

JAMES C. BABINActing City Manager

July 25, 2012

The Honorable Mayor and City Councilors City of Rio Rancho 3200 Civic Center Circle NE Rio Rancho, New Mexico 87144

RE: Submission of the City's Infrastructure and Capital Improvement Plan (ICIP) for Fiscal Years 2013-2018

Mr. Mayor and City Councilors:

Pursuant to Article VI of the City Charter, I am submitting a complete copy of the City's Infrastructure and Capital Improvement Plan (ICIP) for Fiscal Years 2013-2018 (July 1, 2012-June 30, 2018). While the ICIP does not impart legal authority for capital spending outside of Fiscal Year 2013, the document does constitute the primary basis upon which subsequent annual capital budgets will be formulated and presents a multi-year projection of capital needs and financing requirements.

The final ICIP reflects the collective effort of several City departments and various levels of management and staff. The ICIP document is intended to be a planning document and financial management tool that projects capital needs and priorities while identifying future financing requirements over the planning period. As such, the goals of the capital program as set forth in the policy contained herein are as follows:

- 1. Consistently make decisions related to infrastructure and capital improvement aligned with the adopted Strategic Plan.
- 2. Promote financial stability and focus attention on the City's long term financial capacity to meet capital and operational needs.
- 3. Effectively communicate the City's priorities and plans for undertaking capital projects to internal and external stakeholders.

The document is organized around eight specific project categories, including: General Government and Other Departments; Police; Fire and Rescue; Parks, Recreation, and Community Services; Drainage; Transportation; Utility-Water; and, Utility-Wastewater. Each project category consists of the following components:

- 1. A summary table containing each planned project in order of priority rank.
- 2. Financing summaries presented in tabular format by fiscal year and in chart format for the aggregate planning period.
- 3. Detailed project information for select individual projects containing project descriptions and scope, justification, history and status, and cost and funding information.
- 4. Recent past results and accomplishments related to completed or ongoing infrastructure and capital improvement projects.

PROJECT HIGHLIGHTS BY PROJECT CATEGORY: FISCAL YEARS 2013-2018

Fire and Rescue

Fire Apparatus

The FY13 ICIP includes the need for acquisition of fire apparatus, such as fire engines, ambulances, and ladder trucks in the amount of \$6.4 million through Fiscal Year 2018. Recent acquisitions include two fire engines placed into active front line service in summer 2010 and refurbishment of two ambulance units in fall 2010. The Department also awaits delivery of a new ambulance unit and will place into service a replacement wildland fuel truck chassis funded in Fiscal Year 2012. While \$5.9 million of the estimated need remains unfunded, the Fiscal Year 2013 budget includes \$110,000 of general fund resources and \$75,000 of state grant funds for acquisition of a replacement ambulance unit.

Fire and Rescue Headquarters, Cleveland H.S. Area Fire and Rescue Station, and Emergency Operations Center

The City continues to identify and evaluate project alternatives related to a centralized location for the administration, training, and emergency operations of fire and rescue services. The project included in the FY13 ICIP involves design and construction of a 4.5 acre campus that would consist of a 10,000+ square foot administration headquarters; 5,100 square foot fire and rescue station; and, training and emergency operations facilities. The proposed campus could be phased and would be located on land to be donated by the Rio Rancho Public Schools near the V. Sue Cleveland High School. Total project costs are estimated at \$5.7 million with construction contingent upon identification of financing for the facility.

Police Department

Police Vehicle Replacement

The Department has identified replacement of its aging police patrol fleet as its most pressing capital need in the FY13 ICIP. Currently, 31 percent of the 160 law enforcement vehicle fleet has in excess of 100,000 miles and an additional 15 percent will potentially reach that mileage within the next year. Since Fiscal Year 2010, the Department has procured a total of 28 replacement police vehicles funding by various sources, including federal grants, special fund loan proceeds, public safety impact fees, and general fund revenues. The Fiscal Year 2013 budget includes plans to acquire 14 replacement police vehicles via a combination of cash and debt financing. The capital (\$148,275) and operating (\$88,685) budgets include the cash financing portion for six police vehicles while estimated debt service payments for three years of an anticipated four year loan (\$216,084) have been transferred to and set aside in the Law Enforcement Fund.

