

# Living Within Our Means



Me, Mom + Debbie



Hello. My name is Donna Silva.  
I am the Chief Financial Officer  
for the City of Rancho Cordova.  
I would like to tell you a story  
about my mom.



Mom

Mom had 3 fundamental requirements for our new lives:

1. No welfare. She was determined to find a job that could support us.
2. She would buy a home as soon as possible.
3. That house would have a fireplace.  
(Every home mom ever lived in had a fireplace.)

My mom's name was Gerri. Born and raised in Seattle, WA, she was a strong and independent woman. When she was 18 she left home, headed for San Diego. She was looking for a sailor, she found a used car salesman. They married and a few years later my sister, and then I, were born.

When I was in the second grade, we moved to a 30-acre farm in the mountains outside of Healdsburg. It was a good life. We had horses and cows and pigs, and there were lots of wonderful places to explore and play. My dad had his pilot's license and the original plan was for him to fly up on the weekends until he could sell the used car lot. Things didn't go as planned. He started struggling with alcoholism and before long, our family lost everything. I was in the sixth grade when my Mom divorced my Dad, packed up my sister and me and moved us to a small apartment in town.

Mom hadn't had a job for 15 years, and Dad wasn't giving her any child support or alimony. It was a very difficult time. The way she handled our transition has stuck with me and taught me several valuable lessons.

Mom found a job and while it didn't pay much, it was enough to get by. Then she started working to buy a house. We couldn't afford the typical down payment and mortgage, so my mom did something very clever. She found a property owner who was willing to sell her a partial interest in a house. It was a creative way to meet her goals.



Mom, Debbie + Me

# Budget & Revenues



our house



When we moved into the house, our budget got even tighter. One day my mom came home with a stack of envelopes and a little pile of cash.

She said, "Girls, times are tough and we are in this together. I need your help." Together we made an envelope for each bill and put the cash in the envelopes. There wasn't much left over. This was our discretionary income, for things like clothing, food, gas for the car and groceries. We had to make tough choices like reducing our allowance for more grocery money.

At the time I had no idea that my mom's lesson in budgeting would become something that I would build my career around. Yet her explanation helped me understand how important it is to be fiscally responsible.

## GENERAL FUND REVENUES AND EXPENSES OVER TIME



As you can see on this graph, City General Fund expenses are always less than revenues!

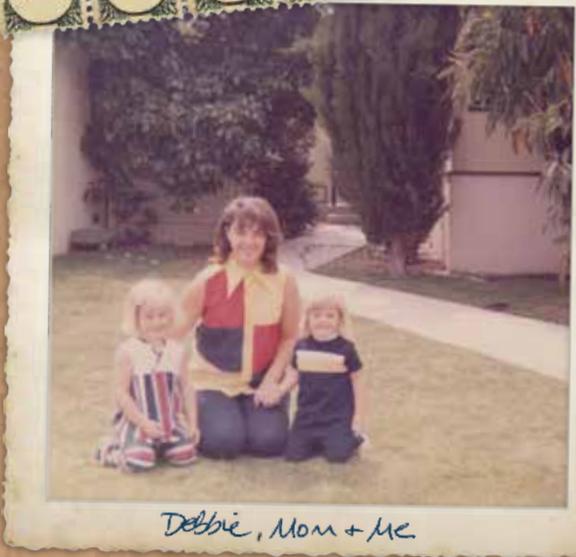
### GENERAL FUND REVENUE DETAIL

Revenues	Year Ended June 30, 2014	
Sales Tax	\$12,797,765	29%
Property Tax	12,421,202	28%
Licenses, Permits & Fees	4,694,241	11%
Other Taxes	4,480,712	10%
Utility Users Tax	3,439,608	8%
Charges for Services	3,157,165	7%
Fines, Forfeitures & Penalties	1,422,014	3%
Intergovernmental	697,524	2%
Investments & Property Leases	681,379	2%
Other Revenue	440,438	1%
<b>Total</b>	<b>\$44,232,048</b>	<b>100%</b>

**ABOVE:** The City of Rancho Cordova has had a balanced budget and produced an operating surplus from incorporation through the depths of the recession, continuing still today. Operating within our means has allowed us to save up a small pot of discretionary funds that the City has put away in a rainy-day reserve and has made it possible for us to focus on important projects that make Rancho Cordova a better place to live.

**LEFT:** The chart at left shows the City's General Fund revenues for the 2013-2014 fiscal year. These are the funds the City uses to pay for normal operations. There are many other special purpose funds which are explained in detail in our formal budget document, which can be found on the finance department page of the city website at [www.cityofranhocordova.org](http://www.cityofranhocordova.org).

