



City of Vacaville

Financial Performance Report

As of Month End August 2016

<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

October 20, 2016

EXECUTIVE SUMMARY

Year to date through August, General Fund revenues from all (citywide) sources totaled \$8.516 million, including \$3,818,000 in sales tax receipts. Total General Fund disbursements for all (citywide) operations totaled **\$12.742 million** including **\$11.38 million** in personnel related costs. The City's General Fund cash balance at the end of August was \$17,897,000. General Fund expenditures tend to occur uniformly throughout the year and were under budget through August by \$759,000. General Fund revenues were below the adopted budget through August by approximately **\$4,932,000**. This shortfall is due to the timing of property tax revenues which are received in December and April. During the month of August, there were three-hundred fifty-two residential and twenty-seven non-residential permits issued for construction, repairs and improvements for a permit valuation of \$8.64 million. Wastewater treated and water consumption both increased in comparison to the previous year. The working capital positions have improved for both Utilities, though Water still remains negative.

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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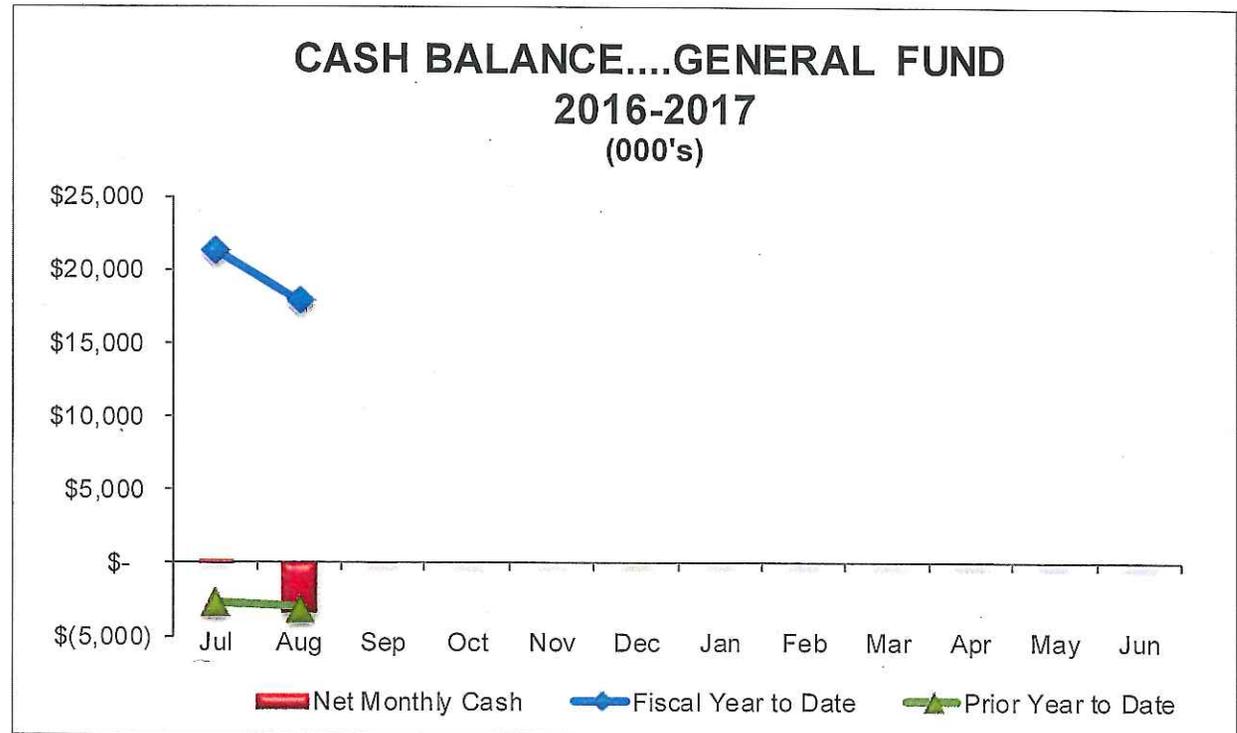
CASH BALANCE

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 August 2015 and is not to be confused with the cash balance for the prior year.

In August, cash outflows exceeded inflows by **\$3,375,000** for the General Fund.