Police Substations

In order to enhance police services throughout the City, and to better serve specific geographic areas within the 104 square mile area of the City limits, projects for north and south police substations have been included for Fiscal Years 2015 and 2016, and Fiscal Years 2016 and 2017, respectively. Project costs, including planning, land acquisition, and construction of two 13,000 square foot substations are currently estimated at a little over \$2 million each. Funding remains largely to be determined at this time.

Multi-purpose Law Enforcement Training Complex

The project involves construction of a multi-purpose training complex, including classroom space, driving track, and multiple firing ranges for use in police training exercises. The facility would be located on approximately 12 acres of land in a remote location within the City and would be utilized by multiple units within the Department as well as by external law enforcement agencies, including the City's Special Weapons and Tactics (SWAT) and Perimeter Teams, national training entities, and surrounding police agencies in Sandoval County and Metropolitan area. The project is programmed for Fiscal Years 2017 and 2018 at a total cost of approximately \$2.5 million. Funding remains to be determined at this time.

Transportation

Westside Boulevard Permanent Roadway Improvements

In the spring of 2010, the City completed two lane road improvements at a cost of \$381,266 to open the roadway in support of development in the area, including the new Presbyterian Hospital and the Village Commercial Center. Widening of Westside Blvd. from Wellspring Ave. to Unser Blvd. was completed in the summer of 2011 at an additional cost of \$209,838. Additional roadway improvements for the entire 6,500 linear foot length were planned in Fiscal Year 2012, however the 2011/2013 General Obligation Road Bonds were defeated in the March 2011 election and the project remains unfunded. The estimated cost of the project has been revised to \$2.2 million and funding is to be determined at this time.

Unser Boulevard. Widening-Phase II

The project consists of access control and widening of Unser Blvd. between Farol Rd. and Progress Blvd. from two lanes to four lanes, with build out of six lanes by 2030. As one of only three major north-south roadway facilities serving the urban west side of the Metropolitan area, the project is a high priority for the City as the growth potential of areas such as the City Center is realized. Because of the extensive cost of the roadway widening project (estimated at \$34 million), the project will be phased beginning with Phase IIA: Paseo del Volcan to King Blvd.; then, Phase IIB: Cherry Rd. to Paseo del Volcan; and lastly, Phase IIC: King Blvd. to Progress Blvd.

Construction commenced on Phase IIA in February 2012 to be completed in October 2012. Major sources of funding for the project include 2009 general obligation bond proceeds (\$8 million), federal grant funds (\$4.7 million), state grant funds (\$4.59 million), and road impact fees (\$1.14 million).

Idalia Road Reconstruction (NM HWY528 to Iris Road)

The project involves reconstruction of the two lane roadway, including the addition of bike lanes, sidewalks, street lighting, and intersections where needed. The project is planned for design in Fiscal Year 2013 and construction in Fiscal Year 2015. The City is slated to receive federal surface transportation funding for the project in the amount of \$11,430,830. The City is required to match an

amount of \$1.9 million as a condition of receiving federal funding and has budgeted \$282,173 of road impact fees in Fiscal Year 2013 for the first grant cooperative agreement expected from the New Mexico Department of Transportation (NMDOT) after October 2012.

Utility-Water

Water Rights Acquisition

The City's water rights acquisition liability is approximately 16,000 acre feet within the next 50 years under two Office of State Engineer (OSE) permits authorizing diversion of up to 24,000 acre feet per year. The 1979 permit is based on the effect of the City's ground water pumping on the Rio Grande River in excess of return flow from effluent discharge, and the City has acquired and applied approximately 3,800 acre feet towards permit requirements. The City's obligation to purchase water rights under the 2003 permit has been satisfied for the first three periods through 2022. Acquisition of water rights has been funded through a combination of Utility Operating Revenues, Utility Bond Proceeds, Water Rights Acquisition Fees, and two Water Rights Loans entered into in January and December of 2011. The balance of capital funds available for purchase of additional water rights is \$1,915,131, while estimated recurring revenue from the water rights acquisition fee available through Fiscal Year 2018 to finance new water rights purchases is \$5.3 million.

City Center Booster Station and Transmission Line from 26th Street to 30th Street
To support development in the City Center and Central Business District, the City has prioritized the \$2.3 million project to allow greater flexibility in the allocation of water resources to the area. Design and land acquisition was completed in the summer of 2011 and construction commenced in spring 2012. The project is anticipated to be complete in fall 2012.

