



City of Rancho Cordova, CA 2004 – 2005 Adopted Budget

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Message from the City Manager

The City of Rancho Cordova is fiscally solvent!

Our new City faced several challenges in its first year of operation. The incorporation transition agreement, approved by a vote of our citizens, required the City to transfer millions of dollars to Sacramento County. The State government deficit diminished vital services to our residents. Federal revenues were unpredictable due to increased spending and tax cuts. The national economy has been slow to recover.

Despite these dark clouds, Rancho Cordova's future is bright! The City is building a sound financial foundation and able to dedicate its resources to increasing the quality of life for those who live, work and play in our community.

The City Council and professional staff have achieved much together in the first year of leading the City. We have been fiscally conservative. Our professional staff has tailored the delivery of city services to fit the money available to us. We have not counted upon revenue until actually received. We have also been vigorous in seeking new sources of revenue, such as grants and other fee-based income.

We have employed just fifteen (15) employees in our first year. (Some neighboring cities of similar size have hundreds of permanent city employees.) We are being careful in ramping up services and adding long-term employees to the city payroll. The other staff that is needed to provide services has been acquired by contracts that can be adjusted as additional services are needed and revenues become available.

Our goal is to meet the high expectations of our residents for improved and new services in their neighborhoods. Your City has made significant improvements this past year, including:

- Towed hundreds of abandoned vehicles from city streets
- Expanded code enforcement and sought other resources to make improvements in long neglected neighborhoods
- Worked with Regional Transit to facilitate the extension of the light rail system into the heart of Rancho Cordova

- Made over 2,400 improvements involving street maintenance, trees and landscaping, traffic signals, signs and street lights, and traffic signs and pavement markings
- Began replacing street signs with new “City of Rancho Cordova” signs, adding to the City’s sense of identity

- Adopted several new ordinances to enhance the City’s neighborhoods, including:
 - yard parking and vehicle storage
 - human habitation in vehicles
 - sidewalk obstruction
 - reduced speed limits in the Mather Community Campus area
 - mining reclamation
 - moratorium on adult businesses
 - amending the City’s cardroom regulations

- Adopted fees on new development to pay for services in those areas without burdening established Rancho Cordova neighborhoods
- Appointed city residents to the new Planning Commission
- Created a Traffic Calming Committee of citizens
- Produced a community newsletter, held community meetings and made outreach efforts in numerous neighborhoods to elicit the participation of a diverse representation of community needs and values
- Worked closely with the local community service districts in providing enhanced services for fire safety, libraries, schools, and parks and recreation
- Participated in regional efforts to solve local challenges such as growth, air pollution, water supply and quality, sewers, transportation and affordable housing
- Opened a small interim City Hall that provided city residents a place to have access to local officials in our community and to secure permits locally
- Secured a Weed & Seed grant of \$175,000 of federal funds per year for five years that targets crime reduction and neighborhood safety
- Hired a Police Chief and contracted for improved police services
- Expanded traffic enforcement, as well as DUI and seat belt checks in the City
- Worked with the Chamber of Commerce and other business and community groups to retain and expand higher paying jobs and increase workforce housing opportunities
- Sought \$8 million of federal transportation funds to make improvements along Folsom Boulevard that will be a catalyst for re-investment in the vital central corridor of the City

- Dedicated federal funds and development fee revenue to the Cordova Parks and Recreation District to make needed improvements to parks in the City
- Partnered with our local schools in the School Community Policing Partnership Grant
- Proposed new Urban Design criteria that will increase the livability of our neighborhoods
- Celebrated the City's founding with a family-fun party and picnic!

Our City Council has adopted a set of six goals for the City to guide our investment (budget) for FY 2004/05:

- Identify and implement a plan for ensuring that excellent services are available to our community
- Ensure quality development
- Ensure financial stability
- Enhance civic involvement and community compassion
- Improve our community's image
- Increase our influence in the region on our community's behalf

With those principles and goals as our guide we will focus our skills and resources on:

- Seeking to understand the citizens' needs, views and values by increased efforts at outreach, community needs assessments and opinion surveys, community meetings, improved communications through our newsletter, website, and the media, and recruitment of a diversity of representation on city boards, commissions and committees
- Enhancing our organization's capacity to address and respond to citizen needs and expectations
- Exploring service delivery options for the people who live, work and play in Rancho Cordova
- Improving neighborhood safety with the creation of a community oriented police department and adding five (5) additional patrol officers and seven (7) traffic officers
- Addressing the space needs of the new City organization by moving to an adequately-sized City Hall facility in one of the currently vacant buildings in the business park
- Securing state, federal and private resources for reduction of blighting influences and improvement of our neighborhoods
- Providing economic development resources to retain Mather as a viable economic engine and improve the ability of our local businesses to thrive
- Working with the Chamber of Commerce and other groups to produce jobs, and add revenues to the City to help provide new and higher levels of services

- Developing a long range Municipal Services Plan that matches revenues with service level needs
- Preparing a Strategic Plan for the future development and operation of the City to ensure the highest possible quality of life for our current and future residents, workforce and visitors

In addition to on-going services, any city is responsible for building civic infrastructure. For the first time, this budget includes several million dollars worth of capital improvements that will add to our community's long-term assets. The lists of capital improvements scheduled for construction this year are included in Measure A and other funds.

Any budget is a plan for spending the money (taxes and fee revenue) we have available. This document for FY 2004-05 provides details for the allocation of our precious resources. I invite you to review this preliminary budget document. I think you will be delighted with the progress we have made in one short year and the plans we have for building a City of which you can be proud.

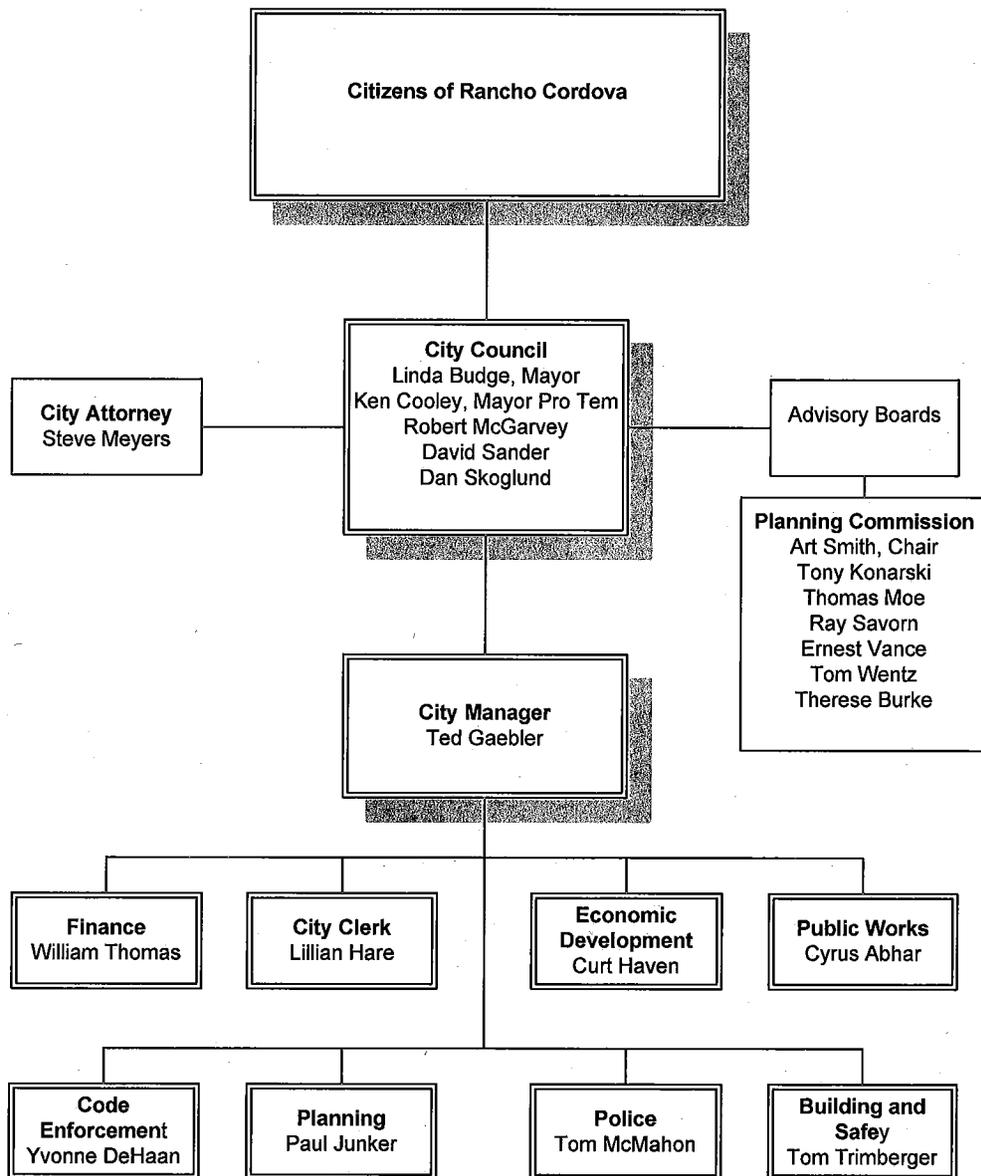
We will be vigilant in keeping our eyes on any developments with the State budget, the Federal revenue picture and the national and regional economies, and any other trends that may impact our ability to provide services.

With the leadership of the City Council, the professionalism of our City staff, and the involvement of our citizens, we are confident that we will be able to meet the challenges that lay ahead. We face the future with hope, optimism and enthusiasm for the City of Rancho Cordova.

I would like to thank Bill Thomas, our Chief Financial Officer, for his expertise and long hours in producing my first budget for the City of Rancho Cordova. Additionally, I would like to acknowledge the assistance of Lillian Hare, City Clerk and Jim Carney, Consultant for their assistance. Finally, without the dedicated work of the City Department Heads and staff this budget and the city services it represents would not be possible.

Ted A. Gaebler
Ted A. Gaebler
City Manager

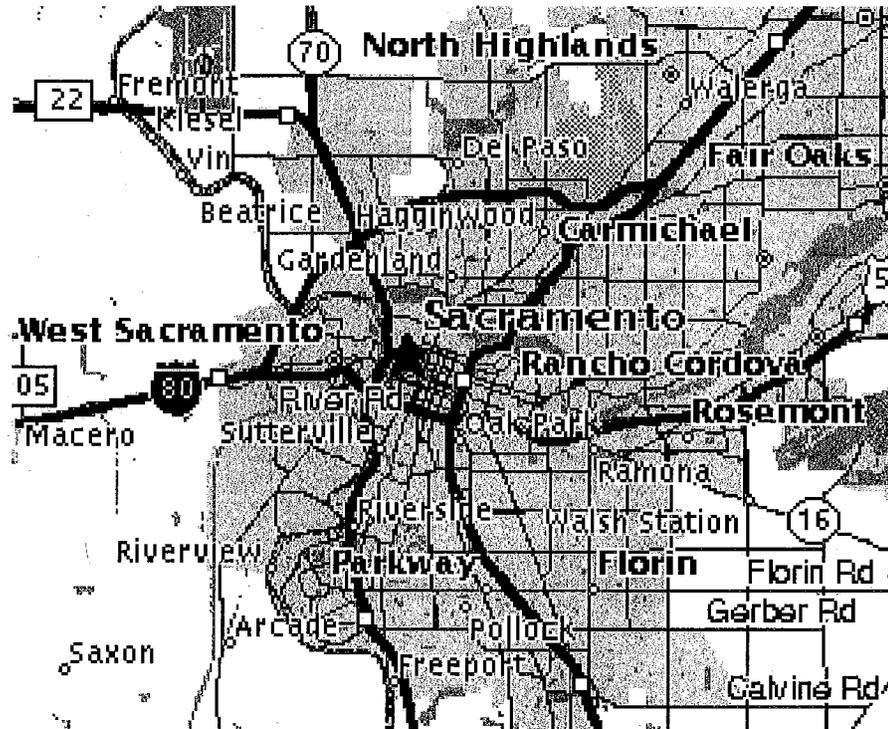
City of Rancho Cordova, CA
Organizational Chart



RANCHO CORDOVA COMMUNITY PROFILE

LOCATION AND CLIMATE

Rancho Cordova is part of the greater Sacramento Region and lies on the Highway 50 Corridor between the City of Sacramento and the City of Folsom. The city is situated next to Mather Field (a former U.S. Air Force base) and the American River. Its position in the Sacramento region will result in it being one of the fastest growing areas in the Region in the future.



The Sacramento Region typically experiences warm, dry days, and cool nights during the summer months. The temperatures during the summer average between the upper 50's to the low 90's. Winters are fairly mild, with average highs in the mid 50's and lows near 40 degrees. Most of the precipitation occurs during the winter months with the rainy season stretching from November through April. Because of the high mountains around the Sacramento Valley, winter storms generally are subdued before reaching the area. The Region experiences times of fog in the winter and rarely in other times of the year. The Sacramento Region is noted for its geographical stability and ranks among the lowest in the state for the probability of an earthquake.

HISTORY

Like many communities in northern California, Rancho's Cordova's history is linked to the Gold Rush.

As the Forty-Niners headed from San Francisco to the gold fields, they passed through a place called "Hangtown Crossing", an intersection where they could choose to go to Coloma (now known as Coloma Road) or to the south (now known as White Rock Road).

Some settled and became farmers, growing grapes and tending bountiful orchards. But the history of modern Rancho Cordova was ignited when a little rocket-maker on Folsom Boulevard became Aerojet General and became part of America's race to the moon and a supplier in the country's Cold War defense.

While supplying the war effort in Vietnam and helping boost travel to the heavens, Aerojet ballooned to 22,000 workers. Farmers ripped out their grapevines and planted houses instead. Modern Rancho Cordova was born.

At the other end of Folsom Boulevard (the original "main street" of Rancho Cordova), the Vietnam War was fostering another change: air navigators from around the free world arrived at Mather Air Force Base to learn how to traverse the skies, fueling the growth of a military town.

With the closure of the base in 1992, and the end of the Cold War, Rancho Cordova once again was faced with the need to reinvent itself.

Seismically stable, Rancho Cordova's prime location along a river, a railroad, highways and airways, plus wide expanses of open land, have given birth to an explosion of business parks. Insurance and financial companies, which needed a well-trained workforce, modern technological infrastructure and affordable land to build, have found it in Rancho Cordova.

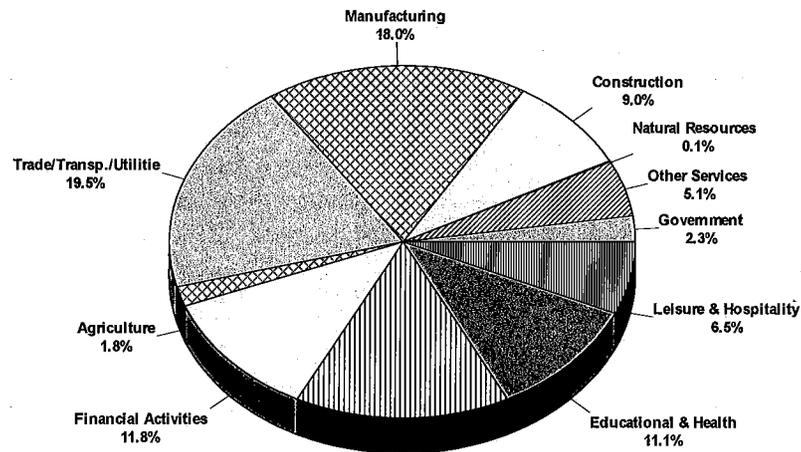
Today, Rancho Cordova's job base is among the largest and strongest in the region. Approximately 65,000 people commute to work each day – a number which is projected to double over the next 20 years.

In November 2002, the citizens in Rancho Cordova voted overwhelmingly to separate themselves from Sacramento County rule and establish their own City. The Cityhood initiative was approved by 77% of the residents. On July 1 2003, what was once just an unincorporated area of Sacramento County became California's 478th city.

ECONOMICS

Rancho Cordova has been experiencing and is expected to continue to see increasing population growth rates. Population is expected to increase 8 percent per year for the next five years. The

Employment Structure - 2003



public and private sector business and organizations in the City employ over 33,600 people. The Trade, Transportation and Utilities industry sector encompasses the largest amount of the City's total employment (20 percent). Economic activities in this sector include retail and wholesale trade, transportation and public utilities. Manufacturing which accounts for 18 percent of total employment is the second largest industry in terms of employment in the City. Professional and Business Services, Financial Activities and Educational and Health Services each encompass between 11 and 15 percent of total employment. The employment structure illustrates the City's diverse economy, containing a strong proportion of "new economy" industry sectors while retaining a large portion of employment in standard sectors such as Manufacturing, Construction and Agriculture.

The year-to-year growth rates in the employed portion of the City's labor force has closely followed the trend in the Sacramento Region over the past few years. The City has experienced growth rates above the California average since 1999. The unemployment rate in the City was 5.3% in 2003 which was below the rates seen in the overall Sacramento Region and the state. Over the past five years, the unemployment rate in the City has averaged around 4.6%.

The largest employers in the City are shown in the graph to the right.

Although the City has relatively few businesses employing over 900 employees, there are a number of employers whose work force was between 100 and 700, providing a wide range of economic civilities.

Major Private Sector Employers

Company	No. of Employees
Electronic Data Systems	1500
Aerojet - General Corp	1387
Cedar Valley Concrete	926
EdFund	675
Catholic Health Care	534
Motion Control Eng.	360
Wal-Mart	329
Volcano Therapeutics	309
Sunworld Landscape	300
Automotive Importing	191
Pacific Coast Building	180
Encompass Insurance	160
Aerojet Fine Chemicals	159
Claims Management	150
McKesson Health	150
Reserve America	150
Guardsmark, Inc	130
Target	128
Casa Coloma Health Care	125

The City has over 22,000 housing units and contains

about 2.7% of the Sacramento Regions' total population and housing units. Almost two-thirds of the City's housing units are single family dwellings. Median sale prices of new and existing homes have been over \$200,000, reaching \$266,500 for the first quarter of 2004. Between 2002 and 2003, home sale prices in the City increased by 19 percent which is similar to the growth rate experienced in the Region.

Overall, the economy of the City outpaces that of the Region. The City is the employment center of Sacramento County that has resulted in higher wages in the City than the rest of the County. The City provides the center for a daily in-migration of employees in the administrative and financial fields. The City expects a competitive and strong future based on:

- Established employment center
- Rapid growth in homes and jobs
- New housing stock will bring higher income families to the area
- Plenty of land to expand within existing City boundaries
- Excellent mix of product types for users

• **STATISTICAL INFORMATION**

Public Facilities and Services:

Miles of Streets	208
Number of Street Lights	2,715
Number of Signalized Intersections	46

Fire Protection and Paramedic/Ambulance Services:

The City is served by the Sacramento Metro Fire Department. This department serves all of Sacramento County except for the cities of Sacramento and Folsom. It also serves parts of Placer County. The department has 673 full-time employees and operates 38 full-time fire stations. Five fire stations serve the City of Rancho Cordova. Additional information regarding the fire district can be found on their website: www.cmfd.ca.gov

Police Protection:

The City's police services are provided under contract with Sacramento County Sheriff's Department. The contract provides for dedicated law enforcement services to the City that include 72 sworn positions and 16 non-sworn positions. The total number of police vehicles (dedicated and shared) is 57. The police department initiated service on July 1, 2004 and therefore no statistics are available for the City. Prior to that date, Sacramento County Sheriff's Department provided service to the City as part of their overall law enforcement services. Additional information regarding the Rancho Cordova Police Department can be found on their website: www.ranchocordovapd.com

Culture and Leisure:

The Cordova Recreation and Park District provides culture and leisure services to the City. The District has 11 existing parks in the City as well as 3 additional parks under construction. The total acreage of the parks is 281.5. Additionally they operate 3 Community Centers, 1 Senior Center, 3 pools, 10 ball and soccer fields and 21 tennis courts in the City. Additional information can be found on their website: www.crpdpd.com

Transportation

The Sacramento Regional Transit operates both bus routes and light rail activities within the City. There are a total of 16 buses on 7 bus routes during the work week, 11 buses on 6 routes on Saturdays and 7 buses on 5 routes on Sundays. Additionally, the transit authority operates a light rail system that connects the City with downtown Sacramento and points north. A total of 4 light rail stations operate within the City. Additional information can be found on their website: www.cacrt.com

Other Agencies:

There are two school districts located within the City. The Folsom-Cordova Unified School District serves the northern part of the City and operates 10 elementary schools, 2 middle schools, 1 high school, 2 continuing and alternative education schools and 1 adult school in the area. The district has approximately 18,000 students. Additional information can be found at their website: www.fcusd.k12.ca.us.

The Elk Grove Unified School District will serve parts of the City, however, no schools are being operated at the present time. Additional information can be found at their website: www.egusd.k12.ca.us

Health Care

The City is served by several health care organizations. Kaiser Permanente has a full-service non-emergency health clinic operating in the area. Additionally, veterans are served by the hospital operated by the U.S. Government on the former Mather Air Force property.

County Library:

The City is served by one branch of the Sacramento Library System. The circulation at that branch averages approximately 22,700 per month. Additional information about that branch can be found at their website: www.saclibrary.org/about_lib/brn_ran.html

CITY COUNCIL GOALS AND OBJECTIVES

GOAL NO. 1 -- IDENTIFY AND IMPLEMENT A PLAN FOR ENSURING THAT EXCELLENT SERVICES ARE AVAILABLE TO OUR COMMUNITY

OBJECTIVES TO MEET GOAL

- Determine whether to reduce or terminate any services that are currently being provided by Sacramento County.
- Provide solid waste collection and disposal service to citizens.
- Develop and present to the City Council for consideration options and recommendations for which city services should remain with the county or be provided by the city for FY 2004-2005 and beyond, including preliminary costs of doing so.
- Recommend to the City Council whether or not to contract with the county for transportation infrastructure, operations and maintenance services and, if the answer is yes, direct negotiations on the scope of services and contract
- Establish a community-oriented policing law enforcement agency.
- Develop and present to the Council for action a plan for the community to utilize State and Federal grant resources for first-time home buyers.
- Conduct a survey of municipal infrastructure services (e.g., curbs, sidewalks, roads, ADA compliance, trees, street furniture, and bike paths) and facilities within the public right of way in the established community and present the needs assessment to City Council.
- Develop and present to the City Council for action a set of capital improvement project (CIP) criteria, standards and policies for staff to use when evaluating and developing proposed capital improvement programs that promote growing as a premier community.

GOAL NO. 2 -- ENSURE QUALITY DEVELOPMENT

OBJECTIVES TO MEET GOAL

- Present to the City Council a work program outlining process, public participation and costs to write and adopt a General Plan.
- Present a work program to the City Council to outline processes and costs for preparing details of the residential and commercial design guidelines.
- Conduct a first workshop on comprehensive zoning code amendments for the City Council.
- Complete the preparatory work for the implementation of the Property Based Improvement District (PBID).
- List new principles of residential and commercial development to be incorporated into new development proposals.

- Conduct a work study session to discuss the cost and benefit of establishing an implementation plan for a Redevelopment Agency and a Redevelopment Area(s).
- Determine the feasibility of separating from SHRA and make a recommendation to the City Council for action.
- Complete analysis of the Rancho Cordova Boundary 2000 census data and other data to support planning decisions and present to the City Council.
- Assess infill and redevelopment opportunities within one-quarter mile of the light rail line and citywide and develop a plan to market those opportunities.
- Present to the City Council for action zoning amendments.
- Adopt County Water Policies CO-20, CO-22, CO-23, CO-25, and CO-39.
- Ensure City actions are consistent with Mather Air Force Base Redevelopment Area Plan.
- Conduct a retail inventory and leakage analysis and develop and market retail opportunities to increase the sales tax base.
- Gather sufficient signatures and initiate the process for a Business Improvement District for Folsom Boulevard.
- Adopt policies consistent with Sacramento County Water Agency's Master Plan for Zone 40 and the Countywide Water Forum.
- Impose aviation easements required by Mather Field Redevelopment Plan, Airport Master Plan, and Development Plan.
- Ensure City actions are consistent with CC&Rs and deeds between County and US Air Force.
- Provide pedestrian access on all streets in the Sunrise-Douglas Area and the Aerojet Area.
- Allocate a portion of traffic impact fees to multi-modal transportation in the Sunrise-Douglas Area and the Aerojet Area.
- Consider increased open space in the Sunrise-Douglas Area and the Aerojet Area.