# Expenditures & Accomplishments



Debbie, Mom + Me

My mom took our lessons in financial and household management even further. She had each of us take turns in planning meals and doing the grocery shopping and cooking. When it was my week, I would take the grocery envelope containing \$20 and some blue chip stamps and ride my bike to the grocery store. It was difficult to feed a family of three on \$20 a week and I was terrified of ending up at the cash register without enough money to pay for the groceries in my cart.

To keep track, I would write the price of each item down next to it on the grocery list noting if it was taxable or not. Then I would park the cart in the far corner of the store and whip out my pocket calculator to see if I had enough money. I got really good at staying within a budget!



**RIGHT:** It was a year of transition with the retirement of City Manager Ted Gaebler. We are happy that new City Manager Brian Nakamura, and his wife Sharon have made Rancho Cordova their home and that Brian is leading us into our second decade of cityhood.



Brian Nakamura & Family

## GENERAL FUND EXPENSE DETAIL

Expenses	Year Ended June 30, 2014
Contractual Services	\$21,469,633
Debt Service	8,480,101
Salaries & Benefits	7,398,252
Other	2,752,912
Repair & Maintenance	818,429
Capital Improvements	442,748
Insurance	199,347
<b>Total Expenses</b>	<b>\$43,565,839</b>
<b>Total Revenues</b>	<b>\$44,232,048</b>
<b>Net Surplus</b>	<b>\$666,209</b>

**LEFT:** The City's approach to spending is very similar to my family's approach to grocery shopping. We develop a budget based upon your priorities and the available revenues. Then, we stick to that budget! The list at right shows the City's General Fund expenditures for City operations during the 2013-2014 fiscal year. As you can see, expenditures were less than revenues, leaving savings for future projects or additional reserves to help us through the next economic downturn if necessary.

FY 2013/14

# Accomplishments

- ✓ Facilitated the demolition of the First Value Inn
- ✓ Bid farewell to City Manager Ted Coebler and welcomed new City Manager Brian Nakamura
- ✓ Assisted with bringing a Folsom Lake College campus to Rancho Cordova
- ✓ Facilitated the renovation and new construction of Rivergate Plaza
- ✓ Developed a new City brand, "A Fresh Take"
- ✓ Reduced violent crimes by 15% and property crimes by 3%
- ✓ Began road overlays and repairs for the Sunriver, Walnutwood and South White Rock neighborhoods
- ✓ Completed construction of the North Mather Blvd. connection to Mather Rd.
- ✓ Adopted tighter laws and undertook efforts to reduce panhandling
- ✓ Amended the Folsom Boulevard Specific Plan to streamline regulations
- ✓ Worked with Folsom Cordova School District as they initiated the Community Readers Program



North Mather Connection



First Value Inn Coming down



Costa Vida grand opening

## NEW RETAIL FY 2013/14

Business	Date
Dickey's Barbecue Pit	November 2013
Famous Footwear Opening	March 2014
Costa Vida Grand Opening	June 2014
Panera Bread	March 2014
Scooter's Coffee	May 2014



Folsom Lake College Grandbreaking Ceremony

# Trends & Projections



The Proposed Mather Veteran's Resource Center

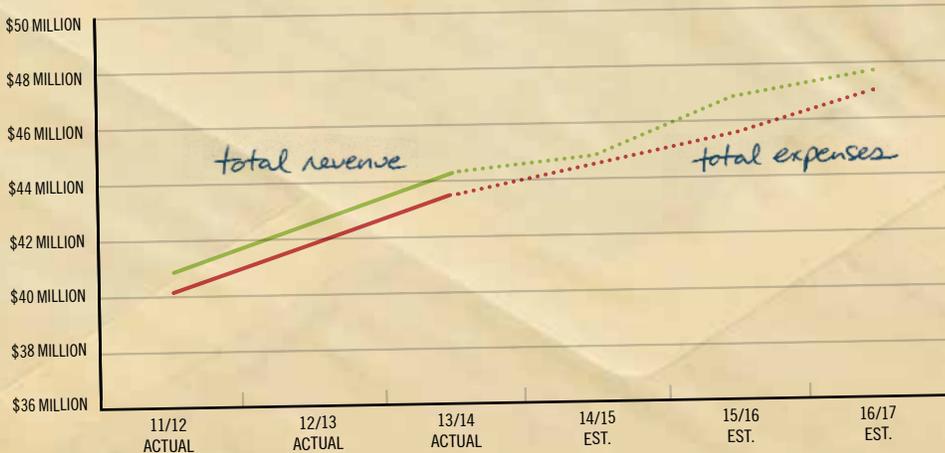
Sticking to our family budget made it possible for us to do things and have things that otherwise would have been difficult to afford. As Mom's income steadily increased we budgeted to set money aside for camping vacations, home improvements and fun things like a ping pong table. This was only possible by planning ahead and carefully crafting our budget and sticking to it. It wasn't easy, but it was rewarding.

