Impact Fee Fund	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000
General Fund/Capital Reserves	\$ 98,000	\$ 15,295	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 113,295
Unfunded	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 700,000	\$ -	\$ -	\$ -	\$ 700,000
Total	\$ 444,705	\$ 15,295	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 700,000	\$ -	\$ -	\$ -	\$ 1,160,000

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

City of Hercules
Capital Improvement Plan
Fiscal Years 2026-27 through 2035-36

Project Number:

Project Name: Duck Pond Park

Description:

Fiscal Year	Project / Scope	Amount (\$)
FY 2032-33	Duck Pond Park – New Fenced Dog Park with Agility Features	\$ 100,000
FY 2033-34	Duck Pond Park – Replace Horseshoe Courts with New Social Recreation Features	\$ 100,000
	Duck Pond Park – Replace Trees at Bocce Courts and Add Shade	\$ 50,000
	Duck Pond Park – New Fenced Dog Park with Agility Features	\$ 530,000



Justification:

Duck Pond Park is a heavily used neighborhood park, and these improvements expand recreation options while addressing comfort and durability needs. A fenced dog park with agility features provides a safe, controlled space for pets and reduces conflicts with other park users. Converting underutilized horseshoe courts to newer social recreation features and adding shade/trees at the bocce area improves usability, heat

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 680,000	\$ -	\$ 780,000
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 680,000	\$ -	\$ 780,000

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**City of Hercules
Capital Improvement Plan
Fiscal Years 2026-27 through 2035-36**

Project Number: 63088
Project Name: Foxboro Park

Description:	Fiscal Year	Project	Amount (\$)
	FY 2031-32	Foxboro Park – Community Center Indoor/Outdoor Improvements	\$ 5,600
		Foxboro Park – Tennis Court Resurfacing and Striping	\$ 36,400
		Foxboro Park – New Perimeter Fencing	\$ 32,000



Justification: These projects resurface worn courts, address uneven/rough play surfaces and non-standard hoop setbacks, refresh landscaping/seat wall planting areas, and add perimeter fencing to improve safety and park

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ 418,595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 418,595
Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,000	\$ -	\$ -	\$ -	\$ -	\$ 74,000
Total	\$ 418,595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,000	\$ -	\$ -	\$ -	\$ -	\$ 492,595

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



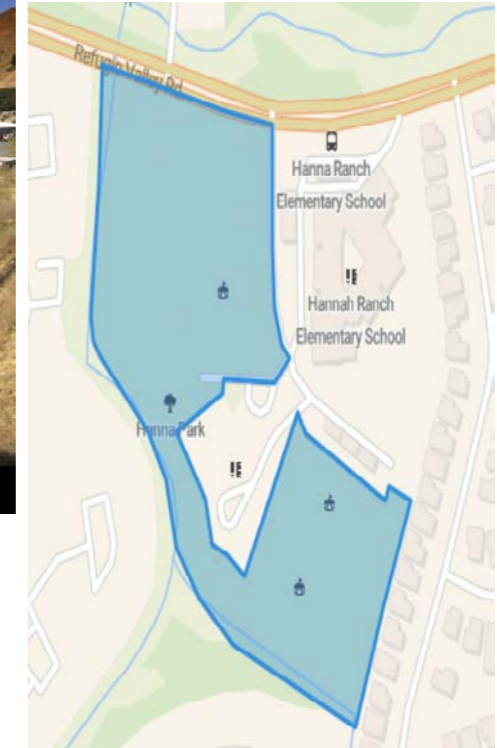
CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**City of Hercules
Capital Improvement Plan
Fiscal Years 2026-27 through 2035-36**

Project Number: -
Project Name: Hanna Ranch Park

Description:	Fiscal Year	Project / Scope	Amount (\$)
	FY 2033-34	Hanna Ranch Park – Lower Field Artificial Turf Multiuse Conversion	\$ 1,400,000
		Hanna Ranch Park – Add New Playground (Ages 2-5 and 5-12)	\$ 700,000
		Hanna Ranch Park – Restroom Replacement	\$ 1,680,000
	FY 2034-35	Hanna Ranch Park – Upper Field Renovation (Artificial Turf)	\$ 1,120,000
		Hanna Ranch Park – Upper Field Sports Lighting and Fencing	\$ 560,000
		Hanna Ranch Park – Shaded Bleachers along Accessible Route	\$ 1,050,000



Justification: To support the City's implementation goals that include the installation of drought-tolerant low-maintenance strategies to achieve carbon sequestration, acquisition of an all-accessible playground, public restrooms renovation that brings the facility in compliance with state/local ADA building code requirements.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LWCF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,780,000	\$ 2,730,000	\$ -	\$ 6,510,000
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,780,000	\$ 2,730,000	\$ -	\$ 6,510,000

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**City of Hercules
Capital Improvement Plan
Fiscal Years 2026-27 through 2035-36**

Project Number: -
Project Name: Ohlone Park

Description:	Fiscal Year	Project / Scope	Amount (\$)
	FY 2027-28	Existing Bridge – Repair / Demolition	\$ 100,000
	FY 2032-33	Ohlone Park – Re-Visioning for Improved Use (Phase 1)	\$ 1,500,000
	FY 2033-34	Ohlone Park – Re-Visioning for Improved Use (Phase 2)	\$ 1,500,000
	FY 2034-35	Ohlone Park – Re-Visioning for Improved Use (Phase 3 / Major Improvements)	\$ 6,000,000



Justification: A park-wide re-visioning will reorganize circulation and amenities (play areas, open lawn, passive recreation, etc.) to improve usability, safety, and ADA access while delivering a more cohesive, flexible park program. Funding a comprehensive per-acre reconfiguration avoids piecemeal fixes and maximizes long-term return on investment.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unfunded	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ 3,000,000	\$ 3,000,000	\$ -	\$ 9,100,000
Total	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ 3,000,000	\$ 3,000,000	\$ -	\$ 9,100,000

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**City of Hercules
Capital Improvement Plan
Fiscal Years 2026-27 through 2035-36**

Project Number: -
Project Name: Bayside Park

Description:	Fiscal Year	Project / Scope	Amount (\$)
	FY 2034-35	Bayside Park – Consolidated Tot Lot with New Equipment and Surfacing	\$ 588,000
		Bayside Park – Small Shade Structure with Picnic Tables	\$ 203,000
		Bayside Park – All-Ages Play Elements	\$ 252,000
		Bayside Park – Restroom Repairs and Repainting	\$ 126,000
		Bayside Park – Neighborhood Library / Little Free Library	\$ 14,000



Justification: Planned improvements modernize play opportunities, add shade and picnic amenities, and address deferred maintenance while keeping the park's small-park character. Consolidating the tot lot improves safety and accessibility, restroom repairs extend asset life, and the neighborhood library feature adds a low-cost, high-visibility community benefit.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,183,000	\$ -	\$ 1,183,000
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,183,000	\$ -	\$ 1,183,000

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**City of Hercules
Capital Improvement Plan
Fiscal Years 2026-27 through 2035-36**

Project Number: -
Project Name: Woodfield Park

Description:	Fiscal Year	Project / Scope	Amount (\$)
	FY 2028–29	Woodfield Park – Basketball Court Improvements	215,000.00
	FY 2029–30	Woodfield Park – Tennis Court Improvements Woodfield Park – Accessibility Route Improvements	320,000.00 55,000.00
	FY 2030–31	Woodfield Park – Restroom Replacement Woodfield Park – Accessibility Route Improvements	465,000.00 273,000.00
	FY 2031–32	Woodfield Park – Miscellaneous Improvements New Perimeter Fencing (Split Rail Fence) Ball Field Turf Overlay and Dugout Replacement New Group Picnic Area near Restroom Off-Street Parking Stalls on City Land	1,500,000.00
	FY 2032–33	Woodfield Park – Miscellaneous Improvements All-Ages Play Features (Freestanding Elements) Wood Totem Art Installation Remove Pines Uplifting Pavement near Courts Selective Tree Pruning for Visibility Slope Vegetation and Irrigation along Asphalt Path	2,217,000.00



