



City of Vacaville

# Financial Performance Report

As of Month End May 2019

<i>QUICK LOOK INDICATORS</i>	This Month	This Year	See Page
General Fund Cash Balance	▲	▲	3
Residential Building Activity	▼	▼	4 & 5
Commercial & Industrial Bldg. Activity	▲	▼	4 & 5
Revenues	▼	▲	6
Expenditures	▼	▲	6
Utilities-Wastewater Treated	▼	▲	11
Utilities-Water Consumption	▲	▲	12

May 31, 2019

## **EXECUTIVE SUMMARY**

Year to date through May, General Fund revenues from all (citywide) sources totaled \$98,989,232 which includes \$34,668,272 in sales tax and Measure M receipts. Total General Fund disbursements for the fiscal year for all (citywide) operations totaled \$82,808,911 including \$71,213,053 in personnel related costs. The City's General Fund cash balance at the end of May was \$52,572,400. For the month of May there were 399 residential permits issued and 38 non-residential permits issued for construction, repairs and improvements for a permit valuation of \$17,681,523.87. Wastewater treated decreased and water consumption increased in May in comparison to the previous month. The working capital position increased for the wastewater utility division and for the water utility division.

For additional information, one can go to the City's website and access the Socrata software under Departments/Finance/Financial Transparency or use this link: <https://cityofvacaville.budget.socrata.com/> to go directly to Open Budget Vacaville.

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## CASH BALANCE

Similar to a personal bank account, the City's "Cash Balance" is the amount of money in the bank on a particular date.

The "Net Monthly Cash" (red columns) is the difference between the monthly revenues and expenditures (i.e., what we take in and what we pay out). Peak cash inflow periods for the City are December and April when property tax payments are received from the County. (Note that the cash balance only reflects the cash available at a certain point in time and should not be confused with fund balance, which is the difference between governmental assets and liabilities).

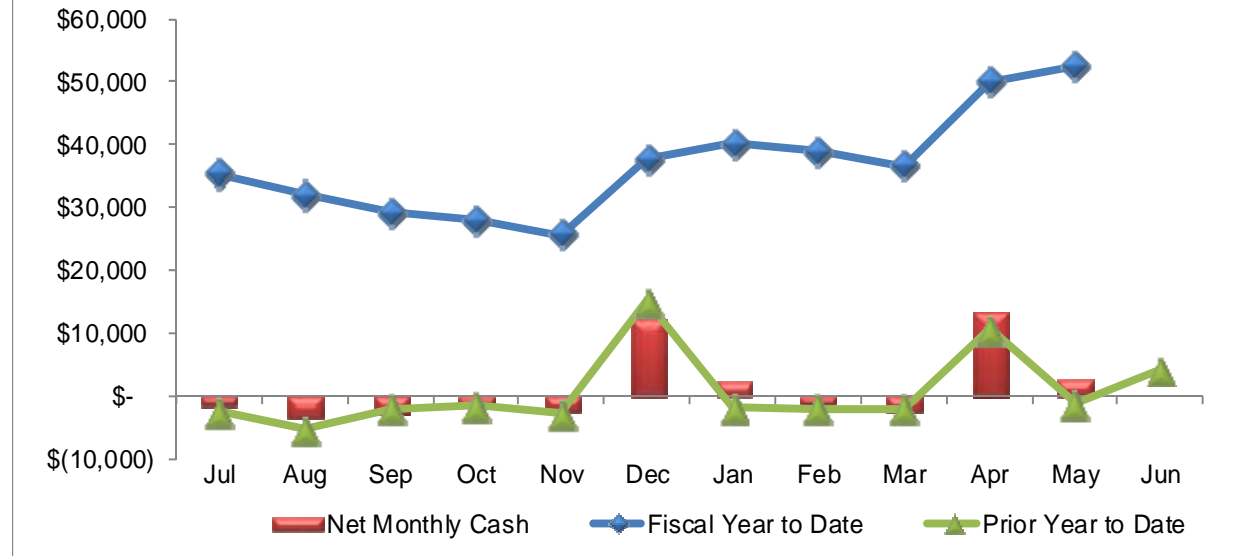
The "Prior Year to Date" (green line) is the difference between the monthly revenues and expenditures through June 2018 and is not to be confused with the cash balance for the prior year.

For the July through May period, cash inflows exceeded outflows by \$15,995,524 for the General Fund.

## CASH BALANCE...GENERAL FUND

Fiscal Year 2018-2019

(000's)



General Fund	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Net Monthly Cash	\$ (1,333)	\$ (3,306)	\$ (2,760)	\$ (1,318)	\$ (2,272)	\$12,122	\$ 2,382	\$ (1,250)	\$ (2,358)	\$13,491	\$ 2,597	
Fiscal Year to Date	\$35,243	\$ 31,937	\$ 29,177	\$ 27,859	\$ 25,587	\$37,709	\$40,091	\$38,841	\$36,483	\$49,975	\$52,572	
Prior Year to Date	\$ (2,484)	\$ (5,376)	\$ (2,003)	\$ (1,652)	\$ (2,932)	\$15,056	\$ (1,860)	\$ (2,108)	\$ (2,038)	\$10,568	\$ (1,346)	\$ 3,977

