

City of Hercules

*111 Civic Drive
Hercules, CA 94547*



Meeting Agenda

Thursday, October 19, 2017

7:00 PM

Council Chambers

Finance Commission

*Stanley Tom, Chair
Paul Freese, Vice Chair
Zania Harris, Commissioner
J. Yamamoto, Commissioner*

I. CALL TO ORDER - ROLL CALL**II. PLEDGE OF ALLEGIANCE****III. INTRODUCTIONS/PRESENTATIONS****IV. AGENDA ADDITIONS/DELETIONS****V. PUBLIC COMMUNICATIONS****VI. DIRECTOR REPORT**

Disbursement List is located at <http://www.ci.hercules.ca.us>. Click on Departments and Services. Click on Finance. Click on Disbursement List.

1. Cash and Cash Equivalent Report

Attachments: [Cash Report 2018 10-06-17](#)

VII. CONSENT CALENDAR

1. **Minutes**

Recommendation: Approve the Minutes from the September 14, 2017 Finance Commission Meeting.

Attachments: [FC Minutes 09-14-17](#)

VIII. DISCUSSION AND/OR ACTION ITEMS

1. Ad Hoc Committee Update
2. City of Hercules - General Fund Long-Term Operating Financial Forecast from FY 2018-19 to FY 2022-23

Attachments: [Staff Report - Long Term Financial Projection - General Fund](#)

[Attach 1 - REV & EXP 08-2017 LT Projection](#)

[Attach 2 - Assumptions Used in LT Projection](#)

IX. COMMISSIONER REPORTS AND ANNOUNCEMENTS**X. FUTURE AGENDA ITEMS**

1. Finance Commission Workplan

Attachments: [Finance Commission Workplan](#)

XI. ADJOURNMENT

The next Regular Meeting of the Commission will be held on Thursday, November 16, 2017 at 7:00 p.m. in the Council Chambers.

Agendas are posted in accordance with Government Code Section 54954.2(a) or Section 54956. Members of the public can view electronic agendas and staff reports from the City's website at www.ci.hercules.ca.us and can receive e-mail notification of agenda postings by signing up to receive an e-notice from the City's website. Agendas and staff reports may also be obtained by contacting the Administrative Services Department at (510) 799-8215.

Posted: October 12, 2017

THE COMMISSION ADHERES TO THE FOLLOWING POLICIES, PROCEDURES AND REGULATIONS REGARDING COMMISSION MEETINGS

SPECIAL ACCOMODATIONS: In compliance with the Americans with Disabilities Act, if you require special accommodations to participate at a commission meeting, please contact the City Clerk at 510-799-8215 at least 48 hours prior to the meeting.

AGENDA ITEMS: Persons wishing to add an item to an agenda must submit the final written documentation 12 calendar days prior to the meeting. The City retains the discretion whether to add items to the agenda. Persons wishing to address the Commission otherwise may make comments during the Public Communication period of the meeting.

AGENDA POSTING: Agendas of regular commission meetings are posted at least 72 hours prior to the meeting at City Hall, the Hercules Swim Center, Ohlone Child Care Center, Hercules Post Office, and on the City's website (www.ci.hercules.ca.us),

PUBLIC COMMUNICATIONS: Persons who wish to address the Commission should complete the speaker form prior to the Commission's consideration of the item on the agenda.

Anyone who wishes to address the Commission on a topic that is not on the agenda and is relevant to the Commission should complete the speaker form prior to the start of the meeting. Speakers will be called upon during the Public Communication portion of the meeting. In accordance with the Brown Act, the Commission may not take action on items not listed on the agenda. The Commission may refer to staff any matters brought before them at this time and those matters may be placed on a future agenda.

In the interests of conducting an orderly and efficient meeting, speakers will be limited to three (3) minutes.

Anyone may also submit written comments at any time before or during the meeting.

Written and oral comments become part of the public record. Oral comments are summarized in the minutes of the commission's meeting.

CONSENT CALENDAR: All matters listed under Consent Calendar are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a member of the Commission or a member of the public prior to the time the Commission votes on the motion to adopt.