Justification: Restores and modernizes priority assets, basketball/tennis courts, and restroom replacement—then delivers supporting improvements (fencing, field/dugouts, picnic area, parking, visibility/landscape fixes) to increase usability and reduce long-term repair costs.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unfunded	\$ -	\$ -	\$ -	\$ 215,000	\$ 375,000	\$ 738,000	\$ 1,500,000	\$ 2,217,000	\$ -	\$ -	\$ -	\$ 5,045,000
Total	\$ -	\$ -	\$ -	\$ 215,000	\$ 375,000	\$ 738,000	\$ 1,500,000	\$ 2,217,000	\$ -	\$ -	\$ -	\$ 5,045,000

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**City of Hercules
Capital Improvement Plan
Fiscal Years 2026-27 through 2035-36**

Project Number: -
Project Name: Shoreline Park

Description:	Fiscal Year	Project / Scope	Amount (\$)
	FY 2030-31	Shoreline Park – Planter Grade Corrections along Walkways	168,000.00
		Shoreline Park – Additional Soft-Surface Access from Sidewalk	126,000.00
		Shoreline Park – New Identification Sign	63,000.00
		Shoreline Park – Drinking Fountain Replacement	49,000.00
		Shoreline Park – Restroom Repainting	91,000.00
		Shoreline Park – Bay Trail Picnic Area Improvements and Access Path	252,000.00
	FY 2031-32	Shoreline Park – Bay Edge Overlook Seating, Signage, and Art	350,000.00
		Shoreline Park – New Play Node at Northeast Corner	420,000.00
		Shoreline Park – Accessible Seating along Paved Loop	161,000.00



Justification: The proposed targeted upgrades (walkway/planter corrections, improved access paths, seating/picnic enhancements, signage, fountain and restroom refresh, and a small play node) will improve ADA access, safety, and overall park activation. These improvements protect the City's investment in a key Bay Trail gateway and enhance user experience for all ages with efficient, phased implementation.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 749,000	\$ 931,000	\$ -	\$ -	\$ -	\$ -	\$ 1,680,000
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 749,000	\$ 931,000	\$ -	\$ -	\$ -	\$ -	\$ 1,680,000

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**City of Hercules
Capital Improvement Plan
Fiscal Years 2026-27 through 2035-36**

Project Number: -
Project Name: Frog Pad Park

Description:	Fiscal Year	Project / Scope	Amount (\$)
	FY 2030-31	Frog Pad Park – Playground and Safety Surfacing Replacement	511,000.00
		Frog Pad Park – Gazebo Shade Structure Repair and Refinish	77,000.00
		Frog Pad Park – Planting Bed Renovation with Pollinator Species	42,000.00



Justification:

Frog Pad Park is a neighborhood park with high daily use. The proposed improvements focus on replacing aging playground equipment and safety surfacing, repairing and refinishing the gazebo shade structure, and renovating planting beds with pollinator-friendly species to improve safety, comfort, and park appearance.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 630,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 630,000
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 630,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 630,000

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**City of Hercules
Capital Improvement Plan
Fiscal Years 2026-27 through 2035-36**

Project Number: -
Project Name: Hercules Point Nuisance Abatement

Description:	Fiscal Year	Project / Scope	Amount (\$)
	FY 2030–31	Install perimeter fencing and access control to restrict unauthorized entry. Initiate DTSC coordination and site reconnaissance to define investigation/cleanup path.	150,000.00
	FY 2031–32	Perform environmental investigations (sampling/testing as needed) to confirm legacy contamination conditions. Remove scattered rubble and debris and dispose appropriately	200,000.00
	FY 2032–33	Mitigate priority safety hazards, including deteriorated/rotting pier elements. Implement DTSC-aligned cleanup actions as defined and complete project closeout/documentation.	150,000.00



Justification: Reduce City liability and shoreline risk by controlling access and abating hazards at Hercules Point. Phased nuisance abatement and DTSC coordination are needed to mitigate hazards now and define next-step cleanup

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ 200,000	\$ 150,000	\$ -	\$ -	\$ -	\$ 500,000
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ 200,000	\$ 150,000	\$ -	\$ -	\$ -	\$ 500,000

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**City of Hercules
10 Year Capital Improvement Plan - Sewer
Fiscal Years 2026-27 through 2035-36**

Project	Project #	Funding Source:	Prior*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total
			Carryover	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Willow-Newbury Sewer Rehabilitation	63086	Sewer Fund - 421	\$ 200,000	\$ 269,700	\$ 1,206,100	\$ 1,080,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,755,800
		Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lower Sycamore Ave. SS Overflow Pipeline	63087	Sewer Fund - 421	\$ 151,680	\$ -	\$ -	\$ -	\$ -	\$ 151,700	\$ 1,650,000	\$ -	\$ -	\$ -	\$ -	\$ 1,953,380
		Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sycamore Ave. Upper Trunk Main		Sewer Fund - 421	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 1,241,800	\$ -	\$ 1,291,800
		Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Promenade Lift Station		Sewer Fund - 421	\$ -	\$ -	\$ -	\$ 450,463	\$ 2,928,008	\$ 2,928,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,306,479
		Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Condition Assesment Projects		Sewer Fund - 421	\$ -	\$ 175,000	\$ 175,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,150,000
		Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Sewer System Improvements		Sewer Fund - 421	\$ -	\$ -	\$ 100,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 2,500,000
		Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total			\$ 351,680.00	\$ 444,700	\$ 1,481,100	\$ 1,930,463	\$ 3,328,008	\$ 3,479,708	\$ 2,050,000	\$ 400,000	\$ 450,000	\$ 1,641,800	\$ 400,000	\$ 15,957,459

Funding Source:																									
Sewer Fund - 421	\$	351,680	\$	444,700	\$	1,481,100	\$	1,930,463	\$	3,328,008	\$	3,479,708	\$	2,050,000	\$	400,000	\$	450,000	\$	1,641,800	\$	400,000	\$	15,957,459	
Unfunded	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
Total	\$	351,680	\$	444,700	\$	1,481,100	\$	1,930,463	\$	3,328,008	\$	3,479,708	\$	2,050,000	\$	400,000	\$	450,000	\$	1,641,800	\$	400,000	\$	15,957,459	

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**City of Hercules
Capital Improvement Plan - Sewer
Fiscal Years 2025-26 through 2034-35**

Project Number: 63086
Project Name: Repair/ Replace Sewer Lines under SR-4 and on Willow Ave and Newbury Street

Description: Evaluate and rehabilitate the Willow–Newbury sewer corridor (approx. 8-inch to 14-inch gravity mains) including the Newbury Ave segment connecting to Willow Ave beneath SR-4. Anticipated construction may include localized repairs, CIPP/lining where feasible, correction of lateral connection defects at legacy tee connections, and rehabilitation of deteriorated manholes (Newbury MH 3017–3282) impacted by high-velocity/corrosive discharge conditions.

Justification: Project improves structural integrity, minimizes I/I, and supports coordinated delivery with roadway improvements to reduce overall restoration costs.