GOAL NO. 3 -- ENSURE FINANCIAL STABILITY

OBJECTIVES TO MEET GOAL

- Enter into agreement with County to clarify repayment for transition year services.
- Adopt impact fees for parks after Park District completes its Master Plan for the park fees, and the Park District MOU.
- Form Citywide Landscaping Maintenance District, and adopt existing LMD fee.

- Conduct a City Council work study session to present a plan for evaluating costs of development, service levels needed, and appropriate development fees.
- Propose appropriations limit to voters at first municipal election in November 2004.
- Enter into maintenance and operations agreement with County for CSA 1 and CSA 10.
- Determine amount of base year property tax transfer for FY 2003 -- 2004.
- Analyze whether County can keep City's percentage share of tax increment in project area.
- Develop and present to the City Council for action a plan to issue and manage business licenses for Rancho Cordova.
- Develop a comprehensive financial analysis to include a 10-year revenue and expenditure model addressing all aspects of the city's financial condition.
- Determine whether changes in local government finances trigger the re-opener provisions for the revenue neutrality agreement.
- Complete and present to the City Council for consideration strategies to ensure that Sunrise Douglas/Sunridge development financial planning is structured to pay its fair share for city services.
- Present to the City Council proposed amendments to fees and recommend at least 5 new or updated city development fees.
- Develop and present to City Council new sources of revenue that include congressional delegations, grants, CDBG entitlement, licensing fees in all departments, and franchise fees.
- Enter into an agreement with the County for collection and expenditure of Mather Roadway Transit & Development Fee and adopt an ordinance to continue the Mather Roadway Transit & Development Fee.
- Develop and implement strategies to gain control of County funds that should be within control of Rancho Cordova (e.g., CSA-1 and CSA-10).
- Identify additional sources of revenue, including federal resources.
- Discuss transfer of 2 assessment districts with County (Sunrise Cordova Consolidated Reassessment District and Bradshaw Road/US 50 Integrated Financing District).

GOAL NO. 4 -- ENHANCE CIVIC INVOLVEMENT AND COMMUNITY COMPASSION

OBJECTIVES TO MEET GOAL

- Develop and distribute a Community Newsletter to the public.
- Develop, distribute, analyze and present the results to the City Council of a public opinion poll regarding general community services.

- Provide an aggressive speaking circuit for local service organizations to explain and get feedback on city services.
- Develop a plan to assist Rancho Cordova's current and potential neighborhood organizational structure and identify designated City liaisons to participate in their meetings and activities.
- Educate the community regarding the need for Measure A.
- Establish an integrated, interactive webpage for each department.
- Improve and enhance the City website, including online permit processing and links.
- Take city government out to the community to gain information on city needs such as to prioritize the community's safety and other needs.
- Establish at least 7 neighborhood associations throughout the city.
- Develop and present to the City Council for action a catalog of possible roles, commissions and committees for community participation.
- Develop and present to the City Council for action a community involvement handbook of possible roles, commissions and committees for community participation (e.g., a Youth Commission, a Historical Society, an Arts Commission, a Recreation Commission, a School Partnerships Committee, and a Seniors Commission).
- Develop and implement processes for referring constituents for needed services.
- Establish and publicize the role of the Rancho Cordova Neighborhood Center (RCNC) as an outlet for services to citizens (e.g., community group meetings, voluntary support for law enforcement services, cultural gatherings) and make a recommendation to the Council regarding purchase of the RCNC.
- Propose to the City Council for consideration regarding improvements to the city's website.

GOAL NO. 5 -- IMPROVE COMMUNITY IMAGE

OBJECTIVES TO MEET GOAL

- Will develop and present to the City Council for action a code enforcement strategy to make visible what the City is accomplishing in code enforcement (e.g., cleaning up vacant lots, business sign enforcement, landscaping, and illegal dumping).
- Develop an approximately 60-second introduction of city locations, web address and phone numbers for cable TV broadcast prior to City Council meetings.
- Install 4 community event and information signs.
- Develop strategies to increase the visibility of Rancho Cordova (e.g. menu list for hotels that includes Rancho Cordova restaurants).

- Present to the Council for action a plan to achieve more public information results.
- Identify a source of funds to replace existing street signs and to create street banners noting the City of Rancho Cordova.
- Present to the City Council for consideration the criteria for siting a future city hall and/or civic center, giving consideration to concerns such as mass transit, the geographic city center, etc.
- Develop in multiple languages a handout to distribute to the public at City Hall for Council meetings procedure.
- Propose to the City Council for consideration a contract for public information services.
- Develop postcards, T-shirts, coffee mugs, Christmas ornaments and other memorabilia of photos of city locations and/or that have the City seal.

GOAL NO. 6 -- INCREASE OUR INFLUENCE IN THE REGION ON OUR COMMUNITY'S BEHALF

OBJECTIVES TO MEET GOAL

- Present a proposed planning area to the City Council for action.
- Prepare and present updates on regional activities for discussion at City Council meetings.
- Establish an inter-governmental relationship with neighboring governments and districts (2x2s).
- Develop a policy framework for lobbying efforts (State and Federal), a rapid response mechanism and provide legislative updates to the City Council
- Compile a list of all external agencies that affect City functions (e.g., a City "Rolodex").
- Identify and market a regional issue upon which Rancho Cordova can establish its leadership.
- Meet with County to redistribute SACOG fair share housing needs between City and County and enter into agreement to effectuate such redistribution.

FINANCIAL POLICIES

GENERAL POLICIES

- All current operating expenditures will be paid for with current revenues.
- Budgetary emphasis will focus on providing high quality municipal services, recognizing the fundamental importance to the public of public safety and properly maintained infrastructure.
- The budget will strive to provide sufficient funding for adequate maintenance and orderly replacement of capital plant and equipment.
- The budget will reflect a higher priority for maintenance of existing facilities than for acquisition of new facilities.
- Future maintenance needs for all new capital facilities will be identified with the inclusion of the capital project.
- Strong customer service and productivity improvements with a focus on cost savings remain important budgetary goals.

REVENUE POLICIES

- A diversified and stable revenue system will be maintained to shelter the City from short-run fluctuations in any single revenue source.
- Revenues will be conservatively estimated and will be updated quarterly throughout the fiscal year.
- Intergovernmental assistance in the form of grants and loans will be used to finance only:
 - Those capital improvements which can be maintained and operated over time; and
 - Operating programs which either can be sustained over time or have a limited horizon.
- One-time revenues will be used for operating programs only after an examination determines whether they are subsidizing an imbalance between operating revenues and expenditures, and then only if a long-term forecast shows that the operating deficit will not continue. In general, one-time revenues will be used only to support capital or other non-recurring expenditures.

- Development process costs and related administrative expenses will be totally offset by development fees.
- The City will identify basic tax-provided services and will establish user fees and charges for services provided in excess of basic services and/or to non-taxpaying users.

RESERVE POLICIES

- A minimum fund balance reserve in the General Fund will be maintained at all times. The minimal, optimal level required for this reserve will be 15% of the General Fund operating budget. The reserve will be drawn done as a funding source of last resort and only after other reserve accounts have been accessed.
- For all other operating funds, there will be a reserve equal to 15% of its annual operating budget for the purpose of coping with emergencies. It may take more than one year to meet the 15% goal if these emergency reserves do not presently meet the 15% goal.
- The inappropriate fund balance in the General Fund will be maintained at a level sufficient to provide adequate working capital and to accommodate required adjustments to other reserve accounts, including the reserves for advances to other funds, deposits and prepaid items.
- Reserves for Encumbrances and Continuing Appropriations are established at the end of every fiscal year to reserve fund-balance in the amount equal to the City's unpaid obligations and unfinished projects at year-end.
- Other reserves, such as for cash flow, in the event that current cash flow needs exceed combined fund balances, or anticipated costs for service enhancements, will be established each fiscal year as needed.
- Funding levels of General Fund reserves will be reviewed during periods of economic stagnation to avoid reductions in operating service levels.
- Appropriation or use of funds from any designated reserve will require Council action.

CASH MANAGEMENT

- Investments and cash management will be the responsibility of the Chief Financial Officer.
- In accordance with Section 53646 of the Government Code, the City Council will review and update annually, an investment policy. The primary purpose of this policy is to set forth the City's investment philosophy and objectives. The City's investment objectives are, in order of priority: safety, compliance with Federal, State and local laws, liquidity, and yield. The policy also specifically outlines authorized investments, the maximum maturities allowed for each investment instrument and the criteria used to determine qualified depositories and/or dealers.
- The City invests all idle cash as determined by analysis of anticipated cash flow needs. Specific emphasis will be placed on future cash requirements when selecting maturity dates to avoid forced liquidations and the potential corresponding loss of investment earnings.
- In order to maximize yields from the overall portfolio, the City will consolidate cash balances from all funds for investment purposes, and will allocate investment earnings to each fund that has a positive cash balance. Interest expense will be charged to those funds that maintain a negative cash balance.
- The City will maintain the investment portfolio under the prudent person standard. The investment officer, acting in accordance with written procedures and the investment policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported within 30 days and appropriate action is taken to control adverse developments. The "Prudent Person Standard" is as follows: Investments shall be made with judgment and care – under circumstances then prevailing – which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.
- To protect against potential losses by collapse of individual securities, dealers, and to enhance access to securities, interest payments and maturity proceeds, all securities owned by the City will be held in safekeeping by a third party bank trust department, acting as the City's agent.

- The Chief Financial Officer- will generate a monthly report to the City Manager and a quarterly report to the City Council in conformance with all State laws and City investment policy requirements.
- The City's independent auditors, in conjunction with their annual audit, will audit the cash and investment balances in conformance with generally accepted accounting principles. In addition, the Treasurer shall establish an annual process of independent review by an external auditor to assure compliance with internal controls. The City Council may at any time order an audit of the investment portfolio and/or Chief Financial Officer's investment practices.

DEBT POLICY

- It is the intent of the City of Rancho Cordova to issue debt in a manner, which adheres to state and federal laws, existing bond covenants and prudent financial management.
- The General Fund currently does not have any general obligation bonds and does not anticipate issuing such debt.
- When the City finances capital projects by issuing bonds, it will pay back the bonds within a period that is consistent with the useful life of the project.
- The City will not use long-term debt financing for any recurring purpose such as current operating and maintenance expenditures. Short-term debt instruments such as revenue tax or bond anticipation notes shall be excluded from this limitation.
- The City will generally conduct debt financing on a competitive basis. However, negotiated issues may be used due to market volatility or the use of an unusual or complex financing or security structure.
- The City will diligently monitor its compliance with bond covenants and ensure its adherence to federal arbitrage regulations.
- The City will operate under the provisions of Proposition 13, the California Constitutional Amendment that limits the incurrence of "general obligation" debt. To incur this debt, the City must receive 2/3 votes of the voters at a general election.

COST ALLOCATION

- The City may establish Internal Service funds. The cost allocation from its Internal Service funds is to charge the departments for City resources that are being used by the individual departments.
- The City may establish a Self-Insurance fund. The self-insurance fund is to be used to account for the cost of the City's insurance premiums (such as general liability, property, and automobile insurance), as well as claims adjuster services, and legal costs.
- Charges to department are calculated based on the number of permanent staff in each department as well as any other method established by the Cost Allocation study.
- The City may establish an Equipment Replacement fund. The equipment replacement fund is to be used to account for the acquisition, depreciation, and replacement of City vehicles. Charges to department are calculated based on the actual depreciation charge for vehicles used by each department.
- The City may establish a Computer Replacement fund. The computer replacement fund is to be used to account for the acquisition, depreciation, and replacement of computers and related equipment. Charges to departments are calculated based on the number of computer workstations as well as any other method established by the Cost Allocation study.

CAPITAL BUDGET

- Beginning in fiscal year 2005 – 2006, a “Five-Year Capital Improvement Plan” shall be prepared and updated each year.
- Although this plan may include “unfunded” projects that carry out the City’s strategic and general plans, it must also include a capital-spending plan that identifies projects that can be completed with known funding sources.
- Each department must, when planning capital projects, estimate the project’s impact on the City’s operating budget.
- Each capital project must include an “administrative overhead charge” equal to five percent (5%) of the total project cost less contingency amounts.
- Amendments to capital appropriations can be approved by the City Manager for costs below the Charter established formal bid amount. The latter must be approved by the City Council by Resolution.

RISK MANAGEMENT

- The City is self insured for the first \$250,000 on each general liability claim against the City.
- Third party coverage is currently maintained for general liability claims greater than \$250,000 up to a limit of \$15,000,000 and for all workers’ compensation claims.
- The City will establish a Safety Committee to promote safe and healthy work practices. The objectives of the Committee include
 - Identifying, reviewing, and correcting unsafe conditions and practices, establishing employee safety training programs, and promoting a system of communications with employees regarding safety and health matters.
- The City maintains a comprehensive risk assessment program and annual hazard survey to identify areas that may pose liability issues.
- The City has a policy of vigorously defending claims filed against Rancho Cordova and continues to maintain an excellent loss history.

ANNUAL AUDIT

- Sound accounting practices suggest that an annual audit is a prudent business decision.
- The City requires an annual audit by a qualified independent accountant of the books of account, financial records, inventories and reports of all City officers and employees involved in the handling of financial matters. In compliance with the requirement of an annual audit.
- The independent auditing firm will be selected by the City based on a competitive proposal process. It is the policy of the City that the most qualified firm is selected and therefore the “lowest cost” approach is not the defining method of selecting an auditing firm.
- The City, at the least, shall change auditors every five years.

ACCOUNTING STRUCTURES & PRINCIPLES

CITY GOVERNMENT REPORTING ENTITIES AND SERVICES

The budget includes all of the funds and account groups of the City of Rancho Cordova. The City provides the following municipal services directly:

Building Permit/Plan Approval
Community Development
Emergency Services
Engineering
Planning and Zoning
Public Safety (Police with Fire being provided by a Special District)
Street Maintenance

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition; and the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that the cost of a specific control feature should not exceed the benefits likely to be derived and the evaluation of costs and benefits require estimates and judgments by management.

All evaluations of the City's internal control will continue to occur within the above framework. The City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

BASIS OF ACCOUNTING

The budgets of all governmental and fiduciary funds types are prepared on a modified accrual basis. Under the modified accrual basis, revenue is recognized when susceptible to accrual (e.g., when it becomes both measurable and available). "Measurable" means the amount can be determined and "available" means collectible within the current period or soon enough thereafter to pay current liabilities. This is generally within sixty-days (60) after the end of the fiscal year. Expenditures are recognized when the related fund liability is incurred.

The budgets of the proprietary funds (enterprise and internal service funds) are prepared on an accrual basis. Under this method, revenue is recognized when earned and expenses are recognized at the time the liability is incurred. Under this method, depreciation for fixed assets is budgeted. The City currently does not utilize proprietary funds.

FUND DESCRIPTIONS

The City's accounting records are organized and operate on a "fund" basis, which is the basic financial accounting entity in governmental accounting. The accounting system is designed to enable the use of these types of funds although not all fund types are currently being used by the City. Each fund is designed by fund type and classification:

- Governmental Funds: General, Special Revenue, Debt Service and Capital Projects
- Proprietary Fund: Enterprise and Internal Service
- Fiduciary Funds: Trust and Agency
- Account Groups: General Fixed Assets and General Long-Term Debt

GOVERNMENTAL FUNDS

Governmental funds are used to account for the City's expendable financial resources and related current liabilities, except for those accounted for in proprietary funds. The basic financial statements necessary to fairly present financial position and operating results for governmental funds are the balance sheet and the statement of revenues, expenditures and changes in fund balance. Governmental funds are maintained using the modified accrual basis of accounting.

- **General Fund** - accounts for all the general revenue of the City not specifically levied or collected for other City funds and for expenditures related to the rendering of general services by the City
- **Special Revenue Fund** - account for the proceeds of specific revenue sources that are restricted by law or administrative action for specified purposes.
- **Debt Service Fund** - account for accumulation of resources for, and payment of, interest and principal on long-term debt.
- **Capital Project Fund** - account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

PROPRIETARY FUNDS

Generally accepted accounting principles applicable to a private commercial business are applicable to proprietary funds of a governmental entity. The accrual basis of accounting is utilized. The measurement focus is based upon a determination of net income, financial position and cash flows. Accordingly, basic financial statements are required, such as balance sheet, statement of revenues, expenses and changes in retained earnings (deficit), and the statement of cash flows.

- **Enterprise Fund** - accounts for operations that are financed and operated in a manner similar to private enterprises, where the intent of City Council is that the cost and expense, including depreciation and amortization, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.
- **Internal Service Fund** - account for activities involved in rendering services to departments within the City. Costs of materials and services

used are accumulated in these funds and are charged to the user departments as such goods are delivered or services rendered.

FIDUCIARY FUNDS

Fiduciary Funds are maintained to account for assets held by the City in a trustee capacity for individuals, private organizations, other governments and other funds. Expendable trust funds are budgeted in accordance with their restrictions. The budget generally consists of a transfer of funds to another fund.

- **Private Purpose Trust** – used to report all trust arrangements, other than those properly reported in pension trust or investment trust funds, under which principal and income benefit individuals, private organizations or other governments.
- **Permanent Trust** – used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry.
- **Expendable Trust** – used to report resources that are not legally restricted to expenditure of principal and restricted to a specific purpose in accordance with a trust agreement.
- **Agency Funds** – used to account for assets held by the City as an agent or in trust.

ACCOUNT GROUPS

Account Groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term debt.

- **General Fixed Assets Account Group** - account for long-term assets of the City, except for those accounted for in proprietary fund types.
- **General Long-Term Account Group** - account for long-term debt of the City, except for debt accounted for in proprietary fund types.

GASB 34

Beginning with the fiscal year ending on June 30, 2004, the City will implement the provisions of GASB 34 when our Comprehensive Annual Financial Report (CAFR) is published. The CAFR presents the status of the city's finances on the basis of "generally accepted accounting principles" (GAAP). The FY 2003-2004 CAFR will be prepared in compliance with GASB 34. In most cases, this conforms to the way the city prepares its budget with the following exceptions:

- Compensated absences liabilities that are expected to be liquidated with expendable available financial resources are accrued as earned by employees (GAAP) as opposed to being expended when paid (Budget).
- Principal payments on long-term debt within the Enterprise Funds are applied to the outstanding liability on a GAAP basis as opposed to being expended on a Budget basis.
- Capital outlays within the Enterprise Funds are recorded as assets on a GAAP basis and expended on a Budget basis.
- Inventory is recorded as expenditure at the time it is used.
- Depreciation expense is not budgeted as an expense.

The Comprehensive Annual Financial Report shows fund expenditures and revenues on both a GAAP basis and Budget basis for comparison purposes.

BUDGET POLICIES AND PROCEDURES

POLICY

The City Manager shall submit a proposed budget to the City Council each year by May 31st. The budget that is submitted is a balanced budget either through the matching of ongoing revenues with proposed expenditures or the use of existing reserves.

BUDGET BASIS

The budgets of general government type funds (for example, the general fund itself, and gas tax funds) are prepared on a modified accrual basis. Briefly, this means that obligations of the City are budgeted as expenses, but revenues are recognized only when measurable and available.

The Comprehensive Annual Financial Report (CAFR) shows the status of the City's finances on the basis of "generally accepted accounting principles"

(GAAP). In most cases this conforms to the way the City prepares the budget. One exception is the treatment of compensated absences. Compensated absences, including accrued but unused holiday, administrative leave, compensatory time and vacation leave, are treated slightly different in the budget than in the CAFR.

RESPONSIBILITY

The department heads are responsible for preparing their budgets in accordance with the guidelines provided by the City Manager and Chief Financial Officer. The Finance Department provides cost experience data as required by City departments. The Chief Financial Officer prepares all revenue, debt service and reserve estimates.

OPERATING BUDGET

Ongoing operating costs should be supported by ongoing, stable revenue sources. This protects the City from fluctuating services levels and avoids crises when onetime revenues are reduced or removed. Listed below are some corollaries to this policy:

- Fund balances or contingency accounts should be used only for one-time expenditures, such as capital equipment and capital improvements.
- Ongoing maintenance costs, such as street resurfacing and trail maintenance, should be financed through recurring operating revenues rather than through bond issuance.
- In addition, at least \$1 million of transportation related funding should annually fund the annual overlay and slurry program.
- Fluctuating federal grants should not be used to fund ongoing programs.

BUDGET REVIEW

During the budget review phase, the City Manager's Office, in conjunction with Finance Department, analyzes new positions, and operating and capital budget requests. This information is then compiled and the City Manager and the Chief Financial Officer hold meetings with each department to review their estimated expenditures for the current fiscal year and the proposed base line requests and enhancements for the proposed budget year. At the completion of these meetings, the Chief Financial Officer again compiles all the financial data and presents the Preliminary Budget to the City Manager for review.

BUDGET ADOPTION

The City Manager presents, via publicly noticed study sessions, the budget to the City Council. Public hearings are held and, after modifications and revisions, the budget is adopted by resolution (the "adopted budget").

BUDGET IMPLEMENTATION

A budgetary control system will be maintained to ensure compliance with the budget. The Finance Department is responsible for setting up the budget for tracking purposes and is charged with ensuring fund availability during the year to cover expenditures and appropriations. Reports comparing the budget with expenditures are generated and sent to departments on a monthly basis.

BUDGET REVISION

The City Council approves total budgeted appropriations throughout the year. Actual expenditures may not exceed budgeted appropriations at the department level (e.g., Police, City Manager, etc.). The City Manager or his/her designee is authorized to transfer budgeted amounts at the category level (e.g. Personnel, Materials and Supplies, Capital Outlay). The City has the following programs accounted for through its governmental funds: general government, public safety, public works, community development and capital expenditures. Use of unappropriated reserves must be specifically approved by the City Council.

BUDGET SCHEDULE

The City's budget preparations follow a three-phased approach that begins each year with the annual mid-year review, proceeds through the publication of the City Manager's Preliminary Budget and culminates with the publication of the Adopted Budget document.

The City will conduct at least one special meeting prior to the budget process for citizen input. Additional input is received through the various Commissions and at the mid—year budget review. Additional input is always available to the public during the budget hearings that are conducted during the June. Citizen input is encouraged and individual Council members bring forth concerns and recommendations from the citizens. As the budget is essentially built on what citizens desire, as demonstrated through the City Council's goals and objectives that were presented earlier.

A listing of significant preparation milestones in the FY 2004 – 2005 budget follows:

December/January

Work began on the FY 2003 – 2004 mid-year budget review. It established preparatory guidelines for the FY 2004 – 2005 budget. It contains estimates of budgetary outcomes as well as discussions of important financial issues facing the City. Also included were current and future year revenue estimates as developed in cooperation with other City departments.

Presentations regarding the budget and the budget process were provided to department heads and their staff.

January

The completed fiscal year 2003 – 2004 mid-year budget review was distributed and the City Council, staff and the general public for consideration.

February

The Council's annual midyear review meeting was held which provided guidelines for the fiscal year 2004– 2005 budget preparation.

March

The Finance Department in conjunction with the City Manger's office develops revenue estimates for fiscal year 2004 – 2005 and establishes expenditure targets by fund. Salary and benefit information is also completed.

April

Budget handbooks are distributed to each department by the Finance Department for use in developing the FY 2004 – 2005 budget.

Budget proposals for FY 2004 – 2005 are due from individual departments by the end of the month.

May

City Manager and the Chief Financial Officer meet with representatives of the various departments to review and amend budget proposals.

The Finance Department in coordination with the City Manger's office prepares the FY 2004 – 2005 Preliminary Budget.

The Preliminary Budget is distributed to the City Council by May 31st.

June

City Council holds a series of hearings with the budget approval scheduled for June 21, 2004.

