



FINAL BUDGET 2003-2004

CITY COUNCIL

DAVE ROBERTS —MAYOR
LINDA BUDGE—MAYOR PRO TEMPORE
KEN COOLEY—COUNCIL MEMBER
ROBERT MC GARVEY—COUNCIL MEMBER
DAVID SANDER—COUNCIL MEMBER

**CITY OF RANCHO CORDOVA
2003 - 2004 BUDGET**

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Dave Roberts
Mayor

Linda Budge
Mayor Pro Tempore

Ken Cooley
Councilmember

Robert McGarvey
Councilmember

David Sander
Councilmember

August 19, 2003

SUBJECT: Adoption of 2003-04 Budget

The proposed budget for the first fiscal year of the new City of Rancho Cordova was reviewed by the City Council at a study session held on August 11, 2003, and was adopted by Resolution No. 50-2003 at the regular meeting of August 18, 2003. This final budget document reflects the modifications approved by the Council on that date, with the most significant change being a decrease in the amount budgeted for Property Tax Administration from \$130,000 to \$5000. The difference of \$125,000 has been added to the Contingency Account to be appropriated as determined by the Council at a later date.

Charles R. Cate
Interim City Manager



Dave Roberts
Mayor

Linda Budge
Mayor Pro Tempore

Ken Cooley
Councilmember

Robert McGarvey
Councilmember

David Sander
Councilmember

August 4, 2003

Mayor and Members of the City Council
City of Rancho Cordova
City Hall
Rancho Cordova, California

Subject: 2003-04 Budget Message

OVERVIEW

I am pleased to present this proposed budget to the City Council for your review. Since it is the first budget for your new city, several assumptions were necessary with regard to revenues and expenditures. I would recommend that the permanent city manager and the council review the budget once again in January, after having six months of actual budget experience, and make adjustments as necessary. However, I believe that this budget document provides a solid foundation to begin your first year of operation. In addition to the General Fund Operating Budget, we have also included a one year Capital Improvement Budget based on the revenues available and for projects that were in process prior to incorporation.

As shown, we are estimating revenues for the General Fund to be \$26,390,957. Proposed expenditures for the first year, including a \$100,000 contingency account, are estimated to be \$26,489,366. As noted, if all the estimated first year costs were required to be paid in full the first year, there would be a projected shortfall of \$50,000. Given that the revenues and expenditures in the budget are rough estimates, for all practical purposes, this could be considered a balanced budget. However, because the cost of first year transition services provided by the County require payment of only \$3.5 million the first year, with the balance to be paid over the next five years, we actually end up with a projected surplus of revenues over expenditures as of June 30, 2004 of \$11,397,709.

Once this proposed budget is adopted by the Council, and a base budget year is established, it will be important to proceed with completing a 10 year revenue/expenditure forecast that will provide better information on the fund balance picture for future years.

OPERATING BUDGET COMMENTS

I am proposing that the City begin a policy of adopting budget objectives for each operating department. These objectives will set the tone of what is planned for accomplishment with the monies that are appropriated to each activity. Each subsequent years budget would then provide a summary report on the accomplishment of the previous years objectives. For the Council budget, two objectives are suggested, but you will have your own ideas about others that should be included.

The proposed budget recommends creation of additional staff positions, and it is likely that additional positions will be recommended by the permanent City Manager. The positions being recommended by department are:

CITY MANAGER	Executive Assistant
CITY CLERK	City Clerk Deputy City Clerk Office Assistant (half-time)
FINANCE	Finance Director Accountant/Auditor Office Assistant (half-time)

I should also point out that this budget accounts for some expenditures that have already been made, primarily costs related to remodeling and furnishing City Hall. We have established a separate budget activity to account for repayment of the county loan, to track subsequent year payments for first year transition costs, and for the annual revenue neutrality payments. A modest amount has been set aside for payments to outside agencies that may request funding support from the city, but this is a policy question for the council to determine. Finally, a contingency of \$100,000 has been budgeted for unforeseen expenses, which can be used only after a vote of the council to appropriate to a specific expenditure account.