The same is true here at the City. It is critical that we look ahead, be ready for the next recession, or be ready to put additional revenues to use in the community, whichever the case. Every year we prepare a three year forecast of revenues and expenditures so we have time to prepare. This was critical to making it through the recession without a loss in the General Fund.

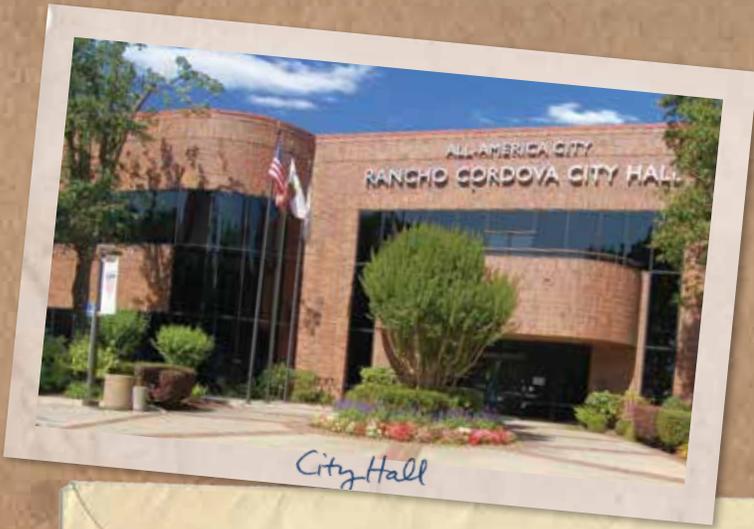
Yosemite Trip, 1980

**BELOW:** Our three year projections show that we expect to continue operating within our means. Our revenues are expected to slowly increase over the next few years, keeping pace with expected increases in our expenses.

## THREE YEAR GENERAL FUND TRENDS AND PROJECTIONS

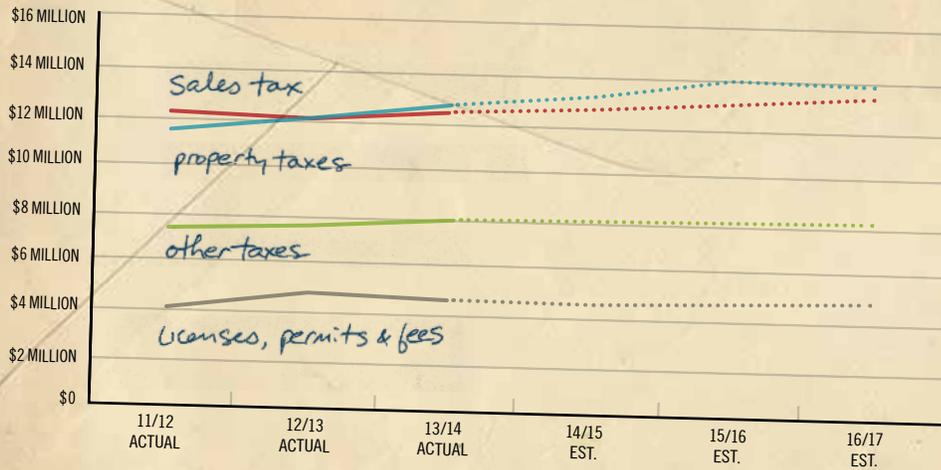


We are expecting relatively stable revenues in FY 14/15 (the current fiscal year) and then a 4% approximate increase in FY 15/16.



**BELOW:** Looking at the detail of major revenues we see that we are expecting a surge in Sales Tax revenue in FY 15/16, causing the increase in overall revenues. This is due to the scheduled termination of the "triple flip" a State of California revenue swap back in 2004 that took sales tax revenues from cities and gave it back through additional property tax revenues. Due to the timing of the process, there will be a one time increase in sales tax revenues in FY 15/16.

### MAJOR REVENUES TRENDS AND PROJECTIONS



This chart shows we are expecting a surge in Sales Tax revenue in FY 15/16, causing this increase in overall revenues.



### Be a part of the City's budgeting process!

If you would like to be a part of the budgeting process for the City, please join us on February 27, 2015 for our Annual Corporate Report where we examine the state of the economy, discuss the results of the previous fiscal year, share our mid-year budget review results, look at our updated three year projections and hear feedback from the City Council on their priorities for the upcoming budget cycle. Formal budget hearings will be held in May 2015. Join us!



Donna, today

Note: while the data presented in this report was derived from the same data used to prepare the CAFR and is in conformance with Generally Accepted Accounting Principles, this report itself has not been audited.

If you would like more information about the City's finances, please access our audited Comprehensive



Annual Financial Report Statements (CAFR) at the Finance Department page on our website, [www.cityofranchocordova.org](http://www.cityofranchocordova.org).