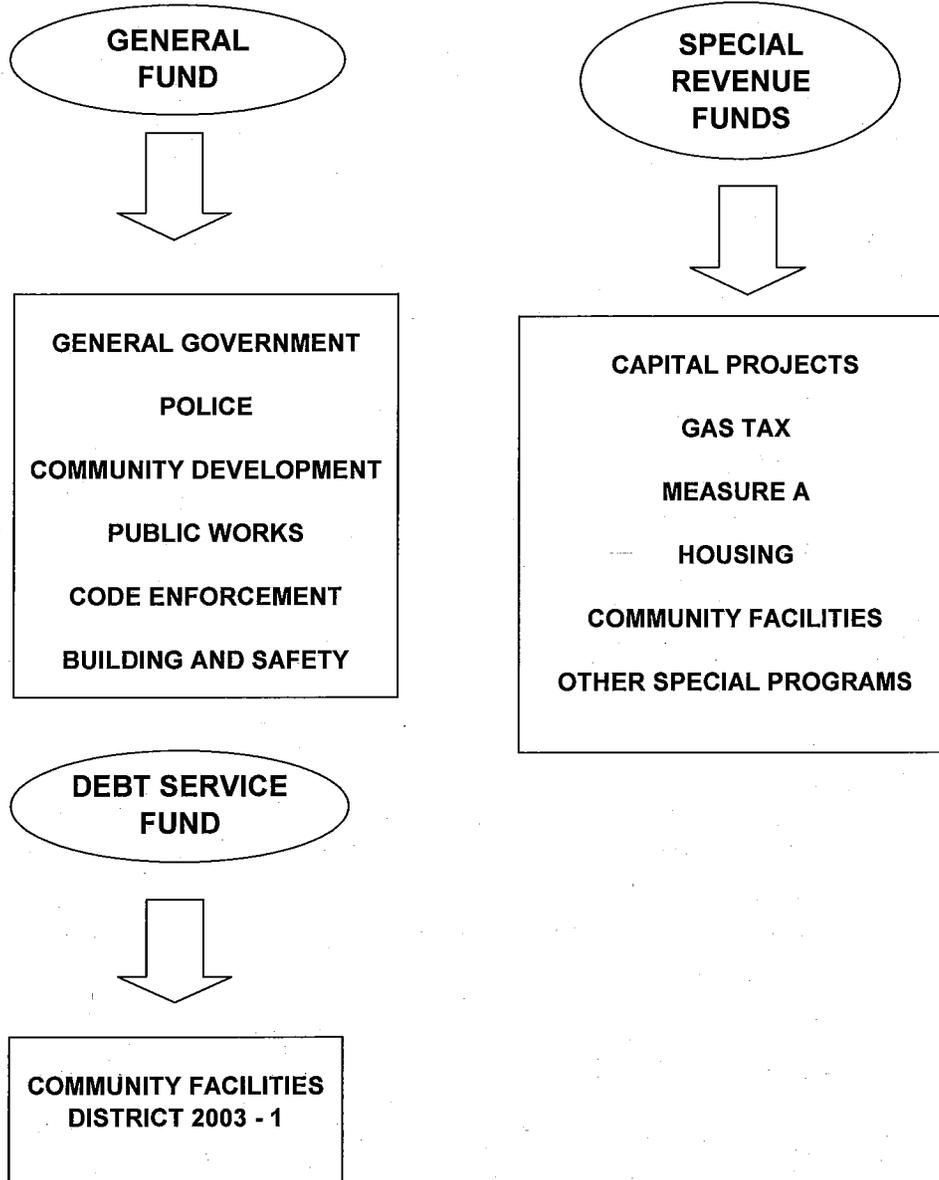
Budget is adopted at the June 21, 2004 Council meeting.

July

GANN Appropriations Limit Resolution is considered and passed

DATE	TASK
December 19, 2003	Guidelines for FY 2005 budget released
December 31, 2003	Budget presentations provided to departments and staff members
January 30, 2004	Mid-year budget review provided to Council
February 19, 2004	Mid-year budget review presented to Council
March 10, 2004	Revenue estimates for FY 2005 released by Finance Department
March 17, 2004	Expenditure targets for individual departments released by Finance Department
March 17, 2004	Salary and Benefit information released by Finance Department.
April 5, 2004	Budget handbooks for FY 2005 distributed to departments
April 30, 2004	Budget proposals from departments due.
May 3 rd through 14 th , 2004	Meetings held between City Manager, Finance and individual departments.
May 21, 2004	Final budget revision due to Finance Department
May 31, 2004	Preliminary Budget distributed to Council, departments and public
June 9, 2004	Special working session of City Council held to discuss budget.
June 14, 2004	Public hearing for the budget held on regular Council meeting date
June 21, 2004	Budget adopted by resolution of the City Council
July 1, 2004	FY 2004 – 2005 begins.
July 5, 2004	GANN Appropriations limit adopted at regular Council meeting.
October 4 th through 14 th , 2004	Fieldwork scheduled for independent auditors work.
December 3, 2004	Financial Statements anticipated release.

DIAGRAM OF FUNDS USED IN THE CITY



FUND DESCRIPTIONS

The City of Rancho Cordova uses fund accounting to track revenues and expenditures. Some funds such as the Gas Tax Fund are required by state legislation. These are accounted for individually in separate "Special Revenue" funds.

GOVERNMENTAL FUNDS

Governmental funds typically include those activities which are financed through the use of tax-supported activities. The major categories within this fund type are the General Fund, Special Revenue Funds and Debt Service Funds. This category also includes Capital Project Funds and Permanent Funds. The latter two are not budgeted in the City and

GENERAL FUND -- the fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. All general operating revenues not restricted as to use are recorded in this fund.

SPECIAL REVENUE FUNDS -- used to account for activities supported by specific taxes or other designated revenue sources. These funds are generally required by statute, charter or ordinance to finance specific government functions and include:

- **Gas Tax Fund:** used to account for funds received from the State of California from the statewide tax on gasoline and other fuels. Used specifically for road related projects.
- **Measure A:** used to account for the one-half percent sales tax that is imposed in Sacramento County for transportation related projects.
- **Housing Fund:** used to account for funds that are to be used for very low income housing projects...
- **Library Fund:** used to account for funds received from development in the "Villages of Zinfandel" project. They can only be used for purposes as outlined in the development tax program...
- **Adopt-A-Sign:** used to account for funds received from the public to help defray the costs of replacing street signs.
- **Community Development Block Grant (CDBG):** used to account for federal grants received under the Housing and Community Development Act of 1974.
- **Community Facilities Districts:** used to account for expenses related to the three Community Facilities Districts in the City. Expenses incurred by the City on behalf of the districts are reimbursed from this fund.

DEBT SERVICE FUNDS – used to account for the accumulation of resources and payment of long-term debt principal and interest

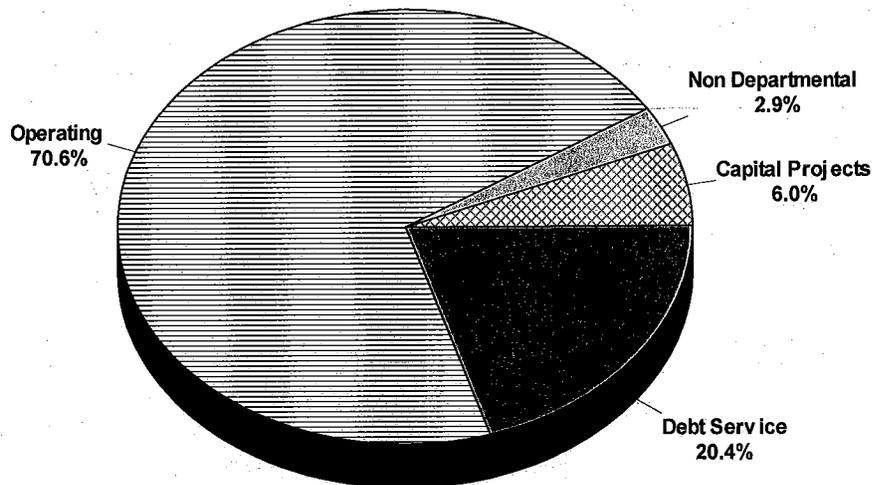
BUDGET SUMMARY

The annual budget for the City of Rancho Cordova is divided into four major components, which include all appropriations for the City. Those divisions are:

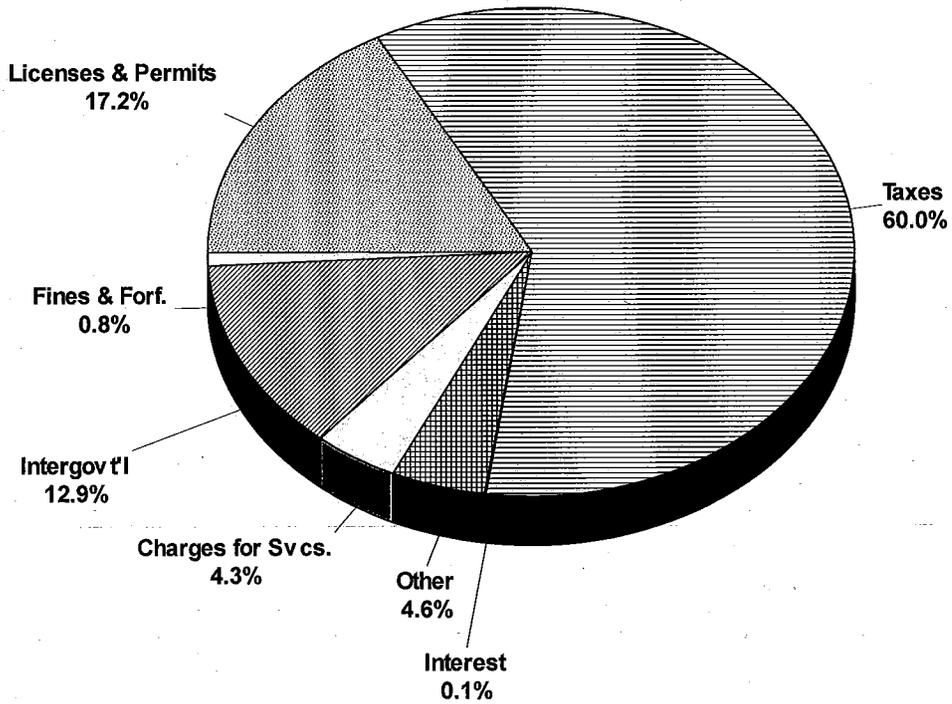
- Operating
- Non-Departmental
- Capital (Including Capital Projects)
- Debt Service

The operating section finances the day-to-day provision of City services and totals \$24,917,485. The Non-Departmental provides for all expenses that are not allocated to a specific department or program. That component equals \$1,038,000. The Capital component includes all capital equipment that is proposed for the year as well as the identified capital programs and/or improvements. A total of \$2,135,000 is included in this budget for those programs and equipment. The debt service component accounts for debt which the City acts as the agent for the payment. The City currently has one outstanding debt issue as well as debt in the amount of \$6,000,000 due to Sacramento County for first year transition costs. The total debt service payment in FY 2004 – 2005 is \$7,216,950 including a payment of \$4,560,000 as part of the revenue neutrality agreement.

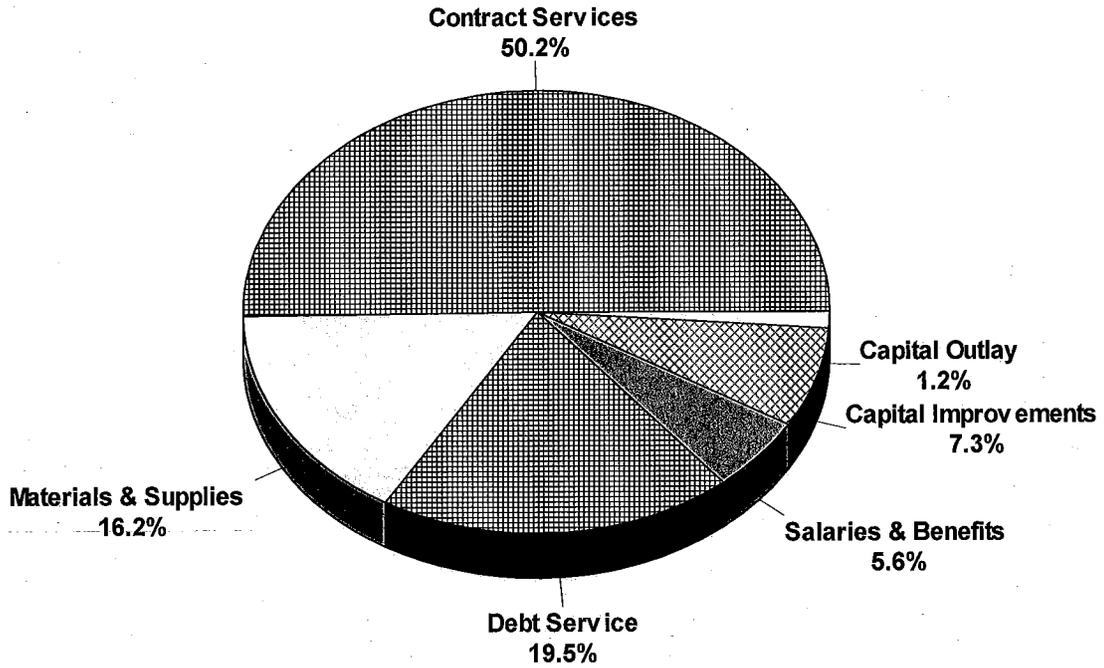
FY 2004 - 2005 APPROPRIATIONS



WHERE THE MONEY COMES FROM...



WHERE THE MONEY GOES...



SOURCES AND USES OF FUNDS

	General Fund	Special Revenue	Debt Service Funds	Total City Funds Funds
Revenues:				
Taxes	\$ 18,922,000	\$ 3,662,000	\$ -	\$ 22,584,000
Licenses & Permits	6,488,309	-	-	6,488,309
Fines & Forfeitures	310,000	-	-	310,000
Investment Earnings	25,000	6,500	-	31,500
Intergovernmental	4,080,750	788,800	-	4,869,550
Charges for Services	50,000	1,578,253	-	1,628,253
Other Revenue	337,000	250	1,409,450	1,746,700
Total Revenues	<u>30,213,059</u>	<u>6,035,803</u>	<u>1,409,450</u>	<u>37,658,312</u>
Other Sources:				
Transfers In	120,250	-	-	120,250
Total Other Sources	<u>120,250</u>	<u>-</u>	<u>-</u>	<u>120,250</u>
Total Revenues and Other Sources	<u>30,333,309</u>	<u>6,035,803</u>	<u>1,409,450</u>	<u>37,778,562</u>
Expenditures:				
Salaries and Benefits	1,475,505	601,654	-	2,077,159
General and Administrative	-	1,750	2,500	4,250
Materials and Services	22,892,194	1,695,300	-	24,587,494
Intergovernmental Charges	18,500	-	-	18,500
Capital Outlay	390,000	45,000	-	435,000
Capital Improvements	-	2,720,950	-	2,720,950
Total Expenditures	<u>24,776,199</u>	<u>5,064,654</u>	<u>2,500</u>	<u>29,843,353</u>
Other Uses				
Transfers Out	-	120,250	-	120,250
Debt Service Principal & Interest	5,810,000	-	1,406,950	7,216,950
Total Other Uses	<u>5,810,000</u>	<u>120,250</u>	<u>1,406,950</u>	<u>7,337,200</u>
Total Expenditures and Other Uses	<u>30,586,199</u>	<u>5,184,904</u>	<u>1,409,450</u>	<u>37,180,553</u>
Difference	<u>(252,890)</u>	<u>850,899</u>	<u>-</u>	<u>598,009</u>
Beginning Fund Balance	11,173,233	1,216,571	2,022,879	14,412,683
Ending Fund Balance	10,920,343	2,067,470	2,022,879	15,010,692
Reserves:				
Encumbrances	750,000	-	-	750,000
Contingency	550,000	-	-	550,000
Debt Service	5,000,000	-	2,022,879	7,022,879
Future Projects	-	2,587,871	-	2,587,871
Other	1,000,000	-	-	1,000,000
Total Reserves	<u>7,300,000</u>	<u>2,587,871</u>	<u>2,022,879</u>	<u>11,910,750</u>
Ending Unreserved Fund Balance	<u>\$ 3,620,343</u>	<u>\$ (520,401)</u>	<u>\$ -</u>	<u>\$ 3,099,942</u>

FUND SUMMARIES

Fund Description	Beginning	Estimated	Estimated	Transfers	Estimated Fund
	Balance July 1, 2003	Revenues	Expenditures	In/(Out)	Balance June 30, 2004
General Fund	\$ -	\$ 22,964,883	\$ 11,956,650	\$ 165,000	\$ 11,173,233
Special Revenue Funds:					
Gas Tax	-	1,180,199	-	-	1,180,199
Measure A	-	751,250	-	-	751,250
Housing Fund	-	81,222	1,500	-	79,722
Library Fund	-	5,250	-	-	5,250
Adopt a Sign	-	150	-	-	150
CDBG	-	-	800,000	-	(800,000)
Villages at Zinfandel	-	-	-	-	-
CFD 2003-1	-	165,000	165,000	-	-
CFD 2004-1	-	-	-	-	-
Total Special Revenue Funds	-	2,183,071	966,500	-	1,216,571
Total All City Funds	\$ -	\$ 25,147,954	\$ 12,923,150	\$ 165,000	\$ 12,389,804
	Estimated Fund	Budgeted	Budgeted	Budgeted	Projected Fund
	Balance July 1, 2004	Revenues	Expenditures	Transfers In/(Out)	Balance June 30, 2005
General Fund	\$ 11,173,233	\$ 30,213,059	\$ 30,586,199	\$ -	\$ 10,800,093
Special Revenue Funds:					
Gas Tax	1,180,199	1,235,500	755,700	-	1,659,999
Measure A	751,250	2,336,000	2,334,500	-	752,750
Housing Fund	79,722	96,500	1,500	-	174,722
Library Fund	5,250	5,250	-	-	10,500
Adopt a Sign	150	250	-	-	400
CDBG	(800,000)	784,050	514,000	-	(529,950)
Villages at Zinfandel	-	300,000	300,000	-	-
CFD 2003-1	-	1,092,717	1,072,467	(20,250)	-
CFD 2004-1	-	185,536	85,536	(100,000)	-
Total Special Revenue Funds	1,216,571	6,035,803	5,063,703	(120,250)	2,068,421
Total All City Funds	\$ 12,389,804	\$ 36,248,862	\$ 35,649,902	\$ (120,250)	\$ 12,868,514

GENERAL FUND REVENUE SUMMARY

	FY 2003 -2004			
	EPS Estimate	Adopted Budget	Revised Budget	Estimated Actual
Taxes				
Property Taxes	\$ 4,252,143	\$ 4,252,000	\$ 4,252,000	\$ 4,252,000
Sales Taxes	7,457,257	7,457,257	7,457,257	6,537,752
Sales Tax Withheld	-	-	2,500,000	2,047,000
Business License	95,099	-	-	-
Franchise:				
Garbage	-	65,000	65,000	109,336
Cable TV	-	294,545	294,545	329,537
PG&E	-	65,000	65,000	26,000
Telephone	-	57,500	57,500	25,000
Other - Not Identified	166,871	-	-	-
Utility Users Tax	2,367,034	2,367,000	1,998,000	1,324,860
Transient Occupancy Tax	1,917,178	2,355,000	2,100,000	2,100,000
Police Tax	-	-	-	-
Property Transfer Tax	205,188	205,000	205,000	205,000
Total	16,460,770	17,118,302	18,994,302	16,956,485
Licenses, Permits and Fees				
Building/Engineering Svcs.	-	1,700,000	3,542,500	1,217,497
Planning Dept. Cost Recovery	-	450,000	450,000	423,593
Developer Direct Billings	-	1,842,500	-	-
911 Fee	-	-	-	-
Animal Adoption Fees	-	-	-	-
Animal Redemption Fees	-	-	-	-
Animal Licensing Fees	-	-	-	-
False Alarm Permits	-	-	-	-
Total	-	3,992,500	3,992,500	1,641,091
Fines and Forfeitures				
Fines and Forfeitures	52,754	55,000	55,000	22,840
Traffic Citation Fines	-	0	0	0
Parking Enf. Tickets	-	-	-	-
Other Fines/Forfeitures	-	-	-	-
Total	52,754	55,000	55,000	22,840
Intergovernmental Revenue				
Motor Vehicle In-Lieu	3,666,975	3,617,449	1,911,633	3,825,973
Homeowner Subvention	-	-	-	4,000
Weed & Seed Grant	-	-	-	-
Prop. 172 Sales Taxes	-	-	-	-
Total	3,666,975	3,617,449	1,911,633	3,829,973

GENERAL FUND REVENUE SUMMARY (Continued)

	FY 2004 - 2005	
	EPS Estimate	Adopted
Taxes		
Property Taxes	\$ 4,356,162	\$ 4,800,000
Sales Taxes	10,021,297	9,500,000
Sales Tax Withheld	-	-
Business License	96,480	100,000
Franchise:		
Garbage	-	175,000
Cable TV	-	330,000
PG&E	-	27,000
Telephone	-	25,000
Other - Not Identified	178,873	-
Utility Users Tax	2,393,659	1,350,000
Transient Occupancy Tax	1,917,178	2,250,000
Police Tax	-	150,000
Property Transfer Tax	210,074	215,000
Total	19,173,723	18,922,000
Licenses, Permits and Fees		
Building/Engineering Svcs.	136,238	2,919,400
Planning Dept. Cost Recovery	314,969	1,550,175
Developer Direct Billings	-	1,842,884
911 Fee	-	100,000
Animal Adoption Fees	-	2,900
Animal Redemption Fees	-	2,600
Animal Licensing Fees	-	36,250
False Alarm Permits	-	34,100
Total	451,207	6,488,309
Fines and Forfeitures		
Fines and Forfeitures	54,115	-
Traffic Citation Fines	-	175,000
Parking Enf. Tickets	-	125,000
Other Fines/Forfeitures	-	10,000
Total	54,115	310,000
Intergovernmental Revenue		
Motor Vehicle In-Lieu	3,666,975	3,750,000
Homeowner Subvention	-	5,000
Weed & Seed Grant	-	50,750
Prop. 172 Sales Taxes	-	275,000
Total	3,666,975	4,080,750

GENERAL FUND REVENUE SUMMARY (Continued)

	FY 2003 -2004			
	EPS Estimate	Adopted Budget	Revised Budget	Estimated Actual
Interest and Rents				
Interest Income	-	100,000	49,000	5,000
Loan Proceeds	-	350,000	350,000	350,000
Total	-	450,000	399,000	355,000
Charges for Services				
Towing Services	-	-	-	-
CFD 2003-1 Admin. Fee	-	-	131,306	131,306
CFD 2004-1 Admin. Fee	-	-	-	-
Total	-	-	131,306	131,306
Other Revenues				
Legal Cost Recoveries	-	-	16,000	18,977
Housing Conservation	-	30,000	30,000	-
Copies	-	-	750	1,849
Donations	-	-	1,300	3,067
Miscellaneous	-	-	2,500	4,143
Reimbursed Expenses	-	-	100	152
Total	-	30,000	50,550	28,036
Transfers In				
CFD 2003-1 Admin. Fee	-	-	-	165,000
CFD 2004-1 Admin. Fee	-	-	-	-
Measure A	-	1,000,000	-	-
Gas Tax	-	526,115	-	-
Total	-	1,526,115	-	165,000
Total Revenues	\$ 20,180,499	\$ 26,789,366	\$ 25,534,291	\$ 23,129,731

GENERAL FUND REVENUE SUMMARY (Continued)

	FY 2004 - 2005	
	EPS Estimate	Adopted
Interest and Rents		
Interest Income	500,000	25,000
Loan Proceeds	-	-
Total	500,000	25,000
Charges for Services		
Towing Services	-	50,000
CFD 2003-1 Admin. Fee	-	-
CFD 2004-1 Admin. Fee	-	-
Total	-	50,000
Other Revenues		
Legal Cost Recoveries	-	300,000
Housing Conservation	-	30,000
Copies	-	2,000
Donations	-	2,500
Miscellaneous	-	2,500
Reimbursed Expenses	-	-
Total	-	337,000
Transfers In		
CFD 2003-1 Admin. Fee	-	20,250
CFD 2004-1 Admin. Fee	-	100,000
Measure A	-	-
Gas Tax	-	-
Total	-	120,250
Total Revenues	\$ 23,846,020	\$ 30,333,309

SPECIAL REVENUE FUNDS – REVENUE SUMMARIES

	FY 2003 - 2004		Estimated Actual	FY 2004 - 2005
	Adopted Budget	Revised Budget		Adopted
Gas Tax Fund				
Taxes	\$ -	\$ 1,377,572	\$ 1,180,199	\$ 1,234,000
Interest	-	-	1,500	1,500
	<u>\$ -</u>	<u>\$ 1,377,572</u>	<u>\$ 1,181,699</u>	<u>\$ 1,235,500</u>
Measure A				
Taxes	\$ -	\$ 1,373,528	\$ 750,000	\$ 2,334,500
Interest	-	3,500	1,250	1,500
	<u>\$ -</u>	<u>\$ 1,377,028</u>	<u>\$ 751,250</u>	<u>\$ 2,336,000</u>
Low Income Housing Fund				
Intergovernmental	\$ -	\$ 61,658	\$ 79,722	\$ 95,000
Interest	-	-	1,500	1,500
	<u>\$ -</u>	<u>\$ 61,658</u>	<u>\$ 81,222</u>	<u>\$ 96,500</u>
Library Fund				
Intergovernmental	\$ -	\$ -	\$ 5,000	\$ 5,000
Interest	-	-	250	250
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,250</u>	<u>\$ 5,250</u>
Adopt-a-Sign				
Donations	\$ -	\$ -	\$ 150	\$ 250
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ 250</u>