Water Line Extension from Paseo Gateway to Enchanted Hills including Paseo Gateway Water Tank
The project will provide additional water supply and storage to the Paseo Gateway and Enchanted Hills
areas. Total project cost is estimated to be \$3.7 million and the project involves three phases. Phase IIA
consists of a Zone 3 to Zone 2 waterline and pressure reducing valve. Phase IIB consists of a 4 Million
Gallon Per Day (MGD) water tank. Phase III consists of a transmission line from the 4 MGD reservoir
and transmission line and altitude valve in Zone 2 to Reservoir 12. Construction of Phase IIA
consisting of the water line extension within the Paseo Gateway Area that ties to the existing line
serving the V. Sue Cleveland High School was completed in May 2010. Design of Phase IIB is one
hundred percent complete and land acquisition has been completed. The Fiscal Year 2013 capital
budget includes \$200,000 of water impact fees for a portion of the Phase III water line however the
larger project remains underfunded in the amount of \$2.6 million.

Equipping Well 23 at Site S-27

Well drilling was completed in December 2008 and design of permanent well site facilities was completed in November 2011. Total cost for the drilling phase of the project was \$2.9 million and project costs associated with equipping and constructing the well facility are currently estimated to be \$15.5 million. The future well site will meet water availability commitments for the Paseo Gateway development, accommodate future growth in the Central Business District, and provide a redundant source of water supply for the Enchanted Hills area.

Utility-Wastewater

Wastewater Treatment Plant #6 Expansion and Effluent Pump Station and Reuse Line to Wastewater Treatment Plant #2

The project will expand treatment capacity at the plant while the pump station and waterline will deliver reuse water from Wastewater Treatment Plant (WWTP) #6 to WWTP#2, providing irrigation for various city park facilities, the Rio Rancho Sports Complex, the Cabezon subdivision, and the Chamisa Hills Country Club. Treated effluent water will also be used for direct injection activities related to the aquifer recharge project currently in progress. Construction of three segments of the reuse pipeline has been completed from: 1. WWTP#6 to 27th Street and Southern Blvd.; 2. Phase I-Montoya's Arroyo; and, 3. Southern Blvd. and Nicklaus Dr. through the Chamisa Hills Golf Course area. Installation of the membrane filtration system at WWTP#6 is anticipated to be complete in fall 2012 and construction of the remaining project scope is planned for Fiscal Year 2013. The project is financed primarily with proceeds of a limited obligation loan from the New Mexico Environment Department (NMED) in the principal amount of \$25 million.

Montoya's Arroyo Sewer Upgrade-Phase 3

The project involves installation of a new 22" sanitary sewer pipe to replace the existing 15" pipe that will be capped and abandoned in place. Project cost is estimated to be \$3.65 million and the project is only partially funded at this time. Substantial rain events in the arroyo during 2010 that resulted in damage to the sewer line caused the project to elevate in priority ranking to the number four project in the Wastewater facility category.

Parks, Recreation, and Community Services

Meadowlark Senior Center Parking Lot

Parking lot renovations are necessary to meet federal requirements established by the American with Disabilities Act (ADA). Design of Phase I improvements addressing ADA issues in areas immediately surrounding the senior center has been completed with Community Development Block Grant (CDBG) funding received in Fiscal Year 2010. The Department awaits notice of award on its Fiscal Year 2013 CDBG application for Phase II design services and an amount of \$350,000 in state severance tax bond proceeds has been authorized by the 2012 Legislature for construction of Phase I improvements to be completed in Fiscal Year 2013. Phase I improvements include replacing sidewalks and wheelchair ramps leading to the building and new asphalt paving on the north side of the building.

New Senior Center

Design and construction of a new 30,000 square foot senior center will be phased beginning with design in Fiscal Years 2012 and 2013, land acquisition in Fiscal Year 2014, and construction in Fiscal Years 2014 and 2015 subject to funding availability. The City has secured two capital outlay appropriations in the aggregate dollar amount of \$584,000 to plan, design, equip, and furnish a senior center, while an estimated \$15.4 million in funding remains to be determined. Additional capital outlay requests and/or state grant requests through the New Mexico Aging and Long-Term Services Department may be pursued.

Sports Complex North

Comprehensive facility master planning continues for the phasing of the Rio Rancho Sports Complex North located between the Vista Entrada and Lomas Encantadas developments. Construction of Phase I-A was successfully completed in January 2010 and Cibola Little League began use of the facility for the 2010 summer baseball season. Phase 1-A consisted of construction of two 215' artificial turf

outfield little league fields with chain link and metal panel fencing, dugouts, and backstops; concrete ADA parking lot; dirt parking lot with compacted base course; post and cable perimeter fencing; and irrigation and native revegitative seeding of disturbed areas. The estimated cost of accomplishing full build out of the Sports Complex North is approximately \$13 million and planned expenditures extend past Fiscal Year 2018. All planned expenditures are contingent upon identification of funding and the Department is currently exploring phasing options.