CAPITAL IMPROVEMENT BUDGET COMMENTS

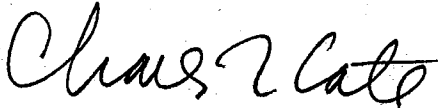
We have included in this budget document a one year Capital Improvement Budget for 2003-04. The projects are described and the funding sources noted. Most of these projects were in process prior to the city's incorporation, and for many, final completion will occur in future fiscal years. The council will probably want to consider adoption of

a five year capital improvement program as part of the 2004-05 fiscal year budget process.

SUMMARY

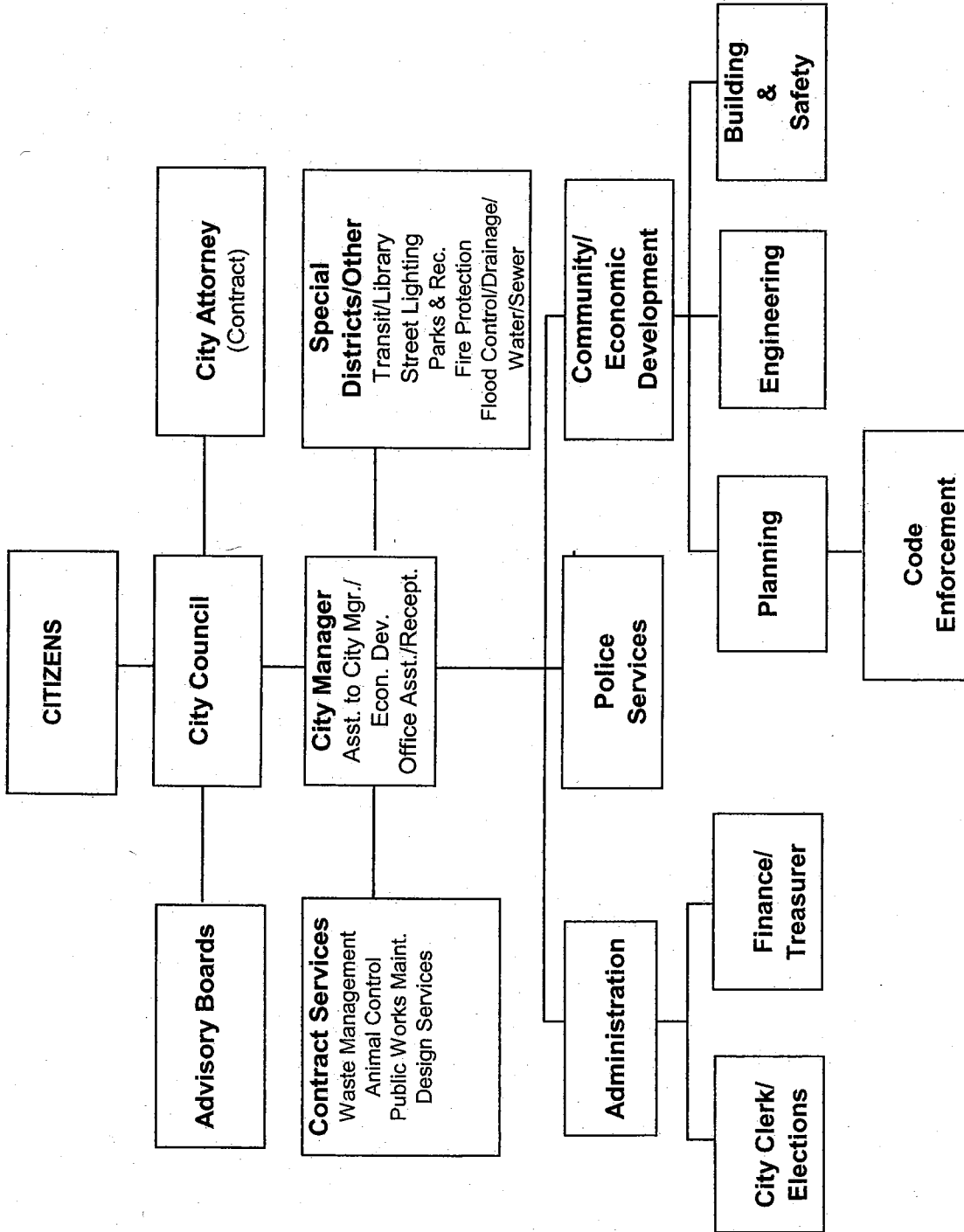
We look forward to reviewing the details of this proposed budget with the Council, and receiving your policy direction regarding the final budget that will be adopted. I would like to acknowledge the assistance of all the staff in putting this document together, but especially Gene Albaugh, Interim Finance Director, and Janette Lusk, Interim Accounting Consultant. I wish the City Council a very successful and productive first year of operation.