COMMISSIONER REPORTS AND ANNOUNCEMENTS: This is the time for brief announcements by commissioners on issues of interests to the community. In accordance with provisions of the Brown Act, matters which do not appear on the agenda, but require Commission discussion may be either (a) referred to staff or other resources for factual information or (b) placed on a future meeting agenda.

LEGAL CHALLENGES: If you challenge a decision of the Commission in court, you may be limited to raising only those issues you or someone else raised at the meeting or in written correspondence delivered at, or prior to, the meeting. Actions challenging Commission decisions shall be subject to the time limitations contained in Code of Civil Procedure Section 1094.6. In order to ensure the efficient conduct of meetings, and to provide opportunities for all interested persons to speak and be heard, the Commission will adhere to the following meeting procedures:



Legislation Details (With Text)

File #: 17-436 **Version:** 1 **Name:**

Type: Director Report **Status:** Agenda Ready

File created: 10/11/2017 **In control:** Finance Commission

On agenda: 10/19/2017 **Final action:**

Title: Cash and Cash Equivalent Report

Sponsors:

Indexes:

Code sections:

Attachments: [Cash Report 2018 10-06-17](#)

Date	Ver.	Action By	Action	Result
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Cash and Cash Equivalent Report

CITY OF HERCULES - CASH AND CASH EQUIVALENT REPORT

Fund	Fund Description	2018
100	GENERAL FUND	9,907,159
201	AB 3229 COPS PROGRAM	155,046
220	CITYWIDE L&L DIST 83-2	1,482,826
221	VICTORIA BY THE BAY L&L	206,085
222	HERCULES VILLAGE L&L DIST	255,306
223	BAYWOOD ASSESS 04-1 L&L	49,050
224	BAYSIDE ASSESS DIST L&L	20,143
231	STORMWATER ASSESSMENT	(163,712)
241	DIF-GEN PUBLIC FACILITIES	100,464
242	COMMUNITY DEVELOPMENT FND	109,069
243	DEVELOPMENT FEE FUND	146,498
244	DIF-POLICE FACILITIES	168,545
246	DIF-FIRE FACILITIES	(0)
247	DIF-PARK & REC	268,095
261	DIF-TRAFFIC FACILITIES	143,830
262	STATE GAS TAX FUND	1,306,550
263	MEASURE "C" STREET FUND	827,428
264	STMP TRAFFIC IMPACT FUND	0
291	AB 939 - JPA FUND	901,372
295	GRANT FUND	(8,189,406)
311	CITY CAPITAL PROJECTS	8,663,441
340	GRANT FUND / STIP / RIP	377,225
341	GRANT FUND / STIP / TE	(1,073,609)
342	GRANT FUND / TIGR II	(260,453)
344	MEASURE AA/EBRP	(169,247)
345	MEASURE WW/EBRP	(768,311)
346	CCTA MEAS J EXP PLAN	(1,640,220)
347	CCTA TLC GRANT	(68,793)
348	CCTA PBTF	(195,717)
349	SAFETEA LU	(345,959)
350	STMP-SUB REG TRANS PROJ	350,968
351	OBAG	0
352	TCRP	0
380	ASSMT. DIST 91-1 DEBT SVC	163,083
381	ASSMT. DIST 01-1 DEBT SVC	359,429
382	ASSMT DIST 05-01 DEBT SVC	1,967,037
401	FISCAL NEUTRALITY FEE	2,178,740
420	SEWER ENTERPRISE FUND	22,470,929
450	VEHICLE REPLACEMENT FUND	737,523
460	EQUIPMENT REPLACEMENT FND	950,832
470	FACILITY MAINTENANCE FUND	(207,762)
501	TAYLOR WOODROW MAINT LMOD	66,899
511	GASB 45 OPEB LIABILITY	2,063,587
521	REGIONAL WATER QUALITY	49,260
531	HERCULES COMM LIBRARY FND	112
535	HERCULES/PINOLE WWTP PLAN	(10,880)
580	DEFERRED COMPENSATION FND	7,346,229
601	RDA-OPERATING FUND	1,189,215
614	OWNER PARTICIPATION AGMTS	(195,047)
615	RDA TAX ALLOC SERIES 2005	1,141,925
617	RDA TAX ALLOC 2007 A	940,532
618	RDA TAX ALLOC 2007 B	878,786
619	2007 RDA TAB SERIES A	4,468,215
620	RETIREMENT OBLIGATION FND	9,880,391
630	RDA - CAPITAL PROJECT FND	5,036,280
631	RDA CAPITAL PROJECTS MULT	(2,687,622)
632	RDA CAP PRJ REIMBURSE	(353,471)
640	HOUSING SET-ASIDE OPERATE	1,718,819
672	2003B DEBT SERVICE PFA	(410,008)
673	2009 DEBT SERVICE PFA	1,585,591
675	2010 DEBT SERVICE WWTP	245,000
720	TRANSIT FUND-WESTCAT	(3,533)
730	HERCULES GOLF CLUB	53,332
Grand Total		74,187,101