## DEVELOPMENT ACTIVITY

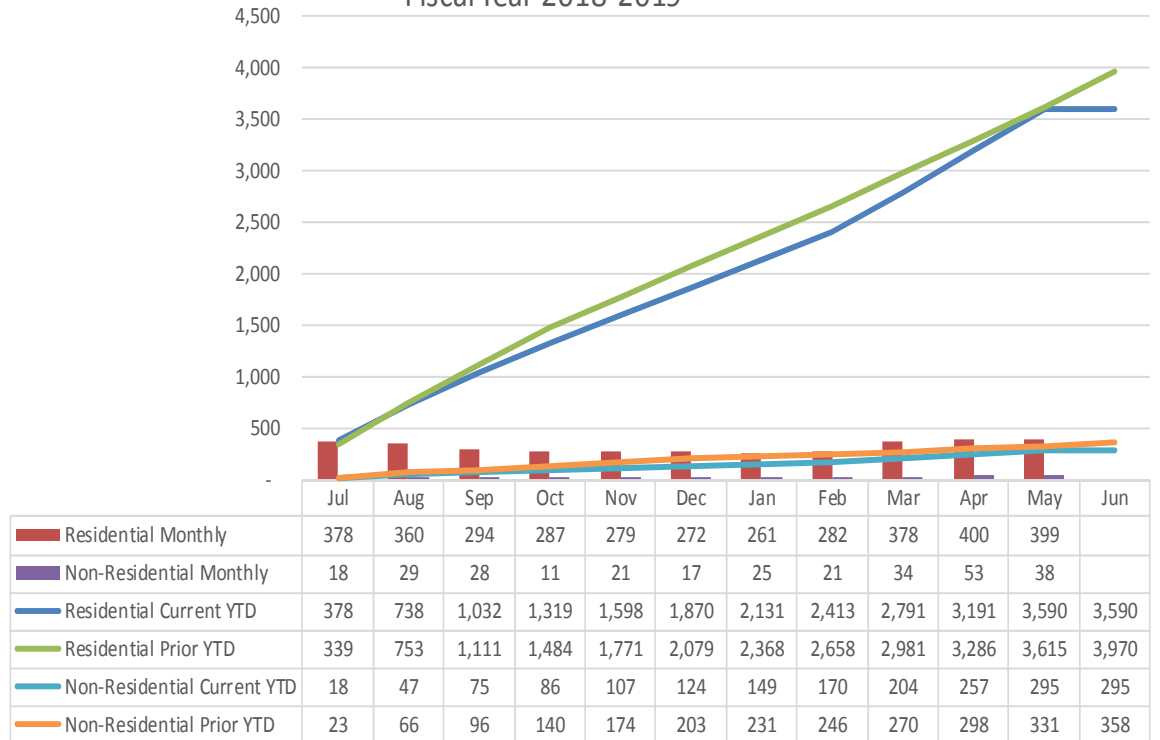
### RESIDENTIAL & NON-RESIDENTIAL

**Residential Development** activity often acts as a barometer of local economic conditions. The blue line indicates the number of residential related permits issued this fiscal year to date, while the red bars show the monthly activity. Residential related permits include permits issued for construction, repairs and improvements on single and multi-family dwellings.

There were 22 new residential permits issued in the month of May. There were 7 permits issued for North Village, and 14 permits issued for Brighton Landing.

**Non-Residential Development** activity, similar to residential development, acts as a barometer of the local economy. Non-residential activity includes new construction, and repairs and improvements made to existing commercial and industrial buildings. Activities in these developments create construction jobs and may provide a permanent employment base for the community.

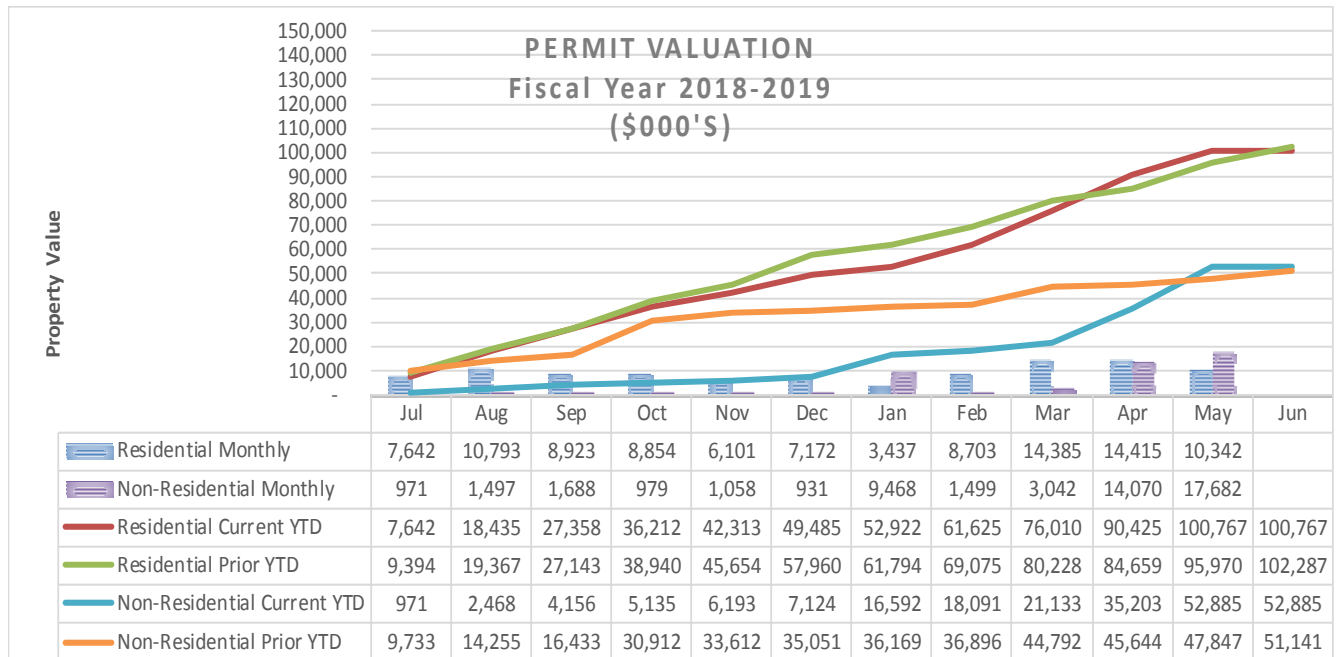
Building Permits Issued for  
Construction, Repairs & Improvements  
Fiscal Year 2018-2019



# DEVELOPMENT ACTIVITY VALUATION

These charts track the valuation of residential and non-residential building permits issued by the City. This information is forwarded to the Solano County Assessor for inclusion on the property tax rolls.