Respectfully submitted



Charles R. Cate
Interim City Manager

CITY OF RANCHO CORDOVA Organizational Chart



**CITY OF RANCHO CORDOVA
Budgeted Positions
Fiscal Year 2003 - 2004**

<u>City Manager</u>	
City Manager	1.0
Assistant to the City Manager/Economic Development	1.0
Executive Assistant	1.0
Office Assistant/Receptionist	1.0
<u>City Clerk/Elections</u>	
City Clerk	1.0
Deputy City Clerk	1.0
Office Assistant	0.5
<u>Finance/Treasurer</u>	
Finance Director/Treasurer	1.0
Accountant/Auditor	1.0
Office Assistant	0.5
	<hr/>
Total Positions	9.0

**City of Rancho Cordova
General Fund Summary
Revenue/Expenditure
Budget
July 2003 through June 2004**

	Proposed	Adopted
<u>Revenues</u>		
Taxes	\$16,823,757	\$16,823,757
Licenses, Fees, and Permits	\$3,992,500	\$3,992,500
Fines and Forfeitures	\$55,000	\$55,000
Intergovernmental Revenue	\$3,617,449	\$3,617,449
Other Revenue	\$424,545	\$424,545
Transfer to General Fund	\$1,526,115	\$1,526,115
Total Revenue	<u>\$26,439,366</u>	<u>\$26,439,366</u>
<u>Expenditures</u>		
City Council	77,575	77,575
Advisory Boards	11,500	11,500
City Manager	393,341	393,341
City Attorney	450,000	450,000
City Clerk/Elections	229,280	229,280
Finance/Treasurer	240,496	240,496
Personnel Services	34,000	34,000
Planning/Code Enforcement	1,314,000	1,314,000
Building & Safety	1,200,000	1,200,000
Engineering Services	1,985,000	1,985,000
Police Services	9,966,259	9,966,259
Public Works	1,526,115	1,526,115
Animal Care & Regulation	165,800	165,800
Non-Department/General Services	698,600	823,600
Payment To Other Agencies	8,147,400	8,022,400
Total Expenditures	<u>\$26,439,366</u>	<u>\$26,439,366</u>
<u>Credits</u>		
Less Deferred 1st Year Transition Costs	11,246,118 *	11,246,118 *
1st Qtr Sales Tax Retained by County to Offset First Year's Transitional Costs	2,500,000	2,500,000
General Fund Operating Surplus	<u>\$13,746,118</u>	<u>\$13,746,118</u>