General Fund	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Net Monthly Cash	\$ 85	\$(3,375)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fiscal Year to Date	\$21,272	\$ 17,897										
Prior Year to Date	\$(2,705)	\$(3,005)										

DEVELOPMENT ACTIVITY

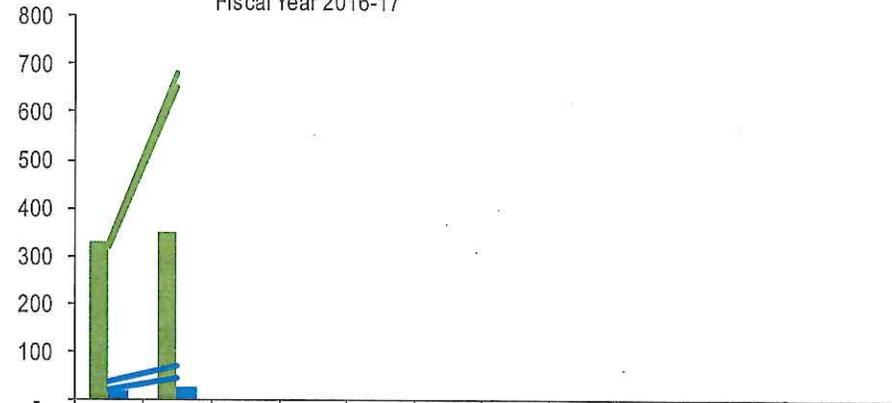
RESIDENTIAL & NON-RESIDENTIAL

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

There were 11 new residential permits issued in August, 6 permits were issued for Cheyenne at Browns Valley, 4 permits for Southtown Commons and 1 for Stonegate Estates.

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 2016-17

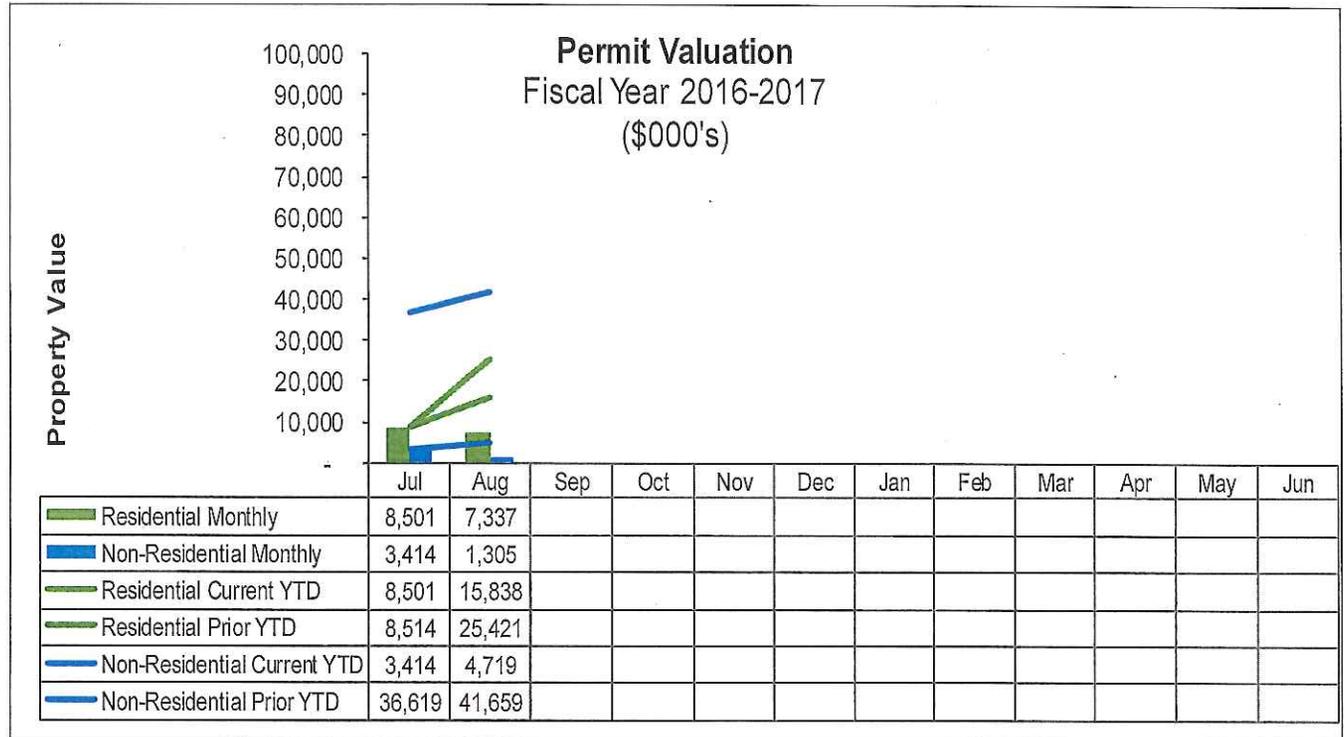


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Residential Monthly	329	352										
Non-Residential Monthly	21	27										
Residential Current YTD	329	681										
Residential Prior YTD	321	653										
Non-Residential Current YTD	21	48										
Non-Residential Prior YTD	38	70										

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.



