



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.

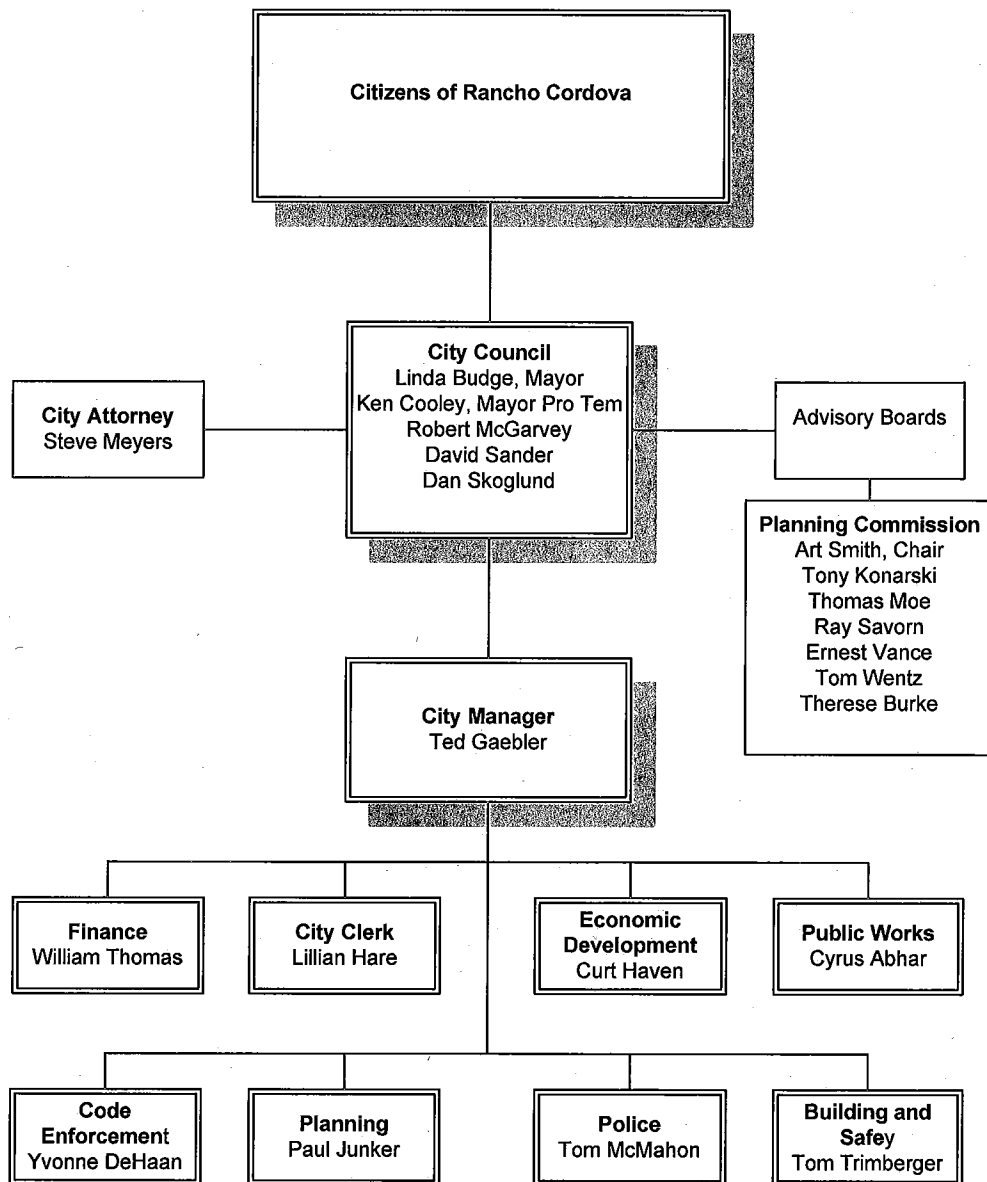
We will be vigilant in keeping our eyes on any developments with the State budget, the Federal revenue picture and the national and regional economies, and any other trends that may impact our ability to provide services.