* Deferral includes: Police Services, Public Works, and Animal Control

**City of Rancho Cordova
General Fund Detail
Revenue Budget
July 2003 through June 2004**

	Proposed	Adopted
Taxes		
4110 -Property Tax	4,252,000	4,252,000
4120 -Sales Tax	7,457,257	7,457,257
4130 -Franchise Fees	187,500	187,500
4135 -Utility Users Tax	2,367,000	2,367,000
4150 -Transient Occupancy Tax	2,355,000	2,355,000
4160 -Property Transfer Tax	205,000	205,000
Sub-Total	\$16,823,757	\$16,823,757
Licenses, Fees, and Permits		
4210 -Building Permits	1,700,000	1,700,000
4240 -Planning Dept. - Fees	450,000	450,000
4230 -Engineering Services/Land Dev	1,842,500	1,842,500
Sub-Total	\$3,992,500	\$3,992,500
Fines and Forfeitures		
4180 -Fines & Forfeitures	55,000	55,000
Sub-Total	\$55,000	\$55,000
Intergovernmental Revenue		
4145 -Motor Vehicle-Lieu Fees	3,617,449	3,617,449
Sub-Total	\$3,617,449	\$3,617,449
Other Revenue		
4310 -Interest Income	100,000	100,000
4415 -Cable Television	294,545	294,545
4440 - Housing Stock Conservation	30,000	30,000
Sub-Total	\$424,545	\$424,545
Transfer to General Fund		
4750 -Measure A	1,000,000	1,000,000
4710 - Gas Tax	526,115	526,115
Sub-Total	\$1,526,115	\$1,526,115
General Fund Grand Total	<u>\$26,439,366</u>	<u>\$26,439,366</u>

**CITY OF RANCHO CORDOVA
EXPENDITURE BUDGET SUMMARY
Fiscal year 2003-2004**

<u>GENERAL FUND</u>	<u>PROPOSED</u>	<u>ADOPTED</u>
City Council	77,575	77,575
Advisory Boards	11,500	11,500
City Manager	393,341	393,341
City Attorney	450,000	450,000
City Clerk/Elections	229,280	229,280
Finance/Treasurer	240,496	240,496
Personnel Services	34,000	34,000
Planning/Code Enforcement	1,314,000	1,314,000
Building & Safety	1,200,000	1,200,000
Engineering Services	1,985,000	1,985,000
Police Services	9,966,259	9,966,259
Public Works	1,526,115	1,526,115
Animal Care & Regulation	165,800	165,800
Non-Department/General Services	698,600	823,600
Payment To Other Agencies	8,147,400	8,022,400
Total General Fund	\$26,439,366	\$26,439,366

ACTIVITY: CITY COUNCIL

**FUND: GENERAL
DEPARTMENT: CITY COUNCIL
ACTIVITY NO: 10**

EXPENDITURE SUMMARY

<u>DESCRIPTION</u>	<u>PROPOSED</u>	<u>ADOPTED</u>
PERSONNEL SERVICES	\$35,175	\$35,175
SUPPLIES/SERVICES	\$42,400	\$42,400
TOTAL	\$77,575	\$77,575

ACTIVITY DESCRIPTION

The City Council consists of five representatives elected at large. The Council is the policy and legislative body of the City and formulates policy guidelines 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.

BUDGET OBJECTIVES

- ▶ To assure accomplishment of the Strategic Goals established at the March 21 and September 26 Council Workshops
- ▶ To encourage staff to seek out new and innovative approaches to the delivery of public services

COMMENTS ON EXPENDITURE DETAIL

- 5216 - Attend Council-League conferences as needed.
- 5224 - SACOG, League of CA Cities (based on pop.) Memberships
- 5244 - Plaques, awards, Citizens' Commendation, honors to other cities, etc.