Legislation Details (With Text)

File #: 17-434 **Version:** 1 **Name:**

Type: Consent **Status:** Agenda Ready

File created: 10/11/2017 **In control:** Finance Commission

On agenda: 10/19/2017 **Final action:**

Title: Minutes
Recommendation: Approve the Minutes from the September 14, 2017 Finance Commission Meeting.

Sponsors:

Indexes:

Code sections:

Attachments: [FC Minutes 09-14-17](#)

Date	Ver.	Action By	Action	Result
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Minutes

Recommendation: Approve the Minutes from the September 14, 2017 Finance Commission Meeting.



City of Hercules

111 Civic Drive
Hercules, CA 94547

Meeting Minutes

Finance Commission

Stanley Tom, Chair
Paul Freese, Vice Chair
Mindy Charlup, Commissioner
Zania Harris, Commissioner
J. Yamamoto, Commissioner

Thursday, September 14, 2017

7:00 PM

Council Chambers

Special Meeting

I. CALL TO ORDER - ROLL CALL

Meeting was called to order at 7:03 p.m. by Chairperson Tom.

Stanley Tom, Chairperson – Present
J. Yamamoto, Commissioner – Present
Paul Freese, Vice-Chair, Present
Mindy Charlup, Commissioner - Present

II. PLEDGE OF ALLEGIANCE

III. INTRODUCTIONS/PRESENTATIONS

New commissioner Zania Harris was introduced and sworn in.

IV. AGENDA ADDITIONS/DELETIONS - NONE

V. PUBLIC COMMUNICATIONS - NONE

VI. DIRECTOR REPORT

Disbursement List is located at <http://www.ci.hercules.ca.us>. Click on Departments and Services. Click on Finance. Click on Disbursement List.

Finance Director report:

Presented updated version of the Municipal Financial Diagnostic Tool. Going forward, will plan to update twice a year or annually if time permits

The Five-year forecast will be presented to the City Council in October. Will be presented to the Finance Commission during October meeting.

Engaged consultant to review Cost Allocation model

Annual audit is on track with an expected completion by year end or no later than January 2018.

Scope of work includes Single Audit and reports on Measure O (Measure B) and Measure A (Measure C).

VII. CONSENT CALENDAR – NONE

Finance Commission meeting minutes from 7/31/17 approved with edit to delete Zania Harris from the minutes

(Motion: Vice Chair Freese, second Commissioner Charlup, Ayes: Chairman Tom, Vice Chair Freese, Commissioner Charlup and Yamamoto; Abstain: Commissioner Harris)

VIII. DISCUSSION AND/OR ACTION ITEMS

Formed Parks and Recreation Sub-Committee with members Vice Chair Freese and Commissioner Yamamoto. Vice Chair Freese will chair the sub-committee (Motion: Commissioner Yamamoto, 2nd Commissioner Harris, 5-0 in favor).

Director Roke will present Parks and Recreation program overview during November 16 Finance Commission meeting.

