

# Annual Budget



Fiscal Year 2011-12

and

Fiscal Year 2012-13

Adopted \_\_\_\_\_, 2011

**CITY OF RIO VISTA STAFF**  
***CITY COUNCIL***



Mayor Jan Vick



Vice-Mayor Krebs



Councilmember Norman



Councilmember Boulware



Councilmember Kogler

***CITY MANAGER'S OFFICE***

Hector De La Rosa, City Manager

***CITY ATTORNEY***

Kronick, Moskovitz, Tiedemann & Girard, Attorneys at Law

Jonathan Hobbs

***CITY CLERK'S OFFICE***

Carolyn Parkinson, Contract City Clerk

***CITY TREASURER'S OFFICE***

Hale Conklin, City Treasurer

***DEPARTMENT DIRECTOR'S***

David Melilli, Public Works/Community Development Director

Greg Bowman, Interim Police Chief

Roel Briones, Finance Manager

Tom Myers, Contract Fire Chief

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## BUDGET POLICIES

The City Council has developed broad policy direction through the development of budget strategies that establish long-term policy guidance for conducting the City's financial activities. The budget strategies adhere to the Council's overall goals by emphasizing fiscal responsibility and community involvement.

Following is a summary of those policies.

### Financial Activity Reporting

The City's financial activity will be reported in a variety of funds, which are the basic accounting and reporting entities in governmental accounting. The City's accounting structure will make it possible to:

- Present fairly and with full disclosure the financial position and results of financial operations of the funds of the City in conformity with generally accepted accounting principles;
- Determine and demonstrate compliance with finance-related legal and contractual provisions; and
- Produce monthly reports to the City Council and the community.

### Management Responsibility

The City Manager shall provide the City Council with a mid-year review of financial activities no later than February of each year. The review will compare annual budget projections with actual results. The Finance Director will report monthly to the City Council and to the community.

### Reserves

The City will strive to maintain reserve funds to:

- Stabilize the City's fiscal base for anticipated fluctuations in revenues and expenditures;
- Provide for nonrecurring, unanticipated expenditures; and
- Provide for innovative opportunities for the betterment of the community.

The following reserve funds have been established and can only be expended with the express Council action:

**Economic Uncertainty Reserve:** The purpose of this reserve is to protect the General Fund against unpredictable fluctuations in the major revenues. The target reserve is 20% of total General Fund appropriations. At the end of FY 2009-10 the balance in this reserve was \$416,936. Given the current economic climate of the general fund, it is anticipated that no new reservations will be made in FY 2010-11 or FY 2011-12.

**Innovative Reserve:** The purpose of this reserve is to fund innovations resulting in enhanced City services, cost savings, and/or enhanced revenue opportunities in the public sector. Ideas or opportunities will be reviewed and approved by Council. The City Council will be able to approve a funding allocation from the Innovation Reserve for the approved innovation project(s) that enhance services to our Community. At the end of FY 2010-11 the balance in this reserve was \$10,000. Given the planned FY 2011-12 expenditures and revenues, no new reservations will be made this fiscal year.

**Replacement Reserve:** The purpose of this reserve is to provide sufficient funds for the anticipated replacement of capital equipment. Capital equipment will be defined as all equipment in excess of \$5,000. At the end of FY 2010-11 the balance in this reserve was \$50,000. Given the planned FY 2011-12 expenditures and revenues, no new reservations will be made this fiscal year.

**Compensated Absences Reserve:** The purpose of this reserve is to fund the City's liability to pay employees for unused vacation benefits upon termination. The liability at June 30, 2010 was \$269,966. At the end of FY 2009-10 the balance in this reserve was \$102,000. Given the planned FY 2010-11 expenditures and revenues, no new reservations will be made this fiscal year.

## Annual Budget and Financial Plan

The City Manager will present an annual budget, financial plan, and periodic financial information to the City Council setting forth the information below.

- Actual revenues, expenditures, reserve balances, and fund balances for the prior two fiscal years
- Estimated revenues, expenditures, reserve balances, and fund balances for the current fiscal year
- Projected revenues, expenditures, reserve balances, and fund balances for the next fiscal year
- Priorities and objectives to be achieved by the organization over the next year

## Appropriation Control

Appropriations of fiscal resources are the responsibility of the City Council and the City Manager.

Appropriations requiring Council action are:

- Approval of annual budget establishing the total appropriations;
- Appropriation of reserves;
- Transfers between funds;
- Appropriations of any unassigned revenues and,
- Inter-fund loans.

Appropriations requiring City Manager action are:

- Transfers within funds.

## Encumbrance Control

The encumbrance of appropriations is the responsibility of the City Council, City Manager, and Department Heads as follows:

City Council:	approves encumbrances in excess of \$5,000
City Manager:	approves encumbrances up to \$5,000
Department Heads:	approves encumbrances up to \$2,500

## Debt Management

In the 2007-08 Fiscal Year, the Finance Department developed, and the City Council adopted, a Debt Management Policy. This policy addresses inter-fund borrowing, short and long-term borrowing, and debt issuance. The policy will provide guidance for ensuring that financial resources are adequate to meet short- and long-term service objectives and that financing undertaken by the City satisfies certain clear objectives which allow the City to protect its financial resources in order to meet its long-term capital needs.