Convenience and Recycling Center

While the existing site plan for the future City Maintenance Yard includes space for a convenience and recycling center, the Department has partnered with Sandoval County in the interim for co-location of a center at the County's old gate house and transfer station. Sandoval County has made road, equipment, and other site improvements while the City purchased bailer equipment in Fiscal Year 2011 and storage containers and a mobile office space in Fiscal Year 2012. The Fiscal Year 2013 capital budget includes an additional \$20,000 of environmental gross receipts tax revenue for a Prefabricated Hazardous Material Storage Building.

Park Water Conservation

The Olympus Grass Removal project was expanded in Fiscal Year 2012 to encompass other park locations identified for turf replacement, including King Meadows, High Range Park, Nicklaus Park, and Havasu Falls Park. In the FY13 ICIP, the project has been updated again for additional park locations including Canyon Park in the North Hills neighborhood and Cabezon Park. To date, work at High Range Park and King Park has been completed, while work at Olympus, Canyon, Havasu Falls, and Cabezon Parks will commence in Fiscal Year 2013. Total project cost is estimated to be \$116,672 and funding is only lacking for Nicklaus Park (\$20,000). Conversion of existing turf areas at all planned park projects is expected to produce annual savings of \$39,913 for a pay off period of approximately three years.

Park Above

The project consists of designing, constructing, and equipping the state's first one hundred percent all inclusive regional park facility which will offer uniquely configured parkscape elements and special features for children with disabilities. Research and conceptual design commenced in the fall of 2011 and the land adjacent to the Rust Medical Center has been identified pursuant to a Memorandum of Understanding with Presbyterian Hospital. The City is slated to receive an estimated \$1,326,148 in state severance tax bond proceeds in Fiscal Year 2013, while other sources of funding include commitments by partners: Sandoval County, Intel, Sandia National Laboratories, and the non-profit group, A Park Above, Inc. The Department intends to work with Mayor Swisstack and other partners to secure additional funding to begin construction in 2013.

Drainage

Los Milagros Channel Improvements

The project involves channel improvements from the outlet of the Los Milagros Subdivision pond across Gemini Road, across Chessman Road to the Los Montoyas Arroyo. The project is required to protect road crossings and allow further development in the area. The Fiscal Year 2013 capital budget includes \$100,000 in drainage impact fees for the project however the project lacks an estimated \$326,108 in additional funds for construction.

Red River Watershed/Monterey-Granada Drainage Improvements

The project involves construction of a drainage pond at the intersection of Granada Road and Monterey

Road, and redesign and construction of the drainage system from Sonora Road through the pond and out to the NM HWY 528 right of way. Land acquisition was completed in Fiscal Year 2008 and design of the pond and outlet pipe was completed in May 2009. The project is necessary to allow development in the area and for other public improvements in the surrounding residential areas to be successful.

General and Other

City Maintenance Yard

The City continues to identify and evaluate project alternatives related to a new maintenance yard facility that would serve various support functions as well as provide direct services to citizens. Current preliminary project plans involve phasing of site work/preparation, fencing, and construction of a fuel station, building maintenance facility, fleet maintenance facility, parks maintenance facility, traffic operations and construction inspections facility, and convenience and recycling center on roughly 14 acres of City owned and private residential land on the southeast corner of the intersection of Kim Road and Idalia Road. Total project costs are currently estimated at nearly \$11 million. The project had been moved from a current need in the FY10 ICIP to an intermediate term need in the FY11 and FY12 ICIPs and remains as such in the FY13 ICIP, to commence project activity in Fiscal Year 2014. The change was made due to lack of funding for the project and the tentative nature of the current plan, given other options/alternatives being explored for relocation of the fleet maintenance, building maintenance, and custodial functions. The City has extended its contract term for lease of its current facility on Southern Boulevard to through July 31, 2012.

CAPITAL SPENDING OVERVIEW: FISCAL YEARS 2013-2018

In the aggregate, the City's capital program consists of 212 projects at a total estimated cost of \$744.9 million for the planning period beginning on July 1, 2012 and ending on June 30, 2018 (FY13-FY18). Similar to past ICIPs, the major project categories accounting for the most substantial portions of the aggregate program are Transportation and Drainage (48%) and Utilities-Water and Wastewater (39%).