The amount reported to the County Assessor translates into higher property tax revenue for the City.



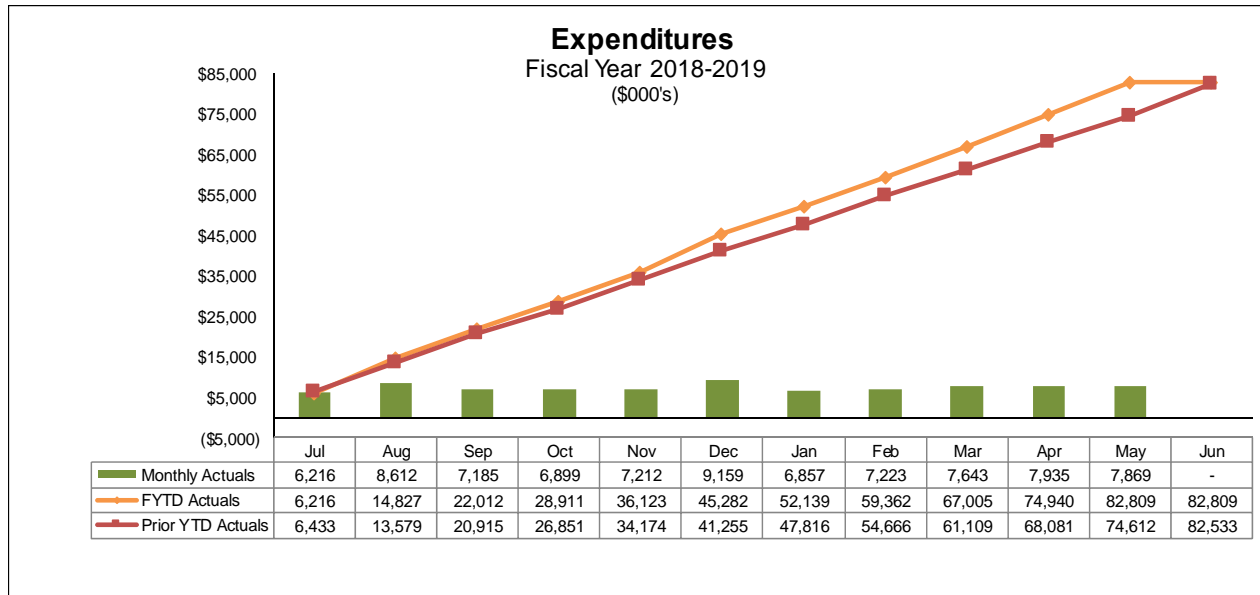
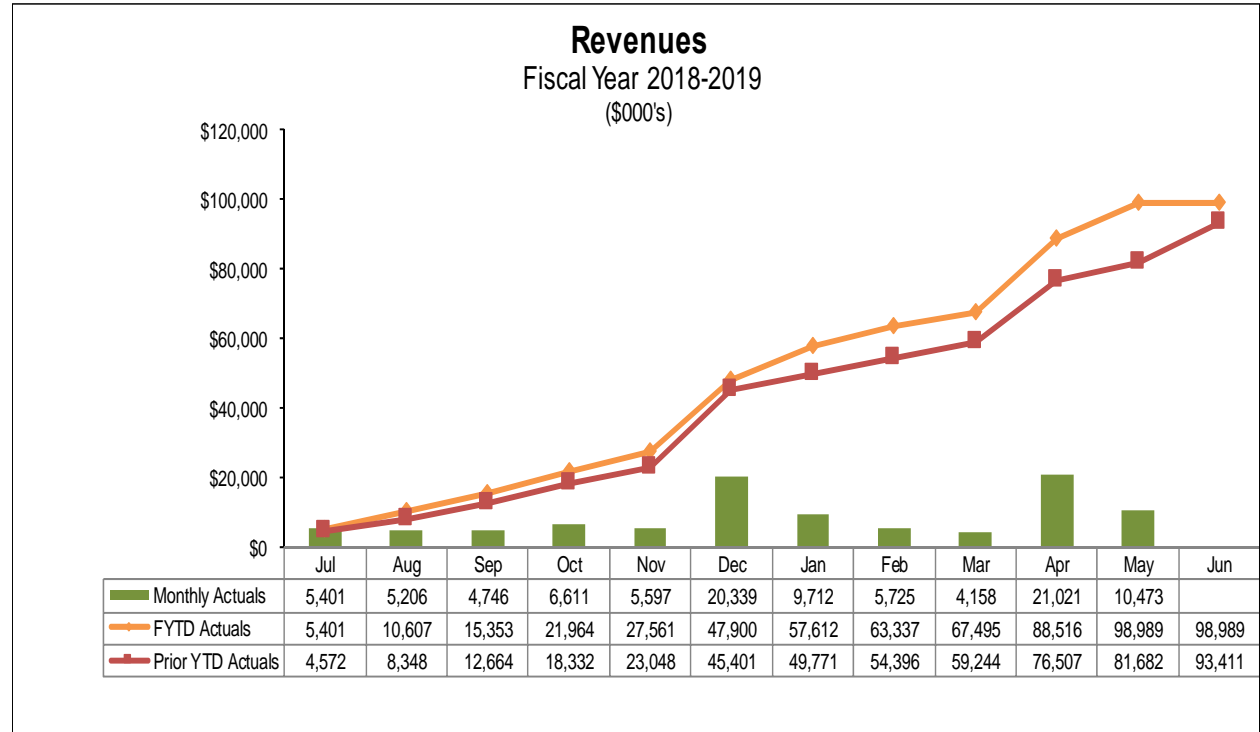
# GENERAL FUND

## FINANCIAL SUMMARY

The **General Fund** receives its funding from such general revenue sources as taxes, fines, licenses and fees. The General Fund pays for services such as Public Safety, Street and Park Maintenance, Recreation, Paramedic Services, Legislative and City Administration.