SPECIAL REVENUE FUNDS – REVENUE SUMMARIES
(Continued)

	FY 2003 - 2004		Estimated Actual	FY 2004 - 2005
	Adopted Budget	Revised Budget		Adopted
Community Development Block Grant (CDBG)				
Intergovernmental	\$ -	\$ -	\$ -	\$ 783,800
Interest	-	-	-	250
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 784,050</u>
Road Fund				
Intergovernmental	\$ -	\$ 2,751,100	\$ 1,930,199	\$ -
Interest	-	3,500	2,750	-
Total	<u>\$ -</u>	<u>\$ 2,754,600</u>	<u>\$ 1,932,949</u>	<u>\$ -</u>
Villages of Zinfandel				
Charges for Services	\$ -	\$ -	\$ -	\$ 300,000
Interest	-	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,000</u>
CFD 2003 - 1				
Charges for Services	\$ -	\$ 131,306	\$ 165,000	\$ 1,092,717
Interest	-	-	-	-
Total	<u>\$ -</u>	<u>\$ 131,306</u>	<u>\$ 165,000</u>	<u>\$ 1,092,717</u>
CFD 2004 - 1				
Charges for Services	\$ -	\$ -	\$ -	\$ 185,536
Interest	-	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 185,536</u>

DEBT SERVICE FUND – REVENUE SUMMARY

	FY 2003 - 2004		Estimated Actual	FY 2004 - 2005
	Adopted Budget	Revised Budget		Adopted
CFD 2003 -1				
Debt Service Payment	\$ -	\$ -	\$ 453,351	\$ 1,406,950
General and Administrative	-	-	-	2,500
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 453,351</u>	<u>\$ 1,409,450</u>

CITY OF RANCHO CORDOVA

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Incorporated 2003

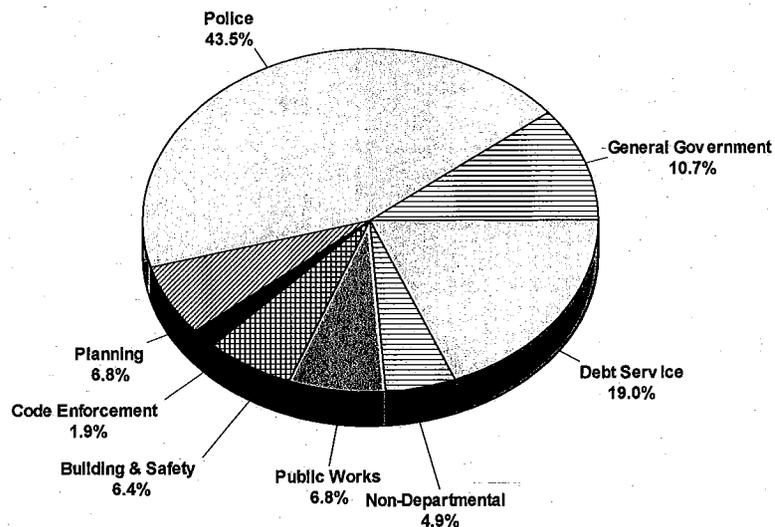
GENERAL FUND EXPENDITURE SUMMARY

	FY 2003 -2004			
	EPS Estimate	Adopted Budget	Revised Budget	Estimated Actual
Operating Departments				
City Council	\$ 79,000	\$ 77,575	\$ 77,575	\$ 72,440
Advisory Boards	-	11,500	11,500	842
City Attorney	550,000	450,000	550,000	662,262
City Manager	265,900	393,341	460,895	358,109
Economic Development	-	-	-	-
City Clerk	193,096	229,280	187,929	152,977
Human Resources	-	34,000	42,500	61,211
Finance	486,150	240,496	233,597	168,545
Animal Control	-	165,800	165,800	49,776
Police	-	9,966,259	10,006,259	2,992,056
Planning	207,500	1,314,000	1,314,000	928,866
Code Enforcement	-	-	-	494,601
Building and Safety	-	1,200,000	1,200,000	865,169
Public Works	122,800	1,526,115	1,526,115	227,267
Non-Departmental	8,595,379	8,846,000	5,741,700	501,643
TOTAL GENERAL FUND OPERATIONS	10,499,825	24,454,366	21,517,870	7,535,766
Debt Service	-	-	356,500	2,441,751
Mitigation Payment	4,145,840	4,145,840	4,145,840	4,145,700
Transfers Out	-	-	-	227,267
TOTAL GENERAL FUND EXPENDITURES	\$ 14,645,665	\$ 28,600,206	\$ 26,020,210	\$ 14,350,484

GENERAL FUND EXPENDITURE SUMMARY (Continued)

	FY 2004 - 2005	
	EPS Estimate	Adopted
Operating Departments		
City Council	\$ 74,000	119,641
Advisory Boards	-	14,500
City Attorney	510,000	700,000
City Manager	266,830	759,916
Economic Development	-	278,203
City Clerk	187,359	381,659
Human Resources	-	46,000
Finance	526,851	729,137
Animal Control	92,974	249,750
Police	13,415,778	13,296,569
Planning	629,938	2,073,175
Code Enforcement	-	589,000
Building and Safety	-	1,956,000
Public Works	176,731	2,076,150
Non-Departmental	<u>7,272,267</u>	<u>1,506,500</u>
TOTAL GENERAL FUND OPERATIONS	<u>23,152,728</u>	<u>24,776,199</u>
Debt Service	-	1,250,000
Mitigation Payment	4,138,354	4,560,000
Transfers Out	-	-
TOTAL GENERAL FUND EXPENDITURES	<u>\$ 27,291,082</u>	<u>\$ 30,586,199</u>

General Fund Expenditures



SPECIAL REVENUE FUNDS – EXPENDITURE SUMMARIES

	FY 2003 - 2004		FY 2004 - 2005	
	Estimated	Actual	Adopted	
Gas Tax				
Salaries & Benefits	\$	-	\$	422,700
Materials and Supplies		-		28,000
Contractual Services		-		260,000
Capital Projects		-		-
Capital Outlay		-		45,000
Transfers Out		-		-
Total	\$	-	\$	755,700
Measure A				
Salaries & Benefits	\$	-	\$	-
Materials and Supplies		-		-
Contractual Services		-		1,059,500
Capital Projects		-		1,275,000
Capital Outlay		-		-
Transfers Out		-		-
Total	\$	-	\$	2,334,500
Low Income Housing				
Salaries & Benefits	\$	-	\$	-
Materials and Supplies		-		-
General & Administrative		1,500		1,500
Contractual Services		-		-
Capital Projects		-		-
Capital Outlay		-		-
Transfers Out		-		-
Total	\$	1,500	\$	1,500
Library				
Salaries & Benefits	\$	-	\$	-
Materials and Supplies		-		-
General & Administrative		-		-
Contractual Services		-		-
Capital Projects		-		-
Capital Outlay		-		-
Transfers Out		-		-
Total	\$	-	\$	-
Adopt-a-Sign				
Salaries & Benefits	\$	-	\$	-
Materials and Supplies		-		-
General & Administrative		-		-
Contractual Services		-		-
Capital Projects		-		-
Capital Outlay		-		-
Transfers Out		-		-
Total	\$	-	\$	-

**SPECIAL REVENUE FUNDS – EXPENDITURES SUMMARIES
 (Continued)**

	FY 2003 - 2004		FY 2004 - 2005	
	Estimated	Actual	Adopted	
Community Development Block Grant (CDBG)				
Salaries & Benefits	\$	-	\$	20,951
Materials and Supplies		-		-
General & Administrative		-		250
Contractual Services		-		347,800
Capital Projects		-		125,000
Capital Outlay		-		-
Transfers Out		-		-
Total	\$	-	\$	494,001
Road Fund ***				
Salaries & Benefits	\$	-	\$	-
Contractual Services		525,000		-
Capital Projects		-		-
Capital Outlay		-		-
Transfer Out		-		-
Total	\$	525,000	\$	-
Villages of Zinfandel				
Salaries & Benefits	\$	-	\$	-
Contractual Services		-		-
Capital Projects		-		300,000
Capital Outlay		-		-
Transfer Out		-		-
Total	\$	-	\$	300,000
CFD 2003-1				
Salaries & Benefits	\$	-	\$	72,467
Contractual Services		-		-
Capital Projects		-		1,000,000
Capital Outlay		-		-
Transfer Out		165,000		20,250
Total	\$	165,000	\$	1,092,717
CFD 2004-1				
Salaries & Benefits	\$	-	\$	85,536
Materials and Supplies		-		-
Capital Outlay		-		-
Capital Projects		-		-
Transfer Out		-		100,000
Total	\$	-	\$	185,536

*** Note: The Road Fund was split into two funds for fiscal year 2005 – Gas Tax and Measure A.

DEBT SERVICE FUND – EXPENDITURE SUMMARY

	FY 2003 - 2004	FY 2004 - 2005
	Estimated Actual	Adopted
CFD 2003 - 1		
Debt Service Payment - Principal	\$ -	\$ -
Debt Service Payment - Interest	<u>2,746,230</u>	<u>1,406,950</u>
Total	<u>\$ 2,746,230</u>	<u>\$ 1,406,950</u>

CITY COUNCIL

DESCRIPTION

The City Council consists of five representatives elected at large. The Council is the policy and legislative body of the City and formulates policies in response to the needs, values and interest of the citizens of Rancho Cordova. The Council hires the City Manager and City Attorney, makes appointments to commissions and advisory committees, and acts to influence local, regional and state policies favorable to the City through various organizations and action groups.

ADOPTED FISCAL YEAR 2004 – 2005 BUDGET

EXPENDITURES

	EPS FY 2004 Estimated	Budget FY 2004 Adopted	Budget FY 2004 Revised	Budget FY 2004 Est. Actual	Budget FY 2005 Adopted	EPS FY 2005 Estimated
Salaries	\$ -	\$ 35,175	\$ 35,175	\$ 30,000	\$ 30,000	
Benefits	-	-	-	3,555	1,491	
Services & Supplies	-	42,400	42,400	38,885	88,150	
Capital Outlay	-	-	-	-	-	-
Total	<u>\$ 79,000</u>	<u>\$ 77,575</u>	<u>\$ 77,575</u>	<u>\$ 72,440</u>	<u>\$ 119,641</u>	<u>\$ 74,000</u>

REVENUES

	Budget FY 2005 Adopted
General Fund	\$ 119,641
Total	<u>\$ 119,641</u>

ADVISORY BOARDS

DESCRIPTION

These boards provide advice to the City Council. Although only the Planning Commission has been established, additional advisory boards will be considered in Fiscal Year 2004 – 2005.

ADOPTED FISCAL YEAR 2004 – 2005 BUDGET

EXPENDITURES

	EPS FY 2004 Estimated	Budget FY 2004 Adopted	Budget FY 2004 Revised	Budget FY 2004 Est. Actual	Budget FY 2005 Adopted	EPS FY 2005 Estimated
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-	-
Services & Supplies	-	11,500	11,500	842	14,500	-
Capital Outlay	-	-	-	-	-	-
Total	<u>\$ -</u>	<u>\$ 11,500</u>	<u>\$ 11,500</u>	<u>\$ 842</u>	<u>\$ 14,500</u>	<u>\$ -</u>

REVENUES

	Budget FY 2005 Adopted
General Fund	\$ 14,500
Total	<u>\$ 14,500</u>

CITY OF RANCHO CORDOVA

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CITY ATTORNEY

DESCRIPTION

The City Attorney's Office provides legal service, advice, and representation to the Mayor, City Council, City Manager, City departments, and City boards and commissions. The City Attorney works closely with the City Manager and his staff to carry out the Council's goals. The office also serves as General Counsel for other agencies possibly to be formed by the City.

The City Attorney's Office advocates the City's interest in lawsuits filed against or on behalf of the City, its officers, employees, and agencies in administrative venues, before boards and commissions, and in the state and federal court systems. The City Attorney's Office assists in the investigation of claims for damages filed against the City and defends the City's interest when necessary.

The City Attorney's Office similarly provides legal advice in the areas of finance, land use, personnel, elections, conflicts of interest, and economic development, among others. Services include drafting and reviewing contracts, ordinances, resolutions, and other documents, as well as legal research. The City Attorney also provides counsel to and attends meetings of the Council, Planning Commission (as required), and subcommittees (as required).

FISCAL YEAR 2003 – 2004 ACCOMPLISHMENTS

Some of the accomplishments of the City Attorney's office over the last year have been:

- Prepared agreements for basic city services: engineering, building safety services, planning, and police services.
- Prepared resolutions establishing development impact fees for public facilities and traffic impact fees. Assisted consultants and staff with preparation of reports supporting fee amounts.
- Assisted and provided advice regarding various affordable housing legal issues to meet the goals established by the State, General Plan and Council.
- Preparation of over 30 ordinances and resolutions relating to the incorporation of the City.
- Negotiation and preparation of several development agreements and related ordinance and resolutions in coordination with the Planning Department.
- Prepared urgency ordinance adopting adult business moratorium and worked with Planning Department to analyze adult business issues.
- Prepared ordinances regarding yard parking and expansion of gambling.
- Communicated on an ongoing basis with City Council regarding recent legal issues of significance to the City.

- Worked on revisions to Revenue Neutrality Agreement and other financial issues.
- Promptly advised each department of legal implications of proposed actions and of permissible alternatives when legal restrictions arise.

FISCAL YEAR 2004 – 2005 GOALS

Some of the goals and objectives of the City Attorney's Office for the 2004-05 year include:

- Complete work on incorporation implementation actions.
- Continue assisting staff and the City Council in preparation of the General Plan.
- Identify and provide advice on new opportunities to finance city services.
- Continue working with staff to identify and implement improvements in the City's code enforcement program.
- Assist in the expansion of the City's sphere of influence and annexations
- Complete adoption of Municipal Code.
- Provide litigation support and assistance to the City to achieve favorable outcomes and results for the City in any litigation defended or initiated.
- Seek to provide resolutions of litigation issues through creative legal means, i.e. mediation/alternative dispute resolution
- Provide legal advice to the City to ensure that all legal requirements are met regarding elections

ADOPTED FISCAL YEAR 2004 – 2005 BUDGET

EXPENDITURES

	EPS FY 2004 Estimated	Budget FY 2004 Adopted	Budget FY 2004 Revised	Budget FY 2004 Est. Actual	Budget FY 2005 Adopted	EPS FY 2005 Estimated
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	-
Benefits	-	-	-	-	-	-
Services & Supplies	-	450,000	550,000	662,262	700,000	-
Capital Outlay	-	-	-	-	-	-
Total	\$ 550,000	\$ 450,000	\$ 550,000	\$ 662,262	\$ 700,000	\$ 510,000

REVENUES

	Budget FY 2005 Adopted
General Fund	\$ 550,000
Cost Recovery	250,000
Total	\$ 800,000

CITY MANAGER

DESCRIPTION

The City Manager's role is to manage effectively the resources generated by the citizens and businesses of Rancho Cordova, provide strong administrative leadership and foster successful working relationships between the City Council, the public and the staff. He is responsible for the management of all City departments. The City Manager advocates Council policy and City interests.

The City Manager:

- Implements the policies and vision of the City Council
- Supports the Council's policy making role by ensuring that the Council is provided with timely, accurate, and complete information
- Raises the bar of expectations for Rancho Cordova's future
- Drives fiscal performance to exceed citizen expectations
- Provides support, guidance and inspiration to City departments
- Directs research and analysis aimed at increasing the responsiveness of government
- Directs the development of special programs that are aligned with the priorities established by the community and the City Council
- Hires and develops City department heads and staff
- Provides leadership in solving regional issues and challenges
- Negotiates contracts for the City, such as: police services, street maintenance, solid waste, animal control, code enforcement, planning, building and legal services
- Ensures departmental work performance

FISCAL YEAR 2004 – 2005 GOALS

- Maintain existing levels of service to the citizens of the city despite threatened reductions in state and other outside funding by implementing innovative financing approaches, collaborating with other agencies and exploring other opportunities
- Take steps to enhance the growth of on-going, reliable revenue sources
- Assure effective planning for capital improvements to City infrastructure and facilities
- Facilitate land use planning that helps implement the economic development objectives of the City Council and community
- Communicate relevant information to the public, city Council and staff about goals, accomplishments, plans and activities
- Explore state of the art technology solutions for providing services and two-way communication with our citizens and community businesses.

ADOPTED FISCAL YEAR 2004 – 2005 BUDGET

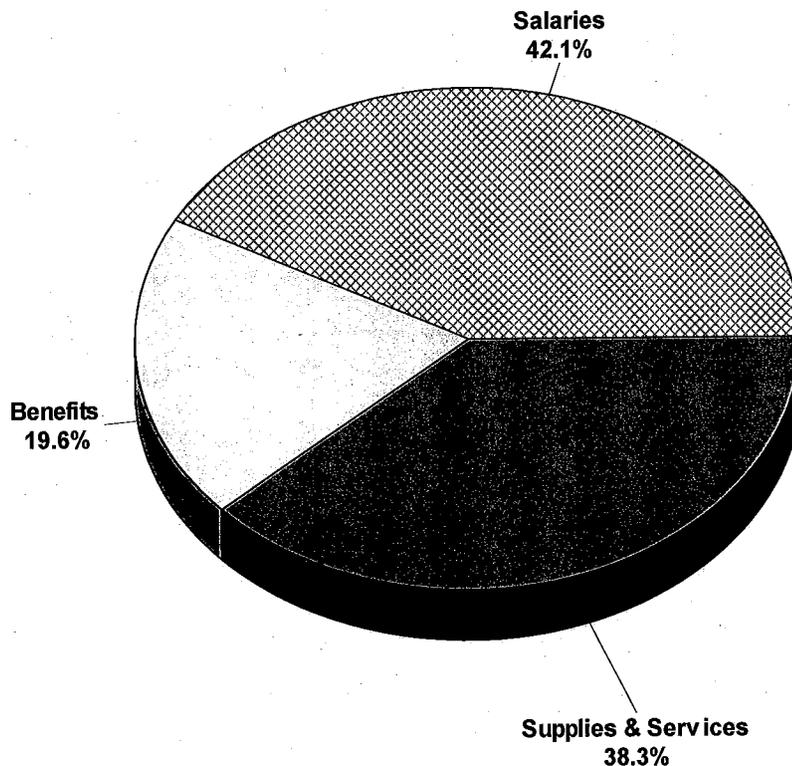
EXPENDITURES

	EPS FY 2004 Estimated	Budget FY 2004 Adopted	Budget FY 2004 Revised	Budget FY 2004 Est. Actual	Budget FY 2005 Adopted	EPS FY 2005 Estimated
Salaries	\$ -	\$ 372,341	\$ 364,895	\$ 279,453	\$ 319,620	-
Benefits	-	-	-	40,142	149,296	-
Services & Supplies	-	21,000	96,000	38,515	291,000	-
Capital Outlay	-	-	-	-	-	-
	<u>\$ 265,900</u>	<u>\$ 393,341</u>	<u>\$ 460,895</u>	<u>\$ 358,109</u>	<u>\$ 759,916</u>	<u>\$ 266,830</u>

REVENUES

	Budget FY 2005 Adopted
General Fund	\$ 759,916
Total	<u>\$ 759,916</u>

CITY MANAGER



ECONOMIC DEVELOPMENT

DESCRIPTION

The Economic Development Department is committed to enhancing the economic vitality of Rancho Cordova through the creation and retention of quality jobs, generation of additional tax revenue and improving residential and commercial land values.

This department also has primary responsibility for ensuring quality services to the mature part of our City, as well as community relations, special events and special projects.

FISCAL YEAR 2003 – 2004 ACCOMPLISHMENTS

Economic Development

- Advocated for Rancho Cordova in local organizations and state trades.
- Promoted infill projects and opportunities to various developers and builders.
- Created hotel and restaurant marketing piece.
- Created committee to start the formation of a PBID on Folsom Blvd.
- Provided Mortgage Credit Certificates for first time home buyers.

Community Development

- Assisted in the improvement of local delivery services and city livability.
- Published first City Newsletter and Reference Guide, acting City PIO
- Participated in Elk Grove/FCUSD School District property transfer committee.
- Participated in the City's Urban Design Forums, SACOG "Blueprint" community vision workshops and City Council workshops.
- Coordinated community meeting on Barbara Way and assisted neighborhood in creating a home owners association

City Management Assistance

- Coordinated Cityhood inauguration and community celebration.
- Developed city franchise fee for commercial waste haulers.
- Participated in the American River Parkway Plan, the Elk Grove/Rancho Cordova/El Dorado Hills Parkway Committee, the Folsom South Canal Bikeway Committee and the Sacramento Water Forum.
- Negotiated Development Agreements that provide City with \$733 per new residential unit to renovate existing parks in the city.
- Negotiated Police tax that provides \$250 per parcel to support Police Services.
- Served as Transition Coordinator for City Council and interim City Manager.
- Assisted in grant submittal for COPS funding for 18 police officers.
- Assisted in obtaining a \$350,000 loan with Sacramento County.

- Negotiated Traffic Maintenance Contract.
- Completed RFP for Waste Management
- Developed a list of regional representation for the City Council.

FISCAL YEAR 2004 – 2005 GOALS

- Participate in regional economic development activities and projects.
- Identify and monitor progress of development projects that provide economic benefit to the City.
- Implement the City of Rancho Cordova's Economic Strategic Plan.
- Implement a business retention plan.
- Participate in the General Plan process.
- Create a Community Profile marketing piece.
- Hold a Council Workshop on Redevelopment.
- Continue implementation of the PBID.
- Assess infill and redevelopment opportunities within one-quarter mile of the light rail line and citywide. Develop a plan to market infill opportunities.
- Coordinated allocation of \$5 million of low income housing money from Mather Redevelopment Agency.
- Ensure City actions are consistent with Mather Air Force Base Redevelopment Area Plan.
- Conduct a retail inventory and leakage analysis. Develop and market retail opportunities to increase sales tax base.
- Establish an integrated, interactive, informative webpage for the Economic Development Department.
- Install four community event and information signs.
- Develop an approximately 60-second introduction of city locations, web address and phone numbers for cable TV broadcasts prior to City Council meetings.
- Develop postcards, t-shirts, coffee mugs, Christmas ornaments and other memorabilia of photos of city locations and /or that have the City seal.
- Develop a plan to assist Rancho Cordova's current and potential neighborhood associations and identify designated City liaisons to participate in their meetings and activities.