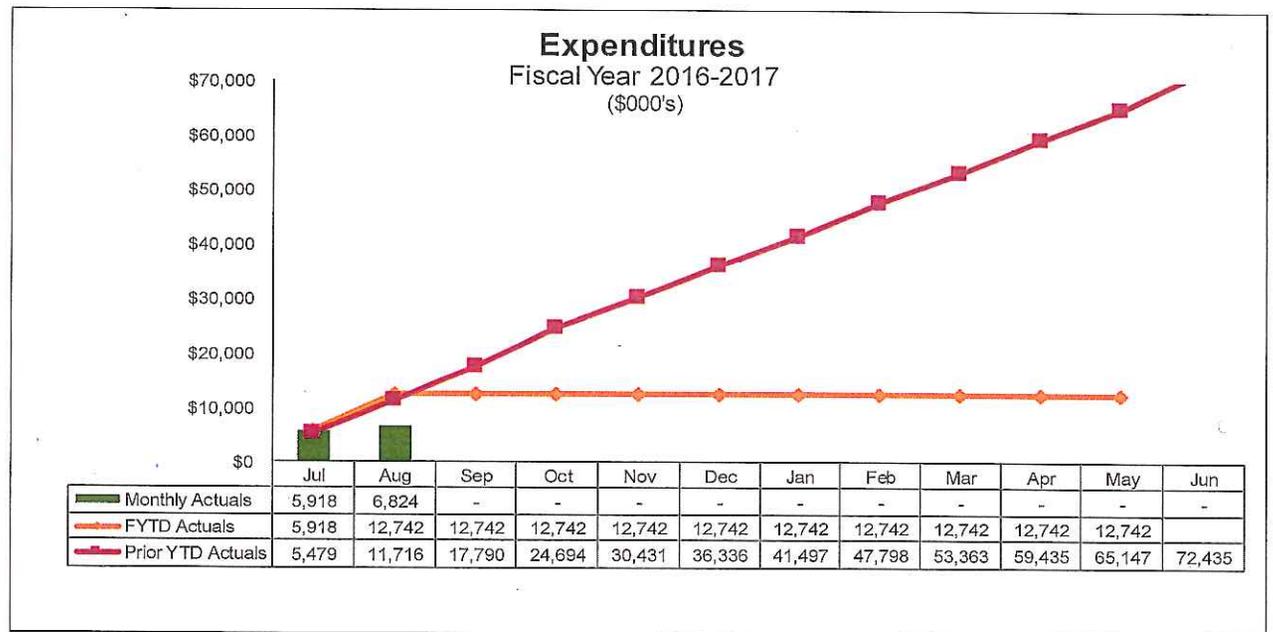
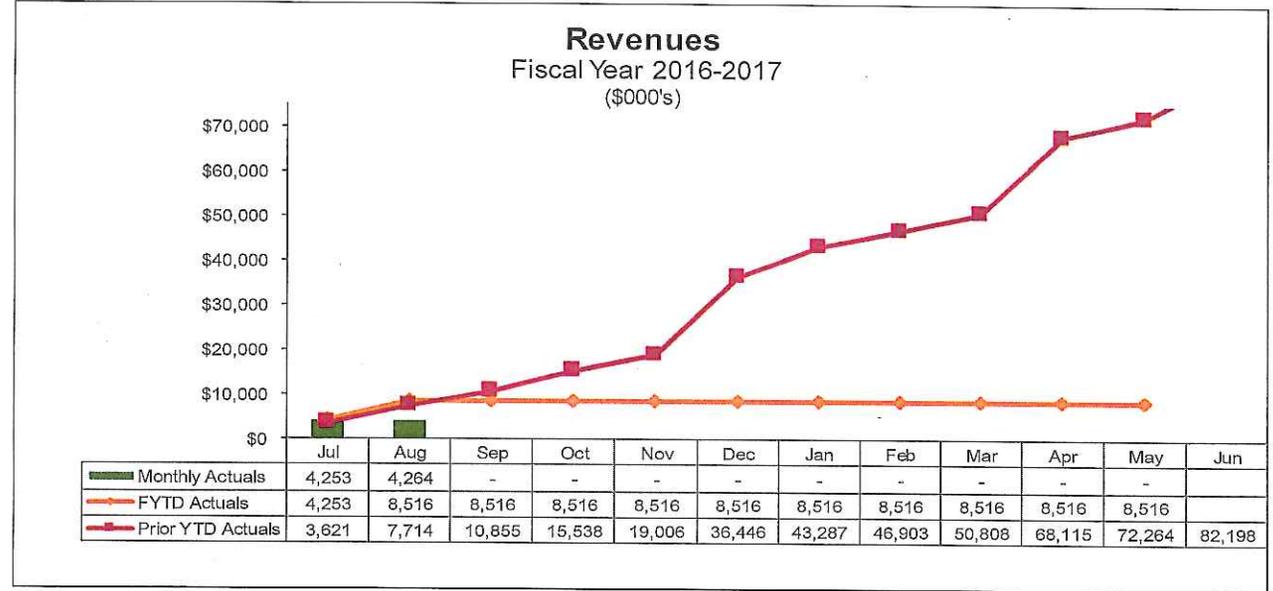
GENERAL FUND