General Fund revenues through May 2019 totaled **\$98,989,232**. Revenues will lag expenditures for the first five months of the fiscal year due to the timing of property tax receipts.

Expenditures represent actual paid expenses and do not include encumbrances (*commitments made and agreed to be paid after obligations are fulfilled*). Expenditures through May 31 are **\$82,808,911**.



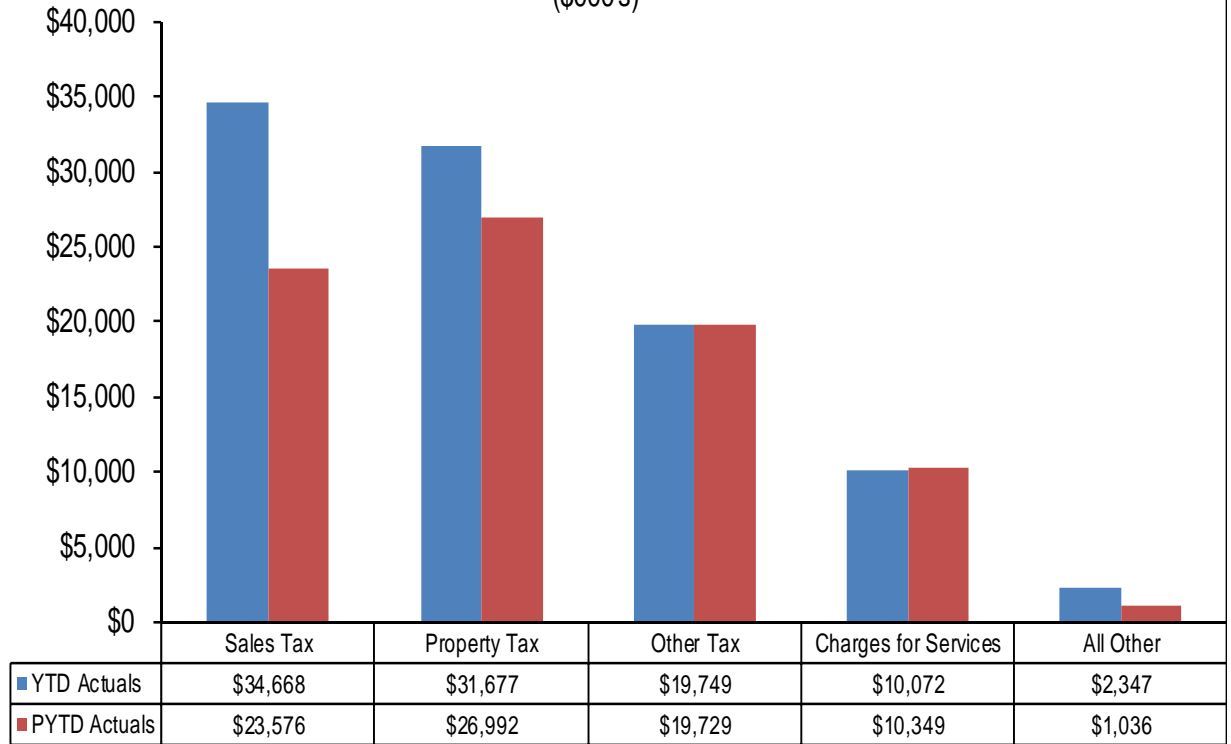
## REVENUES

The City's 180+ revenue accounts are categorized by like types of activity on the adjacent chart. In general, revenues can be further summarized into Taxes, Fees, State Subventions and other revenues.

Approximately 63% of the City's General Fund discretionary revenues are now derived from Property Tax (29%) and Sales Tax (34%).

Note that property tax revenues are received in installments, in the months of December and April, with a small clean-up payment in June. We also receive property tax in January and June related to the dissolution of the Redevelopment Agency. Sales Tax is received more or less uniformly throughout the year.