Willow-Newbury Sewer Rehabilitation Project Scope
6" to 14" Gravity Main (ACP)



Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
Sewer Fund - 421	\$ 200,000	\$ 269,700	\$ 1,206,100	\$ 1,080,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,755,800
Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 200,000	\$ 269,700	\$ 1,206,100	\$ 1,080,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,755,800

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



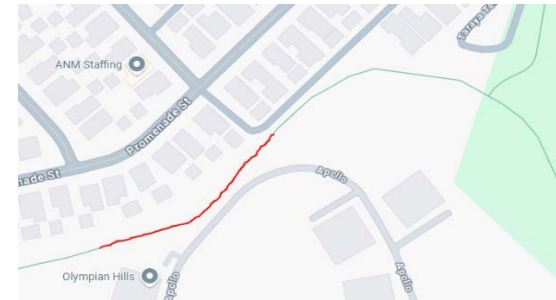
CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**City of Hercules
Capital Improvement Plan - Sewer
Fiscal Years 2025-26 through 2034-35**

Project Number: 63087
Project Name: Lower Sycamore Relief Sewer

Description: Targeted improvements in the Lower Sycamore sewer conveyance corridor to address capacity, condition, or reliability constraints. Scope may include installing 500 ft. overflow pipe in the vicinity of Main street and Apollo Ct, trunk main rehabilitation/replacement, manhole upgrades, and associated hydraulic improvements based on field verification and planning documents.



Justification: Project reduces surcharge/overflow risk and improves conveyance performance under wet-weather conditions.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
Sewer Fund - 421	\$ 151,680	\$ -	\$ -	\$ -	\$ -	\$ 151,700	\$ 1,650,000	\$ -	\$ -	\$ -	\$ -	\$ 1,953,380
Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 151,680	\$ -	\$ -	\$ -	\$ -	\$ 151,700	\$ 1,650,000	\$ -	\$ -	\$ -	\$ -	\$ 1,953,380

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**City of Hercules
Capital Improvement Plan - Sewer
Fiscal Years 2025-26 through 2034-35**

Project Number:

Project Name: Sycamore Ave. Upper Trunk Main

Description:

Targeted improvements in the Sycamore Ave. Upper Trunk Main sewer conveyance corridor to address capacity, reliability, and wet-weather performance. Scope may include upsizing/rehabilitation of trunk main segments, manhole and appurtenance upgrades, and wet-weather flow/depth monitoring upstream of the Upper Trunk Main overflow siphon/gravity configuration near South Front Street to confirm hydraulic performance and inform final improvement sizing.



Justification:

Project reduces surcharge/overflow risk and improves conveyance performance under wet-weather conditions.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
Sewer Fund - 421	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 1,241,800	\$ -	\$ 1,291,800
Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 1,241,800	\$ -	\$ 1,291,800

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

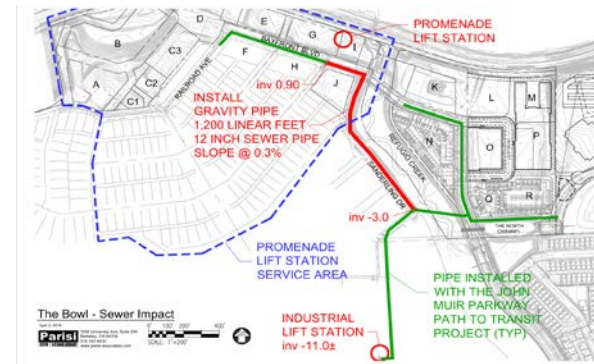
CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

**City of Hercules
Capital Improvement Plan - Sewer
Fiscal Years 2025-26 through 2034-35**

Project Number:
Project Name: Promenade Lift Station Improvements

Description: Upgrade/rehabilitate the Promenade Lift Station to improve reliability, capacity, and long-term performance. Work may include pump and motor replacements, wet well improvements, electrical and controls upgrades, emergency power provisions, and site/civil modifications.

Justification: Significantly reduces the risk of pump failures and sanitary sewer overflows (SSOs) and lowers reactive O&M costs



Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
Sewer Fund - 421	\$ -	\$ -	\$ -	\$ 450,463	\$ 2,928,008	\$ 2,928,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,306,479
Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ 450,463	\$ 2,928,008	\$ 2,928,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,306,479

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

City of Hercules
Capital Improvement Plan - Sewer
Fiscal Years 2025-26 through 2034-35

Project Number:

Project Name: Condition Assessment Projects

Description:

This project funds ongoing condition assessment of the City's wastewater collection system to support proactive capital planning and risk-based rehabilitation. Activities include CCTV inspections, smoke testing, flow monitoring, lift station studies, and physical inspections to evaluate asset condition and system performance. Data collected through this program is used to identify deficiencies, prioritize repairs, and refine future CIP projects. The program supports regulatory compliance, reduces emergency failures, and improves long-term system reliability.

Justification:

Program funding is distributed evenly across the 10-year CIP to provide steady annual condition assessment and rehabilitation capacity and to support predictable contracting and staffing.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
Sewer Fund - 421	\$ -	\$ 175,000	\$ 175,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,150,000
Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ 175,000	\$ 175,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,150,000

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CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

City of Hercules
Capital Improvement Plan - Sewer
Fiscal Years 2025-26 through 2034-35

Project Number:

Project Name: Annual Sewer System Improvements Program (includes manhole Rim repairs)

Description:

Ongoing annual program to fund priority sewer system repairs and minor capital improvements, including manhole rim/frame repairs, localized main repairs, and small rehabilitation projects.

Justification:

Helps prevent SSOs, reduces reactive O&M, and extends asset life through proactive renewal.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
Sewer Fund - 421	\$ -	\$ -	\$ 100,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 2,500,000
Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ 100,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 2,500,000

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

City of Hercules 10 Year Capital Improvement Plan - Streets Fiscal Years 2026-27 through 2035-36

Project Name	Project #	Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget	
			Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	
Foxboro	63075	General Fund/Capital Reserves	\$ 689,103	\$ 96,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 785,103	
		SB1 RMRA	\$ 200,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 980,000	
		Measure J Fund - 263	\$ 1,466	\$ 225,000	\$ 225,000	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 651,466	
		Gas Tax	\$ -	\$ 455,000	\$ 455,000	\$ 455,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,365,000	
		Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Sewer	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	
Hercules By The Bay	63081	General Fund/Capital Reserves	\$ 150,000	\$ -	\$ -	\$ -	\$ 626,000	\$ 626,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,402,500	
		SB1 RMRA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		Measure J Fund - 263	\$ -	\$ -	\$ -	\$ -	\$ 225,000	\$ 225,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450,000	
		Gas Tax	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000	
		Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Green Infrastructure Project - Public ROW Bioretention	63082	General Fund/Capital Reserves	\$ 150,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000	
Annual Street Repair Project	63083	General Fund/Capital Reserves	\$ 138,500	\$ -	\$ 640,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 778,500	
		SB1 RMRA	\$ 211,509	\$ -	\$ -	\$ -	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 2,031,509
		Measure J Fund - 263	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 1,225,000
		Gas Tax	\$ -	\$ -	\$ -	\$ -	\$ 255,000	\$ 255,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 2,785,000
		Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
John Muir Parkway Traffic Calming Improvements	63084	General Fund/Capital Reserves	\$ 218,335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 218,335	
		SB1 RMRA	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000	
		Unfunded	\$ -	\$ -	\$ 50,000	\$ 355,665	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 405,665	
Sycamore Ave Bike/Ped Connector Project		General Fund/Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		MTC TDA3	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000
		HSIP	\$ -	\$ -	\$ -	\$ 165,000	\$ 165,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 330,000
		Unfunded	\$ -	\$ -	\$ -	\$ -	\$ 1,230,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,230,000
Gateway Monument Sign Project		General Fund/Capital Reserves	\$ 90,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190,000	
		Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ 160,000
Total			\$ 1,948,913	\$ 1,786,000	\$ 1,630,000	\$ 2,435,665	\$ 2,961,000	\$ 1,566,500	\$ 940,000	\$ 940,000	\$ 940,000	\$ 940,000	\$ 940,000	\$ 17,188,078	