The regularly scheduled meeting on October 23, 2017 was rescheduled to October 19, 2017.

IX. COMMISSIONER REPORTS AND ANNOUNCEMENTS

Chairperson Freese will not be attending the October Finance Commission Meeting.

The October Finance Commission meeting has been moved from October 23, 2017 to October 19, 2017.

The November Finance Commission meeting has been moved from November 27, 2017 to November 16, 2017.

X. FUTURE AGENDA ITEMS

1. Future Agenda Items Work Plan

XI. ADJOURNMENT

Chairperson Tom adjourned the meeting at 8:05pm.

The next Special Meeting of the Commission will be held on Thursday, October 19, 2017 at 7:00 p.m. in the Council Chambers.

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Posted: Thursday, October 12, 2017



Legislation Details (With Text)

File #: 17-437 **Version:** 1 **Name:**

Type: Discussion/Action Item **Status:** Agenda Ready

File created: 10/11/2017 **In control:** Finance Commission

On agenda: 10/19/2017 **Final action:**

Title: City of Hercules - General Fund Long-Term Operating Financial Forecast from FY 2018-19 to FY 2022-23

Sponsors:

Indexes:

Code sections:

Attachments: [Staff Report - Long Term Financial Projection - General Fund](#)
[Attach 1 - REV & EXP 08-2017 LT Projection](#)
[Attach 2 - Assumptions Used in LT Projection](#)

Date	Ver.	Action By	Action	Result
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City of Hercules - General Fund Long-Term Operating Financial Forecast from FY 2018-19 to FY 2022-23



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of October 10, 2017

TO: Members of the City Council

SUBMITTED BY: David Biggs, City Manager
Annie To, Finance Director

SUBJECT: Long-Term Financial Projection for the General Fund

RECOMMENDATION: Review and discuss the long-term financial projection for the General Fund.

COMMISSION/SUBCOMMITTEE ACTION AND RECOMMENDATION: The report will be presented to the Finance Commission at their Special meeting on Thursday, October 19, 2017.

FISCAL IMPACT OF RECOMMENDATION: There is no direct impact from the preparation and review of an updated long-term forecast. It is a planning tool that can be used to guide future fiscal decisions.

DISCUSSION: The City's finances are managed through four major efforts each year. The development and adoption of a budget for each fiscal which starts July 1st is generally considered the first point in the annual cycle. This is generally followed by the completion and the acceptance of the audit for the prior fiscal year with the goal of having that completed by December 31st or earlier. The completion of the annual audit typically sets the stage for the mid-year budget review in February or March and can include some adjustments or additional appropriations or designations of reserves. The preparation of an update to the long-term forecast would also be done in the March/April timeframe to set the stage for the development of the budget for the next fiscal year. Given transitions in staffing and other high priority work, the annual update of the long-range forecast has just now been completed.

It is anticipated that this version of the long-term forecast will be updated in March or April based upon any new or changed assumptions and in part based upon the feedback from this initial review.

A long-term forecast was prepared for the General Fund for the time period from FY 2017-18 through FY 2022-23 using assumptions as shown in Attachment 2.

REVENUE PROJECTION AND ASSUPTIONS USED:

A 2% revenue increase from year-to-year except for the Franchise Fee Revenue, Utility Users tax revenue, Vehicle License Fee revenue, and Sales and Use Tax revenue. Please refer to Attachment 1 for additional information regarding the assumptions used in projecting the long-term revenues.