### Revenues by Type Fiscal Year 2018-2019 (\$000's)



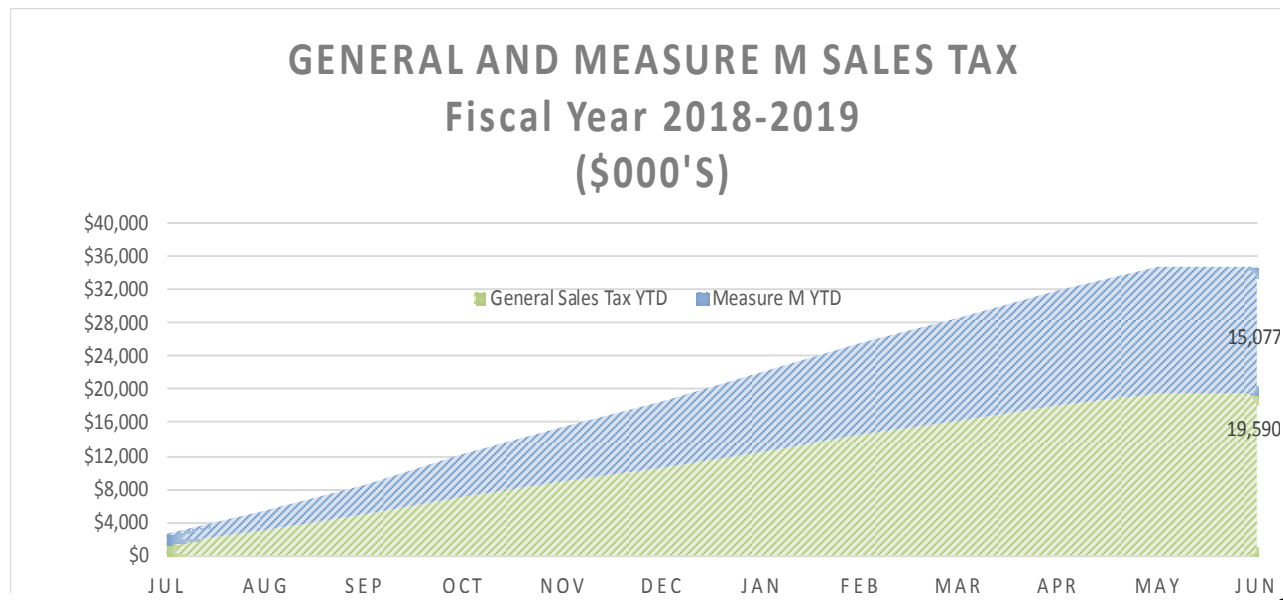
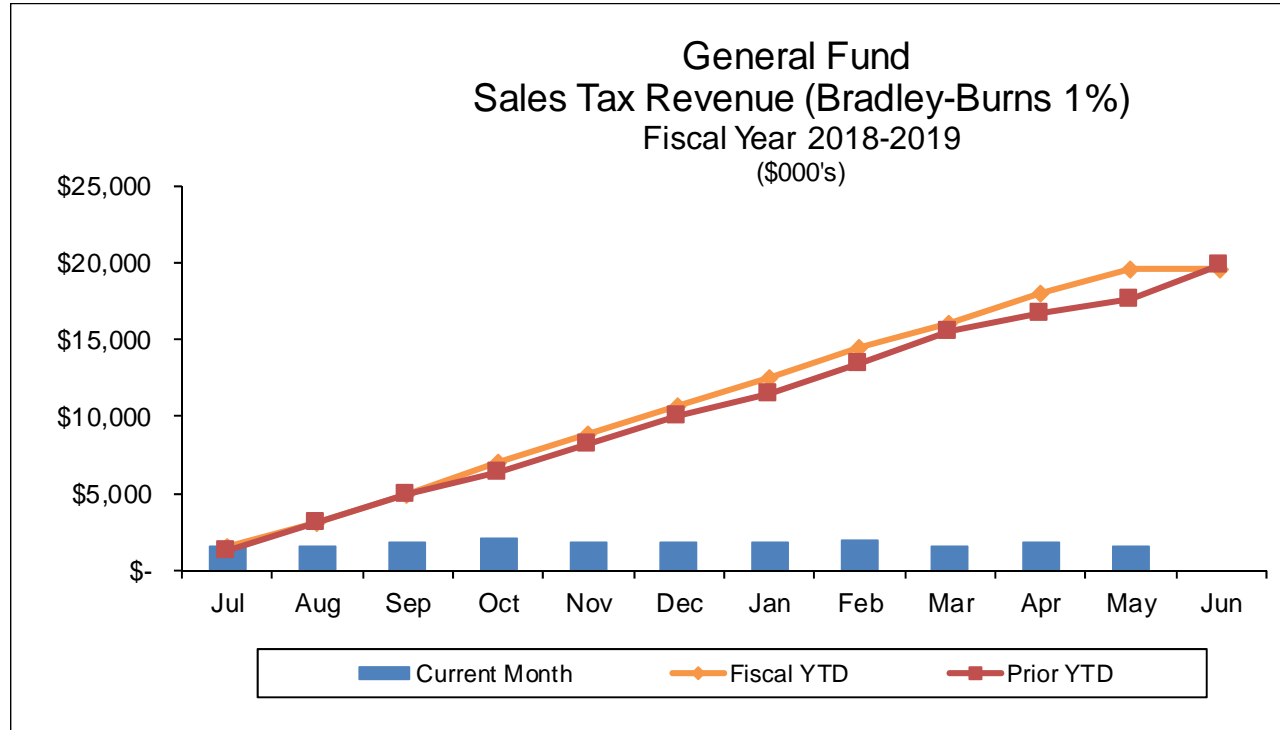
# GENERAL FUND REVENUE

## SALES TAX

One of the most significant revenue sources for the General Fund is Sales Tax.

Combined sales tax revenue year to date totals **\$34,668,272**. This includes **\$15,077,261** generated by Measure M, which was a quarter-cent sales tax effective April 2013. By voter approval Measure M sales tax rate increased to three-quarter of a percent effective April 1, 2018. The new rate will cause year over year comparisons to be distorted.

Note: The City receives monthly sales tax payments from the State based upon the California Department of Tax and Fee Administration (formerly the State Board of Equalization) estimates of retail sales transactions on a statewide basis. "Clean-up" payments are included every third month to adjust to actual sales. To the extent our local retail activity exceeds the statewide estimate, the City receives a positive clean-up payment; and the reverse holds true if local retail activity is below the statewide estimate.