## Investments

The City Council will annually review and adopt an Investment Policy in conformance with California Government Code. The policy will address the objectives of safety, liquidity, and yield with respect to the City's financial assets. The City Treasurer will recommend to the City Council an Investment Policy.

## Fees and Charges

The City Council will annually adopt a schedule of fees and charges. The fees and charges will be set after taking into consideration the cost of services provided. Reduced fees and charges may be set by City Council policy and resolution for such purposes as discounts for non-profit organizations. Youth Recreation Programs may also have fee controls such as caps, scholarships and other enhancements to promote youth programs.

## Purchasing

The City will maintain a purchasing policy designed to support and enhance the delivery of governmental services while seeking to obtain the maximum value for each dollar expended. The City will always attempt to shop local but may be forced to shop outside of town based on cost and Customer Service.

## Funds of the City of Rio Vista

Governmental accounting systems are organized and operated on a fund basis. A fund is a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances. Funds are used to segregate the City's financial activities in categories that attain certain objectives in accordance with special regulations, restrictions, or limitations.

## Basis of Accounting

The budget is adopted on a modified accrual basis, consistent with generally accepted accounting principles. Under the modified accrual basis, revenues are recognized when they are susceptible to accrual (e.g., when they become both measurable and available). "Measurable" means the amount can be determined and "available" means collectible within the current period. Expenditures are recorded when the related fund liability is incurred. The City does not budget for depreciation or amortization expense.

## COMMUNITY PROFILE

The City of Rio Vista was incorporated on December 30, 1893. Currently there is a population of approximately 7,433<sup>1</sup> ( a decrease from the 2010 population projection of 8,324) in a 7 ½ square mile area, Rio Vista is approximately 25% developed and is currently a growing suburban community. With the land that the City annexed in the 1990's, there is adequate room for growth over the next 15-20 years.

The racial makeup of Rio Vista was 6,003 (81.6%) White, 372 (5.1%) African American, 53 (0.7%) Native American, 359 (4.9%) Asian, 15 (0.2%) Pacific Islander, 288 (3.9%) from other races, and 270 (3.7%) from two or more races. Hispanic or Latino of any race were 914 persons (12.4%).

The population was spread out with 1,145 people (15.6%) under the age of 18, 349 people (4.7%) aged 18 to 24, 1,089 people (14.8%) aged 25 to 44, 2,400 people (32.6%) aged 45 to 64, and 2,377 people (32.3%) who were 65 years of age or older. The median age was 57.2 years.

The City of Rio Vista is a special place with an inviting mix of rural and suburban lifestyles and easy access to all of the urban amenities associated with two of the nation's most dynamic metropolitan regions, San Francisco and Sacramento. Rio Vista lies on the banks of the Sacramento River and is a destination for bass fishing, boating, and jet skiing and is an easy drive to the Napa Wine Country, Sierra ski resorts and Lake Tahoe.

### POPULATION

Rio Vista is poised for rapid residential and commercial growth. Rio Vista is forecasted to triple its population within 20 years. There are currently three residential development which have entitlements. These development are Brann with an estimated 750 homes, Liberty with an estimated 675 homes, Riverwalk with an estimated 750 homes and Trilogy which has 1,000 homes remaining to be built. Furthermore, the City is currently working with Lewis Homes and the Espersons' for development of an additional 2,400 homes.

Upon an upturn in the housing market, Rio Vista can accommodate development of over 5,500 housing units.

### PROXIMITY TO MARKETS

Within thirty minutes in any direction, there are cities with populations over 60,000 people.

- Fairfield/Suisun City – 21 miles
- Lodi – 24 miles
- Vacaville – 28 miles
- Walnut Creek – 37 miles
- Sacramento – 51 miles
- San Francisco – 59 miles
- Antioch – 16 miles

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<sup>1</sup> Per California Department of Finance, 1/11.

## ***INCOME DISTRIBUTION***

Rio Vista is characterized as a middle-income suburban community with a median household income of \$50,319 (per 2005-2009 American Community Survey – U.S Census Bureau).

## ***COMMUNITY LABOR FORCE AVAILABILITY***

Civilian labor force	2,300	Total employment	2,100
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(Based on information from California Employment Development Department website as of May, 2011)

## ***HOUSING UNITS***

Within the City, there are 3,771 housing units, of which 3,609 are occupied. The City's housing units are primarily single-family detached homes. Currently developers are working with the City to build between 5,000 and 6,000 houses over the next 20 years.