Funding Sources:														
General Fund/Capital Reserves	\$ 1,435,938	\$ 446,000	\$ 640,000	\$ -	\$ 626,000	\$ 626,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,774,438
SB1 RMRA	\$ 411,509	\$ 510,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 3,261,509
Measure J Fund - 263	\$ 101,466	\$ 225,000	\$ 225,000	\$ 200,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 2,326,466
Gas Tax	\$ -	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 4,550,000
Sewer	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
MTC TDA3	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000
HSIP	\$ -	\$ -	\$ -	\$ 165,000	\$ 165,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 330,000
Unfunded	\$ -	\$ -	\$ 50,000	\$ 355,665	\$ 1,230,000	\$ 80,000	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,795,665
Total	\$ 1,948,913	\$ 1,786,000	\$ 1,630,000	\$ 2,435,665	\$ 2,961,000	\$ 1,646,500	\$ 1,020,000	\$ 940,000	\$ 940,000	\$ 940,000	\$ 940,000	\$ 940,000	\$ 940,000	\$ 17,188,078

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

City of Hercules Capital Improvement Plan - Streets Fiscal Years 2026-27 through 2035-36

Project Number: 63075
Project Name: Foxboro

Description:

Repair and Resurface poor and failing streets in residential Foxboro neighborhood and segments of Willow Ave as construction coordination with utility projects and funding allows.

FY26/27	Phase 1	Total
	MILL AND FILL	
	• DARTFORD WY (Brighton to Canterbury)	\$ 590,300
	• OXFORD ST (Canterbury to Newbury)	\$ 300,100
	• BRIGHTON ST. (Edinburgh to Canterbury)	\$ 332,000
	• WILLOW AVE - (Spot treatments - Hwy 80 - Mariners Pointe)	\$ 115,700
	• WILLOW AVE (Hwy 4 to Mariners Pte) - incl new Bike Lane	\$ 549,100
	CAPE SEAL	
	• EDINBURGH CT. (Brighton to End)	\$ 14,800
	CRACK FILL	
	• WILLOW AVE (Hwy 4 to Palm- including new Bike Lane)	\$ 24,500
	Design	\$ 128,400
FY26/27	Const Cost + 20% Contingency	\$ 1,541,200
	CM/PM	\$ 256,900
	Total	\$ 1,926,500
FY27/29	Phase 2	Total
	MILL AND FILL	
	• CANTERBURY DR - UPPER (Bedford to End)	\$ 318,900
	• BRIGHTON ST (Canterbury to End)	\$ 28,400
	• BEDFORD CT. (Canterbury to End)	\$ 130,600
	• CANTERBURY Dr. - LOWER (Willow to Dartford)	\$ 185,000
	• CANTERBURY DR - UPPER (Newbury to Brighton)	\$ 804,100
	• BRIGHTON ST - UPPER	\$ 332,000
	Design	\$ 119,900
FY28/29	Const Cost + 20% Contingency	\$ 1,439,200
	CM/PM	\$ 239,900
	Total	\$ 1,799,000
FY28/29	Phase 3	Total
	WILLOW-NEWBURY SEWER PROJECT	
	• NEWBURY ST. (Canterbury to Oxford)	\$ 465,100
	• NEWBURY ST. (Oxford to End)	\$ 269,900
	• WILLOW ST. (Sycamore to Transit Center)	\$ 321,100
	Design	\$ 70,400
	Const Cost + 20% Contingency	\$ 844,900
	CM/PM	\$ 140,800
	Total	\$ 1,056,100



Justification:

The Foxboro neighborhood is one of two neighborhoods in Hercules with failing streets. Streets unhampered by utility projects and new development will be addressed in FY26-27, with the

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ 689,103	\$ 96,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 785,103
SB1 RMRA	\$ 200,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 980,000
Measure J Fund - 263	\$ 1,466	\$ 225,000	\$ 225,000	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 651,466
Gas Tax	\$ -	\$ 455,000	\$ 455,000	\$ 455,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,365,000
Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Total	\$ 890,569	\$ 1,036,000	\$ 940,000	\$ 1,915,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,781,569

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

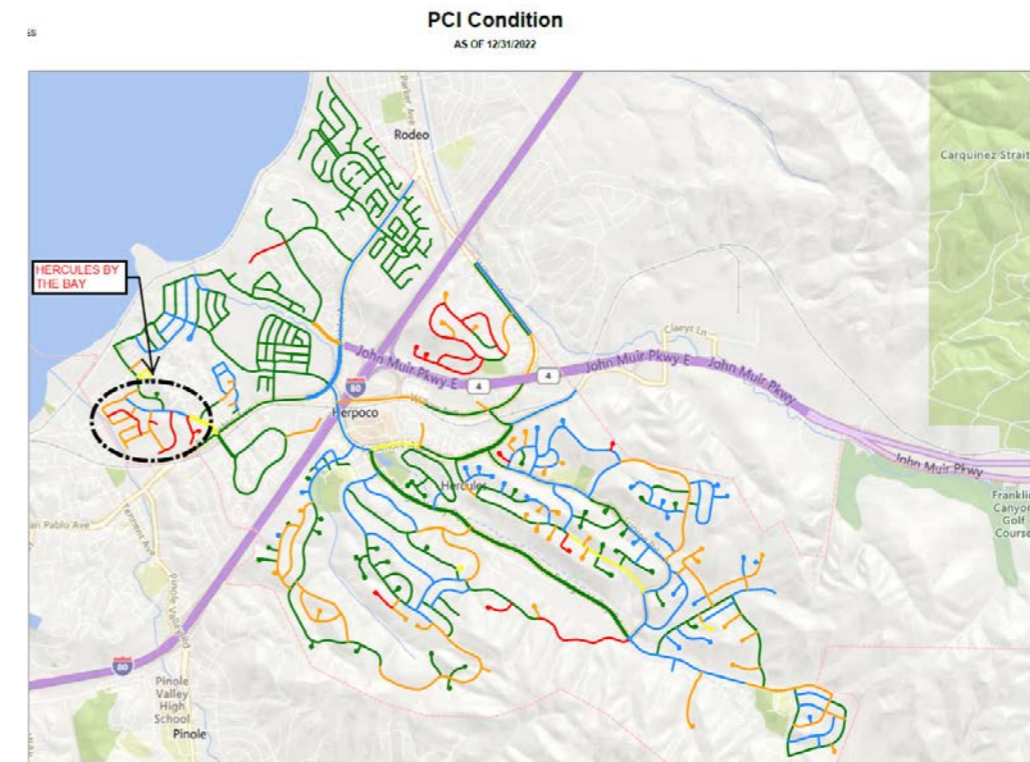
CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

City of Hercules Capital Improvement Plan - Streets Fiscal Years 2026-27 through 2035-36

Project Number: 63081
Project Name: Hercules By The Bay

Description: Repair and Resurface poor and failing residential streets in Hercules By The Bay neighborhood. Design to start as soon as sufficient funding is available; Construction to start when accumulated funding is available.