## GENERAL FUND REVENUE

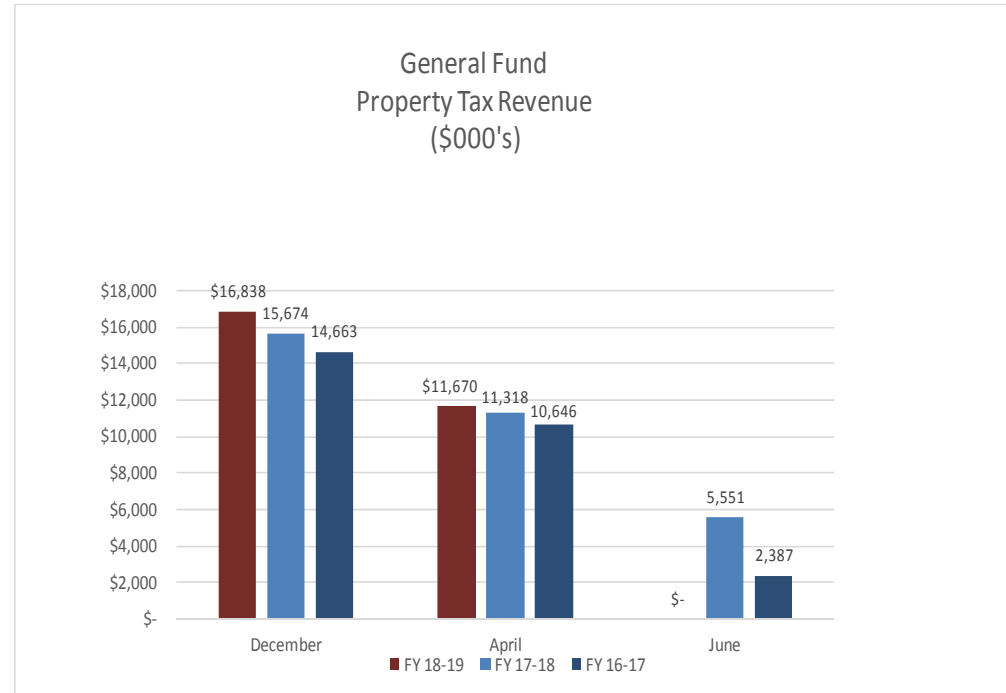
### PROPERTY TAX

Another significant revenue source for the General Fund is Property Tax.

Property tax revenues are received in December and April, with a small clean-up payment in June.

The City also receives property tax in late December or early January and in June, related to the dissolution of the Redevelopment Agency. The January payment is included in the December property tax amount for comparison purposes.

Assessed values from the County indicate that revenue from property taxes should increase by approximately 4.8% for FY2018-19.



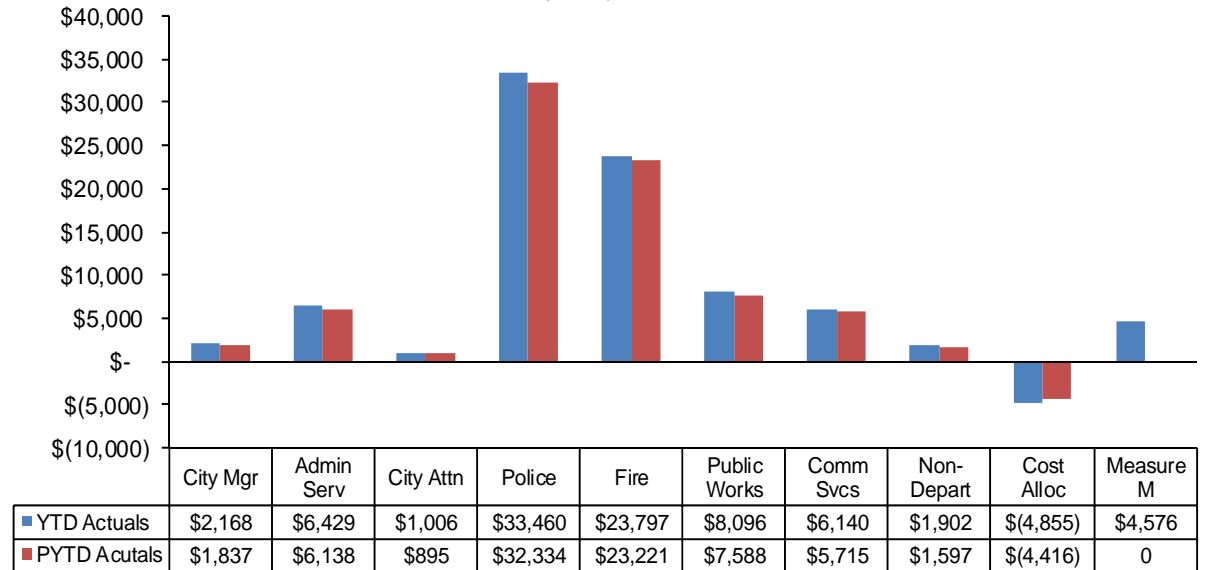
## EXPENDITURE SUMMARY BY DEPARTMENT

General Fund spending through May 2019 is **\$82,808,911**. Expenditures are at the projected budget for the first 11 months of the fiscal year.

General Fund spending in Vacaville, as with most municipalities, is rather uniform from month to month, reflecting the fact that the majority of spending is personnel related.

Beginning in Fiscal Year 2018-19, expenditures related to the new Measure M sales tax are being tracked separately in their own fund. In previous years, expenditures related to the former Measure M sales tax were reported within department expenditures.