A complete breakdown of planned capital spending by project category and fiscal year is presented in a summary page following this message.

The size of the capital program has decreased by \$7.4 million or 1 percent compared to last year's plan.

ICIP Comparison: FY12-17 and FY13-18

	FY12-17	FY13-18	\$ Change	% Change
General and Other	\$ 19,232,059	\$ 20,570,808	\$ 1,338,749	7%
Police	\$ 12,034,738	\$ 10,633,484	\$ (1,401,254)	-12%
Fire and Rescue	\$ 17,905,597	\$ 18,715,713	\$ 810,116	5%
Parks, Rec. and Comm. Services	\$ 38,884,640	\$ 49,675,852	\$ 10,791,212	28%
Drainage	\$ 50,970,258	\$ 44,499,000	\$ (6,471,258)	-13%
Transportation	\$ 296,163,852	\$ 310,744,537	\$ 14,580,685	5%
Utilities-Water	\$ 127,914,919	\$ 114,139,563	\$ (13,775,356)	-11%
Utilities-Wastewater	\$ 189,226,268	\$ 175,965,921	\$ (13,260,347)	-7%
	\$ 752,332,331	\$ 744,944,878	\$ (7,387,453)	-1%

The most significant changes in the size of the capital program are attributable to the following changes:

Project Category

- General and Other: In the FY13 ICIP, a revised needs assessment for general fleet vehicle acquisition produced an increase of approximately \$1.9 million. This together with the net effect of removing completed projects and adding Fiscal Year 2013 projects resulted in a net increase of \$1.3 million to the project category. Projects completed in Fiscal Year 2013 included installation of fiber optic conduit for the Police Headquarters at Quantum, acquisition of alarm billing software, and miscellaneous equipment for the Joint Utility.
- -*Police:* The decrease of \$1.4 million to the Police project category is mostly attributable to an accounting change effective July 1, 2012, whereby police vehicle equipment will not be capitalized as part of acquiring replacement police vehicles. The unit cost of a police sedan is estimate to be \$37,000, of which \$23,000 is expected to be capitalized. The unit cost of a police sport utility vehicle is estimated to be \$44,000, of which \$29,000 is expected to be capitalized.
- -Fire and Rescue: The increase of over \$800,000 to the Fire and Rescue facility category is attributable to a revised acquisition schedule for fire apparatus. An additional replacement engine has been added and the Department's goal is to acquire medium duty ambulances to replace the current light duty fleet instead of remounting ambulance boxes on new light duty chassis.
- -Parks, Recreation, and Community Services: The \$10.8 million increase to the Parks and Recreation capital plan is the net result of changes to cost estimates; removal of projects; and, the addition of new projects to the FY13 ICIP. Major items of revision include:
 - Increased cost estimates for the New Senior Center (\$7 million) and the Sports Complex North projects (\$2.6 million). Decrease of \$250,000 across several projects primarily for work completed on projects in progress.
 - Removal of over \$840,000 in projects, including Aquatic Center Solar Water Heating Retrofit (\$130,000); Pool Repair and Improvement (\$300,000); and, RC Model Car Race Track (\$320,000).
 - Addition of \$2.3 million in projects, namely renovation and improvement plans for Haynes Recreation Center and Pool, Rainbow Pool, Star Heights Recreation Center, and Cabezon Recreation Center.
- -Drainage: The \$6.5 million reduction in the Drainage facility capital plan is the result of changes to cost estimates and removal of projects. Major items of revision include:
 - Reduction of approximately \$2.9 million in Special Assessment District (SAD) projects.
 - Reduction of \$2.5 million for expansion of the Broadmoor Drainage System. Associated drainage work has been included in the Broadmoor Blvd. extension project in the Transportation ICIP.
 - Reduction of \$1.1 million to several other projects, including Industrial Park East (\$500,000); Redriver Watershed (\$153,000); Lisbon Channel at Tulip Rd. (\$200,000); and, the completed Lisbon Culvert Crossing project (\$252,000).