ADOPTED FISCAL YEAR 2004 – 2005 BUDGET

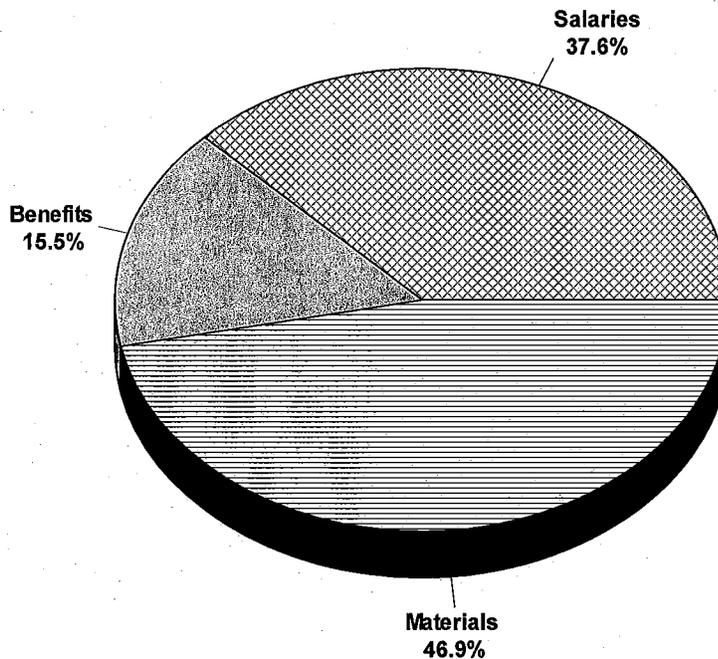
EXPENDITURES

	EPS FY 2004 Estimated	Budget FY 2004 Adopted	Budget FY 2004 Revised	Budget FY 2004 Est. Actual	Budget FY 2005 Adopted	EPS FY 2005 Estimated
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 104,596	\$ -
Benefits	-	-	-	-	43,107	-
Services & Supplies	-	-	-	-	130,500	-
Capital Outlay	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ 278,203	\$ -

REVENUES

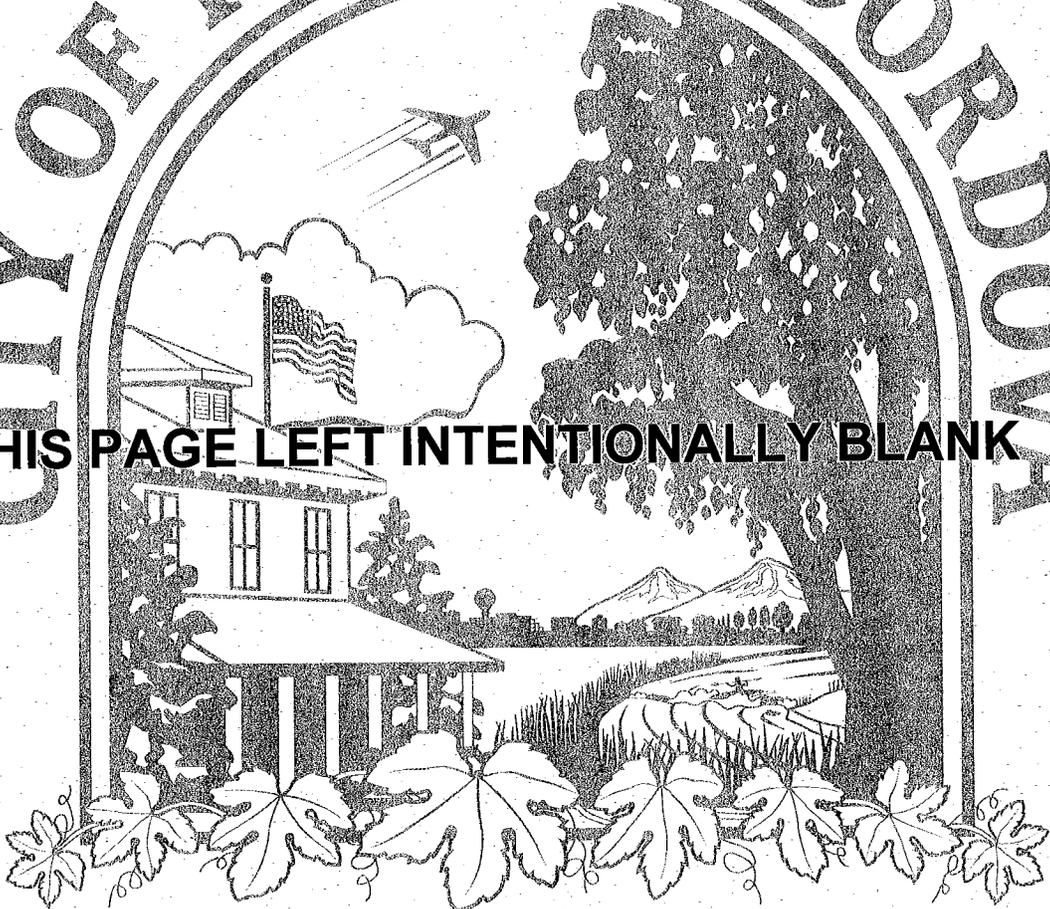
	Budget FY 2005 Adopted
General Fund	\$ 278,203
Total	\$ 278,203

ECONOMIC DEVELOPMENT



CITY OF RANCHO CORDOVA

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CALIFORNIA

Incorporated 2003

CITY CLERK

DESCRIPTION

The City Clerk's Office has many facets.

- **Council Business Records** - Manage the agenda process and public notification requirements for the City Council's business meetings. Prepare minutes of the Council meetings and provide opportunities for the public to access the minutes and agendas. Prepare Council staff reports, proclamations, notices, resolutions and other official documents. Develop a modern Municipal Code with timely amendments.
- **Elections** - Manage the election process for the City Council and coordinate activities and requirements with the county elections staff. Notify candidates, City staff, and other officials of their financial and campaign disclosure statement filing requirements.
- **Records Management** – Oversee the development of a modern records management system for the City. Assist departments in converting all files to a consistent format and management system. Develop and implement a City-wide records retention schedule including preservation of vital and historic documents.
- **Claims Administration** – Oversee the administration of claims processing.
- **Bid Openings** – Oversee the administration of the bid opening process.

As the manager of the Council's business records and actions, the City Clerk's office is uniquely positioned to provide comprehensive information to the community and the internal organization. This department is also charged with managing the Human Resource and Information Technology functions for the City.

FISCAL YEAR 2003 – 2004 ACCOMPLISHMENTS

- City Council staff reports placed on the City's web site for access by the public.
- Changed the general municipal election date from April to November for increased election cost savings.
- City Council Agenda process improved – agenda packets are available Thursday evening.
- Coordinated the planning and selection of Council meeting study session dates.

FISCAL YEAR 2004 – 2005 GOALS

- Manage the 2004 General Municipal Election.

- Implement a comprehensive records management program with an electronic imaging component.
- Codify the Municipal Code and place on the City's web site.
- Create a citywide filing system.
- Create and adopt a record/document retention schedule.

ADOPTED FISCAL YEAR 2004 – 2005 BUDGET

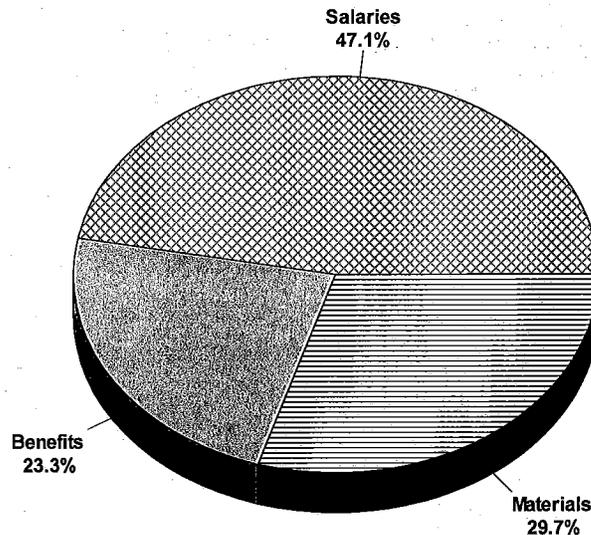
EXPENDITURES

	EPS FY 2004 Estimated	Budget FY 2004 Adopted	Budget FY 2004 Revised	Budget FY 2004 Est. Actual	Budget FY 2005 Adopted	EPS FY 2005 Estimated
Salaries	\$ -	\$ 183,630	\$ 141,929	\$ 114,328	\$ 179,383	0
Benefits	-	-	-	12,015	88,676	0
Services & Supplies	-	45,650	46,000	26,633	113,600	0
Capital Outlay	-	-	-	-	-	-
Total	\$ 193,096	\$ 229,280	\$ 187,929	\$ 152,977	\$ 381,659	\$ 187,359

REVENUES

	Budget FY 2005 Adopted
General Fund	\$ 381,659
Total	\$ 381,659

CITY CLERK



HUMAN RESOURCES

DESCRIPTION

The primary mission of the Human Resources Division of the City Clerk's Office is to create a united team of contract and City employees that provide high quality service to the community. The Human Resources Division is also charged with recruiting, hiring, and retaining talented employees to oversee contract and program responsibilities; to ensure that performance is appropriately rewarded and that employees receive salary and benefits competitive with the marketplace.

FISCAL YEAR 2003 – 2004 ACCOMPLISHMENTS

- Recruitment and selection of:
 - City Manager
 - City Clerk
 - 2.5 Office Assistants (2 fulltime, 1 part-time)
 - Executive Assistant
 - Deputy City Clerk
 - Finance Director
 - Public Works Director/City Engineer
 - Sr. Accountant/auditor
 - Associate Engineers (2 fulltime)
- Reclassification of Office Assistant to Account Technician
- Human Resources Manual
- Development of Orientation Procedures for New Employees
- Joined the Public Employees Retirement System (CalPERS)
- Converted to Microsoft Outlook for email and calendaring
- Developed job descriptions for all staff positions

FISCAL YEAR 2004 – 2005 GOALS

- Recruit new City employees and temporary staff as needed.
- Enhance the employment section of the City's website to simplify the application process for potential candidates.
- Administer and continuously assess the City's benefit program.
- Develop a comprehensive training and team building program for employees.
- Develop an Administrative Policy Manual.

ADOPTED FISCAL YEAR 2004 – 2005 BUDGET

EXPENDITURES

	EPS FY 2004 Estimated	Budget FY 2004 Adopted	Budget FY 2004 Revised	Budget FY 2004 Est. Actual	Budget FY 2005 Adopted	EPS FY 2005 Estimated
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-	-
Services & Supplies	-	34,000	42,500	61,211	46,000	-
Capital Outlay	-	-	-	-	-	-
Total	\$ -	\$ 34,000	\$ 42,500	\$ 61,211	\$ 46,000	\$ -

REVENUES

	Budget FY 2005 Adopted
General Fund	\$ 46,000
Total	\$ 46,000

FINANCE

DESCRIPTION

The Finance Department provides valuable and efficient professional services to the customers, both internal and external. To that end, the department provides the following core services:

- Provides a variety of support activities including providing data and information to the City Manager and the City Council
- Overall accounting services for the City
- Payroll services
- Investment of City funds
- Contract administration
- Provides assistance to the City's independent auditors

FISCAL YEAR 2003 – 2004 ACCOMPLISHMENTS

- Completed the City's first "preliminary budget" and submitted to the City Manager
- Provided monthly revenue and expenditure reports to the City Manager, Departments and City Council
- Completed the City's first Investment Policy.
- Invested City funds to maximize return on investment and minimize risk.
- Awarded the contract for audit services
- Completed a Request for Proposal for financial management software.

FISCAL YEAR 2004 – 2005 GOALS

- Implement the City's Business License program.
- Evaluate existing financial management software proposals, purchase and implement a new system.
- Assist in the City's first independent audit and issue a "Comprehensive Annual Financial Report" (CAFR) and submit to rating entities for award consideration.
- Complete an "Internal Control Policy"
- Complete an "Accounting Policies and Procedures" manual.
- Assume the responsibility for the collection of City funds, currently collected by Sacramento County.

ADOPTED FISCAL YEAR 2004 – 2005 BUDGET

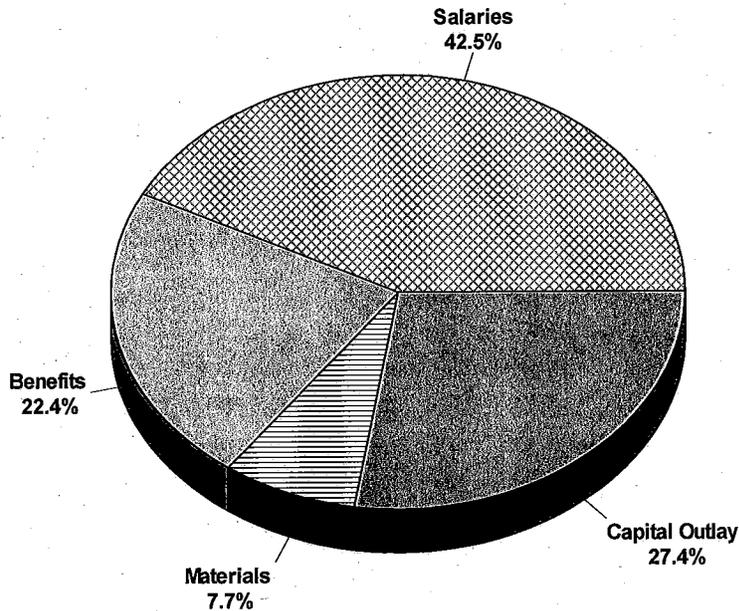
EXPENDITURES

	EPS FY 2004 Estimated	Budget FY 2004 Adopted	Budget FY 2004 Revised	Budget FY 2004 Est. Actual	Budget FY 2005 Adopted	EPS FY 2005 Estimated
Salaries	\$ -	\$ 197,346	\$ 190,447	\$ 136,456	\$ 309,728	\$ -
Benefits	-	-	-	6,601	163,459	-
Services & Supplies	-	23,150	23,150	5,488	55,950	-
Capital Outlay	-	20,000	20,000	20,000	200,000	-
Total	\$ 486,150	\$ 240,496	\$ 233,597	\$ 168,545	\$ 729,137	\$ 526,851

REVENUES

	Budget FY 2005 Adopted
General Fund	\$ 729,137
Total	\$ 729,137

FINANCE DEPARTMENT



ANIMAL SERVICES

DESCRIPTION

Animal Services is contracted through Sacramento County for Fiscal Year 2004 – 2005. Animal Services promotes the protection and well-being of animals in the City. Animal Services is managed by the Finance Director and is responsible for caring for the City's stray, abandoned and unwanted companion animals. Animal Services is also charged with enforcement of all animal-related local, state and federal laws, investigating animal cruelty and neglect, and educating the community about humane care and treatment of animals. Animal Control Officers respond 24-hours per day to animal-related emergencies.

FISCAL YEAR 2003 – 2004 ACCOMPLISHMENTS

- The delivery of animal services was continued under Sacramento County for the first year transition period. (The cost of those services for the first year will be paid back to the county beginning in Fiscal Year 2004 – 2005 and continuing for five years.)
- The City and County agreed that in Fiscal Year 2004 – 2005, Animal Services will continue on a contracted basis.

FISCAL YEAR 2004 – 2005 GOALS

The City and the County will negotiate a contract for the provision of Animal Services in Rancho Cordova for Fiscal Year 2004 – 2005.

ADOPTED FISCAL YEAR 2004 – 2005 BUDGET

EXPENDITURES

	EPS FY 2004 Estimated	Budget FY 2004 Adopted	Budget FY 2004 Revised	Budget FY 2004 Est. Actual	Budget FY 2005 Adopted	EPS FY 2005 Estimated
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	-
Benefits	-	-	-	-	-	-
Services & Supplies	-	165,800	165,800	49,776	249,750	-
Capital Outlay	-	-	-	-	-	-
Total	\$ -	\$ 165,800	\$ 165,800	\$ 49,776	\$ 249,750	\$ 92,974

REVENUES

	Budget FY 2005 Adopted
General Fund	\$ 208,000
Animal Adoption Fees	2,900
Animal Redemption Fees	2,600
Animal Licensing Fees	<u>36,250</u>
Total	\$ 249,750

POLICE DEPARTMENT

DESCRIPTION

The Police Department has a multitude of responsibilities and obligations which include:

- Ensuring Order and Civility in Public Places
- Reduction of Crime and Victimization
- Holding Offenders Accountable
- Efficient and Effective Use of Resources (Operational and Financial)
- Using Authority and Force Fairly and Effectively
- Quality Service and Customer Satisfaction

The Police Department is operated as a shared command police agency with the Sacramento Sheriff's Department and is responsive to the needs of the city residents and businesses. The personnel for the Department are obtained through a contract with the Sacramento County Sheriff's Department.

The Police Department has six areas of responsibility:

Office of the Chief of Police is responsible for effective management and coordination of police services in the community.

Administrative Services Bureau is responsible for training, finance and facility operations and provides the necessary support functions needed to carry out daily operations.

Field Operations Bureau performs a wide variety of patrol functions, including: responding to life threatening emergencies and in-progress criminal activity, accident investigation and traffic enforcement, addressing quality of life issues in neighborhoods and business districts, and performing peacekeeping activities.

Investigations and Community Services Bureau includes investigations, problem-oriented policing, school resource officers, volunteer services, traffic enforcement, crime prevention, crime and traffic analysis, and fingerprinting. This includes follow-up investigations on both criminal and traffic related cases. This Division also provides traffic enforcement and accident investigation. This Division also takes crime reports from the public.

Communications and Records Services are provided by the Sheriff's Technical Services Division. It is responsible for handling calls-for-service from the community and the dispatching of officers. This Division also provides processing, routing, storage, and retrieval of police reports and citations.

Program Support Services consist of a menu of fee-for-service support such as major crime investigation, helicopter patrol, canine units, crime scene investigation, SWAT Team, Homeland Security and hazardous material response.

FISCAL YEAR 2003 – 2004 ACCOMPLISHMENTS

- In the City's first year, Sacramento County Sheriff's Department provided continuity of law enforcement in the City as required by state law. (The costs associated with this service will be paid to the County over a five year period beginning in Fiscal Year 2004 – 2005.)
- Overall day-to-day police operations were transitioned from the Sheriff to the City Manager.

FISCAL YEAR 2004 – 2005 GOALS

- Establish the Rancho Cordova Police Department as a community oriented policing organization.
- Train all officers in accident investigations and other traffic related enforcement responsibilities
- Assume accident investigation responsibilities.
- Establish the Neighborhood Police Officer Program by assigning police officers to designated neighborhoods.
- Establish a department tow program.
- Implement the crime prevention and neighborhood improvement components of the Weed and Seed Program.
- Obtain approval from the State of California Office of Traffic Safety for a grant of approximately \$450,000 to add two motor officers and traffic enforcement equipment.
- Pursue grant opportunities that benefit the City and the community.
- Transition the Cordova High School Administration of Justice Academy from the Sheriff to the Rancho Cordova Police Department.

ADOPTED FISCAL YEAR 2004 – 2005 BUDGET

EXPENDITURES

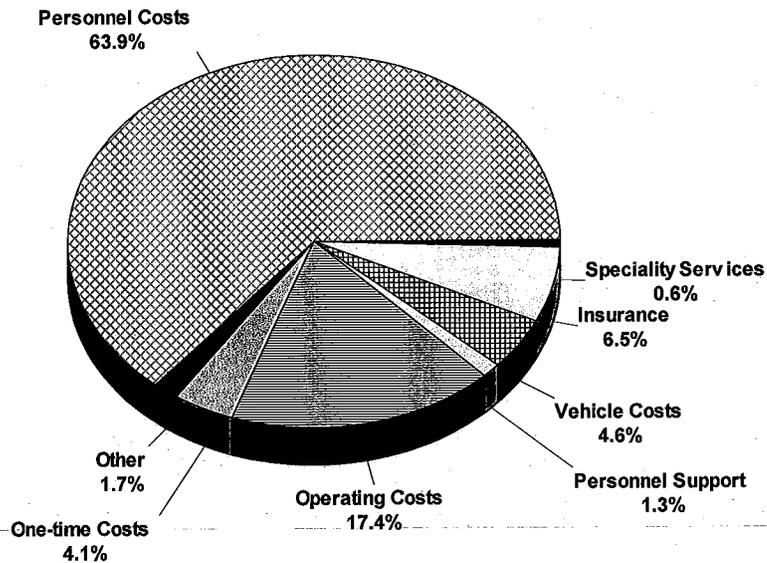
	EPS FY 2004 Estimated	Budget FY 2004 Adopted	Budget FY 2004 Revised	Budget FY 2004 Est. Actual	Budget FY 2005 Adopted	EPS FY 2005 Estimated
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-	-
Services & Supplies	-	9,966,259	10,006,259	2,992,056	13,296,569	13,415,778
Capital Outlay	-	-	-	-	-	-
Total	\$ -	\$ 9,966,259	\$ 10,006,259	\$ 2,992,056	\$ 13,296,569	\$ 13,415,778

REVENUES

	Budget FY 2005 Adopted
General Fund	\$ 12,470,819
Traffic Citation Fines	175,000
Parking Ticket Fines	125,000
Police Tax	150,000
Prop 172 Public Safety	275,000
Grants	50,750
Towing Fees	50,000
Total	\$ 13,296,569

The expenses shown for fiscal year 2003 – 2004, estimated actual, represent a partial payment to Sacramento County for first year transition costs. In March 2004, a partial payment of \$3,500,000 was paid to Sacramento County representing a portion of those costs. This payment was allocated to three functions – police, animal control and street maintenance. Each of these functions was being performed by Sacramento County. A total of \$2,992,056 of that payment was allocated to police services.

POLICE



CONTRACT STAFFING LEVELS

Sworn Positions

Captain - Chief	0.6
Lieutenant - Assistant Chief	0.6
Lieutenant	2.4
Sergeant	8.8
Detective	5.8
Deputy Sheriff - Patrol	39.8
Deputy Sheriff - Traffic	6.0
Deputy Sheriff - On-Call	0.6
Total Sworn	64.6

Non-Sworn Positions

Records Officer II	0.6
Records Officer I	3.3
Security Officer	1.2
Community Service Specialist III	1.2
Community Service Specialist II	4.0
Community Service Specialist I	1.5
Senior Office Assistant - Confidential	1.0
Senior Office Assistant	0.6
Total Non-Sworn	13.4

TOTAL POSITIONS

78.0

PLANNING

DESCRIPTION

To ensure a well planned, attractive and sustainable community and to respond to the needs of the community, the Planning Department provides timely, professional planning and environmental review services.

The Planning Department provides a broad array of current planning, advance planning and environmental review services pursuant to City Council direction, development applications and state law. The department also supports the citizen Planning Commission.

FISCAL YEAR 2003 – 2004 ACCOMPLISHMENTS

- Established a full-service Planning Department and commenced processing of all active development applications within the City
- Formed the City's first Planning Commission and educated new members
- Processed 103 project development applications.
- Provided planning services for the 3,830 acre Rio Del Oro specific plan, the 1,259 acre Sunrise Douglas II Specific Plan, and the 530 acre Sunridge Village project
- Conducted Urban Design workshops
- Conducted City Council workshop that reviewed proposed major developments
- Implemented an application fee schedule that ensures full cost recovery for all development applications.
- Prepared SACOG Community Design grant applications for Cordova City Center project, General Plan smart growth/TOD principles, and Mervyns/Target/Ross centers
- Supported regional planning programs, including Transportation/Air Quality Collaborative, SACOG Blueprint, Folsom South Bike Trail, American River Parkway Plan update and Elk Grove/Rancho Cordova/El Dorado Hills Connector Road

FISCAL YEAR 2004 – 2005 GOALS

- Promote development that enhances the community's image, creates sustainable neighborhoods and provides for economic vitality
- Provide effective, timely, and customer oriented planning services to the public and the development community and City departments.
- Initiate the City's general plan update and complete the majority of the update effort by June 30, 2005
- Participate in regional planning programs in support of City interests.
- Help educate Planning Commissioners on issues of current planning, development review, long-range City development programs and legal issues associated with planning.
- Prepare Interim Design Guidelines for City Council adoption.
- A complete preliminary revision to the City's zoning code to correct existing inconsistencies and regulations that conflict with the City's vision for future development.
- Promote a cooperative resolution that both adequately protects sensitive biological resources and allows appropriate urban development.
- Work with County staff and SACOG staff to develop an equitable division of housing obligations between the City and the County.
- Participate in the development of City Geographic Information System Mapping (GIS) resources in support of City planning programs
- Participate within the regional Transportation/Air Quality Collaborative effort and incorporate the results of these efforts within the City's general plan as appropriate

ADOPTED FISCAL YEAR 2004 – 2005 BUDGET

EXPENDITURES

	EPS FY 2004 Estimated	Budget FY 2004 Adopted	Budget FY 2004 Revised	Budget FY 2004 Est. Actual	Budget FY 2005 Adopted	EPS FY 2005 Estimated
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	
Benefits	-	-	-	-	-	
Services & Supplies	-	1,314,000	1,314,000	928,866	2,073,175	629,938
Capital Outlay	-	-	-	-	-	-
Total	\$ 207,500	\$ 1,314,000	\$ 1,314,000	\$ 928,866	\$ 2,073,175	\$ 629,938

REVENUES

	Budget FY 2005 Adopted
General Fund	\$ 303,010
Cost Recovery	1,770,165
Total	\$ 2,073,175

CONTRACT STAFFING LEVELS

Planning;

Planning Director	1.0
Principal Planner	1.0
Assistant Planner	2.0
Planning Clerk	<u>1.0</u>
Total Staff	<u>5.0</u>



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CALIFORNIA

Incorporated 2003

CODE ENFORCEMENT

DESCRIPTION

The IN-SHAPE Program handles all aspects of Code Enforcement for the City of Rancho Cordova. This includes enforcing violations of the Zoning and Municipal Codes related to unsafe housing, abandoned vehicles, properties that are blighted due to neglect or misuse, and many other situations that affect the quality of life. Activities include the following:

- Abatement of Substandard Housing
- Abatement of Abandoned Vehicles
- Enforcement of Zoning Violations
- Public outreach and education
- Ongoing review of Codes and Ordinances
- Other activities designed to improve the quality of life, enhance the image of and increase PRIDE in the City of Rancho Cordova

FISCAL YEAR 2003 – 2004 ACCOMPLISHMENTS

- Built and implemented an effective program for enforcing applicable state and local laws, toward enhancing the appearance of the community.
- Introduced highly visible and responsive field inspectors to the community
- Provided quick and consistent response to problems, which has created a discernable public awareness and encouraged compliance.
- Writing and/or revising ordinances. Lawn parking revised, Hearing Officer ordinance revised. Human Habitation of Vehicles passed.
- Participation in Weed & Seed – IN-SHAPE has committed to several areas of “weeding” including enforcement and community education
- Development and distribution of program brochure. (Other educational materials are currently in production.)
- Participation in the Sacramento Rental Housing Improvement Partnership – a group of private and government organizations working to improve communication between government and property owners to reduce blight.
- Participation in community outreach events. Together with the Building Dept, we have already attended two, representing the city as a whole as well as our program and distributing City newsletters, pens and other informational handouts.
- Joint monitoring and participation with State and County in concentrated code enforcement services pursuant to a CCEPP Grant (Community Code Enforcement Pilot Program)
- Meetings with the community, including attendance at locations during National Night Out, speaking at Kiwanis Club, Neighborhood Watch

Coordinators meetings, and address the Cordova Community Council Advisory Committee

- Beverage Container Recycling Grant funds have been assigned from the State of California – representatives of the Parks Dept. and School District has already been contacted regarding plans to apply the funds.
- Creation of a local coalition of agencies and departments to develop coordinated responses to situations requiring response from multiple jurisdictions. This is known as P.E.T. (Problem Evaluation Team)
- Coordination with the Metropolitan Fire District to design and distribute materials designed to bring all buildings within the city into compliance with rules involving the proper display of their address.