**Expenditures by Department**  
Fiscal Year 2018-2019  
(000's)



# ENTERPRISE FUND

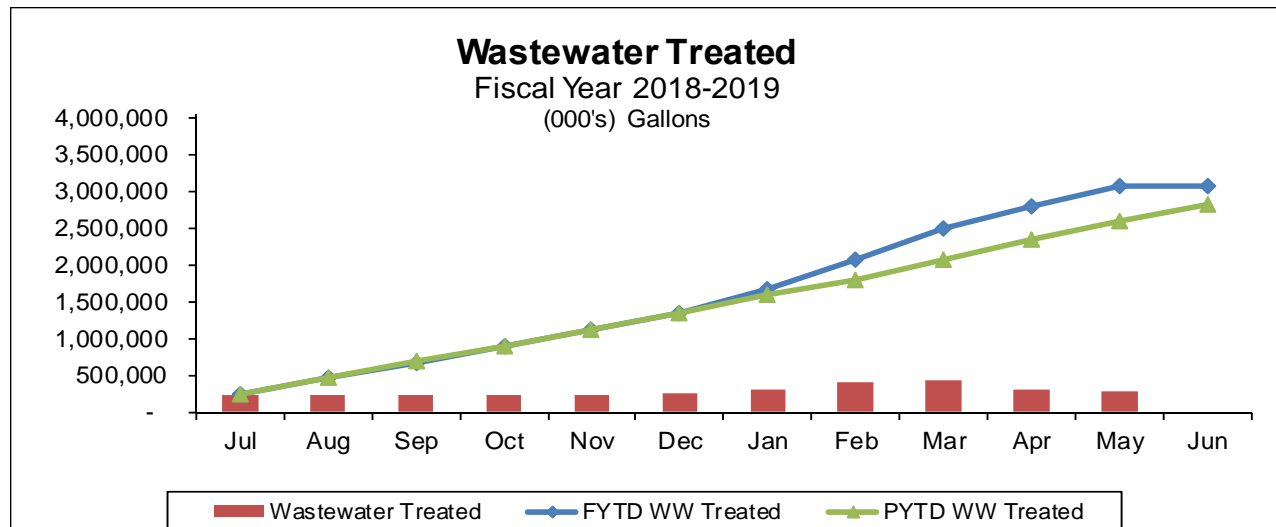
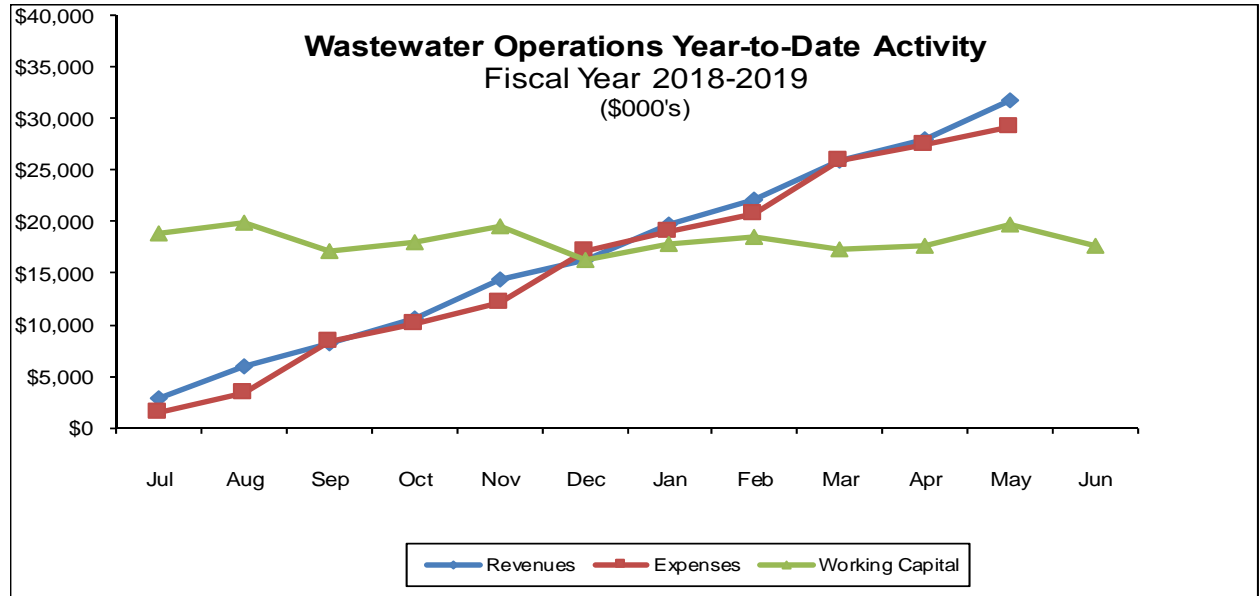
## WASTEWATER UTILITY SUMMARY

These charts provide information pertaining to the operations of the City's Wastewater Utility. The upper chart reflects monthly revenue and expense information, while the lower chart tracks the volume of wastewater treated on a monthly and YTD basis.

The overall volume of wastewater treated has increased from last year by 465,700 gallons.

Note: We have included the monthly Working Capital balance under operating activity. Working Capital consists of current assets less current liabilities, and can be viewed similarly to an operating reserve, in that it represents the amount of funds available to cover sudden increases in operating expenses or decreases in operating revenues.

In addition to the Working Capital Reserve, as of May 31, 2019, there was \$16,834,519 that has been set-aside from wastewater operations into separate capital funds for scheduled rehabilitation and replacement of major facilities.



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Wastewater Treated	225,600	226,000	216,000	224,000	216,000	240,000	310,700	398,900	432,700	291,200	272,200	
FYTD WW Treated	225,600	451,600	667,600	891,600	1,107,600	1,347,600	1,658,300	2,057,200	2,489,900	2,781,100	3,053,300	3,053,300
PYTD WW Treated	237,900	461,000	676,100	895,100	1,116,900	1,341,200	1,590,600	1,791,500	2,071,000	2,339,100	2,587,600	2,819,200