-Transportation: The estimated cost of the City's transportation needs through Fiscal Year 2018 has been increased by \$14.6 million or 5 percent. The net increase is attributable to: revisions in estimated costs; accounting for actual expenditures to date for projects contained in the ICIP; removal of completed projects; deletion of projects; and, the addition of several new projects. Major items of revision include:

- A total increase of \$2.4 million in new projects, including: Paseo del Volcan Landscaping at US550 (\$328,000); Paseo del Volcan Traffic Signal at US550 (\$300,000); Loma Colorado Trail from Huron Dr. to Rio Rancho Middle School (\$65,000); Sara Rd and Meadowlark Lane Roundabout (\$750,000); and, Intersection Improvements @ Idalia Rd. and Loma Colorado Blvd. (\$950,000).
- A reduction of approximately \$136,000 for deleted projects, including: the Tarpon Sidewalks (\$36,000) project, which was consolidated with other FY12 Local Government Road Fund projects; and the Rockaway and NM Hwy 528 Realignment project (\$100,000).
- A reduction of \$5.8 million for completed projects removed from the FY13 ICIP, including: Loma Colorado Improvements at Paseo del Volcan (\$194,549); Paseo del Volcan Extension to US550 (\$221,450); Northern Blvd. Widening from Broadmoor Blvd. to 35th Ct. (\$3.8 million); Wellspring Avenue (\$1.5 million); and, Deceleration Lane at US550 and Paseo del Volcan (\$104,712).
- A net increase of \$18.1 million for projects carried forward from the FY12 approved ICIP, including:
 - o Net increase to cost estimates of \$25.3 million, namely Pavement Preservation, King Blvd. Construction, and Broadmoor Blvd.-Phases I and II.
 - o Reduction of approximately \$7.2 million in prior year expenditures made for Westside Blvd. Improvements, Unser Blvd.-Phase IIA Improvements, Idalia Rd. Improvements, Leon Grande Sidewalks, and Lisbon Ave. Sidewalk Improvements.

-Utilities-Water and Wastewater: A decrease of \$27 million from the previously approved Utilities ICIP is incorporated in this year's plan to reflect changes to cost estimates, accounting for project to date expenditures, and deletion and addition of projects resulting from revisions in the overall infrastructure needs assessment. The Water and Wastewater project categories include all capital projects necessary to meet system maintenance and improvement requirements for existing development, and new infrastructure needs based on utility availabilities issued by the City.

The Water facility category decreased by a net amount of \$13.7 million. The change reflects the following: a net decrease of \$7.6 million in cost estimates for projects carried over from FY12 ICIP; an aggregate decrease of nearly \$1.5 for project to date expenditures for projects carried over from the FY12 ICIP; an aggregate decrease of \$5.2 million for deleted projects; and, an aggregate increase of nearly \$600,000 for new projects added to the FY13 ICIP.

The Wastewater facility category decreased by a net amount of \$13.26 million. The change reflects the following: an aggregate decrease of \$3.5 million in cost estimates for projects carried over from the FY12 ICIP; an aggregate decrease of \$3.6 million for project to date expenditures for the WWTP#6 Expansion and Montoya's Arroyo Phase 3 projects; an aggregate decrease of \$7.8 million for deleted projects; and, an aggregate increase of \$1.7 million for new projects added to the FY13 ICIP.

CAPITAL FINANCING OVERVIEW: FISCAL YEARS 2013-2018

At the time of publication of the final ICIP, the City has affirmatively and/or tentatively identified funding sources for 11 percent of the total capital spending planned to occur through Fiscal Year 2018. Sources include both pay-as-you-go (use of current financial resources) and debt financing sources, while 89 percent of the total program funding is yet to be determined.

The City continuously identifies funding for high priority projects throughout the fiscal year and an effort has been made in the FY13 ICIP to accurately represent the funding gap that exists between capital needs as identified in this plan and financial resources available for those needs. A continuing effort in the Fiscal Year 2013 will be to utilize the City's debt capacity and affordability analysis such that the City can plan for future general obligation and limited obligation debt for high priority projects.

The table below presents a broad look at the capital financing position of the FY13-18 ICIP. A more detailed break out of funding by source and fiscal year is presented in a summary page following this message.

Type of Financing	FY13	% of Total	FY14-18	% of Total
Pay as You Go	\$ 24,276,804	25%	\$ 25,741,443	4%
Debt Financing	\$ 29,130,946	30%	\$ -	0%
To Be Determined*	\$ 44,558,940	45%	\$ 621,236,745	96%
TOTAL	\$ 97.966.690	100%	\$ 646,978,188	100%

^{*}Amounts "To Be Determined" are considered deferred capital needs until funding is identified.