EXPENDITURE PROJECTION AND ASSUMPTIONS USED:

1. Salaries & Benefit – Cost of living (COLA) increase by 3% per year.
2. PERS Miscellaneous and Public Safety Normal Cost – Increase by 2.3% per year
3. PERS Unfunded Accrued Liability (UAL) contribution increase for Miscellaneous - Employees and Public Safety employees – The projected rate increases are based on PERS Circular letter dated January 13, 2017. It is calculated by using a weighted average mid-range rate increase for the following years:
 - 17.5% in FY18-19
 - 22.5% in FY19-20
 - 27.5% in FY20-21
 - 35.0% in FY21-22
 - 40.0% in FY22-23
2. The CalHFA loans repayment per agreed upon payment plan by the City Council on November 12, 2013 is as follows:
 - HELP Loan: \$1,907,987 - \$100,000 due from 4/11/18 to 4/11/26
Balance \$807,987 due on 4/11/27
 - RDLP Loan \$4,190,759 - \$100,000 due from 8/15/17 to 8/15/25
Balance \$3,090,759 due on 8/15/26

DISCUSSION: The result of the Long-Term Financial Forecast using the above assumptions is that there will be forecasted deficits starting in FY 2018-19. Please refer to Attachment 1.

A summary of the forecasted deficits are as follows:

FORECAST	FORECAST FY 2018-19	FORECAST FY 2019-20	FORECAST FY 2020-21	FORECAST FY 2021-22	FORECAST FY 2022-23
PROJECTED DEFICIT	(360,211)	(219,78)	99,591	(53,646)	(129,095)

The most significant increases in personnel benefits is the PERS Unfunded Accrued Liability (UAL) rate increases starting in FY18-19. The weighted average rate will increase from 17.5% in FY18-19 to 40% in FY22-23. Medical, dental, vision costs are projected to increase 3% per year but it could be more. These projected deficits for the next five (5) fiscal years are manageable as there is approximately \$2.2 million in the Fiscal Neutrality Funds to cover the projected deficits if needed.

ATTACHMENTS:

1. City of Hercules – General Fund Long-Term Financial Forecast
2. Assumptions Used for the General Fund Long-Term Financial Forecast