# ENTERPRISE FUND

## WATER UTILITY SUMMARY

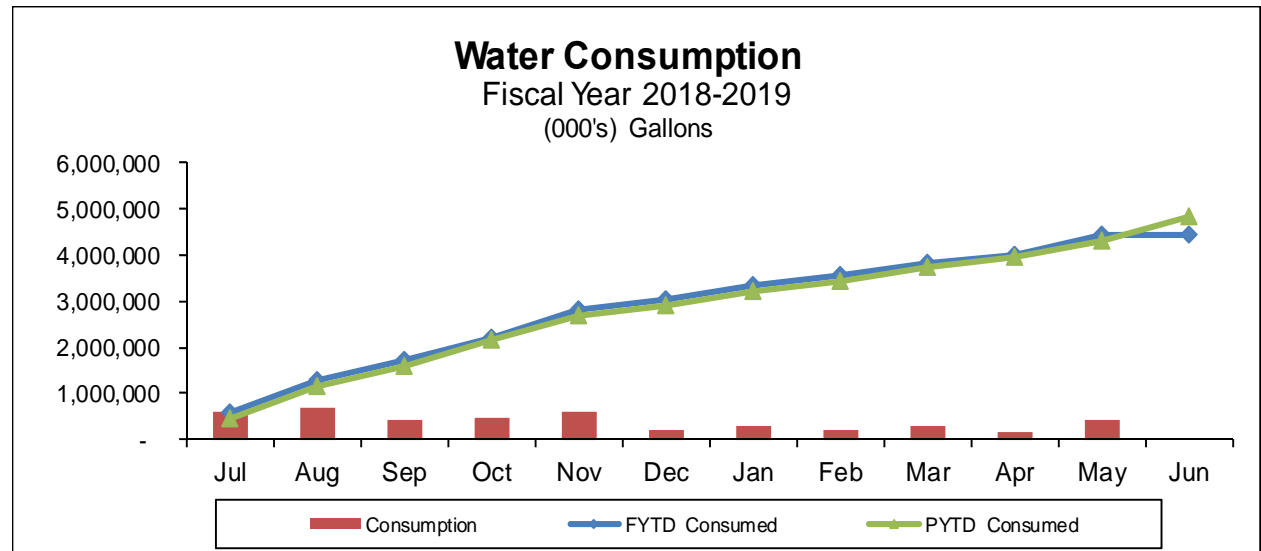
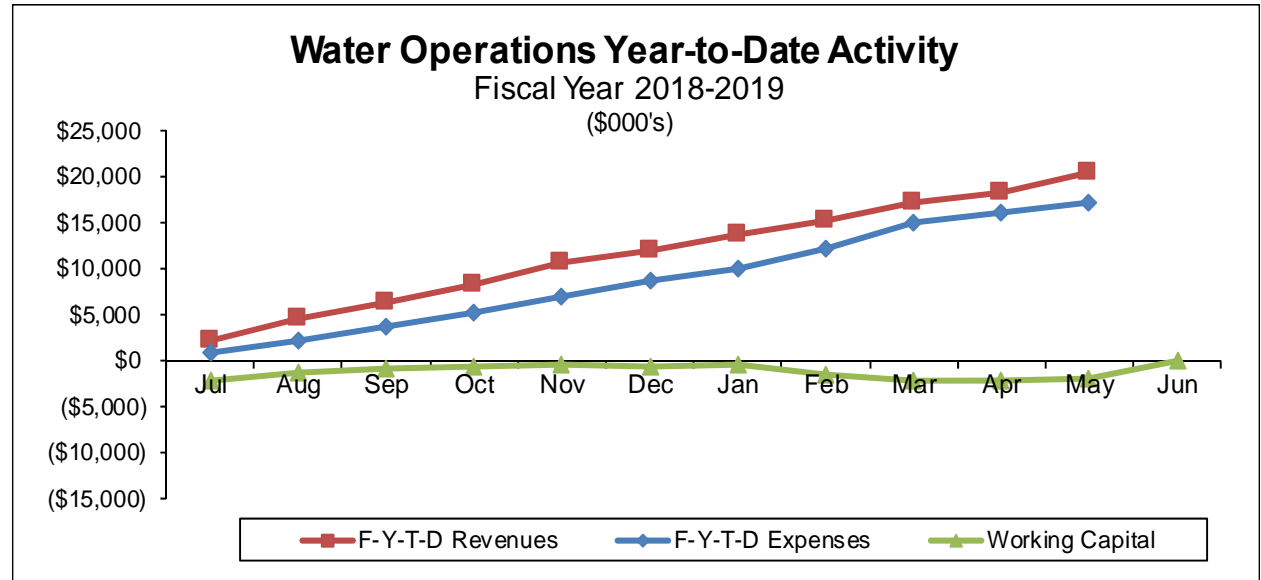
These charts provide information pertaining to the operations of the City's Water Utility. The upper chart reflects monthly revenue and expense information, while the lower chart tracks the volume of water consumption on a monthly and YTD basis.

In comparison to the prior year, consumption has increased by 144 million gallons. Consumption numbers are based on the date the meter is read.

Staff is continuing to monitor the financial and cash position of the City's water utility operation. A multi-year proposal has been developed to return the water utility to a positive working capital position.

Note: We have included the monthly Working Capital balance under operating activity. Working Capital consists of current assets less current liabilities, and can be viewed similarly to an operating reserve, in that it represents the amount of funds available to cover sudden increases in operating expenses or decreases in operating revenues.

In addition to the Working Capital Reserve, as of May 31, 2019 there was **\$12,810,255** that has been set-aside from water operations into separate capital funds for scheduled rehabilitation and replacement of major facilities.



Water	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Consumption	597,365	671,266	431,446	492,040	601,413	226,243	312,015	213,076	284,646	163,796	444,235	
FYTD Consumed	597,365	1,268,631	1,700,077	2,192,117	2,793,530	3,019,773	3,331,788	3,544,864	3,829,510	3,993,306	4,437,541	4,437,541
PYTD Consumed	440,676	1,160,667	1,601,552	2,140,360	2,670,195	2,912,220	3,199,780	3,441,525	3,723,015	3,949,384	4,293,128	4,809,506