FISCAL YEAR 2004 – 2005 GOALS

- Expand the depth of our zoning enforcement with emphasis on previously unresolved issues such as commercial corridors.
- Increase our impact on improving housing conditions in the City.
- Continue to bring forth ordinances as needed (street/sidewalk obstructions, property maintenance, animal regulations such as a dog-bite ordinance, shopping carts, etc)
- Work with the Finance Department to increase payments of fees and identify other revenue resources.
- Coordinate with the new Rancho Cordova Police Department in identifying any services that involve both our program and their department, particularly with regards to the Neighborhood Watch program.
- Launch and maintain a very impressive website presence.
- Implement a city-wide education campaign including ads, news stories, community outreach events, mailings, coloring books, and perhaps some IN-SHAPE merchandise.
- Coordinate with Weed & Seed to achieve maximum effectiveness during the grant funding period
- Use skills and successes from Weed & Seed in other areas of the city.
- Continue to pursue improved relations with other local code enforcement teams. Activities will include sharing of information and strategies, shared educational forums, and joint projects to cover large problem areas.
- Involve the community through volunteer programs and better communication with service clubs and local organizations.
- Administration of the beverage container recycling grant

ADOPTED FISCAL YEAR 2004 – 2005 BUDGET

EXPENDITURES

	EPS FY 2004 Estimated	Budget FY 2004 Adopted	Budget FY 2004 Revised	Budget FY 2004 Est. Actual	Budget FY 2005 Adopted	EPS FY 2005 Estimated
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	-
Benefits	-	-	-	-	-	-
Services & Supplies	-	-	-	494,601	589,000	-
Capital Outlay	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ 494,601	\$ 589,000	\$ -

REVENUES

	Budget FY 2005 Adopted
General Fund	\$ 589,000
Total	\$ 589,000

CONTRACT STAFFING LEVELS

Code Enforcement

Program Manager	1.0
Field Inspectors	2.0
Administrative Assistant	<u>1.0</u>
Total Staff	<u>4.0</u>



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CALIFORNIA

Incorporated 2003

BUILDING AND SAFETY

DESCRIPTION

The Building and Safety Department issues permits and performs inspections to ensure that private construction within the City of Rancho Cordova meets state and local standards for safety, accessibility, energy conservation and storm water pollution prevention. Public education and investigation of complaints of work without permits or non-compliant occupancy is provided, as well.

FISCAL YEAR 2003 – 2004 ACCOMPLISHMENTS

- Completed 100% of inspection on a next-day or same-day schedule
- From July 1st to April 30th:
 - Issued approximately 1700 permits, representing \$84,000,000 in construction valuation.
 - Issued 257 new home permits
 - Issued 38 new commercial building permits
 - Performed approximately 5700 residential inspections
 - Performed approximately 4000 commercial inspections
 - Served approximately 1600 customers at City Hall permit counter
 - Reviewed master plans for 115 different model homes at new subdivisions
- Set up a full-service, one-stop shop in City Hall on July 7, 2003
- Amended the City's building permit fee structure
- Provided prompt service at the permit counter - usually within 5-10 minutes.
- Established a new residential reroof inspection process to help homeowners and provide a more thorough inspection
- Established a fax-in permit capability
- Provided common forms and handouts on-line on the city website
- Provided Rancho Cordova-specific community outreach at the July 4th celebration, the Chamber of Commerce Business Expo, and the Home Depot and Walker Hardware Safety events.
- Provided a "City Information Center" at Home Depot, with permit and other city information
- Represented the City of Rancho Cordova at approximately 20 events in Sacramento County along with County outreach events

FISCAL YEAR 2004 – 2005 GOALS

- Maintain service levels during the upswing in development (next day inspections, plan review turn-around times, production housing permit issuance turn-around times)

- Implement an E-Commerce system to allow the public to apply for and receive simple building permits on-line, schedule inspections and receive project status and corrections via the internet.
- Establish needed relationships with builders and superintendents in new subdivisions to create an appropriate level of technical compliance and cooperation.
- Expand the use of the city's website to offer more information to customers
- Implement and refine services related to code enforcement and illegal structures in the City of Rancho Cordova.
- Implement a data and file storage and maintenance plan in cooperation with the City Clerk.

ADOPTED FISCAL YEAR 2004 – 2005 BUDGET

EXPENDITURES

	EPS FY 2004 Estimated	Budget FY 2004 Adopted	Budget FY 2004 Revised	Budget FY 2004 Est. Actual	Budget FY 2005 Adopted	E FY 2005 Estima
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-	-
Services & Supplies	-	1,200,000	1,200,000	865,169	1,956,000	-
Capital Outlay	-	-	-	-	-	-
Total	\$ -	\$ 1,200,000	\$ 1,200,000	\$ 865,169	\$ 1,956,000	\$ -

REVENUES

	Budget FY 2005 Adopted
General Fund	\$ -
Building Permit Fees	1,956,000
Total	\$ 1,956,000

CONTRACT STAFFING LEVELS

Building & Safety

Building Official	1.0
Assistant Civil Engineer	1.0
Senior Engineering Technician	1.0
Building Inspector I	0.5
Building Inspector II	4.0
Cashier	0.2
Clerk	0.8
	<u>8.5</u>

PUBLIC WORKS

DESCRIPTION

The mission of the Department of Public Works is to provide quality services that will safeguard public health, safety and welfare, and ensure a higher quality of life for our citizens by facilitating or providing:

- Construction, repair and maintenance of all City streets, sidewalks, and street lights, traffic signals and landscaping
- Street sweeping
- Graffiti removal
- Engineering and project management services for Capital Improvement projects and permits
- Street use and encroachment permits
- Regulating the work of utilities and contractors in the public right-of-way
- Construction and maintenance of City facilities
- Refuse collection
- Water and wastewater services
- Storm water and drainage management

The Department's activities include Plan Review and Development Services, CIP Development, Construction Management and Inspection, Infrastructure Financing and Special Projects.

FISCAL YEAR 2003 – 2004 ACCOMPLISHMENTS

- Over 2,500 work orders have been performed by the street maintenance crews
- Processed of nearly 900 service requests for street maintenance, traffic signs, traffic signals and street lights, and trees and landscaping.
- Final Subdivision Maps for nearly 1800 residential lots have been reviewed and approved since July 1, 2003.
- Established a process for review and response to citizen complaints and concerns
- Developed and implemented a database for tracking customer inquiries and service requests
- Coordinated the installation of City Limit Signs on Highway 50 with Caltrans.
- A new design for the City's street name signs was developed and approved by the City Council.
- Discussions with the Sacramento Water Agency, So Cal water and Cal Am and Aerojet to reach resolution of issues related to the water contamination and treatment sites in Rancho Cordova.

- The City Engineer has formed a Traffic Safety Committee to address neighborhood traffic management issues in some of our neighborhoods. CDBG funds were utilized to hire a consultant to assist the City staff to develop a Citywide Neighborhood Traffic Management Program and also develop a pilot neighborhood management plan.
- Represented the City on various regional advisory committees
- Construction management and inspection for a number of Capital Improvement Projects in the City including Sunrise Boulevard RT Overpass, Sunrise Boulevard Enhancement, and development improvements for Anatolia and Villages of Zinfandel subdivisions.
- Prepared and submitted congressional earmark funding requests for several transportation projects to the offices of Senators Boxer and Feinstein and congressmen Ose and Matsui.
- Construction of Sunrise Boulevard enhancements was completed in December 2003

FISCAL YEAR 2004 – 2005 GOALS

- Maintain all public facilities in a safe and cost effective manner
- Respond to the Citizen complaint and requests in a timely manner
- Develop cost effective preventive maintenance programs
- Implement innovative public facility financing mechanisms
- Provide timely review comments for improvement plans, parcel maps and subdivision maps
- Ensure all public facilities are constructed according to the plans and specifications and consistent with the City's improvement plans and construction specifications.
- Partner with the community in the development and implementation of Neighborhood Traffic Management Programs
- Effectively coordinate and facilitate review by outside agencies, i.e. Water Agency, Fire District, Sanitation District, etc.
- Plan and prepare the City's long term Capital Improvement Plan (CIP)
- Prepare and implement Improvement Plans consistent with the City's CIP
- Provide Construction Engineering and project oversight during construction in a timely manner
- Development of the City's ADA Transition Plan
- Development of the City's Pedestrian master Plan

ADOPTED FISCAL YEAR 2004 – 2005 BUDGET

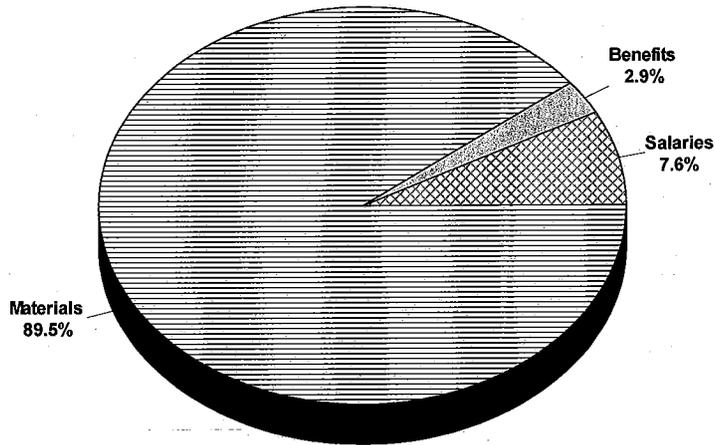
EXPENDITURES

	EPS FY 2004 Estimated	Budget FY 2004 Adopted	Budget FY 2004 Revised	Budget FY 2004 Est. Actual	Budget FY 2005 Adopted	EPS FY 2005 Estimated
Salaries	\$ -	\$ -	\$ -	\$ 11,406	\$ 500,055	\$ -
Benefits	-	-	-	1,722	187,748	0
Services & Supplies	-	1,526,115	1,526,115	214,139	6,097,500	0
Capital Outlay	-	-	-	-	45,000	-
Total	\$ 122,800	\$ 1,526,115	\$ 1,526,115	\$ 227,267	\$ 6,830,303	\$ 176,731

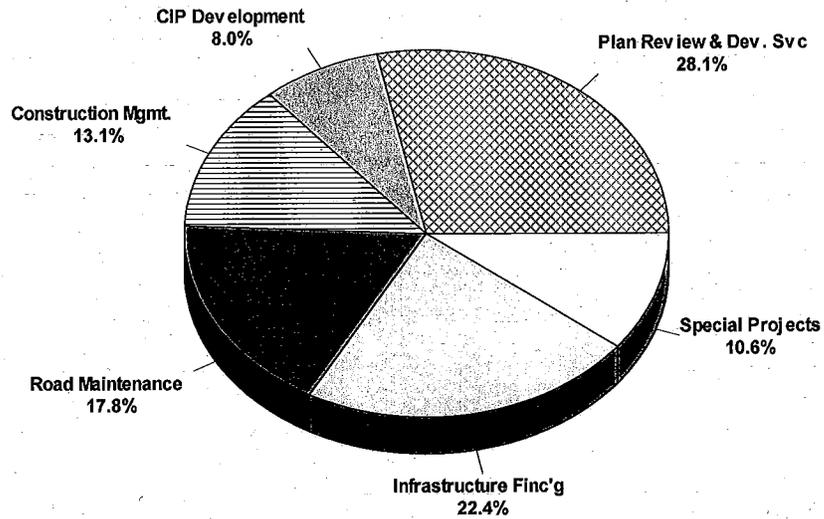
REVENUES

	Budget FY 2005 Adopted
General Fund	\$ -
Gas Tax	755,700
Measure A	2,334,500
Bldg. Permit Fees	233,266
Developer Direct	1,842,884
CFD 2003-1	1,072,467
CFD 2004-1	145,537
Villages @ Zinfandel	300,000
CDBG	145,951
Total	\$ 6,830,305

PUBLIC WORKS



PUBLIC WORKS PROGRAMS



NON-DEPARTMENTAL

DESCRIPTION

This activity accounts for the costs of support services needed to run the general City Hall operations. It also accounts for the cost of various items which are not directly attributable to a specific department.

This activity accounts for the following costs that are not allocated to a specific department:

- Maintenance of City Hall
- Office Expense that includes the rental of City Hall
- Office Supplies that are used by all operating departments
- Postage – city wide
- Printing of legal notices, letterhead, and business cards
- Professional Services including:
 - Strategic Planning
 - Management Assistance
 - Project Consultants
- Publication of the bi-annual City newsletter
- City promotions
- Special Events that include the annual City incorporation celebration
- Telecommunication costs including local and long-distance telephone support
- Utilities
- Information Technology including the purchase of computers and related equipment
- Office furniture and improvements
- Contingency

This activity also accounts for the payments to other agencies. These include:

- The mitigation payment to Sacramento County. The City has agreed to reimburse Sacramento County for revenues lost to the County due to the incorporation of the City. In Fiscal Year 2004 – 2005, that payment will equal ninety-five percent (95%) of property taxes collected in the City.
- The first year transition costs which will be amortized over a five year period. The City has estimated that approximately \$12 million in first year costs will be incurred and due the County. The City has made a \$3.5 million payment against the total due. The County also withheld the City's first quarter sales tax payment which is estimated to be \$2.5 million. This will result in the City owing approximately \$6 million which will be due in

- five equal annual payments of \$1.2 million. Actual costs will not be known until late August 2004 and may affect the amount of annual payments.
- Also included in this activity are payments to the Local Agency Formation Commission (LAFCO) in the amount of \$13,500 and \$5,000 for property tax administration.

ADOPTED FISCAL YEAR 2004 – 2005 BUDGET

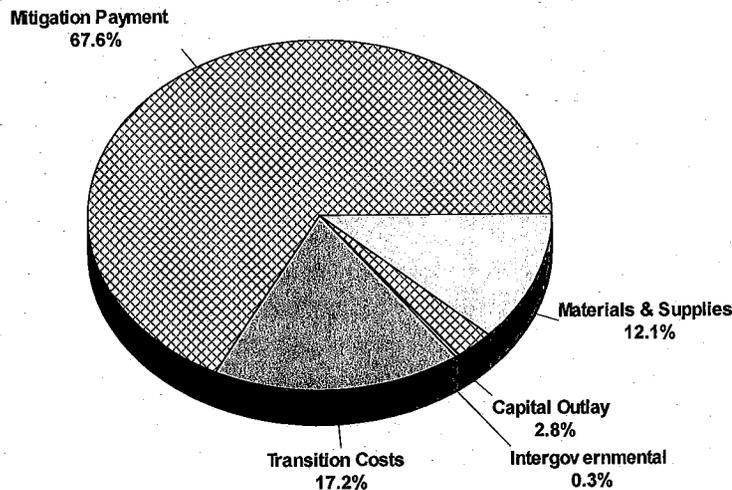
EXPENDITURES

	EPS FY 2004 Estimated	Budget FY 2004 Adopted	Budget FY 2004 Revised	Budget FY 2004 Est. Actual	Budget FY 2005 Adopted	EPS FY 2005 Estimated
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-	-
Services & Supplies	-	546,100	385,300	436,770	1,298,000	1,702,366
Capital Outlay	-	277,500	477,500	483,455	190,000	-
Debt Service Payments	-	-	356,500	354,547	5,810,000	5,425,085
Intergovernmental	8,595,379	8,022,400	4,522,400	13,288	18,500	144,816
Total	\$ 8,595,379	\$ 8,846,000	\$ 5,741,700	\$ 1,288,060	\$ 7,316,500	\$ 7,272,267

REVENUES

	Budget FY 2005 Adopted
General Fund	\$ 7,316,500
Total	\$ 7,316,500

NON-DEPARTMENTAL



SPECIAL REVENUE FUND – GAS TAX

The Gas Tax fund is used to account for funds received from the State of California from the statewide tax on gasoline and other fuels. The amount that the City received is proportionate to the population. During the first seven years that a new City operates, the State provides additional funding in addition to the per capita funds.

The City will utilize Gas Tax funds to pay a share of personnel costs that are used to administer the projects that this fund supports. In FY 2004 –2005, these funds will also be used to purchase vehicles and computer equipment for the Public Works Department. Additionally, the funds will be used to pay for a portion of the road maintenance costs and the costs associated with the street sweeping program.

	Fiscal Year 2003 - 2004	Fiscal Year 2004 - 2005
	<u>Estimated</u> <u>Actual</u>	<u>Estimated</u>
Expenditures:		
Salaries and Benefits	\$ -	\$ 422,700
Materials and Supplies	-	28,000
Capital - Vehicles	-	30,000
Capital - Computer	-	15,000
Road Maintenance	-	160,000
Street Sweeping	-	100,000
Total	<u>\$ -</u>	<u>\$ 755,700</u>

SPECIAL REVENUE FUND – MEASURE A

Measure A is a 20-year program of transportation improvements in Sacramento County funded by a one-half percent sales tax. County voters approved it in 1988 as a supplement to existing local, state and federal transportation funding programs. The method of apportioning Measure A funds among participating local jurisdictions each year is set forth in the "Measure A Transportation Expenditure Agreement" which also lists various conditions which local entities must satisfy before they can claim Measure A funds. FY 2004 – 2005 funding for the City of Rancho Cordova is estimated to be \$2,334,500. The uses of these funds are proposed as follows:

- Street Maintenance
- Folsom Blvd. Enhancements
- US 50/Mather Landscaping
- Data @ Zinfandel Traffic Signal
- Bikeway Improvements
- Elderly and Disabled Access
- Pedestrian Improvements
- Safety Improvements
- Neighborhood Traffic Calming Phase 2
- Traffic Signals – Various Locations

	Fiscal Year 2003 - 2004 <u>Estimated Actual</u>	Fiscal Year 2004 - 2005 <u>Adopted</u>
Expenditures:		
Road Maintenance	\$ -	\$ 1,059,500
Folsom Blvd. Enhancements	-	200,000
US 50/Mather Landscaping	-	100,000
Data @ Zinfandel Traffic Signal	-	250,000
Bikeway Improvements	-	100,000
Elderly & Disabled Access	-	100,000
Pedestrian Improvements	-	100,000
Safety Improvements	-	100,000
Neighborhood Traffic Calming Ph. 2	-	125,000
Traffic Signs - Various Locations	-	100,000
Contingency	-	100,000
Total	<u>\$ -</u>	<u>\$ 2,334,500</u>

SPECIAL REVENUE FUND – HOUSING FUND

The Housing Fund provides funding for very low income housing programs. The City has received funds beginning in FY 2003 – 2004 but has not established a program to spend these funds. Since these funds are being accounted for in a special revenue fund, all funds received will be segregated for future projects.

SPECIAL REVENUE FUND – LIBRARY FUND

This fund accounts for the development fee imposed on the Villages of Zinfandel project to provide funds for the cost of library facilities that were identified in the Villages of Zinfandel Public Facilities Financing Plan (PFFP). The funds are accounted for in a special revenue, interest bearing fund. The fee is imposed on all development and is set forth in the PFFP. In FY 2003 – 2004, approximately \$5,000 was received and it is anticipated that the same amount will be received in FY 2004 – 2005. Expenditure of these funds is not proposed in this budget.

SPECIAL REVENUE FUND – ADOPT-A-SIGN

This fund was set up to account for funds received from citizens and businesses to defray the cost of replacing street signs in the City. A total of \$150 was received in FY 2003 – 2004 and a like amount is expected to be received in FY 2004 – 2005. Expenditure of these funds is not proposed in this budget.

**SPECIAL REVENUE FUND – COMMUNITY DEVELOPMENT
 BLOCK GRANT (CDBG)**

CDBG funds represent federal grants received under the Housing and community Development Act of 1974. These grants are provided to local communities either through the “entitlement” program or passed through a county-wide agency. The City currently utilizes Sacramento Housing and Redevelopment Agency (SHRA) to receive these funds. Since the City has a population over 50,000 we are eligible to become an entitlement City and will be pursuing that in FY 2004 – 2005.

In FY 2003 – 2004, the City was entitled to \$464,000 in discretionary funding. The total available to the City was \$800,000 but was reduced by 20% administrative costs (\$160,000), \$9,000 for Human Rights/Fair Housing, \$67,000 for DHA administrative and program costs, and \$100,000 for the Rancho Cordova Neighborhood Community Center. In FY 2004 – 2005, the City will be eligible for a total of \$784,000 with allocations to the same groups reducing the discretionary funding to \$416,200.

Of the \$416,200, it is proposed that \$145,950 be expended to complete the Phase 1 Neighborhood Traffic Calming project. The remaining funds will remain as discretionary funds. In FY 2003 – 2004, the City funded the following projects:

- Mather Skateboard Park -- \$100,000
- Neighborhood Traffic Management Study -- \$150,000
- White Rock Park Improvements -- \$84,000
- Cordova Village Park Design -- \$130,000

	<u>Estimated</u>	<u>Adopted</u>
Expenditures:		
General and Administrative	\$ -	\$ 250
SHRA Administrative Charge	160,000	156,800
DHA Administrative Charge	67,000	67,000
Human Rights & Fair Housing	9,000	9,000
RC Neighborhood Center	100,000	135,000
Capital Projects	464,000	
Neighborhood Traffic Calming Ph. 1	-	145,950
Total	<u>\$ 800,000</u>	<u>\$ 514,000</u>

**SPECIAL REVENUE FUND – COMMUNITY FACILITIES
 DISTRICTS (CFD)**

The City has two existing and is planning one additional CFD for the new development. They include the Villages at Zinfandel, Sunridge Anatolia (CFD 2003-1) and Sunridge Park CFD (2004-1). City expenses related to the districts are reimbursable by the districts. In FY 2004 - 2005, it is anticipated that the City Engineer will provide services to both CFD 2003-1 and CFD 2004-1. Therefore, salaries and benefits related to those services will be charged to those funds. Additionally, the project that will install a traffic signal at Prospect Park and International will be paid for from funds of the Villages at Zinfandel. The Sunrise Reliever Interchange project will be funded from the CFD 2003-1 funds. CFD 2004-1 will provide funds for the citywide formation of landscape maintenance districts as well as the formation of the district. Following are proposed budgets for each of the districts.