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 are below the adopted budget through August primarily due to timing of property tax revenue.

Expenditures represent actual paid expenses and do not include encumbrances (*commitments made and agreed to be paid after obligations are fulfilled*). Actual expenditures are \$759,000 under budget through August.



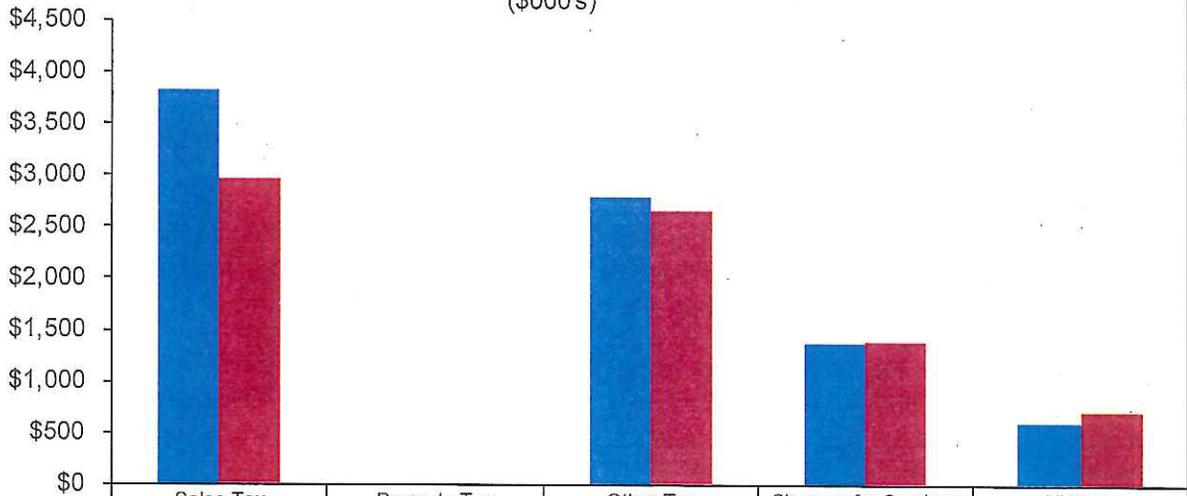
REVENUES

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 60% of the City's General Fund discretionary revenues are now derived from Property Tax (31%-\$26 million) and Sales Tax (29%-\$24.3 million).

Note that property tax revenues are received in annual 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 2016-2017
(\$000's)



	Sales Tax	Property Tax	Other Tax	Charges for Services	All Other
■ YTD Actuals	\$3,818	\$0	\$2,779	\$1,369	\$599
■ PYTD Actuals	\$2,958	\$-	\$2,657	\$1,379	\$720