	STREET NAME	Total
FY30/31	BUCKLEY CT (Dunham to End)	\$ 43,900
	DUNHAM CT (Hercules to End)	\$ 179,000
	HERCULES AV (NB) (DUNHAM CT - SAN PABLO AV)	\$ 39,700
	HERCULES AV (SB) (SAN PABLO AV - DUNHAM CT)	\$ 39,700
	SKELLY WY (Hercules Ave to End)	\$ 401,300
	CAMDEN LN (Santa Fe to End)	\$ 27,400
	FAWCETT (Santa Fe to Woodfield)	\$ 148,300
	WILLIAMS WY (Pavon to Woodfield)	\$ 302,200
	WOODFIELD WY (Hercules to Fawcett)	\$ 293,900
	ROSTI CT (Williams to End)	\$ 243,600
FY28/29	PAVON WY (Pearce Way to Rosti Ct.)	\$ 177,700
	PEARCE WY (Hercules to Skelly)	\$ 261,200
	STOUT CT (Pearce to End)	\$ 94,600
	Design	\$ 161,000
	Const Cost + 10% Contingency	\$ 1,769,600
	CM/PM	\$ 321,900
	Total	\$ 2,252,500



Justification: After Foxboro neighborhood is rehabilitated, per 2022 PMP Report, the Hercules By The Bay neighborhood is the only neighborhood in Hercules with failing streets.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ 150,000	\$ -	\$ -	\$ -	\$ 626,000	\$ 626,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,402,500
ARPA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SB1 RMRA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Measure J Fund - 263	\$ -	\$ -	\$ -	\$ -	\$ 225,000	\$ 225,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450,000
Gas Tax	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 150,000	\$ -	\$ -	\$ -	\$ 1,051,000	\$ 1,051,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,252,500

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

**City of Hercules
Capital Improvement Plan - Streets
Fiscal Years 2026-27 through 2035-36**

Project Number: 63082
Project Name: Public Right-of-Way Bioretention

Description: Project consists of design and construction of new bioretention facility on south side of John Muir Parkway between Tsushima and Bayfront Loop. Project satisfies Regional Water Quality Control Board Clean Water Program C.3.j requirement to design and fully fund bioretention for 1.58 acres of public right of way on or before June 30, 2027.



FY26/27	Design	\$ 40,000
FY26/27	Const Cost + 10% Contingency	\$ 280,000
	CM/PM	\$ 80,000
	Total	\$ 400,000

Justification: Provision C.3.j.i of the Municipal Regional Stormwater Permit (MRP) requires the City to design and fully fund Green Infrastructure facilities to treat runoff from 1.58 acres of public Right-of-Way on or before June 30, 2027.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ 150,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 150,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



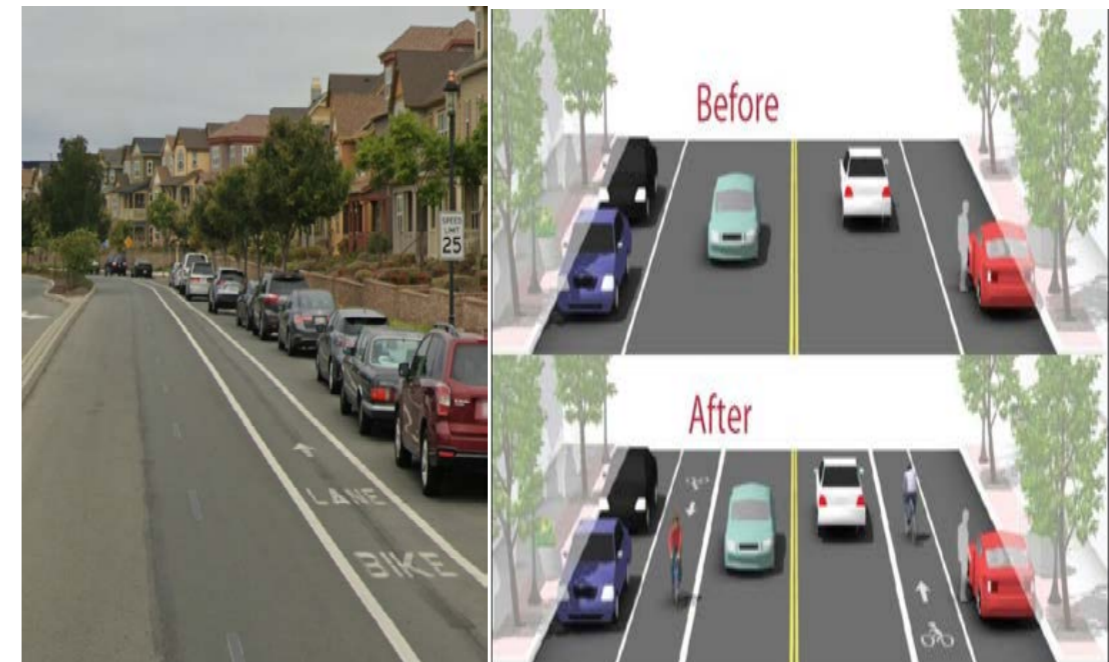
CAPITAL PROJECT FUNDS

**City of Hercules
Capital Improvement Plan - Streets
Fiscal Years 2026-27 through 2035-36**

Project Number: 63084
Project Name: John Muir Parkway Traffic Calming Improvements

Description: Design and construct the City-approved traffic calming improvements on John Muir Parkway from Alfred Nobel Drive to the Transit Loop. The project will advance final design and pursue additional grant funding to deliver the approved improvements.

FY26/27	Design	\$ 50,000
FY26/27	Const Cost + 10% Contingency	\$ 517,516
	CM/PM	\$ 56,056
	Total	\$ 624,000



Justification: John Muir Pkwy was design to meet the needs of planned commercial use of adjacent parcel. With the change of use, it necessitates the modifying of John Muir Pkwy to better fulfill neighborhood needs.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ 218,335	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 218,335
SB1 RMRA	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000
Unfunded	\$ -	\$ -	\$ 50,000	\$ 355,665		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 405,665
Total	\$ 218,335	\$ 250,000	\$ 50,000	\$ 355,665	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 874,000

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

CITY OF HERCULES FY 2026-27 ANNUAL BUDGET

City of Hercules Capital Improvement Plan - Streets Fiscal Years 2026-27 through 2035-36

Project Number: 63083
Project Name: Annual Street Repair Project

Description: Improvements include a mix of light preventive maintenance, slurry and cape seals, and heavier asphalt rehabilitation, applied to streets citywide based on pavement condition, deterioration rate, and available funding. Final street selection and treatment limits will be determined to maximize cost-effectiveness and pavement life. Also includes annual restriping program, minor traffic calming measures, sidewalk repair and ADA improvements and traffic and warrant control analyses as needed and as funding available.