Fiscal Year 2013 Capital Budget

Fund	\$ Amount
General Fund	\$ 60,505
Special Funds	\$ 1,167,649
Utility Funds	\$ 4,032,072
TOTAL	\$ 5,260,226

General Fund: \$60,505

Capital outlay in the General Fund typically consists of items such as equipment and software. Larger capital items and improvements such as vehicle and heavy machinery acquisition, and building and facility improvements are funded through transfers to capital funds, such as the Equipment and Building Replacement Funds. General Fund capital outlay for Fiscal Year 2013 includes a Large Format Printer/Plotter for the Public Works Department (\$6,010); a Tire Changing Machine for the Fleet Maintenance Division (\$17,495); a combination Cardiac Monitor/Defibrillator for the Fire Department (\$27,000); and, Software Upgrades for the Comprehensive Annual Financial Report (\$10,000). The capital outlay budget for Fiscal Year 2013 is \$112,391 less than Fiscal Year 2012 actual expenditures.

Special Funds: \$1,167,649

Special funds are established to account for revenue sources related to specific activities and objectives that require segregated accounting for restricted or committed purposes. Major capital projects funded in Fiscal Year 2013 via special fund resources include:

- -Vehicle Replacement, including Animal Control Truck and Destroyed Vehicle Replacement Contingency: \$72,000 (Equipment Replacement Fund)
- -Building and Facility Improvements, including Water Conservation Projects: \$83,096 (Building and Facility Replacement Fund; Infrastructure Rehabilitation Fund)
- -Batwing Mower for Park Facility Maintenance: \$35,000 (Equipment Replacement Fund)
- -Police Vehicles: \$148,275 (Law Enforcement Fund; Public Safety Impact Fee Fund)
- -Ambulance Unit: \$185,000 (Emergency Medical Services Fund; Public Safety Impact Fee Fund)
- -Fire Rescue Headquarters Design: \$70,000 (Public Safety Impact Fee Fund)
- -Pedestrian, Traffic Calming, ADA Sidewalk Improvements, and Road Restoration: \$35,292 (Municipal Gas Tax Fund)
- -Idalia Rd. Reconstruction: \$282,173 (Road Impact Fee Fund)
- -Trail Connections: \$6,336 (Bikeway and Trail Impact Fee Fund)
- -Parks Improvements, including Big Brothers, Big Sisters Park, Rainbow Park Observatory, and Cielo Grande Park: \$39,134 (Park Impact Fee Fund)
- -Los Milagros Channel Improvements: \$100,000 (Drainage Impact Fee Fund)
- -Recycling Center Hazardous Waste Storage Building: \$20,000 (Environmental Gross Receipts Tax Fund)
- -Well Rehabilitation: \$91,343 (Environmental Gross Receipts Tax Fund)

<u>Utility Funds: \$4,032,072</u>

Capital outlay in the Utilities Funds contains items such as equipment and major infrastructure projects. Funding for capital projects is made available through a combination of transfers from Utilities operating sources, grants, impact fees, loan proceeds, bond proceeds, and interest earnings. Major capital projects funded in Fiscal Year 2013 via Utility fund resources include:

- -Meter Installations and Change Outs: \$1,008,000 (Utility Operating/Net Revenue)
- -Vehicle and Heavy Machinery Replacement: \$750,350 (Utility Operating/Net Revenue)
- -Water Rights Acquisition: \$1,010,952 (Water Rights Acquisition Fee Revenue)
- -Rebuild/Repair to Wastewater Treatment Plants # 2A, 2B, and 3: \$400,000 (Utility Operating/Net Revenue)

In closing, I believe this capital program recommendation accurately represents the capital priorities of the City as identified through department level capital needs assessment, asset management, and ongoing infrastructure planning. Project financing has been identified to the extent practicable given the uncertainty of funding and dedicated revenue sources associated with capital projects. Additional work will be undertaken by City staff throughout the fiscal year to identify resources for capital projects.