ATTACHMENT 1

CITY OF HERCULES - REVENUE & EXPENDITURE LONG-TERM OPERATING FINANCIAL FORECAST FOR GENERAL FUND

nd Descript		GENERAL FUND				1	2	3	4	5		
TYPE	Activity Basic Account Description	Activity Sub Account Description	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	ESTIMATED FY 2016-17 ACTUAL	BUDGET FY 2017-18	FORECAST FY 2018-19	FORECAST FY 2019-20	FORECAST FY 2020-21	FORECAST FY 2021-22	FORECAST FY 2022-23
REVENUE	TAXES	TRANSIENT OCCUPANCY TAX	500	7,723	8,000	8,128	9,000	9,180	9,364	9,551	9,742	9,937
		Sycamore Crossing 100 hotel rooms					0	0	0	160,000	320,000	448,000
		PROPERTY TAXES	1,172,785	1,225,483	1,319,791	1,278,659	1,377,367	1,404,914	1,433,013	1,461,673	1,490,906	1,520,724
		SALES AND USE TAX	2,678,849	3,211,109	3,687,450	3,324,807	3,223,701	3,288,175	3,353,939	3,421,017	3,489,438	3,559,226
		Additional Revenue from Bay Front					0	0	0	0	10,000	10,200
		Additional Sales Tax - Safeway					0	0	225,000	469,500	319,260	325,645
		Additional Sales Tax - Sycamore Crossing					0	0	0	60,000	99,597	101,589
		Additional Sales Tax - Willow Auto Site					0	0	0	11,813	22,500	22,950
		Additional Sales Tax - Willow Auto Site Self Storage In-Lieu					0	0	0	66,000	132,000	200,000
		Additional Sales Tax - General					0	3,340	15,520	18,141	19,683	20,077
		Additional Measure O					0	1,621	7,532	8,804	9,552	9,743
		DOCU TRANSFER TAX	80,000	112,580	131,990	136,467	118,208	120,572	122,984	125,443	127,952	130,511
		BUSINESS LICENSE FEES	135,000	187,378	154,475	131,240	187,377	191,125	194,947	198,846	202,823	206,879
		FRANCHISE	756,610	960,125	777,257	878,574	788,114	803,876	819,954	836,353	853,080	870,142
		Additional Gas Revenue					0	209	971	1,135	1,231	1,256
		Additional Electric Revenue					0	412	1,914	2,237	2,427	2,476
		Additional Cable Revenue					0	2,384	11,076	12,946	14,046	14,327
		Additional Garbage Revenue					0	1,809	8,405	9,824	10,659	10,872
		UTILITY USERS TAX	3,192,000	3,515,565	3,851,323	3,576,052	3,538,197	3,608,961	3,681,140	3,754,763	3,829,858	3,906,455
		Additional Gas Revenue					0	2,212	10,276	12,011	13,032	13,293
		Additional Electric Revenue					0	7,888	36,650	42,839	46,480	47,410
		Additional Telephone Revenue					0	6,176	28,694	33,540	36,390	37,118
		Additional Cable Revenue					0	3,128	14,534	16,988	18,432	18,801
		Additional Water Revenue					0	3,516	16,334	19,092	20,715	21,129
	INTERGOVERNMENTAL	STATE/COUNTY	1,723,148	1,707,099	1,772,534	1,858,474	1,791,105	1,826,927	1,863,466	1,900,735	1,938,750	1,977,525
		Additional VLF Revenue					0	11,194	52,010	60,793	65,960	67,279
	LICENSES & PERMITS	BUILDING FEES	369,166	144,784	429,642	362,215	410,200	418,404	426,772	435,308	444,014	452,894
		ENGINEERING FEES	10,400	12,212	19,757	2,899	12,269	12,514	12,765	13,020	13,280	13,546
	FINES & FORFEITURES	VEHICLE CODE FINES	20,000	60,434	40,000	47,824	20,000	20,400	20,808	21,224	21,649	22,082
	USE OF MONEY & PROPERTY	INTEREST INCOME	264,982	181,500	210,638	56,352	181,500	185,130	188,833	192,609	196,461	200,391
		CELL TOWER	80,000	125,955	118,625	132,817	106,500	108,630	110,803	113,019	115,279	117,585
		LEASE PAYMENT	730,303	29,384	65,500	35,325	37,500	38,250	39,015	39,795	40,591	41,403