VILLAGES AT ZINFANDEL

	<u>FY 2003 - 2004</u> <u>Estimated Actual</u>	<u>FY 2004 - 2005</u> <u>Adopted</u>
Expenditures		
Capital Projects	\$ -	\$ 300,000
Capital Outlay	-	-
Total	<u>\$ -</u>	<u>\$ 300,000</u>

SUNRIDGE ANATOLIA COMMUNITY FACILITIES DISTRICT 2003-1

	<u>FY 2003 - 2004</u> <u>Estimated Actual</u>	<u>FY 2004 - 2005</u> <u>Adopted</u>
Expenditures		
Salaries & Benefits	\$ -	\$ 72,467
Capital Projects	-	1,000,000
Transfer Out	165,000	20,250
Total	<u>\$ 165,000</u>	<u>\$ 1,092,717</u>

SUNRIDGE PARK COMMUNITY FACILITIES DISTRICT 2004-1

	<u>FY 2003 - 2004</u> <u>Estimated Actual</u>	<u>FY 2004 - 2005</u> <u>Adopted</u>
Expenditures		
Salaries & Benefits	\$ -	\$ 85,536
Transfer Out	-	100,000
Total	<u>\$ -</u>	<u>\$ 185,536</u>

DEBT SERVICE FUND – SUNRIDGE ANATOLIA CFD 2003-1

Debt service funds are used to account for the accumulation of resources and the payment of long-term debt principal and interest. The City currently maintains only one debt service fund for the payment of debt associated with the CFD 2003-1 bonds. The resources for this debt service fund come from property taxes of the affected properties. The debt service is then made from these resources. In FY 2003 – 2004, the City began making debt service payments (March 2004) on this bond issue. There will be two debt service payments due in FY 2004 – 2005 in September 2004 and March 2005.

<i>Expenditures</i>	FY 2003 - 2004		FY 2004 - 2005	
	Estimated	Actual	Adopted	
Debt Service	\$	453,351	\$	1,406,950
General and Administrative		-		2,500
Total	\$	453,351	\$	1,409,450



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CALIFORNIA

Incorporated 2003

DEBT SCHEDULES AND LEGAL DEBT MARGIN

Outstanding Debt Issues

The City of Rancho Cordova incorporated on July 1, 2003. During the first fiscal year (FY 2003 – 2004), the City issued one debt instrument. That instrument provided funds for the development of a large residential subdivision. The City anticipates issuing similar debt issues in FY 2005 as well as a Certificate of Participation (COP) to fund infrastructure needs. A summary of the City's debt follows:

GENERAL OBLIGATION BONDS

None

REVENUE BONDS

None

CERTIFICATES OF PARTICIPATION

None

SPECIAL ASSESSMENT BONDS

Sunridge Anatolia Community Facilities District No. 2003-1

TAX ALLOCATION BONDS

None

NOTES:

None

Proposition 13 and subsequent constitutional amendments severely limit the type of debt the City can issue. General obligation debt requires 2/3-voter approval to increase taxes, which support this type of debt. Other debt options available to the City include those listed above. Debt issues such as revenue bonds, certificates of participation and notes do not require voter approval if there is a dedicated source for repayment. However, the City still maintains a legal debt limit, which is also governed by law. The calculation of that limit is as follows:

Assessed Value	\$ 4,370,033,165
Legal Debt Margin	
Debt Limitation -- 15% of Assessed Value	655,504,975
Debt Applicable to Limitation	
General Obligation Bonds Outstanding	-
Less: Amounts available for repayment	-
Total Debt Applicable to Limitation	-
Authorized Legal Debt Margin	\$ 655,504,975

LONG TERM DEBT SERVICE DETAIL

SUNRIDGE ANATOLIA COMMUNITY FACILITIES DISTRICT (CFD) NO. 2003-1

Period Ending September 1	Principal	Interest	Fiscal Year Total
2004	\$ -	\$ 1,156,826	\$ 1,156,826
2005	-	1,406,950	1,406,950
2006	-	1,406,950	1,406,950
2007	-	1,406,950	1,406,950
2008	-	1,406,950	1,406,950
2009	-	1,406,950	1,406,950
2010	-	1,406,950	1,406,950
2011	-	1,406,950	1,406,950
2012	-	1,406,950	1,406,950
2013	-	1,406,950	1,406,950
2014	40,000	1,406,950	1,446,950
2015	80,000	1,404,990	1,484,990
2016	130,000	1,400,990	1,530,990
2017	180,000	1,394,295	1,574,295
2018	235,000	1,384,845	1,619,845
2019	295,000	1,372,273	1,667,273
2020	355,000	1,356,195	1,711,195
2021	425,000	1,334,895	1,759,895
2022	500,000	1,309,395	1,809,395
2023	580,000	1,279,395	1,859,395
2024	665,000	1,244,595	1,909,595
2025	760,000	1,204,695	1,964,695
2026	860,000	1,159,095	2,019,095
2027	965,000	1,107,495	2,072,495
2028	1,075,000	1,049,595	2,124,595
2029	1,200,000	985,095	2,185,095
2030	1,325,000	913,095	2,238,095
2031	1,465,000	833,595	2,298,595
2032	1,615,000	745,695	2,360,695
2033	1,770,000	648,795	2,418,795
2034	1,940,000	542,595	2,482,595
2035	2,120,000	424,255	2,544,255
2036	2,315,000	294,935	2,609,935
2037	2,520,000	153,720	2,673,720
Total	\$ 23,415,000	\$ 38,770,853	\$ 62,185,853

TRANSFERS IN AND TRANSFERS OUT SUMMARY

Transfers In

Fund Name:

General Fund:

From CFD 2003-1	\$	20,250
From CFD 2004-1		<u>100,000</u>
Total Transfers In	\$	<u>120,250</u>

Transfers Out

Fund Name:

CFD 2003-1	\$	20,250	For General Fund Administration
CFD 2004-1		<u>100,000</u>	For General Fund Administration
Total Transfers Out	\$	<u>120,250</u>	

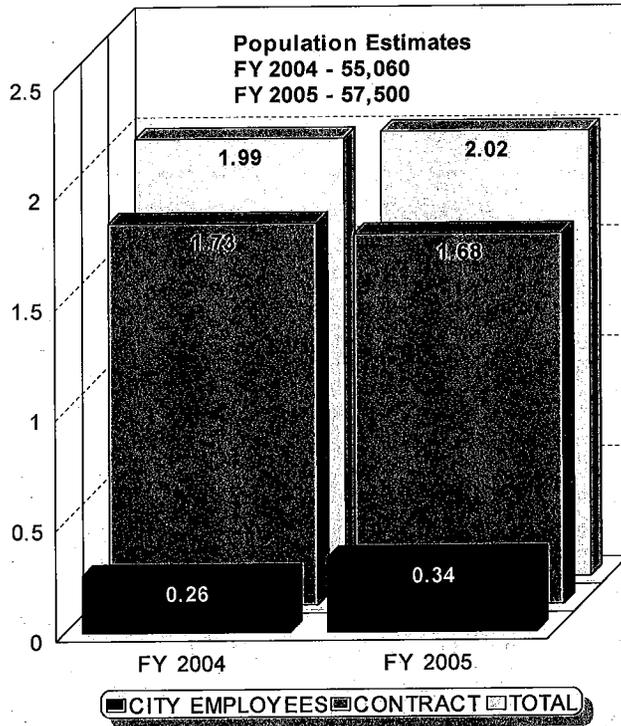
FULL TIME POSITION ALLOCATION – CITY EMPLOYEES

	FY 2003 -04 Authorized	FY 2004 -05 Adopted	Change from FY 2004	Funding Source	
				General Fund	Other Funding Sources
City Manager	3.00	4.00	1.00	4.00	-
Economic Development	1.00	1.50	0.50	1.50	-
City Clerk	3.00	2.46	(0.54)	2.46	-
Finance	4.46	5.00	0.54	5.00	-
Public Works	3.00	6.50	3.50	0.66	5.83
Total	14.46	19.46	5.00	13.62	5.83
City Manager:					
City Manager	1.00	1.00			
Executive Assistant	1.00	1.00			
Management Analyst	-	1.00			
Executive Secretary	1.00	1.00			
Total	3.00	4.00			
Economic Development					
Director	1.00	1.00			
Intern	-	0.50			
Total	1.00	1.50			
City Clerk					
City Clerk	1.00	1.00			
Deputy City Clerk	1.00	1.00			
Office Assistant	1.00	0.46			
Total	3.00	2.46			
Finance					
Chief Financial Officer	1.00	1.00			
Senior Accountant/Auditor	1.00	1.00			
Senior Accounting Technician	1.00	2.00			
Accounting Technician	1.00	-			
Office Assistant	0.46	1.00			
Total	4.46	5.00			
Public Works					
Director	1.00	1.00			
Project Engineer	2.00	3.00			
Traffic Investigator	-	1.00			
Secretary	-	1.00			
Maintenance Supervisor	-	0.50			
Total	3.00	6.50			

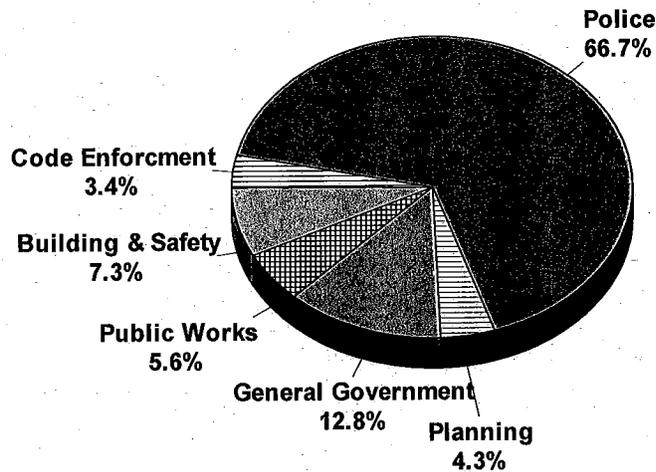
FULL-TIME EQUIVALENT CONTRACT EMPLOYEES

	FY 2003 -04 Authorized	FY 2004 -05 Adopted	Change from FY 2004	Funding Source	
				General Fund	Other Funding Sources
City Attorney	1.00	1.00	-	1.00	-
Animal Services	-	1.00	1.00	1.00	-
Police	78.00	78.00	-	78.00	-
Planning	5.00	5.00	-	5.00	-
Code Enforcement	4.00	4.00	-	4.00	-
Building and Safety	8.50	8.50	-	8.50	-
Total	<u>95.50</u>	<u>96.50</u>	<u>1.00</u>	<u>96.50</u>	<u>-</u>
City Attorney					
City Attorney	1.00	1.00			
Total	<u>1.00</u>	<u>1.00</u>			
Animal Services					
Animal Control Officer	1.00	1.00			
Total	<u>1.00</u>	<u>1.00</u>			
Police					
Sworn Officer	64.60	64.60			
Non-Sworn Positions	13.40	13.40			
Total	<u>78.00</u>	<u>78.00</u>			
Planning					
Planning Director	1.00	1.00			
Principal Planner	1.00	1.00			
Assistant Planner	2.00	2.00			
Planning Clerk	1.00	1.00			
Total	<u>5.00</u>	<u>5.00</u>			
Code Enforcement					
Program Manager	1.00	1.00			
Field Inspectors	2.00	2.00			
Administrative Assistant	1.00	1.00			
Total	<u>4.00</u>	<u>4.00</u>			
Building and Safety					
Building Official	1.00	1.00			
Asst. Civil Engineer	1.00	1.00			
Senior Engineering Tech.	1.00	1.00			
Building Inspector II	0.50	0.50			
Building Inspector I	4.00	4.00			
Cashier	0.20	0.20			
Clerk	0.80	0.80			
Total	<u>8.50</u>	<u>8.50</u>			

Employees Per Thousand Population



City Employees by Function



**SALARY AND BENEFIT RATES
 FISCAL YEAR 2004 – 2005**

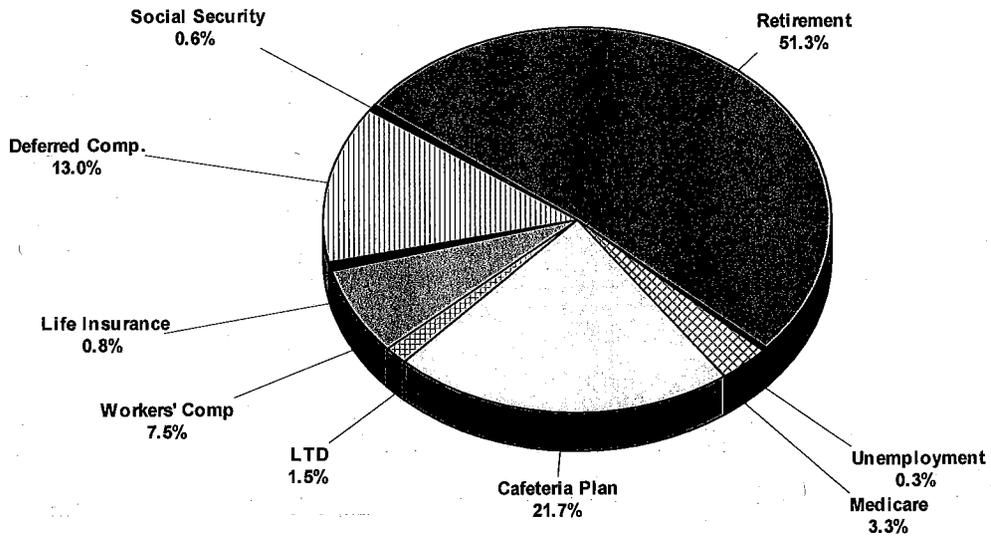
	Basis	Factor
SALARY ADDITIONS:		
Administrative Leave Annual Payout	Hour	40.00
Auto Allowance (Monthly)	Fixed \$	\$ 300
Deferred Compensation Match	Salary%	6.00%
License Allowance	Salary%	10.00%
PERS RETIREMENT		
PERS - City (Non-Safety) -- Employer Share	Salary%	10.52%
PERS - City (Non-Safety) -- Employee Share	Salary%	7.00%
PARS Supplemental	Salary%	6.20%
WORKERS' COMPENSATION BENEFITS		
Clerical	Salary%	3.37%
Administrative	Salary%	3.37%
Labor	Salary%	3.37%
INSURANCE AND POST RETIREMENT BENEFITS		
Unemployment Program	Salary%	0.15%
Social Security	Salary%	6.20%
Medicare	Salary%	1.45%
LTD Insurance	Salary%	0.70%
Life Insurance	Salary%	0.35%
CAFETERIA PLAN (Per Month)	Fixed \$	\$ 780
Cost of Living Increases		
Department Heads	Salary%	2.50%
Mid-Management	Salary%	2.50%
Staff	Salary%	2.50%
PERFORMANCE BONUS		
Department Heads	Salary%	5.00%

Administrative Leave Annual Payout: Employees are eligible to convert 40 hours of accumulated leave to pay in December of each year.

Salary %: Refers to the percentage multiplied by the employee's salary to determine total benefit.

Fixed: Refers to a fixed amount paid to an employee.

Employee Benefit Allocation



**CITY BUDGET RESOLUTION
AND
RESOLUTIONS TO ESTABLISH
THE CITY'S APPROPRIATION
LIMIT FOR FISCAL
YEAR 2004 –2005
INCLUDING CALCULATIONS**

RESOLUTION NO. 81-2004

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
ADOPTING AN OPERATING BUDGET FOR THE CITY FOR THE FISCAL YEAR JULY
1, 2004 THROUGH JUNE 30, 2005, AND PROVIDING FOR THE APPROPRIATIONS
AND EXPENDITURES OF ALL SUMS SET FORTH IN SAID BUDGET**

WHEREAS, the City Manager has submitted to the City Council of Rancho Cordova a Fiscal Year 2004 – 2005 Preliminary Budget for the fiscal year July 1, 2004 through June 30, 2005; and

WHEREAS, after conducting a workshop and a public hearing on the preliminary budget, the City Council has approved the same; and

WHEREAS, it is the intention of the Council to adopt the preliminary budget as submitted by the City Manager as modified and amended by the City Council at their June 21, 2004 meeting;

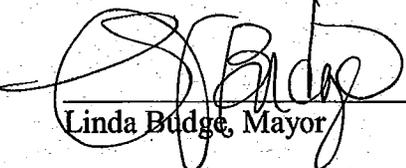
NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Rancho Cordova as follows:

1. That certain document referred to as "The City of Rancho Cordova, California Fiscal Year 2004 – 2005 Preliminary Budget" presented by the City Manager and subsequently amended by the City Council is hereby adopted and the appropriations for the annual budget of the City of Rancho Cordova for the fiscal year beginning on July 1, 2004 and ending on June 30, 2005, is hereby adopted.
2. That the several amounts stated in the preliminary budget, as amended, shall become and thereafter be appropriated to the offices, departments, activities, objects, and purposes stated therein and said monies are hereby authorized to be expended for the purposes and objects specified in said budget.

This resolution shall become effective immediately upon adoption.

Passed and Adopted at a regular meeting of the City Council of the City of Rancho Cordova, held on the 21st day of June, 2004, by the following vote:

AYES: Skoglund, Sander, McGarvey, Cooley, Budge
NOES: None
ABSENT: None
ABSTAIN: None


Linda Budge, Mayor

ATTEST:


Lillian Hare, City Clerk

**CITY OF RANCHO CORDOVA
CITY COUNCIL**

RESOLUTION NO. 107-2004

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA SUBMITTING TO THE QUALIFIED VOTERS AT THE MUNICIPAL ELECTION ON NOVEMBER 2, 2004, A RESOLUTION RELATED TO THE ESTABLISHMENT OF THE CITY'S APPROPRIATIONS LIMIT FOR THE 2004-2005 FISCAL YEAR, AS REQUIRED BY CALIFORNIA CONSTITUTION ARTICLE XIII B AND GOVERNMENT CODE SECTIONS 7900 ET SEQ.

RECITALS

WHEREAS, California Constitution Article XIII B and Government Code Sections 7900 *et seq.* require all cities in the State to establish an appropriations limit and provide formulae for the calculation of the limit; and

WHEREAS, Resolution No. 1243 of the Sacramento Local Agency Formation Commission, which approved the incorporation of the City, established \$34,250,000 as Rancho Cordova's provisional appropriations limit; and

WHEREAS, the City's Director of Finance has determined, in a report available at City Hall, that based on the formulae set forth in the Government Code that the City's appropriations limit for Fiscal Year 2004-2005 should be \$36,010,121; and

WHEREAS, California Constitution Article XIII B, § 4 requires that a city's appropriations limit be approved by the electors; and

WHEREAS, the date of the next municipal election is November 2, 2004; and

WHEREAS, pursuant to Elections Code Section 9222, the City Council desires to submit the resolution establishing the City's appropriations limit to the voters at the next municipal election; and

WHEREAS, pursuant to state law, the City Council is authorized to submit a resolution to the voters to determine whether the City's appropriations limit shall be established as proposed by the City's Director of Finance; and

WHEREAS, pursuant to Elections Code Section 10400, the election on the appropriations limit shall be conducted with the municipal election on November 2, 2004, following approval by the Sacramento County Board of Supervisors of the City's request to conduct the election; and

WHEREAS, Elections Code Sections 9219 and 9282 set forth the procedures for arguments in favor of or in opposition of any City measure; and

WHEREAS, Elections Code Sections 9220 and 9285 set forth the procedures for rebuttal arguments.

NOW THEREFORE, the City Council of the City of Rancho Cordova hereby resolves as follows:

1. Proposed Measure. Pursuant to Elections Code Section 9222, the City Council hereby submits to the voters of the City, at the November 2, 2004, municipal election, a resolution that shall decide whether or not to approve the City's proposed appropriations limit. This measure shall be designated by letter by the Sacramento County Registrar of Voters. Pursuant to Election Code Section 10400 *et seq.*, the election for this measure shall be included on the ballot for the municipal election to be held on November 2, 2004.

2. Ballot Language. The ballot language for the proposed measure shall be as follows:

Shall the City of Rancho Cordova's base-year appropriations limit for Fiscal Year 2004-2005 be established at \$36,010,121?

Yes

No

3. Proposed Resolution. The resolution to be approved by the voters pursuant to Section 2 of this resolution is set forth in Exhibit A hereto.

4. Submission of Ballot Arguments and Impartial Analysis.

a. The last day for submission of direct arguments for or against the measure shall be by 5:00 p.m. on August 5, 2004.

b. The last day for submission of rebuttal arguments for or against the measure shall be by 5:00 p.m. on August 12, 2004.

c. Direct arguments shall not exceed three hundred words and shall be signed by not more than five persons.

d. Rebuttal arguments shall not exceed two hundred fifty words and shall be signed by not more than five persons; those persons may be different persons than the persons who signed the direct arguments.

e. The City Attorney shall prepare by July 27, 2004, an impartial analysis of the measure showing the effect of the measure.

f. The Mayor is hereby authorized to prepare a written argument in favor of the proposed ordinance, not to exceed 300 words, on behalf of "The City Council of the City of Rancho Cordova." At the Mayor's discretion, the argument may also be signed by bona fide associations or by individual voters who are eligible to vote.

5. Request to Place Measure on Ballot. The City Council requests that the Board of Supervisors of the County of Sacramento include the measure on the ballot for the municipal election to be held November 2, 2004. The Council further requests that the Board direct the Sacramento County Registrar to conduct all necessary services related to the election and to bill the City for the cost of conducting the election.

6. Effective Date, Notice, Posting, and Transmission to County. This resolution shall become effective immediately upon its passage and adoption and the City Clerk is directed to send certified copies of this Resolution to the Sacramento County Board of Supervisors and to the County Clerk-Recorder. The City Clerk is further directed to cause the posting, publication and printing of notices and all other matters pursuant to the requirements of the Elections and Government Codes of the State of California.

* * * * *

ADOPTED, THIS 6th day of July, 2004, by the following vote:

AYES: Skoglund, Sander, McGarvey, Cooley, Budge

NOES: None

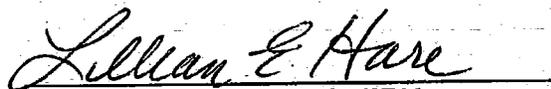
ABSENT: None

ABSTENTIONS: None

APPROVED:


LINDA BUDGE, MAYOR

ATTEST:


LILLIAN HARE, CITY CLERK

700165_1

Exhibit A

**CITY OF RANCHO CORDOVA
CITY COUNCIL**

**AN ORDINANCE OF THE PEOPLE OF THE CITY OF RANCHO CORDOVA
ESTABLISHING THE CITY'S APPROPRIATIONS LIMIT FOR THE 2004-2005 FISCAL
YEAR, AS REQUIRED BY CALIFORNIA CONSTITUTION ARTICLE XIIB AND
GOVERNMENT CODE SECTIONS 7900 ET SEQ.**

RECITALS

WHEREAS, California Constitution Article XIIB and Government Code Sections 7900 *et seq.* require all cities in the State to establish an appropriations limit and provide formulae for the calculation of the limit; and

WHEREAS, Resolution No. 1243 of the Sacramento Local Agency Formation Commission, which approved the incorporation of the City, established \$34,250,000 as Rancho Cordova's provisional appropriations limit; and

WHEREAS, the City's Director of Finance has determined, in a report available at City Hall, that based on the formulae set forth in the Government Code that the City's appropriations limit for Fiscal Year 2004-2005 should be \$36,010,121; and

WHEREAS, California Constitution Article XIIB, § 4 requires that a city's appropriations limit be approved by the electors.

NOW THEREFORE, the People of the City of Rancho Cordova hereby resolve as follows:

1. **City's Appropriations Limit Established.** The City of Rancho Cordova's base-year appropriations limit for Fiscal Year 2004-2005 shall be \$36,010,121.
2. **Fiscal Year Appropriations.** The Fiscal Year 2004 – 2005 Appropriations subject to the Limit is \$22,296,562.
3. **Adjustment Factors.** The annual election for Adjustment Factors shall be to use the growth in Sacramento County population and the increase in the per-capita personal income for the State of California.
4. **Effective Date.** This ordinance shall take effect upon approval by the majority of voters voting at the general election of November 2, 2004.

5. Approved. If approved by a majority of the voters voting at the November 2, 2004, municipal election, this resolution shall be considered as adopted upon the date that the vote is declared by the City Council and shall go into effect ten days after that date as provided in Election Code Section 9217.

* * * * *

APPROVED by the following vote of the people on November 2, 2004.