GENERAL FUND REVENUE

SALES TAX

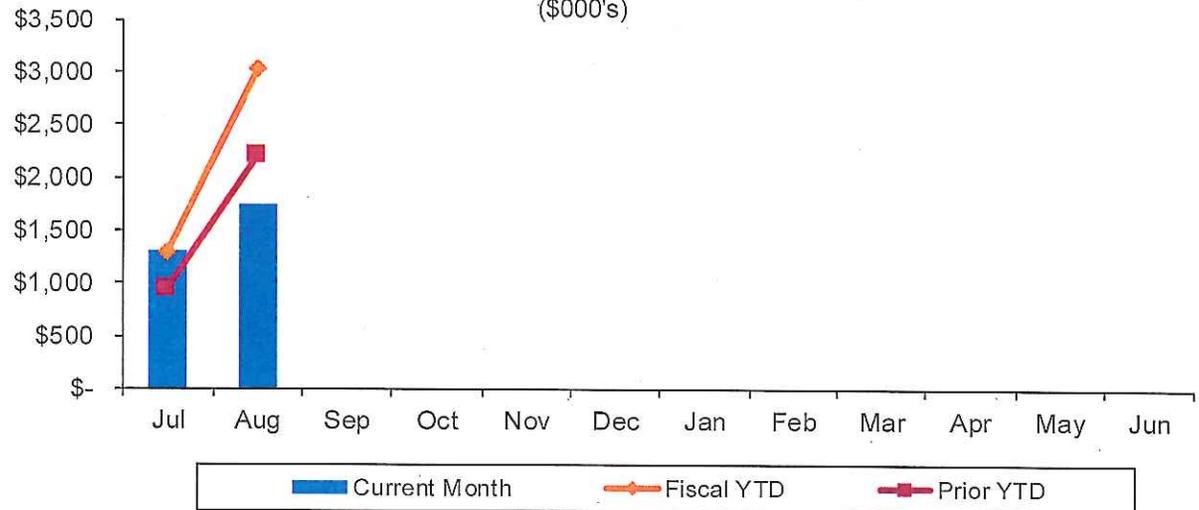
One of the most significant revenue sources for the General Fund is Sales Tax.

In FY 2015/16 25% of our sales tax revenue was diverted through the State's "triple-flip" plan and was backfilled with additional property tax revenue paid in December and April. This "triple flip" program ended in March 2016. Sales Tax Revenue to date totals \$3,818,000. This includes \$775,600 generated by Measure M, which was a quarter-cent sales tax effective April 2013 and expires in 2018.

Note: The City receives monthly sales tax payments from the State based upon the State Board of Equalization (SBOE) 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.

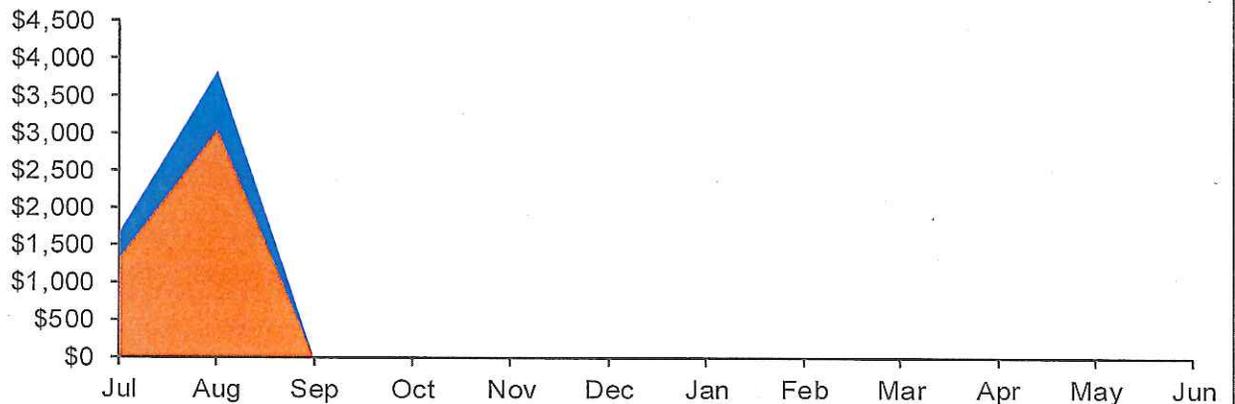
General Fund Sales Tax Revenue

Fiscal Year 2016-2017
(\$000's)