	CHARGES FOR SERVICES	POLICE SERVICES	366,500	429,143	437,500	403,221	420,887	429,305	437,891	446,649	455,582	464,693
		PLANNING SERVICES	18,000	32,029	18,000	21,847	19,166	19,549	19,940	20,339	20,746	21,161
		RECREATION SERVICES	1,615,700	1,538,555	1,564,942	1,510,093	1,497,500	1,527,450	1,557,999	1,589,159	1,620,942	1,653,361
	MISCELLANEOUS REVENUE	MISCELLANEOUS REVENUE	242,812	168,195	808,756	844,601	172,349	175,796	179,312	182,898	186,556	190,287
		MISC REIMBURSEMENTS	303,923	322,040	303,923	322,388	331,698	338,332	345,099	352,001	359,041	366,221
	TRANSFERS IN	TRANSFERS IN	100,000	100,000	94,192	121,899	100,000	100,000	100,000	100,000	100,000	100,000
TOTAL OPERATING REVENUE			13,860,678	14,071,292	15,814,295	15,053,884	14,342,638	14,671,380	15,346,957	16,220,064	16,678,653	17,197,186
EXPENDITUR	SALARIES AND BENEFITS	SALARIES AND WAGES	4,551,311	4,813,251	5,206,422	5,022,279	5,392,022	5,553,783	5,720,396	5,892,008	6,068,768	6,250,831
		SALARIES AND BENEFITS	2,303,413	2,165,383	2,557,055	2,286,840	2,662,483	2,742,357	2,824,628	2,909,367	2,996,648	3,086,548
		Additional PERS Normal Cost Increase for Misc. & Safety Plans (2.3% per year x \$1,423,146)					0	32,732	33,485	34,255	35,043	35,849
		Additional PERS UAL Payment Misc. & Safety Plan (17.5%, 22.5%, 27.5%, 35%, 40%)					0	249,051	329,814	415,199	544,289	640,705
	SERVICES	PROFESSIONAL SERVICES	1,538,129	967,875	1,565,479	1,084,670	1,749,961	1,813,275	1,878,812	1,946,650	2,016,868	2,089,546
		REPAIR & MAINT	249,413	200,263	264,051	211,642	229,491	236,376	243,467	250,771	258,294	266,043
		UTILITY SERVICES	230,881	213,254	251,131	246,749	277,022	285,333	293,893	302,709	311,791	321,144
		ADMINISTRATIVE SERVICES	146,402	128,571	124,705	84,717	136,672	140,772	144,995	149,345	153,826	158,440
		RENTS	1,828,461	907,062	1,826,404	906,060	1,011,820	1,042,175	1,073,440	1,105,643	1,138,812	1,172,977
		INSURANCE SERVICES	644,167	455,386	714,300	651,279	624,148	642,872	662,159	682,023	702,484	723,559
		MISCELLANEOUS SERVICES	711,958	631,633	783,850	780,334	783,850	807,366	831,586	856,534	882,230	908,697
	OFFICE EXPENSES	MAINTENANCE SUPPLIES	152,200	82,191	111,630	98,705	107,880	111,116	114,450	117,883	121,420	125,062
		OPERATING SUPPLIES	151,743	136,768	130,855	127,596	136,805	140,909	145,136	149,491	153,975	158,594
		OFFICE	43,308	27,058	41,124	33,909	41,814	43,068	44,360	45,691	47,062	48,474
	OTHER EXPENSES	OTHER MISCELLANEOUS EXP	257,352	106,656	972,782	615,720	257,352	265,073	273,025	281,215	289,652	298,342
	CAPITAL OUTLAY	IMPROVEMENTS			250,000	0	0	0	0	0	0	0
	INTERFUND/ALLOC/TRANSF	ALLOCATED COSTS	875,078	823,507	872,237	874,559	898,382	925,333	953,093	981,686	1,011,137	1,041,471
	TRANSFERS OUT	TRANSFERS OUT TO	264,907	1,266,206	0	50,000	0	0	0	0	0	0
TOTAL OPERATING EXPENDITURE			13,948,723	12,925,065	15,672,025	13,075,059	14,309,702	15,031,591	15,566,740	16,120,473	16,732,299	17,326,282
PROJECTED EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES			(88,045)	1,146,227	142,270	1,978,825	32,936	(360,211)	(219,784)	99,591	(53,646)	(129,095)
RESERVES FROM FISCAL NEUTRALITY FUNDS							2,178,740	1,818,529	1,598,745	1,698,336	1,644,691	1,515,595