FY 27/28 Annual Street Repair Project includes:		Total
SAN PABLO AVE		
• SAN PABLO AV (WB) (646 W/O/SYCAMORE - SYCAMORE AV)	\$	43,200
• SAN PABLO AV (JOHN MUIR PK'WY - LINUS PAULING DR)	\$	163,600
• SAN PABLO AV (LINUS PAULING DR - CITY LIMITS @ RODEO SIGN)	\$	318,200
• SAN PABLO AV (EB) (SYCAMORE AV - JOHN MUIR PK'WY)	\$	77,900
	\$	602,900
Design	\$	43,100
Const Cost + 10% Contingency	\$	473,600
CM/PM	\$	86,200
Total	\$	602,900

FY 29/30 Annual Street Repair Project includes:		Total
SYCAMORE — CIVIC / WILLOW AREA		
• CIVIC DR (Sycamore Ave to End)	\$	47,100
• WILLOW AV (500' E/O Sycamore to 1669' W/O Palm)	\$	299,700
• WILLOW AV (Sycamore Ave to 500' E/O Sycamore)	\$	93,400
• PALM AV (End to Willow Ave)	\$	57,400
	\$	497,600
Design	\$	35,600
Const Cost + 10% Contingency	\$	391,000
CM/PM	\$	71,000
Total	\$	497,600

FY 31/32 Annual Street Repair Project includes:		Total
REFUGIO VALLEY ROAD CORRIDOR		
• BONAIRE AV (REFUGIO VALLEY RD to MANDALAY AV)	\$	190,300
• PARTRIDGE DR (Swallow Way to Refugio Valley Rd)	\$	201,800
• MIDSHIP DR (Refugio Valley Rd to Sunset Dr)	\$	39,700
• MIDSHIP DR (Sunset Dr. to End)	\$	111,800
• REFUGIO VALLEY RD (Miramar Rd to Carson St)	\$	61,800
• REFUGIO VALLEY RD (Carson St. to Bonaire Ave)	\$	258,800
• REFUGIO VALLEY RD (REDWOOD RD - MIRAMAR RD)	\$	197,200
• COUNTRY RUN WY (REFUGIO VALLEY RD - VALLEY RUN)	\$	20,500
• CORONADO ST (CARSON ST - END)	\$	69,100
• SOUTHWIND DR (REFUGIO VALLEY RD - TIDEWATER DR)	\$	17,700
	\$	1,168,700
Design	\$	83,500
Const Cost + 10% Contingency	\$	918,200
CM/PM	\$	167,000
Total	\$	1,168,700

Justification: Recommendations from PMP report, sidewalk inventory, verified citizen complaints, and emergency repairs. This scenario is the proposed CIP (limited budget-constrained maintenance) scenario described above.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ 138,500	\$ -	\$ 640,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 778,500
SB1 RMRA	\$ 211,509	\$ -	\$ -	\$ -	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 2,031,509
Measure J Fund - 263	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 1,225,000
Gas Tax	\$ -	\$ -	\$ -	\$ -	\$ 255,000	\$ 255,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 2,785,000
Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 450,009	\$ -	\$ 640,000	\$ -	\$ 515,000	\$ 515,000	\$ 940,000	\$ 940,000	\$ 940,000	\$ 940,000	\$ 940,000	\$ 6,041,509

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

**City of Hercules
Capital Improvement Plan - Streets
Fiscal Years 2026-27 through 2035-36**

Project Number: XXXXX
Project Name: Sycamore Ave. Bike/Pedestrian East-West Connector Project

Description: 10-foot wide multi-use pedestrian/bicycle pathway on north side of Sycamore Ave and Class II bicycle facilities on south side of Sycamore Ave. between Willow Ave and Refugio Valley Road. The project will connect San Pablo Avenue bike lanes to Refugio Valley Road and Refugio Park, adding a Class II bike lane and multipurpose trail from Creekside Center to John Muir Parkway and the Regional Intermodal Transit Center.

FY26/28	Design	\$ 150,000
FY2830	Const Cost + 10% Contingency	\$ 1,500,000
	CM/PM	\$ 300,000
	Total	\$ 1,950,000



Justification: The Project will address safety concerns along Sycamore Avenue under I-80 and the BNSF railroad overcrossing where poor infrastructure, low visibility and past accidents have posed risks for pedestrians and cyclists.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation Impact Fee Fund	\$ -	\$ -	\$ -	\$ 240,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240,000
MTC TDA3	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000
HSIP	\$ -	\$ -	\$ -	\$ 165,000	\$ 165,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 330,000
Unfunded	\$ -	\$ -	\$ -		\$ 1,230,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,230,000
Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ 150,000	\$ -	\$ 405,000	\$ 1,395,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,950,000

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

**City of Hercules
Capital Improvement Plan - Streets
Fiscal Years 2026-27 through 2035-36**

Project Number: XXXXX
Project Name: City Monument Signage - San Pablo Ave Median near Market Drive

Description: Medium Scale Entryway Monument Signage for San Pablo Avenue median near Market Drive/San Pablo Ave intersection.

FY26/27	Design	\$	25,000
FY27/28	Const Cost + 10% Contingency	\$	175,000
	CM/PM	\$	50,000
	Total	\$	250,000

San Pablo Blvd Mid-block (near Peet's Coffee)



Justification: New Entry way Monument Sign will enhance City identity and visual appeal, serve as welcoming landmark, reinforce branding and civic pride, and support economic development.

Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
	Carryover	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
General Fund/Capital Reserves	\$ 90,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190,000
Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ 160,000
Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 90,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 80,000	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ 350,000

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



CAPITAL PROJECT FUNDS

City of Hercules Capital Improvement Plan Fiscal Years 2026-27 through 2035-36

Project Number: 63056, 63001D
Project Name: Hercules - The Hub

Description: Environmental mitigation work from previous construction phases is on-going. A funding plan has been created to complete the final design, utility relocations, and construction of the remainder of the Hub. The budget in coming years is dependent upon receiving grants. The City set aside \$3M in the General Fund/Capital Reserves as the City's local contribution. Most recently, the City was successful in securing \$2.4M of State TIRCP funds towards final design.

Justification: Moving forward, a total of \$107.7M is needed to complete the infrastructure for a train stop, of which it is proposed \$104.7M be funded with grants.



Phase:	Funding Source:	Prior Year*	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Total Budget
		Carryover	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Design	Grant Measure J TLC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	FSP/ NRPP	\$ -	\$ -	\$ 2,188,544	\$ 4,279,644	\$ 3,920,344	\$ 6,129,468	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,518,000
	Grant WCCTAC STMP Funding	\$ -	\$ -	\$ 2,400,000	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ 6,400,000
	Grant TIRCP	\$ -	\$ 1,000,000	\$ 1,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,400,000
	Grant Garamendi Earmark	\$ -	\$ 850,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 850,000
	General Fund	\$ -	\$ 418,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	AHSC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000,000
	Corridor ID	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,207,062	\$ 30,658,087	\$ 30,658,087	\$ 18,165,173	\$ -	\$ -	\$ 87,688,409
	Future CCTA Measure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,200,000	\$ -	\$ -	\$ 2,500,000	\$ -	\$ -	\$ 5,700,000
	TCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000	\$ 8,000,000	\$ 8,000,000	\$ 9,000,000	\$ -	\$ -	\$ 30,000,000
	General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,581,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,581,500
	Unfunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		\$ -	\$ 2,268,500	\$ 5,988,544	\$ 4,279,644	\$ 3,920,344	\$ 42,118,030	\$ 38,658,087	\$ 38,658,087	\$ 31,665,173	\$ -	\$ -	\$ 167,556,409

* Note: Prior Year Carryover is based on the remaining balances as of February 2026 and is subject to change. The actual remaining balances as of June 30, 2026, will be carried over to the following fiscal year.