## ***TRANSPORTATION/ACCESS***

### **Air:**

- Sacramento International Airport, 50 miles
- San Francisco International Airport, 75 miles
- Oakland International Airport, 60 miles

### **General Aviation:**

- Rio Vista Municipal Airport offers a 4,200 ft. runway, all weather capability

### **Truck:**

- Numerous major carriers offering overnight service to California, Nevada, and Oregon

### **Water:**

- Barge service available on deep-water channel of Sacramento River to Sacramento/Yolo Deep water Port facilities, 25 miles. Barge service is to all Bay Area Ports

### **Rail:**

- Southern Pacific Mainline – Northeast & West in Fairfield & Suisun City, 22 miles
- Amtrak in Suisun City, 22 miles

### **Highways:**

- Junction I-80/SR-12, 25 miles
- Junction I-80/I-680, 28 miles
- Junction I-5/SR-12, 17 miles
- Junction Hwy 99/SR-12, 30 miles

### **Bus:**

- Greyhound (Intra & Inter State) in Suisun, 22 miles
- The City operates a fixed rate bus providing bus services within the city and to surrounding cities

### **Special Services:**

- UPS, Federal Express, Express Mail, Taxi Cab, Senior Van Services

**EDUCATION**

The City is served by the River Delta Unified School District. The school district offers health screening, transportation, and food services.

There are three schools in Rio Vista:

- D.H. White School (K-5), Riverview Elementary (6-8), and
- Rio Vista High School (9-12).

Higher education facilities serving the area are:

- Los Medanos Community College (Pittsburg) Solano College (Fairfield)
- San Joaquin Delta College (Stockton) University of California at Davis (Davis)
- California State University, Sacramento University of the Pacific (Stockton)

**CLIMATE**

Month	Avg.	Avg.	Mean	Avg.	Record	Record
	High	Low		Precip	High	Low
<u>Jan</u>	53°F	38°F	46°F	2.72 in.	72°F (1976)	20°F (1962)
<u>Feb</u>	60°F	41°F	51°F	2.51 in.	76°F (1985)	25°F (1989)
<u>Mar</u>	65°F	44°F	55°F	2.16 in.	88°F (1988)	27°F (1966)
<u>Apr</u>	71°F	47°F	59°F	0.73 in.	94°F (1981)	28°F (1961)
<u>May</u>	79°F	52°F	65°F	0.47 in.	103°F (1984)	35°F (1975)
<u>Jun</u>	86°F	57°F	71°F	0.09 in.	117°F (1961)	35°F (1982)
<u>Jul</u>	91°F	58°F	74°F	0.03 in.	110°F (2006)	41°F (1961)
<u>Aug</u>	90°F	58°F	74°F	0.03 in.	109°F (1998)	43°F (1958)
<u>Sep</u>	86°F	56°F	71°F	0.24 in.	109°F (1955)	41°F (1980)
<u>Oct</u>	78°F	51°F	64°F	0.76 in.	102°F (1964)	28°F (1971)
<u>Nov</u>	64°F	44°F	54°F	1.70 in.	85°F (1967)	24°F (1958)
<u>Dec</u>	54°F	37°F	46°F	1.89 in.	75°F (1977)	18°F (1972)

## LOCAL JOBS

The top 20 employers in Rio Vista, listed in alphabetical order, are:

Company	Product/Service
• Abel Chevrolet	Automobile Dealership
• Aggressive Fabrication	Machine and welding
• Asta Construction	General contractor
• Bank of Rio Vista	Financial services
• Bank of Stockton	Financial services
• Barrier Systems, Inc.	Movable barriers & crash cushions
• California Vegetable specialties	Endive
• City of Rio Vista	Government
• D.E.S, LLC	Specialty drying presses
• Dutra Dredging	Soil dredging
• Gomes Excavating	Soil excavation and drilling
• Insight Design	Custom metal working
• Lira's Market	Grocery
• Moreno Trenching	Trenching
• Paul Graham Drilling	Drilling
• River Delta Unified School District	Education
• Preferred Window Products, Inc.	Window installation and distribution
• Rio Vista Ford	Automobile dealership
• Rio Vista Golf Club	Golf course and restaurant
• Richards Real Estate	Industrial, commercial, residential real estate

**SALES TAX GENERATORS**

The list is in alphabetical order and represents sales from January 2010 through December 2010. The top 25 sales tax generators in Rio Vista, in alphabetical order are:<sup>2</sup>

- |                                |                               |
|--------------------------------|-------------------------------|
| Abel Chevrolet Pontiac Buick   | Point Restaurant              |
| Chevron Service Stations       | Rio Vista Dodge Chrysler Jeep |
| Coughran Mechanical Service    | Rio Vista Ford/Mercury        |
| Delta Pharmacy                 | Rio Vista Liquors             |
| Dolk Tractor Company           | Rio Vista Pizza Factory       |
| Foster's Bighorn               | Shaffer Oil Tool Services     |
| Lira's Supermarket             | Shell Service Stations        |
| Lucy's Cafe                    | Smith International           |
| McDonald's Restaurants         | Stewart Industrial Supply     |
| More For Less Service Station  | Taco Bell                     |
| Nelson Drilling Tools          | Trilogy Golf Club             |
| Oilwell Materials & Hardware   | Weatherford Enterra           |
| Paul Graham Drilling & Service |                               |

<sup>2</sup> Reference: State Board of Equalization, Fourth Quarter 2010