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

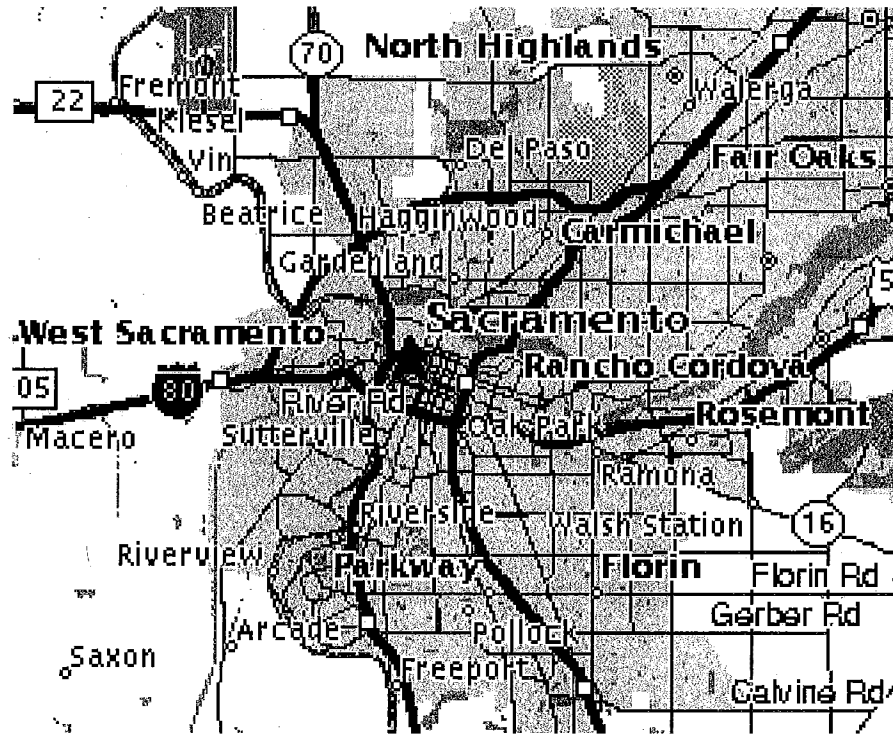
City of Rancho Cordova, CA
Organizational Chart



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.

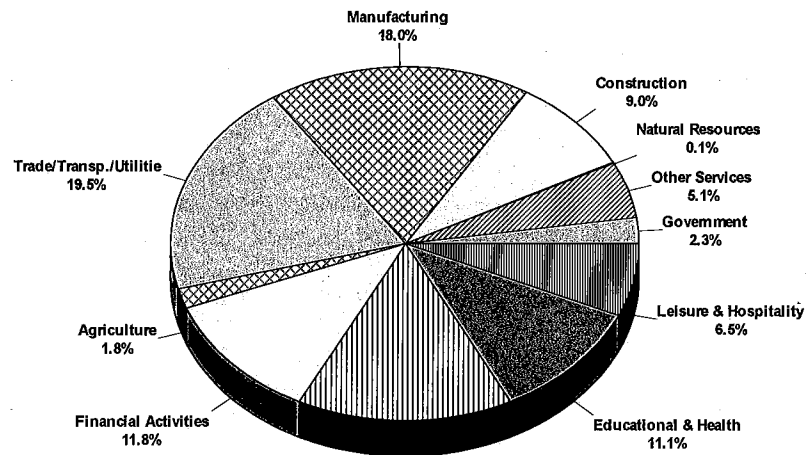
Today, Rancho Cordova's job base is among the largest and strongest in the region. Approximately 65,000 people commute to work each day – a number which is projected to double over the next 20 years.

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.ranhocordovapd.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.