ATTACHMENT 2

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

Revenue Assumptions for the General Fund								
2.0% revenue increase from year-to-year for revenues except for the following revenues:								
				1	2	3	4	5
				Forecast	Forecast	Forecast	Forecast	Forecast
				FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
Residential Unit Impact - Average 2.5 people per unit				25,086				
		FY 17-18	Per Capita	65	237	51	30	
		Budget	Average					
Franchise Fee	Gas	\$ 32,257	\$ 1.29	\$ 209	\$ 762	\$ 164	\$ 96	0.00
	Electric	\$ 63,590	\$ 2.53	\$ 412	\$ 1,502	\$ 323	\$ 190	0.00
	Cable	\$ 368,022	\$ 14.67	\$ 2,384	\$ 8,692	\$ 1,870	\$ 1,100	0.00
	Garbage	\$ 279,268	\$ 11.13	\$ 1,809	\$ 6,596	\$ 1,419	\$ 835	0.00
Total Franchise Fee		\$ 743,137	\$ 29.62	\$ 4,814	\$ 17,552	\$ 3,777	\$ 2,222	0.00
UUT	Gas	\$ 341,416	\$ 13.61	\$ 2,212	\$ 8,064	\$ 1,735	\$ 1,021	0.00
	Electric	\$ 1,217,746	\$ 48.54	\$ 7,888	\$ 28,762	\$ 6,189	\$ 3,641	0.00
	Telephone	\$ 953,400	\$ 38.01	\$ 6,176	\$ 22,518	\$ 4,846	\$ 2,850	0.00
	Cable	\$ 482,910	\$ 19.25	\$ 3,128	\$ 11,406	\$ 2,454	\$ 1,444	0.00
	Water	\$ 542,725	\$ 21.63	\$ 3,516	\$ 12,818	\$ 2,758	\$ 1,623	0.00
Total UUT Fee		\$ 3,538,197	\$ 141.04	\$ 22,919	\$ 83,568	\$ 17,983	\$ 10,578	0.00
Total VLF		\$ 1,728,138	\$ 68.89	\$ 11,194	\$ 40,816	\$ 8,783	\$ 5,167	0.00
Sales & Use Tax	Sales Tax	\$ 2,062,711	\$ 82.23	\$ 3,340	\$ 12,180	\$ 2,621	\$ 1,542	0.00
(25% Indirect)	Measure O	\$ 1,001,061	\$ 39.91	\$ 1,621	\$ 5,911	\$ 1,272	\$ 748	0.00
Total Sales & Use Tax		\$ 3,063,772	\$ 122.13	\$ 4,962	\$ 18,091	\$ 3,893	\$ 2,290	0.00
Muir Pointe	144 units			65 units	65 units	14 units		
Bayfront - 1st Phase	172 units				172 units			
	6,000 sq feet retail	Sales tax	\$ 10,000			\$ 10,000		
Safeway	65,775 sq feet retail and fueling	Sales tax	\$ 469,500		\$ 225,000	\$ 244,500		
Sycamore Crossing	67 units					37 units	30 units	
	28,000 sq feet retail	Sales tax	\$ 99,597			\$ 60,000	\$ 39,597	
	100 hotel rooms	TOT	\$ 448,000			\$ 160,000	\$ 160,000	\$ 128,000
Willow Auto Site	28,000 sq feet commercial	Sales tax	\$ 22,500			\$ 11,250	\$ 11,250	
	Self Storage In-Lieu	In-Lieu	\$ 200,000			\$ 66,000	\$ 66,000	\$ 68,000

ATTACHMENT 2

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

10/10/17 2pm



Legislation Details (With Text)

File #: 17-438 **Version:** 1 **Name:**

Type: Future Agenda Items **Status:** Agenda Ready

File created: 10/11/2017 **In control:** Finance Commission

On agenda: 10/19/2017 **Final action:**

Title: Finance Commission Workplan

Sponsors:

Indexes:

Code sections:

Attachments: [Finance Commission Workplan](#)

Date	Ver.	Action By	Action	Result
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Finance Commission Workplan

FINANCE COMMISSION WORKPLAN

Future Agenda Items Work Plan (Approved September 26, 2016)

These agenda items will be reviewed and updated by the Finance Commission at each meeting:

January 2017

- Review audit reports FY 2016 (not done, need to reschedule)

February 2017

- Sales tax annual oversight report (including auditor's report) FY 2016 Utilities tax annual oversight report (including auditor's report) FY 2016
- Landscape and Lighting Districts FY 2018
- Quarterly review 2Q FY 2017 (completed in February 2017)

March 2017

- Review Financial Policies approved by City Council

April 2017

- Expenditures Budget Plan FY 2018

May 2017

- Quarterly review 3Q FY 2017
- Budget FY 2018
- Capital budget FY 2018-22
- Measure A & O

June 2017

- Diagnostic Tool
- Budget FY 2018
- Capital budget FY 2018-22

July 2017

- None

August 2017

- None

September 2017

- None

October 2017

- Long Term Financial Forecast

November 2017

- Quarterly review 1Q FY 2018

Work Plan Items Need to Schedule (approved September 26, 2016)

- Municipal financial health diagnostic tool
- Cost allocation plan
- Website
- Auditor FY 2018 RFP
- Budget software
- Financial reports

Future Agenda Items Not on Work Plan – need staff to add items discussed 1.12.17

- Finance Department staffing (agenda 1.12.17)
- Format Quarterly Reports (agenda 1.12.17)