**City of Rancho Cordova, CA
 FY 2005 GANN Calculations
 Based on Fiscal Year 2005 Adopted Budget**

User Fees Versus Costs

	Planning Services	Building & Safety	Engineerng Fees	FY 2004 -- 2005 Fiscal Year
COSTS REASONABLY BORNE	\$ 2,073,175	\$ 1,956,000	\$ 1,842,884	\$ 5,872,059
FEEES	<u>1,550,175</u>	<u>2,919,400</u>	<u>1,842,884</u>	<u>6,312,459</u>
AMOUNT OF FEE REVENUE LESS THAN COST	<u>\$ (523,000)</u>	<u>\$ 963,400</u>	<u>\$ -</u>	<u>\$ 440,400</u>

**City of Rancho Cordova, CA
FY 2005 GANN Calculations
Based on FY 2005 Adopted Budget**

Allocation of Taxes

	General Fund		Special Revenue Fund		Total	
	Subject	Not Subject	Subject	Not Subject	Subject	Not Subject
Property Taxes	\$ 4,800,000	\$ -	\$ -	\$ -	\$ 4,800,000	\$ -
Sales Taxes	9,500,000	-	-	-	9,500,000	-
Other Taxes:						
Garbage Franchise Fee	-	175,000	-	-	-	175,000
Cable Franchise Fee	-	330,000	-	-	-	330,000
PG&E Franchise Fee	-	27,000	-	-	-	27,000
Telephone Franchise	-	25,000	-	-	-	25,000
Business Lic. Tax	-	100,000	-	-	-	100,000
Property Transfer Tax	215,000	-	-	-	215,000	-
Police Tax	150,000	-	-	-	150,000	-
Utility User Tax	1,350,000	-	-	-	1,350,000	-
Transient Occupancy Tax	2,250,000	-	-	-	2,250,000	-
Traffic Mitigation Fees	-	-	-	-	-	-
TOTAL TAXES	18,265,000	657,000	-	-	18,265,000	657,000
From State:						
Motor Vehicle In Lieu	3,750,000	-	-	-	3,750,000	-
Off Highway	-	-	-	-	-	-
Gas Tax	-	-	-	1,235,500	-	1,235,500
Prop. 172 Sales Taxes	275,000	-	-	-	275,000	-
Homeowners Relief	5,000	-	-	-	5,000	-
SB 90 Reimbursements	-	-	-	-	-	-
Sub-Total	4,030,000	-	-	1,235,500	4,030,000	1,235,500
Other Intergovernmental						
Measure A Sales Tax	-	-	-	2,336,000	-	2,336,000
Supplemental L.E.	-	-	-	436,250	-	436,250
CDBG Block Grant	-	-	-	-	-	-
Home Grant	-	-	-	-	-	-
Comm. Fac. Fees	-	-	-	-	-	-
Traffic Mitigation Fees	-	-	-	-	-	-
Library Impact	-	-	-	5,250	-	5,250
Low Income Housing	-	-	-	96,500	-	96,500
Park Development Fees	-	-	-	-	-	-
Traffic Mitigation Fees	-	-	-	-	-	-
Park Development Fees	-	-	-	-	-	-
Flood Mitigation	-	-	-	-	-	-
Sub-Total Other Intergovt'l	-	-	-	2,874,000	-	2,874,000
Locally Raised:						
Sp. Benefit - Assmt. Districts	-	-	-	578,253	-	578,253
Animal Service Fees	-	41,750	-	-	-	41,750
Weed & Seed Grant	-	50,750	-	-	-	50,750
Licenses Permits & Fees	-	6,312,459	-	-	-	6,312,459
911 Fees	-	100,000	-	-	-	100,000
Alarm Permits	-	34,100	-	-	-	34,100
Fines/Forfeitures & Penalties	-	310,000	-	-	-	310,000
Rents	-	-	-	-	-	-
Charges for Services	-	50,000	-	-	-	50,000
CFD's Transfer In	-	-	-	-	-	-
Other	-	337,000	-	250	-	337,250
Sub-Total Locally Raised	-	7,236,059	-	578,503	-	7,680,462
TOTAL ALL FUNDS	\$ 22,295,000	\$ 7,893,059	\$ -	\$ 4,688,003	\$ 22,295,000	\$ 12,446,962

**City of Rancho Cordova, CA
 FY 2005 GANN Calculations
 Based on FY 2005 Adopted Budget**

Calculation of Proceeds of Taxes

REVENUE	Proceeds of Taxes	Non-Proceeds of Taxes	Total
Taxes	\$ 18,540,000	\$ 657,000	\$ 19,197,000
Subventions from State			-
Motor Vehicle In Lieu	3,750,000	-	3,750,000
Off Highway	-	-	-
Gas Tax	-	1,235,500	1,235,500
Homeowner's Relief	5,000	-	5,000
SB 90 Reimbursements	-	-	-
Other Intergovernmental	-	2,874,000	2,874,000
Locally Raised			-
Special Benefit-Landscape Assessments	-	578,253	578,253
Licenses and Permits	-	6,404,959	6,404,959
Fines, Forfeiture and Penalties	-	310,000	310,000
Rents	-	-	-
Charges for Services	-	50,000	50,000
User Fees	440,400	-	440,400
Other			-
Miscellaneous	-	337,250	337,250
SubTotal	22,735,400	12,446,962	35,182,362
			-
Interest Earnings	18,996	11,004	30,000
Total Revenue	22,754,396	12,457,966	35,212,362
Reserve Withdrawals	-	-	-
TOTAL BUDGET APPROPRIATIONS	\$ 22,754,396	\$ 12,457,966	\$ 35,212,362

**City of Rancho Cordova, CA
 FY 2005 GANN Calculations
 Based on FY 2005 Adopted Budget**

Interest Earnings Produced by Taxes

	<u>Amount</u>	<u>Source</u>
A. Non-Interest Tax Proceeds	\$ 22,735,400	Schedule # 3
B. Minus Exclusions	<u>457,834</u>	Schedule # 6
C. Net Invested Taxes	<u>22,277,566</u>	(A-B)
D. Total Non-Interest Budget	<u>35,182,362</u>	Schedule #3
E. Tax Proceeds as % of Budget	63.32%	(C/D)
F. Interest Earnings	30,000	Budget
G. Amount of Interest Earned from Taxes	<u>\$ 18,996</u>	(E*F)
H. Amount of Interest Earned from Non-Taxes	<u>\$ 11,004</u>	(F-G)

**City of Rancho Cordova, CA
FY 2005 GANN Calculations
Based on FY 2005 Adopted Budget**

Appropriations Subject to Limitation

	Amount	Source
A. Proceeds of Taxes	\$ 22,754,396	Schedule #3
B. Exclusions	<u>457,834</u>	Schedule #6
C. Appropriations Subject to Limitation	<u>22,296,562</u>	(A-B)
D. Current Year Limitation	<u>36,010,121</u>	Schedule #7
E. Over/(Under) Limit	<u>\$ (13,713,559)</u>	(C-D)

**City of Rancho Cordova, CA
FY 2005 GANN Calculations
Based on FY 2005 Adopted Budget**

Exclusions to the Appropriations Limit

COURT ORDERS	\$	-
FEDERAL MANDATES		
FLSA Payments		3,238
Medicare Payments		17,794
Landfill Closure Costs		-
Underground Tank Monitoring		-
Unemployment Payments		1,802
TOTAL FEDERAL MANDATES		<u>22,834</u>
QUALIFIED CAPITAL OUTLAYS		
Finance - Computer Software		200,000
Office Improvements		150,000
Vehicles		30,000
Computer Upgrades		55,000
		<u>435,000</u>
QUALIFIED DEBT SERVICE		
County Mitigation Payment		-
County Revenue Neutrality Agreement		-
		<u>-</u>
TOTAL EXCLUDED APPROPRIATIONS	\$	<u>457,834</u>

**City of Rancho Cordova, CA
FY 2005 GAAN Calculations
Based on FY 2005 Adopted Budget**

Appropriations Limit Analysis

FY 2003-2004 Appropriations Limit **\$ 34,250,000**

Adjustment Factors

Change in Per Capita Personal Income (FY 2003-2004) 1.0328

Sacramento County Population Increase 01/2003 to 01/2004 1.0180

Factor for Fiscal Year 2004-2005 1.0514

FY 2004-2005 Appropriations Limit **\$ 36,010,121**

FY 2004-2005 Proceeds of Taxes 22,754,396

Exclusion (457,834)

FY 2004-2005 Appropriations Subject to Limit **22,296,562**

FY 2004-2005 Appropriations Under Limit **\$ 13,713,559**

**City of Rancho Cordova, CA
 FY 2005 GAAN Calculations
 Based on FY 2005 Adopted Budget**

Appropriations Limit

	<u>Amount</u>	<u>Source</u>
A. Last Year's Limit	\$ 34,250,000	LAFCO Resolution
B. Adjustment Factors		
1. Growth in Sacramento County Population	1.0180	State Finance
2. Growth in California Per Capita Income	1.0328	State Finance
Total Adjustment %	1.0514	(B1 * B2)
C. Annual Adjustment \$	<u>1,760,121</u>	(B*A)
D. Other Adjustments		
Lost Responsibility (-)	-	
Transfer to Private (-)	-	
Transfer to Fees (-)	-	
Assumed Responsibility (+)	<u>-</u>	
SubTotal	-	
E. Total Adjustments	<u>1,760,121</u>	(C+D)
F. This Year's Limit	<u>\$ 36,010,121</u>	(A+E)

FREQUENTLY ASKED QUESTIONS

The City of Rancho Cordova designed the Annual Budget to offer citizens an understandable and meaningful budget document. This guide along with the Glossary of Terms and Acronyms will provide assistance to those unfamiliar with Rancho Cordova's budgeting and financial processes.

WHAT IS A "FISCAL YEAR (FY)" AND WHEN DOES IT BEGIN AND END?

The City of Rancho Cordova follows a Fiscal Year (FY) that starts on July 1st and ends on June 30th. A Fiscal Year is the period designated by the city for the beginning and ending of financial transactions or a budget cycle. The "2005 Annual Budget" or "Fiscal Year 2004 – 2005 (FY 2005)" refers to the period that begins on July 1, 2004 and concludes on June 30, 2005.

WHAT DOES IT MEAN TO "ADOPT THE BUDGET?"

Budget adoption is a formal action taken by the City Council that sets the city's priorities and spending limits for the next year. The Fiscal Year 2005 budget was formally adopted by the passage of the "Appropriations Resolution", though city staff had been preparing the budget for months in advance.

WHAT IS AN "APPROPRIATING RESOLUTION"?

The City of Rancho Cordova adopts the annual budget with the "appropriating resolution". The resolution requires a majority of the Council to approve.

WHAT IS MEANT BY "BUDGET APPROPRIATIONS?"

Budget appropriations refer to authorizations made by the City Council that permit the city to incur obligations and expend resources. When the City Council appropriates funds, they are saying the community should, for example, spend its money on public safety, or make investments that improve the quality of life in Rancho Cordova. The city cannot collect or spend money unless it is appropriated, and this ensures the public's money is spent according to the public's needs as expressed by the democratically elected City Council.

WHAT IS DEBT SERVICE?

A family's debt service is the payments they make on loans, such as a mortgage or credit cards. Principal and interest payments on outstanding

bonds are referred to as debt service. Just like a family can not skip a mortgage payment or credit card payment, the city must always keep up on its debt service, so this will always be part of the city's budget.

WHAT IS AN ENCUMBRANCE?

An encumbrance refers to the formal accounting recognition of commitments to expend resources in the future. For example, when a purchase order is issued for equipment, that fund is encumbered until delivery. Once the equipment arrives the invoice is paid and the encumbrance becomes an expense.

WHAT IS AN EXPENDITURE?

Expenditures represent a decrease in fund resources or, stated simply, a recorded expense.

WHAT IS A FULL-TIME EQUIVALENT POSITION (FTE)?

An FTE refers to one or more employees working a total of 40 hours per week, or 2,080 hours per year. For example, a part-time employee working 20 hours per week would be considered a 0.5 FTE.

WHAT IS THE DEFINITION OF A BUDGET FUND?

Rancho Cordova has 10 budget funds to help keep track of and focus resources. These include the General Fund, Gas Tax Fund and Debt Service Fund, to name just a few. A family might use several funds, too, in order to help manage their finances and determine how close they are to reaching certain goals. For instance, a family might have a children's college fund, a retirement fund, a vacation fund and household expenses fund. A budget fund, then, is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources. Rancho Cordova uses separate funds in order to correctly and legally track revenues and expenditures by program.

WHAT IS A FUND BALANCE?

Fund balance refers to the remainder or carryover that occurs when actual revenues exceed budgeted revenues and/or when actual expenditures are less than budgeted expenditures at the end of the fiscal year (June 30th). If the city budgets (plans to spend) \$3 million on roads next year, but only spends \$2 million, there is a \$1 million fund balance.

WHERE DOES THE CITY'S REVENUE COME FROM?

Rancho Cordova's revenue comes from a variety of sources, including sales taxes, property taxes, user charges and from other units of governments such as the State of California. A visual depiction of all revenue sources as well as how the money is spent is shown on pages 36 and 37 of the Summary Section.

WHAT IS "STATE SUBVENTIONS"?

The State of California shares a portion of its tax revenues (gas tax and motor vehicle in-lieu taxes) with California cities and towns. This funding is divided amongst the local governments by various formulas, generally population. State subventions enables local governments to continue to provide basic services, such as police and fire protection, without burdening the residents with additional local taxes. These are the funds that are being jeopardized by the continuing state budget crisis.

WHAT IS A "BUDGET TRANSFER"?

A budget transfer moves budget appropriations between programs or funds. Transfers within funds may be done on the City Manager's authority, the City Manager is appointed by the City Council to act as the city's chief executive officer. Transfer between funds requires City Council approval.

WHAT ARE "USER CHARGES"?

User charges are fees paid in direct receipt of a public service by the party who benefits from the service. Fees paid for recreation classes are examples of user charges. These make up approximately 12.7% of the city's general fund budget.

The above are some of the more frequently asked questions concerning the City of Rancho Cordova's budget. Additional definitions of terms used in the budget document are provided for in the Glossary of Terms and Acronyms. All questions concerning the City of Rancho Cordova's budget should be directed to:

City of Rancho Cordova
Finance Department
3121 Gold Canal Drive
Rancho Cordova, CA 95670
bthomas@cityofranhocordova.org
(916) 942-0222
Fax – (916) 853-1691

GLOSSARY OF TERMS AND ACRONYMS

ADOPTED BUDGET	The City Council approved annual budget establishing the legal authority for the expenditure of funds as set forth in the Appropriation Resolution.
ACCRUAL/ACCRUAL BASIS OF ACCOUNTING	A method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.
ANNUAL FINANCIAL REPORT	A financial report applicable to a single fiscal year.
APPROPRIATION	An authorization made by the City Council, which permits officials to incur obligations against and to make expenditures of resources. Appropriations are usually made to fixed amounts and are typically granted for one-year period.
ASSESSED VALUATION	A valuation set upon real estate or other property by a government as a basis for a tax levy.
AUDIT	A view of the City accounts by an independent auditing firm to substantiate year-end fund, salaries, reserves, and cash on hand.
BEGINNING/ENDING FUND BALANCE	Appropriated resources available in a fund from the prior/current year after payment of the prior/current year's expenses. This is not necessarily cash on hand.
BUDGET	A plan of financial operation embodying an estimate of proposed appropriations for a given period of time and the proposed means of financing them.
BUDGETARY BASIS	The method of accounting applied to the budgetary accounts and process.

<p>BUDGETARY CONTROL</p>	<p>The control or management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of appropriations and available resources.</p>
<p>BUDGET MESSAGE OR BUDGET TRANSMITTAL LETTER</p>	<p>A general discussion of the proposed budget as presented in writing by the City Manager to the City Council. The message contains an explanation of principal budget items and summaries found in the prepared budget relative to the current year adopted budget.</p>
<p>CAFR</p>	<p>Comprehensive Annual Financial Report. The City of Rancho Cordova will issue their first CAFR in late 2004 for the City's first fiscal year which ended on June 30, 2004.</p>
<p>CDBG</p>	<p>Community Development Block Grant. The City is currently a "non-entitlement" City and receives if funds from the Sacramento Housing and Redevelopment Agency.</p>
<p>CC & R's</p>	<p>Refers to agreements within a specified area usually pertaining to restrictions as to how property can be modified or used in the area.</p>
<p>COUNTY WATER POLICIES CO-20, CO-22, CO-23, CO-25 AND CO-39</p>	<p>Refers to Sacramento County's General Plan relating to Water Conservation measures.</p>
<p>CSA-A AND CSA-10</p>	<p>Refers to Community Service Areas that were formed to pay for the continued maintenance of infrastructure (streets, sidewalks, etc.) in common areas of a specified area.</p>
<p>DEBT SERVICE</p>	<p>Payment of interest and repayment of principal to holders of the City's debt instruments (bonds).</p>

DEBT SERVICE FUND	Governmental fund type used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
DEFICIT	An excess of expenditures or expenses over resources.
DEPARTMENT	An operational and budgetary unit designated by the City Council to define and organize City operations.
DEPRECIATION	The portion of the cost of a fixed-asset charged as an expense prorated over the estimated life of the asset.
ENCUMBRANCE	An amount of money committed for the payment of goods and services not yet received or paid for. A purchase order is a common encumbrance.
ESP	Refers to "Economic and Planning Systems, Inc.". This group prepared the Initial Fiscal Feasibility Study to determine if the unincorporated area of Sacramento County that was being considered for City was able to financially support the operations. The data collected, including revenue and expenditure estimates, are included in the various schedules.
ESTIMATED REVENUES	The budgeted, projected revenues expected to be realized during the budget (fiscal) year to finance all or part of the planned expenditures.
EXPENDITURE	The actual payment for goods and services.
EXPENSES	The incurrence of liabilities or the consumption of assets arising from the delivery or production of goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operation. The term applies to Enterprise and Internal Service Funds.

<p>FIXED ASSET</p>	<p>A long-lived tangible asset obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include land, buildings, equipment, improvements to other assets and infrastructure (i.e., streets, highways, bridges, etc.).</p>
<p>FULL TIME EQUIVALENT (FTE) POSITION</p>	<p>The amount of time a position has been budgeted for in terms of the amount of time a regular, full-time employee normally works in a year (2,080 hours).</p>
<p>FUND</p>	<p>An accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances and changes therein are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.</p>
<p>FUND BALANCE</p>	<p>The difference between the assets (revenues and other resources) and liabilities (expenditures incurred or committed to) for a particular fund. It also represents the accumulated net resources of a fund available for reservation, designation or for appropriation.</p>
<p>GANN</p>	<p>Refers to the last name of the individual who championed Proposition 13 and secured the passage of the constitutional amendment that led to the property tax rollback in the 1970's.</p>

<p>GASB 34</p>	<p>Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments" which is the governmental financial reporting model that incorporates business accounting methods into municipal statements. It will be implemented by the City for the fiscal year ending June 30, 2004.</p>
<p>GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)</p>	<p>Uniform minimum standards and guidelines for accounting and reporting. These standards govern the form and content of the annual financial statements of an entity. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB).</p>
<p>GENERAL FUND</p>	<p>The primary governmental fund used to account for all financial resources, except those required to be accounted for in another fund.</p>
<p>GENERAL PLAN</p>	<p>A comprehensive, long-range policy guide intended to promote efficient and desirable growth in the community.</p>
<p>GOAL</p>	<p>A clearly described target or accomplishment which can be achieved within a given time frame.</p>
<p>GOVERNMENTAL FUNDS</p>	<p>Distinguished by their measurement focus on determining financial position and changes in financial position.</p>
<p>GRANTS</p>	<p>Contributions of gifts or cash or other assets from another government to be used or expended for a specific purpose, activity or facility.</p>
<p>INFRASTRUCTURE</p>	<p>Facilities that support the continuance and growth of a community. Examples include roads, water lines, sewers, public buildings, parks and airports.</p>

INTERFUND TRANSFERS	Monies moved from one fund to another. The money is transferred to finance the operations of another fund or to reimburse the fund for expenses.
INTERN	A student hired on a temporary basis that assists staff in various City departments with general duties assigned to them.
LINE ITEM	The description of an object of expenditure, i.e. salaries, supplies, professional services, and other operational costs.
LMD	Refers to Landscape Maintenance Districts which are used to pay for the ongoing maintenance of landscaping in public right-of-ways.
MAINTENANCE & OPERATION (M&O) COSTS	The day-to-day operating and maintenance costs of a municipality. These costs include personnel, gas, electric utility bills, telephone expense, reproduction costs, postage, and vehicle maintenance.
MEASURE A	Measure A, a twenty-year ½ percent Countywide increment to the retail sales tax was approved by Sacramento County voters in 1988. The funds collected are used to maintain the transportation infrastructure as well as providing funds for the expansion of that system.
MODIFIED ACCRUAL BASIS	An adaptation of the accrual basis of accounting for governmental funds types. Revenues and other financing resources are recognized when they become available to finance expenditures of the current period. Expenditures are recognized when the fund liability is incurred.

MOU	Memorandum of Understanding. This is an agreement that is commonly used between an employer and employee union but can also be used to present the details of an agreement between two or more parties.
NOTES	A paper that acknowledges a debt and promises payment to a specified party of a specific sum, describing a time of maturity that is either definite or will become definite.
OBJECT	An individual expenditure account.
OBJECTIVE	A measurable output that an organization strives to achieve within a designated time frame. The achievement of the objective advances an organization toward a corresponding goal.
OPERATING BUDGET	Plans of current expenditures and the proposed means of financing them. The annual operating budget, as distinguished from the capital program budget, is the primary means by which most of the financing, acquisition, spending and service delivery activities of a government are controlled.
OPERATING DEFICIT	The deficiency of operating revenues under expenditures.
OPERATING EXPENSES	Expenditures for materials, supplies, and services which are ordinarily consumed with a fiscal year and which are not included in the program inventories.
OPERATING SURPLUS	The excess of operating revenues over operating expenditures.
ORDINANCE	A formal legislative enactment by the City Council. It is the full force and effect of law within the City boundaries unless pre-empted by a higher form of law. An ordinance has a higher legal standing than a resolution.

PBID	Property Based Improvement District. This is a financing tool to raise funds to improve or maintain a specified area usually within an established business area.
PERFORMANCE MEASURES	Measurement of service performance indicators that reflect the amount of money spent on services and the resulting outcomes at a specific level of services provided.
PROPOSED BUDGET	This refers to the status of an annual budget, which has been submitted to the City Council by the City Manager and is pending public review and City Council adoption. Also referred to as the "Preliminary Budget".
RESERVE	An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriations.
RESERVED FUND BALANCE	A portion of the fund balance which is not re-appropriated as a source of funds.
RESOLUTION	A special order of the City Council, which has a lower legal standing than an ordinance.
RESOURCES	Total amounts available for appropriation including estimated revenues, fund transfers and beginning fund balances.
RETAINED EARNINGS	An equity account reflecting the accumulated earnings of an enterprise or internal service fund.

REVENUE	Income received through such sources as taxes, fines, fees, grants or service charges that can be used to finance operations or capital assets.
REVENUE ESTIMATE	A formal estimate of how much revenue will be earned from a specific revenue source for some future time period.
RISK MANAGEMENT	An organized attempt to protect an organization's assets against accidental loss in the most cost-effective manner.
SELF INSURANCE	A term often used to describe the retention by an entity of a risk of loss arising out of the ownership of property or the activity of the agency. It is distinguished from the transfer of risk to a third party (insurance company).
SERVICE EFFORT	A measure of expected output by a budgetary program.
SHRA	Sacramento Housing and Redevelopment Agency. The County agency that manages CDBG funds that are distributed to "non-entitlement" cities.
SPECIAL REVENUE FUNDS	A governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.
SUBVENTIONS	Revenues collected by the State (or other level of government), which are allocated to the City on a formula basis. The major subventions received by the City come from the State of California and include motor vehicle in-lieu and gas tax

TAX ALLOCATION BONDS	A bond that issued that has a specific tax revenue source that backs the payment of the debt. In the City, these are not issued for General Fund purposes.
TRANSFER IN/OUT	Movement of resources between two funds. Example: An Interfund transfer would include the transfer of operating resources from the General Fund to an Enterprise Fund.
TRANSIENT OCCUPANCY TAX (TOT)	This revenue source originates in a tax placed on lodging facilities for the occupancy of a room. Rancho Cordova has a 12% tax for such occupancies.
TRUST FUNDS	Funds held by the City that are subject to the terms of the trust that created the source of funding.
USER CHARGES	The payment of a fee in direct receipt of a public service by the party who benefits from the service.
WORKLOAD INDICATORS	Statistical information that indicates the demands for services within a given department or division. Workload indicators are a type of performance measure utilized by departments or divisions to assess its level of service.
ZONE 40	The Water Agency's Zone 40 provides for the construction of major water supply facilities. A portion of the City is included in this zone.
2 x 2's	Refers to the cooperative organization between cities and school districts in the region.