General and Measure M Sales Tax 2016-2017

■ General Sales Tax YTD ■ Measure M YTD



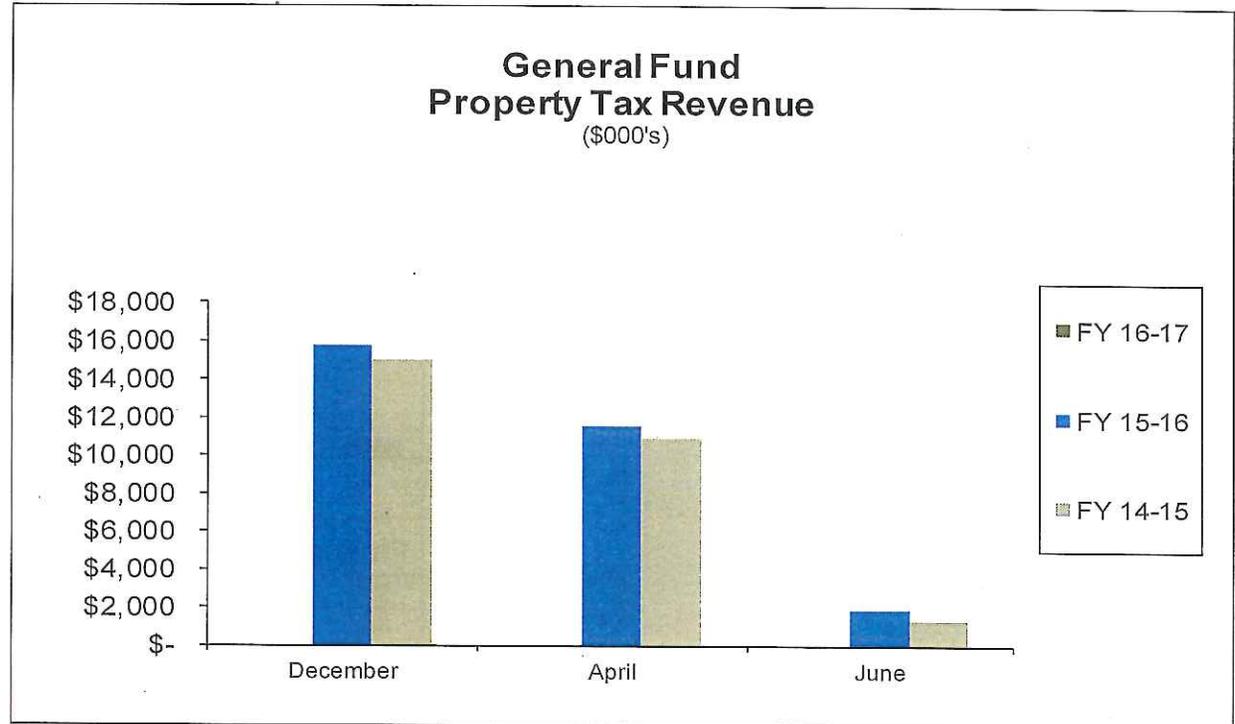
GENERAL FUND REVENUE

PROPERTY TAX

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

Property Tax Revenue to date is \$0.00 as property tax revenues are received in December and April, with a small clean-up payment in June. The City also receives property tax in January and June related to the dissolution of the Redevelopment Agency.

Preliminary assessed values from the County indicate that revenue from property taxes should increase by approximately 7.5% for FY2016-17.

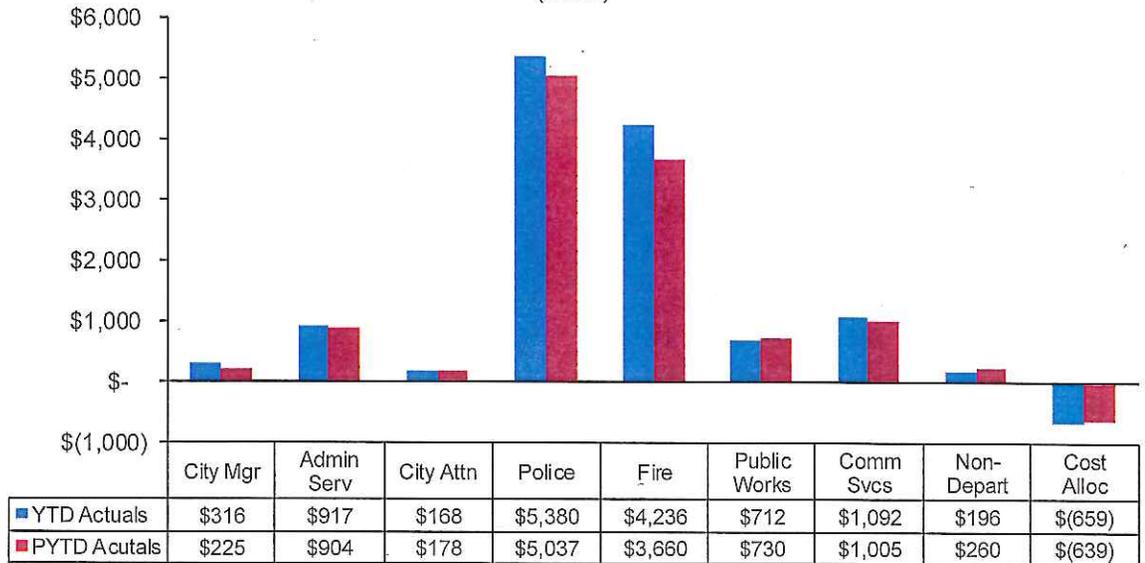


EXPENDITURE SUMMARY BY DEPARTMENT

General Fund spending through August is under budget by \$759,000.