Federal Grants - CIP Fund Summary - Fund 295

Fund Description / Budget Highlights

This fund accounts for funds expended for Projects funded by federal grants utilized in acquiring or constructing capital assets for the City.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ -	\$ -
Revenues				
Federal Grants	\$ 472,098	\$ -	-	-
Interest Income	-	-	-	-
Miscellaneous Revenues	-	-	-	-
	472,098	-	-	-
Transfers In	-	-	-	-
	472,098	-	-	-
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	-	-	-	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Capital Improvement Projects (CIP)	-	-	-	-
Debt Service	-	-	-	-
	-	-	-	-
Transfer Out	473,609	-	-	-
	473,609	-	-	-
Changes in restricted reserves				
Net Annual Activity	\$ (1,511)	-	-	-
Ending Available Fund Balance		\$ -	\$ -	\$ -



State and Local Grants - CIP Fund Summary - Fund 296

Fund Description / Budget Highlights

This fund accounts for funds expended for Projects funded by state and local grants utilized in acquiring or constructing capital assets for the City.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ -	\$ -
Revenues				
State/Local Grants	\$ 1,095,913	\$ 50,836	190,500	150,000
Interest Income	-	-	-	-
Miscellaneous Revenues	-	-	-	-
	1,095,913	50,836	190,500	150,000
Transfers In	-	-	-	-
	1,095,913	50,836	190,500	150,000
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	35,948	-	-	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Capital Improvement Projects (CIP)	1,065,066	22,920	190,500	150,000
Debt Service	-	-	-	-
	1,101,014	22,920	190,500	150,000
Transfer Out	-	-	-	-
	1,101,014	22,920	190,500	150,000
Changes in restricted reserves				
Net Annual Activity	\$ (5,101)	27,916	-	-
Ending Available Fund Balance		\$ -	\$ -	\$ -



City - Capital Projects Fund Summary - Fund 300

Fund Description / Budget Highlights

This fund accounts for funds expended for major capital improvement projects associated with City-owned facilities including police, parks, community centers, and city buildings. This fund is funded primarily by General Fund.

Fund Activity

	<u>FY 23-24 Actual</u>	<u>FY 24-25 Actual</u>	<u>FY 25-26 Budget</u>	<u>FY 26-27 Proposed</u>
Beginning Available Fund Balance			\$ -	\$ -
Revenues				
Fees	\$ -	-	-	-
Interest Income	-	-	-	-
Miscellaneous Revenues	-	-	-	-
	-	-	-	-
General Fund Capital Reserves	639,712	2,576,325	2,923,720	2,750,495
	<u>639,712</u>	<u>2,576,325</u>	<u>2,923,720</u>	<u>2,750,495</u>
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	-	-	-	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Capital Improvement Projects (CIP)	673,876	424,247	2,923,720	2,750,495
Debt Service	-	-	-	-
	<u>673,876</u>	<u>424,247</u>	<u>2,923,720</u>	<u>2,750,495</u>
Transfer Out	250,000	-	-	-
	<u>923,876</u>	<u>424,247</u>	<u>2,923,720</u>	<u>2,750,495</u>
Changes in restricted reserves				
Net Annual Activity	<u><u>\$ (284,164)</u></u>	2,152,078	-	-
Ending Available Fund Balance		<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



HERCULES HUB Fund Summary - Fund 354

Fund Description / Budget Highlights

This fund accounts for funds expended for the Hercules Hub (The Hub) Projects. The project is funded by multiple funding sources, including but not limited to, Federal, State, and Local grants. The Hercules Hub (The Hub) will create a regional, state-of-the-art housing and transportation community on the waterfront overlooking the San Pablo Bay. The Hub will connect thousands of housing units with a new train stop along the Capitol Corridor, bicycle and pedestrian pathways, bus routes, carpool options, and ferry service.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ -	\$ -
Revenues				
Grant	\$ 99,209	\$ 213,351	2,239,000	1,000,000
Interest Income	-	-	-	-
Miscellaneous Revenues	-	-	-	-
	99,209	213,351	2,239,000	1,000,000
Transfers In	-	-	-	-
	99,209	213,351	2,239,000	1,000,000
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	-	-	-	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Capital Improvement Projects (CIP)	235,804	336,847	2,239,000	1,000,000
Debt Service	-	-	-	-
	235,804	336,847	2,239,000	1,000,000
Transfer Out - General Fund (Loss of Revenue	-	-	-	-
	235,804	336,847	2,239,000	1,000,000
Changes in restricted reserves				
Net Annual Activity	\$ (136,595)	\$ (123,496)	-	-
Ending Available Fund Balance		\$ -	\$ -	\$ -



AGENCY FUNDS





Assessment District 05-01 Debt Service Fund Summary - Fund 382

Fund Description / Budget Highlights

This fund collects revenues from property tax special assessments and finances bonded debt related to Reassessment District 2005-1 (John Muir Parkway). The District Bonds are not general obligations of the City.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ -	\$ -
Revenues				
Assessment	\$ 228,616	\$ 230,867	229,356	233,360
Interest Income	17,664	16,207	-	-
Miscellaneous Revenues	-	-	-	-
	246,280	247,074	229,356	233,360
Transfers In	-	-	-	-
	246,280	247,074	229,356	233,360
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	6,885	6,885	7,100	7,300
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	220,638	218,124	222,256	226,060
	227,523	225,009	229,356	233,360
Transfer Out	-	-	-	-
	227,523	225,009	229,356	233,360
Changes in restricted reserves				
Net Annual Activity	\$ 18,757	22,065	-	-
Ending Available Fund Balance		\$ -	\$ -	\$ -



Taylor Woodrow Maintenance LMOD

Fund Summary - Fund 501

Fund Description / Budget Highlights

An agreement with Taylor Woodrow Homes, Inc. (project known as the "Hercules Village Project") was established with the former Redevelopment Agency to assist with the development. 15% of the residential units in the projects are provided to Low to Moderate Income. This fund is to be use for the benefit of the qualified buyers or affordable unit owners.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 78,504	\$ 78,504
Revenues				
Charges for Services	\$ -	\$ -	-	-
Interest Income	3,691	4,152	-	-
Miscellaneous Revenues	-	-	-	-
	3,691	4,152	-	-
Transfers In	-	-	-	-
	3,691	4,152	-	-
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	-	-	-	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
	-	-	-	-
Transfer Out	-	-	-	-
	-	-	-	-
Changes in restricted reserves				
	-	-	-	-
Net Annual Activity	\$ 3,691	4,152	-	-
Ending Available Fund Balance		\$ 78,504	\$ 78,504	\$ 78,504



Other Post-Employment Benefits (OPEB) and SOMAR

Fund Summary - Fund 511

Fund Description / Budget Highlights

This fund is to account for the optional monetary allowance for both safety and non-safety employees with an annual three percent adjustment on January 1st of each year to employees who retire as regulated by PERS and must have the minimum sick leave accrued as outlined in the Memorandum of Understanding (MOU), and OPEB Trust.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ 3,091,977	\$ 3,120,177
Revenues				
Charges for Services	\$ -	\$ -	-	-
Interest Income	237,664	250,538	84,000	121,000
Miscellaneous Revenues	-	-	-	-
	237,664	250,538	84,000	121,000
Transfers In	60,000	84,756	60,000	62,000
	297,664	335,294	144,000	183,000
Expenditures				
Salary and Benefits	88,335	91,344	95,200	98,200
Contractual Services	17,219	17,433	20,600	21,200
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
	105,554	108,777	115,800	119,400
Transfer Out	-	-	-	-
	105,554	108,777	115,800	119,400
Changes in restricted reserves				
Net Annual Activity	\$ 192,110	226,517	28,200	63,600
Ending Available Fund Balance (Restricted for OPEB)		\$ 3,091,977	\$ 3,120,177	\$ 3,183,777



SUCCESSOR AGENCY





Successor Agency

Fund Summary - Fund 600

Fund Description / Budget Highlights

The Hercules' Successor Agency was established as a separate legal entity on January 10, 2012, under the City Council adopted Resolution 12-005. All non-housing funds and assets were then turned over to the successor agency who is charged with the responsibility of paying off the former Redevelopment Agency's existing debts, disposing of the former Redevelopment Agency's properties and assets to help pay off debts and return revenues to the local government entities that receive property taxes, and winding up the affairs of the former Redevelopment Agency.