ACTIVITY: CITY COUNCIL

FUND: GENERAL
DEPARTMENT: CITY COUNCIL
ACTIVITY NO: 10

EXPENDITURE DETAIL

<u>DESCRIPTION</u>	<u>PROPOSED</u>	<u>ADOPTED</u>
<u>PERSONNEL SERVICES</u>		
5010 - Salary Permanent	30,000	30,000
5110 - Employer Payroll Exp	5,175	5,175
Subtotal	<u>\$35,175</u>	<u>\$35,175</u>
<u>SUPPLIES/SERVICES</u>		
5216 - Conference/Meetings	20,000	20,000
5224 - Dues/Membership	15,400	15,400
5244 - Office Expense	3,500	3,500
5278 - Mileage Reimb	3,500	3,500
Subtotal	<u>\$42,400</u>	<u>\$42,400</u>
TOTAL	<u>\$77,575</u>	<u>\$77,575</u>

POSITIONS

Council Members

PERSONNEL

5.0

ACTIVITY: ADVISORY BOARDS

**FUND: GENERAL
DEPARTMENT: ADVISORY BOARDS
ACTIVITY NO: 15**

EXPENDITURE SUMMARY

<u>DESCRIPTION</u>	<u>PROPOSED</u>	<u>ADOPTED</u>
SUPPLIES/SERVICES	\$11,500	\$11,500
TOTAL	\$11,500	\$11,500

ACTIVITY DESCRIPTION

This budget activity is established to set aside funding in support of the various advisory boards and commissions that the Council will be establishing. Initially, only a Planning Commission has been considered.

COMMENTS ON EXPENDITURE DETAIL

- 5216 - Attendance to Leagues of CA Cities Planning Institute
- 5241 - General support to Advisory Boards
- 5260 - Stipend pay of up to \$50 per meeting
- 5276 - Professional seminars and classes

ACTIVITY: ADVISORY BOARDS

**FUND: GENERAL
DEPARTMENT: ADVISORY BOARDS
ACTIVITY NO: 15**

EXPENDITURE DETAIL

<u>DESCRIPTION</u>	<u>PROPOSED</u>	<u>ADOPTED</u>
<u>SUPPLIES/SERVICES</u>		
5216 - Conference/Meetings	3,500	3,500
5241 - Miscellaneous	1,000	1,000
5260 - Professional Services	5,000	5,000
5272 - Subscriptions/Books	500	500
5276 - Training/Development	1,000	1,000
5278 - Mileage Reimb	500	500
Subtotal	<u>\$11,500</u>	<u>\$11,500</u>
TOTAL	<u>\$11,500</u>	<u>\$11,500</u>

Boards and Commissions to be established by Council.

ACTIVITY: CITY MANAGER

**FUND: GENERAL
DEPARTMENT: CITY MANAGER
ACTIVITY NO: 20**

EXPENDITURE SUMMARY

<u>DESCRIPTION</u>	<u>PROPOSED</u>	<u>ADOPTED</u>
PERSONNEL SERVICES	\$372,341	\$372,341
SUPPLIES/SERVICES	\$21,000	\$21,000
TOTAL	\$393,341	\$393,341

ACTIVITY DESCRIPTION

The City Manager is responsible for carrying out Council policy, and directing and coordinating all City Departments and services. Specific responsibilities include preparation of the Annual Budget, advising the Council on the financial condition and needs of the City, attending Council meetings, representing the City in dealings with other jurisdictions, subject to Council direction, and performing other duties as directed by the City Council.

BUDGET OBJECTIVES

- ▶ To prepare and recommend for adoption a Comprehensive Human Resources Policy Manual
- ▶ To maintain a workplace characterized by innovation, enthusiasm and high standards of accomplishment
- ▶ To instill the concept of the "Citizen is a Customer" philosophy within the organization
- ▶ To prepare and recommend for adoption an Emergency Preparedness Plan
- ▶ To prepare an Economic Development/Retention Plan for adoption by the City Council including a recommendation for funding as part of the six month budget review process

COMMENTS ON EXPENDITURE DETAIL

5216 - League of CA Cities Conferences
5224 - ICMA Membership
5260 - Transitional Consultant

