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
Residential Unit Impact - Average 2.5 people per unit			**25,086**	**Forecast FY18-19**	**Forecast FY19-20**	**Forecast FY20-21**	**Forecast FY21-22**	**Forecast FY22-23**
		FY 17-18 Budget	Per Capita Average	65	237	51	30	
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
Residential Unit Impact - Average 2.5 people per unit	**25,086**	**Forecast FY18-19**	**Forecast FY19-20**	**Forecast FY20-21**	**Forecast FY21-22**	**Forecast FY22-23**
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
Description	**Forecast FY18-19**	**Forecast FY19-20**	**Forecast FY20-21**	**Forecast FY21-22**	**Forecast FY22-23**
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