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.

Expenditures by Department
Fiscal Year 2016-2017
(000's)



ENTERPRISE FUND

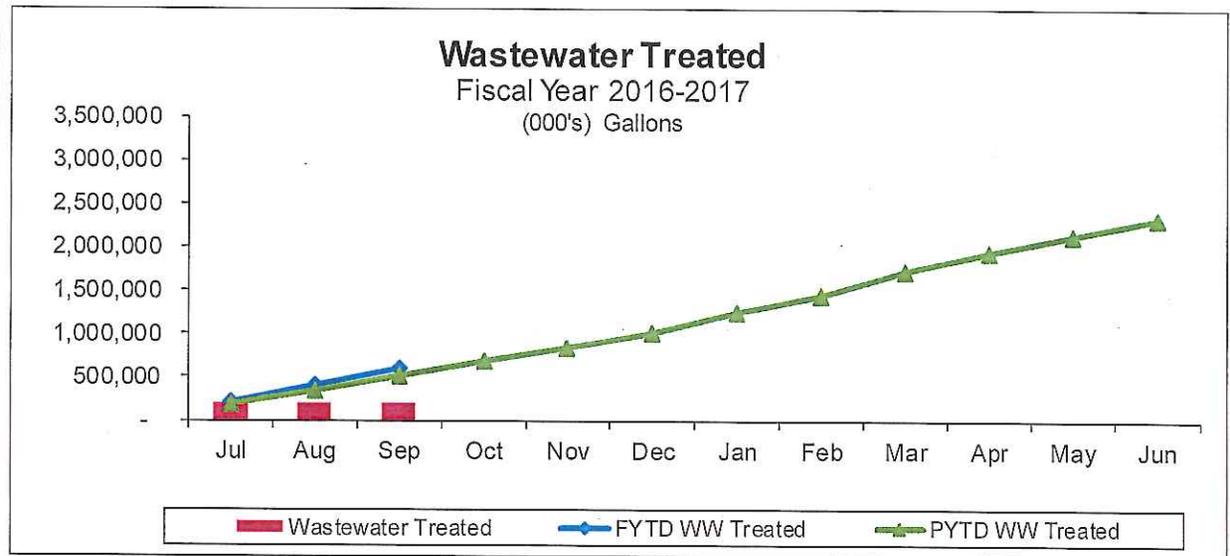
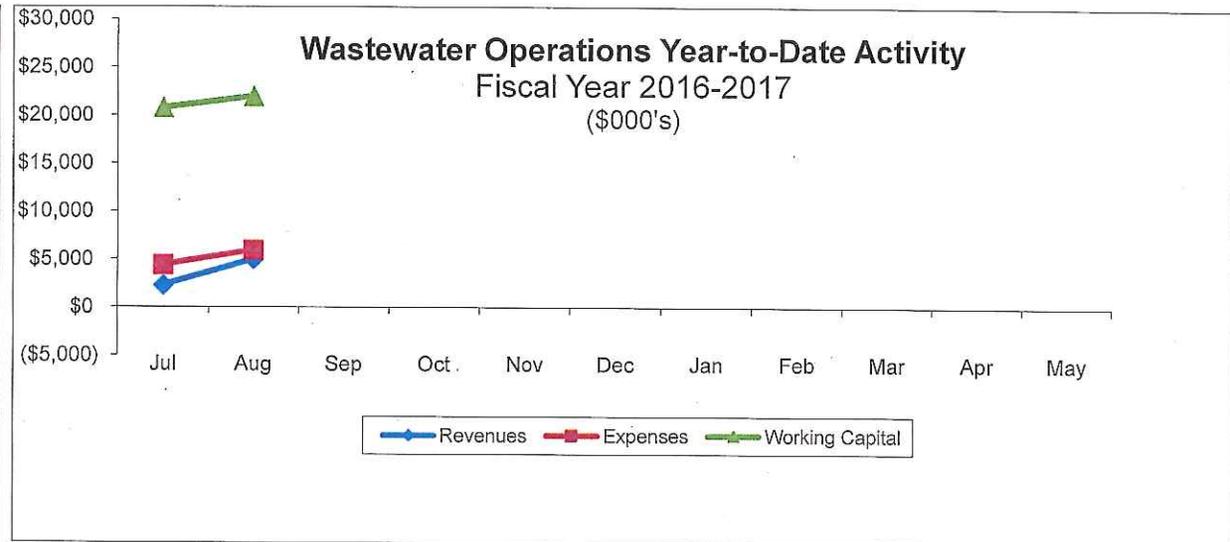
WASTEWATER UTILITY SUMMARY

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 66 million gallons, and wastewater revenue has increased from last year by \$642,000.