ACTIVITY: CITY MANAGER

**FUND: GENERAL
DEPARTMENT: CITY MANAGER
ACTIVITY NO: 20**

EXPENDITURE DETAIL

<u>DESCRIPTION</u>	<u>PROPOSED</u>	<u>ADOPTED</u>
<u>PERSONNEL SERVICES</u>		
* 5010 - Salary Permanent	251,150	251,150
5015 - Interim Staff	31,200	31,200
5016 - CM Housing	2,489	2,489
5110 - Employer Payroll Exp	21,929	21,929
5115 - Auto Allowance	4,500	4,500
5130 - Benefits	61,073	61,073
Subtotal	\$372,341	\$372,341
<u>SUPPLIES/SERVICES</u>		
5216 - Conference/Meetings	4,000	4,000
5224 - Dues/Membership	1,500	1,500
5260 - Professional Services	15,000	15,000
5272 - Subscriptions/Books	500	500
Subtotal	\$21,000	\$21,000
TOTAL	\$393,341	\$393,341

<u>POSITIONS</u>	<u>PERSONNEL</u>
* City Manager	1.0
Asst. City Manager/ Economic Dev	1.0
* Executive Assistant	1.0
Office Assistant/Receptionist	1.0
Total	4.0
* Assumes less than full year	

ACTIVITY: CITY ATTORNEY

**FUND: GENERAL
DEPARTMENT: CITY ATTORNEY
ACTIVITY NO: 30**

EXPENDITURE SUMMARY

<u>DESCRIPTION</u>	<u>PROPOSED</u>	<u>ADOPTED</u>
SUPPLIES/SERVICES	\$450,000	\$450,000
TOTAL	\$450,000	\$450,000

ACTIVITY DESCRIPTION

The City Attorney works closely with the City Manager and his staff to carry out the Council's goals. The City Attorney directs and manages the work of the City Attorney's Office. 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. It also serves as General Counsel for other boards, commissions and agencies formed by the City (e.g. Parking Authority, Redevelopment Agency). 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 all 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).

BUDGET OBJECTIVES

- ▶ To assist staff and consultants with the preparation of the General plan including:
 - Reviewing and providing comments on all drafts of the General Plan
 - Reviewing and providing comments on the Environmental Impact Report for the General Plan and assisting with the preparation of responses to comments on the Draft EIR
 - Preparing resolutions recommending approval of the EIR and General Plan and for the City Council's approval of both documents
 - Attending and providing advice at all General Plan hearings before the City Council
- ▶ To prepare resolutions establishing development impact fees for public facilities and traffic impact fees. Assist consultants and staff with preparation of reports supporting fee amounts
- ▶ To continue the ongoing preparation of ordinances, Municipal Code updates, agreements, franchises and review of all matters of pending litigation of behalf of City

ACTIVITY: CITY ATTORNEY

**FUND: GENERAL
DEPARTMENT: CITY ATTORNEY
ACTIVITY NO: 30**

EXPENDITURE DETAIL

<u>DESCRIPTION</u>	<u>PROPOSED</u>	<u>ADOPTED</u>
SUPPLIES/SERVICES		
5218 - Contractual Service	450,000	450,000
Subtotal	<u>\$450,000</u>	<u>\$450,000</u>
TOTAL	<u><u>\$450,000</u></u>	<u><u>\$450,000</u></u>

BUDGET OBJECTIVES (Cont'd)

- ▶ To meet regularly with the City Manager and staff to assist in addressing matters pending before the City
- ▶ To complete adoption of Municipal Code
- ▶ To prepare ordinances for removal and amortization of incompatible land uses and maintenance of downtown aesthetics
- ▶ To assist in the completion of necessary revisions to the Zoning Ordinance and other ordinances for General Plan consistency
- ▶ To assist in the expansion of the City's sphere of influence and annexations
- ▶ To review and advise the City Council on the Revenue Neutrality Agreement & other financial issues
- ▶ To provide inclusive and competent legal services to the City by maintaining knowledge of legal requirements stemming from federal and state statutes, regulations, mandates and case law
- ▶ To represent and/or defend the City in most litigation and seek early settlement where such is favorable to the City
- ▶ To seek to provide resolutions of litigation issues through creative legal means, i.e. mediation/alternative dispute resolution
- ▶ To communicate on an on going basis with City Council regarding recent legal issues of significance to the City
- ▶ To coordinate the City Prosecutor/code enforcement program

COMMENTS ON EXPENDITURE DETAIL

5218 - Pre-incorporation legal fees of \$120,000 are being paid over a six month period. \$330,000 is the estimated legal fee for current year, although can adjust if needed at six month budget review.