Fund Activity

	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Budget	FY 26-27 Proposed
Beginning Available Fund Balance			\$ -	\$ -
Revenues				
Tax Increment (RPTTF)	6,910,188	9,957,728	9,758,380	10,066,491
Interest Income	136,569	143,581	-	-
Miscellaneous Revenues	-	-	-	-
	7,046,757	10,101,309	9,758,380	10,066,491
Transfers In	-	-	-	-
	7,046,757	10,101,309	9,758,380	10,066,491
Expenditures				
Salary and Benefits	-	-	-	-
Contractual Services	-	-	-	-
Utilities	-	-	-	-
Maintenance & Repairs	-	-	-	-
Other Expenses	4,732,088	2,770,784	1,821,590	2,130,000
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	3,451,361	3,440,744	7,936,790	7,936,491
	8,183,449	6,211,528	9,758,380	10,066,491
Transfer Out	-	-	-	-
	8,183,449	6,211,528	9,758,380	10,066,491
Changes in restricted reserves				
Net Annual Activity	\$ (1,136,692)	3,889,781	-	-
Ending Available Fund Balance		\$ -	\$ -	\$ -



GLOSSARY OF BUDGET TERMS





GLOSSARY OF BUDGET TERMS

Adopted Budget: The adopted budget is the annual City budget approved by the City Council on or before June 30.

Allocated Costs: Interfund transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it but that properly apply to another fund.

Appropriation: An appropriation is the legal authorization granted by the City Council to make expenditures and incur obligations for a specific purpose within a specific time frame.

Assessed Valuation: A dollar placed on real estate or other property by the County as a basis for levying property taxes.

Beginning Fund Balance: Fund balance available in a fund from the end of the prior year for use in the following year.

Bond: A City may raise capital by issuing a written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dated in the future, together with periodic interest at a specified rate.

Budget: A plan of financial and program operation listing an estimate of proposed appropriations or expenses and the proposed means of financing them, for a particular time period. The budget is proposed or preliminary until it has been adopted by the City Council. Hercules' budget encompasses one fiscal year.

Capital Budget: Annual appropriations for capital improvement projects such as street improvements and building construction. Capital projects are supported by a five-year expenditure plan, which details funding sources and expenditure amounts.

They often are multi-year projects, which require funding beyond the one-year budget period.

Capital Projects Fund: A fund created to account for all resources to be used for the constructions or acquisition of designated fixed assets by a governmental until except those financed by a proprietary or fiduciary funds.

Debt Service: Payment of the principal and interest on an obligation resulting from the issuance of bonds, notes or leasing arrangements.

Department: An organizational until comprised of divisions or programs. It is the basic until of service responsibility that may include a broad mandate or related activities. It is possible for a department to have only one division.

Division: A subsection (or activity) within a department, which furthers the objectives of the City Council by providing specific services or programs.

Enterprise Fund: A type of fund established for total costs of those governmental facilities and services, which are operated in a manner similar to private enterprises. These programs are entirely or predominantly self-supporting. The city of Hercules maintains a Sewer Enterprise Fund.

Expenditures: Monies spent, including current operating expenses, debt service and capital outlays.

Fiduciary Funds: These funds account for assets held by the City in a trustee capacity. The budget does not appropriate fiduciary funds.

Fiscal Year (FY): The City's year for accounting and budgeting purposes, that begins on July 1 and ends June 30.



Full-Time Equivalent (FTE): The amount of time a regular full time or part-time position has been budgeted for in terms of the amount of time an employee works in a year.

Fund: An independent fiscal and accounting entity used to record all financial transactions related to the specific purpose for which the fund was created. These are four types for funds: General, Special Revenue, Enterprise, and Fiduciary.

Fund Balance: The amount of financial resources available for use. Generally, this represents the excess of assets over the sum of liabilities and restricted reserves. For enterprise funds, it is the excess of current assets over current liabilities.

Gann Appropriations Limit: Article XIII B of the State constitution was amended by Proposition 4 (Gann initiative) in 1979. Article XIII B limits growth in the spending of tax proceeds to tax proceeds appropriated in the “base year” of the 1978-79 times the product of the allowable annual percentage change in a cost-of-living factor and the allowable annual percentage change in a population change factor. The cost-of-living factor is the larger of the annual percentage change in the State per capita personal income or the annual percentage change in the local non-residential assessed valuation due to new construction. The population change factor is the larger of the annual percentage change of the jurisdiction’s population or the annual percentage population change of the country in which the jurisdiction is located.

General Fund: The primary fund used to account for all revenues and expenditures of the City not legally restricted as to use. The fund is used to offset the cost of the City’s general operations. Examples of departments financed by the General Fund include the Police, Public Works and Administrative Departments.

Grant: Contributions, gifts of cash or other assets from another governmental entity to be used or expended for a specific purpose, activity or facility.

Guaranteed Investment Contract (GIC): A contract that guarantees repayment of principal and a fixed or floating interest rate for predetermined period of time.

Infrastructure: Facilities on which the continuance and growth of a community depend, such as streets and roads, sewers, public buildings, parks, etc.

Interfund Transfer In/Out: Monies transferred from one fund to another. Such money is transferred to finance the operations of another fund or to reimburse the fund for certain expenditures.

Internal Service Funds: These funds provide services to City departments and recover their costs through user charges. The Vehicle Replacement Fund is an Internal Service Fund managing the replacement and maintenance of the City fleet.

Method of Accounting: The City’s General Fund budget is developed using modified accrual basis of accounting, with revenues being recorded when measurable and available, and expenditures recorded when the liability is incurred. Enterprise funds and Internal Service Funds are budgeted on a generally accepted accounting principles (GAAP) basis, which for Proprietary Funds is on a full accrual accounting basis.

Operating Budget: Annual appropriation funds for on-going program cost, including salaries and benefits, services and supplies, debt service and capital outlay.



Operating Capital Outlay: A budget appropriation category which budgets all equipment having a unit cost of more than \$2,500 and an estimated useful life of over one year. These are considered an operating expense and are differentiated from capital expenditures by the amount of money they cost. Any expenditure over \$2,500 with an estimated useful life over one year is capitalized.

Operating Transfer: Amounts transferred between funds; not considered a revenue or expense. For example, legal authorized transfers from a fund receiving revenue to the fund through which the resources are to be expected.

Ordinance: A formal legislative enacted by the City Council. It has the full force and the effect of law within the City boundaries unless it is in conflict with any higher form of law such as a State statute or constitutional provision. An ordinance has higher legal standing than a resolution.

Program: A program is an activity or division within a department, which furthers the objectives of the City Council by providing services or a product.

Reserve: Represents the portion of fund balance set aside for financing future capital improvements or the outlay of capital projects in any given year, and addressing one-time emergency needs.

Resolution: A special order of the City Council, which has lower legal standing than an ordinance.

Revenues: Monies received or anticipated by a local government from both tax and non-tax sources during the fiscal year.

Salaries and Benefits: A budget category which generally accounts for full-time and parttime employees, overtime expenses and all employee benefits, such as medical, dental and retirement.

Services and Supplies: Expenditures for supplies, materials and services which ordinarily are consumed within a fiscal year and which are not included in inventories.

Special Revenue Funds: These funds account for the proceeds derived from specific revenue sources that are legally restricted to expenditures for specified purposes.



RESOLUTIONS