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 at August 31, 2016, there is \$12.482 million that has been set-aside from wastewater operations into separate capital funds for scheduled rehabilitation and replacement of major facilities.



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 65.7 million gallons; and revenue has increased by \$599,000.

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.

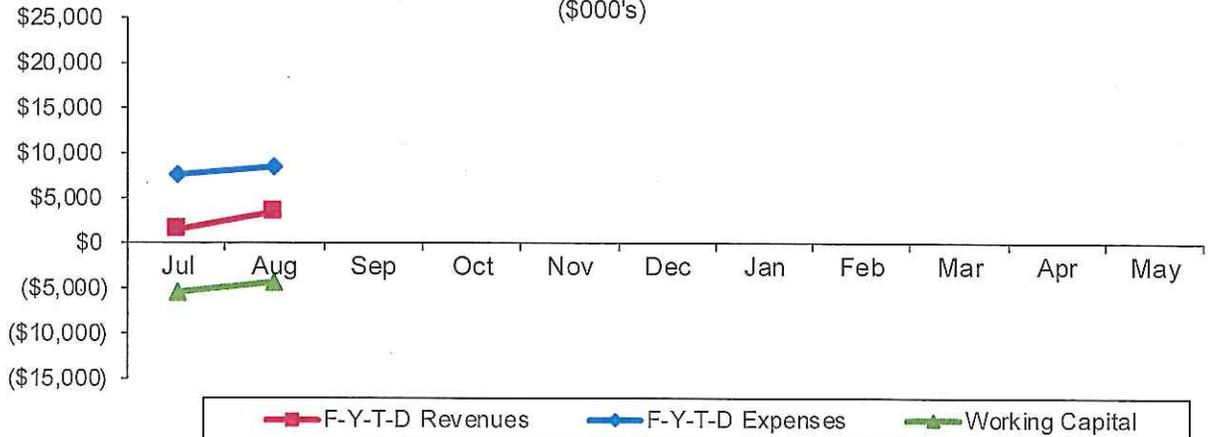
Note: We have included the monthly Working Capital balance under operating activity. Working Capital consists of current assets less current liabilities, and can be viewed similarly to an operating reserve, in that it represents the amount of funds available to cover sudden increases in operating expenses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

In addition to the Working Capital Reserve at August 2016, there is \$9.245 million that has been set-aside from water operations into separate capital funds for scheduled rehabilitation and replacement of major facilities.

Water Operations Year-to-Date Activity

Fiscal Year 2016-2017

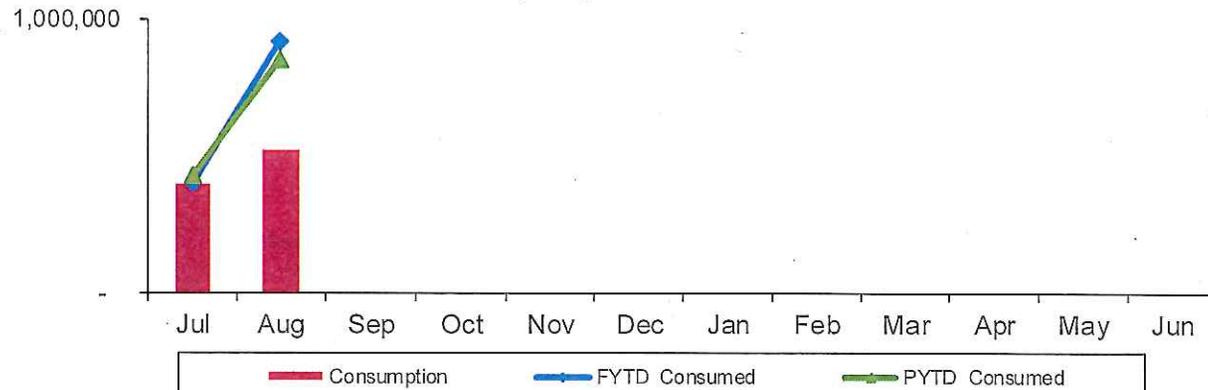
(\$000's)



Water Consumption

Fiscal Year 2016-2017

(000's) Gallons



Water	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Consumption	396,169	520,905	-	-	-	-	-	-	-	-	-	-
FYTD Consumed	396,169	917,074										
PYTD Consumed	424,757	851,313										