ACTIVITY: CITY CLERK/ELECTIONS

FUND: GENERAL
DEPARTMENT: CITY CLERK/ELECTIONS
ACTIVITY NO: 41

EXPENDITURE SUMMARY

<u>DESCRIPTION</u>	<u>PROPOSED</u>	<u>ADOPTED</u>
PERSONNEL SERVICES	\$183,630	\$183,630
SUPPLIES/SERVICES	\$45,650	\$45,650
TOTAL	\$229,280	\$229,280

ACTIVITY DESCRIPTION

The City Clerk Department administers the activities pertaining to City Council legislation, processes Council Agendas, manages the public record, and disseminates information concerning Council actions to staff, the public, and other agencies. Publishes legal notices, records minutes, maintains the repository for contracts, deeds and other City documents; performs duties required for improvement districts and community facilities districts; maintains the Rancho Cordova Code; manages an index of legislative actions of the Council. Receives and process claims against the City. Acts as local filing officer for City officials and staff for conflict of interest disclosure statements; maintains logs as required by law. The City Clerk conducts regular/special municipal elections, receives initiative, referendum and other petitions, and is the filing officer for campaign disclosure statements.

BUDGET OBJECTIVES

- ▶ To manage the organization of a new City Clerk Department
- ▶ To prepare a records management system for the department including methods for electronic storage and retrieval of records
- ▶ To coordinate with a code publishing firm to begin the process of assessment and printing of the first City Code
- ▶ To assist with recruitment process for the first permanent City Clerk
- ▶ To train staff as required

COMMENTS ON EXPENDITURE DETAIL

- 5216 - Sacramento Clerk Assoc, 4 League of Ca Cities meetings, Election Seminars
- 5225 - Pre-Nov 4, 2004 Election Costs
- 5244 - Document filing, proclamation papers
- 5258 - Legal Notice Publications
- 5260 - Codification System - Possible Joint Venture with City of Elk Grove to prepare first code for cost savings.

ACTIVITY: CITY CLERK/ELECTIONS

FUND: GENERAL
DEPARTMENT: CITY CLERK/ELECTIONS
ACTIVITY NO: 41

EXPENDITURE DETAIL

<u>DESCRIPTION</u>	<u>PROPOSED</u>	<u>ADOPTED</u>
<u>PERSONNEL SERVICES</u>		
* 5010 - Salary Permanent	120,000	120,000
5015 - Interim Staff	25,000	25,000
5020 - Salary Temporary		
5110 - Employer Payroll Exp	10,880	10,880
5130 - Benefits	27,750	27,750
Subtotal	\$183,630	\$183,630
<u>SUPPLIES/SERVICES</u>		
5216 - Conference/Meetings	5,000	5,000
5224 - Dues/Membership	650	650
5225 - Election Costs	4,000	4,000
5244 - Office Expense	2,500	2,500
5258 - Printing/Advertising	10,500	10,500
5260 - Professional Services	20,000	20,000
5272 - Subscriptions/Books	500	500
5278 - Mileage Reimbursement	2,500	2,500
Subtotal	\$45,650	\$45,650
TOTAL	\$229,280	\$229,280

<u>POSITIONS</u>	<u>PERSONNEL</u>
* City Clerk	1.0
* Deputy City Clerk	1.0
* Office Assistant	<u>0.5</u>
Total	2.5

* Assumes less than full year