Respectfully,

James C. Babin City Manager

amb 300

City of Rio Rancho, New Mexico Reconciliation of the FY2013-2018 Infrastructure and Capital Improvements Plan (ICIP) to the FY2013 Capital Outlay Budget July 25, 2012

Total FY2013 ICIP Spending Amount

\$5,260,226

Amounts budgeted as	capital outlay	in the	FY2013	budget
are different because:				

Capital spending resulting in a physical asset not costing \$10,000 or more and not having a useful life of at least 10 years are not included in the ICIP

101-1705-412-7015-Case Management Server/Software Update	\$ 6,000	
101-3510-450-7025-Rainbow Pool Circulation Pump	\$ 8,000	
101-5520-441-7025/GIS Receiver	\$ 8,400	
501-7020-530-7034/Hydrant Meters	\$ 47,960	
501-7035-550-7025/Treatment Plant Heaters and Air Conditioning Units	\$ 21,127	\$ 91,487

Amounts budgeted for under the professional services line item are included in the ICIP because they are related to a larger capital expenditure, however the likelihood of capitalization of the expenditure as a City asset is uncertain at the time of publication of this document

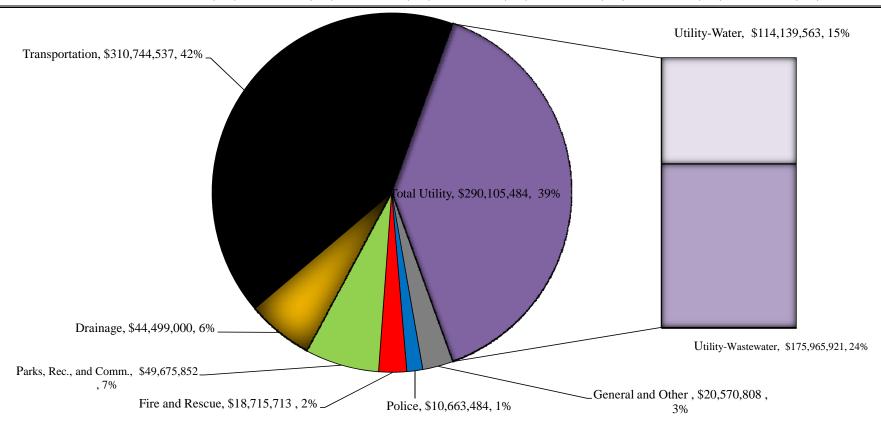
\$ - \$ -

Total FY2013 Capital Outlay Budget Amount

\$5,351,713

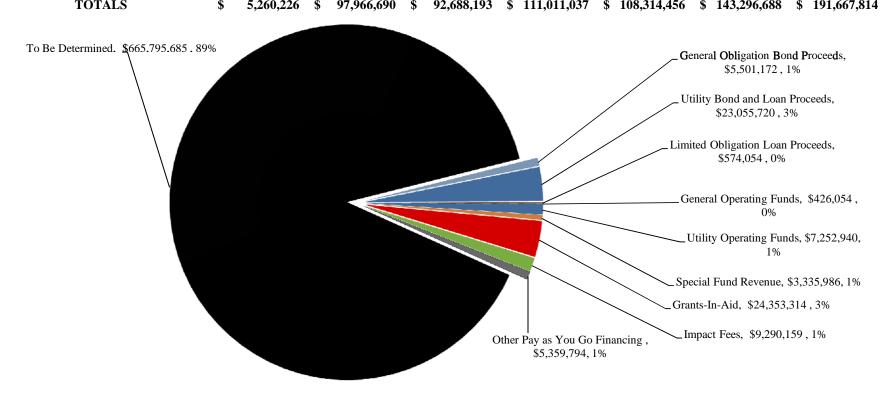
Final Infrastructure and Capital Improvement Plan (ICIP) Allocations by Project Category: FY13-FY18

	Total No.	FY2013	FY2013						
Project Category	of Projects	Budget	Total	FY2014	FY2015	FY2016	FY2017	FY2018	TOTALS
General and Other	10	\$ 114,188	\$ 1,080,203	\$ 1,931,408	\$ 4,351,323	\$ 3,633,316	\$ 9,439,558	\$ 135,000	\$ 20,570,808
Police	6	\$ 148,275	\$ 1,158,780	\$ 1,212,672	\$ 534,372	\$ 2,635,876	\$ 2,353,832	\$ 2,737,952	\$ 10,633,484
Fire and Rescue	7	\$ 282,000	\$ 2,327,588	\$ 964,406	\$ 6,608,719	\$ 4,100,000	\$ 2,497,000	\$ 2,218,000	\$ 18,715,713
Parks, Rec., and Comm.	44	\$ 180,893	\$ 3,470,533	\$ 13,353,004	\$ 14,019,183	\$ 6,821,618	\$ 10,839,214	\$ 1,172,300	\$ 49,675,852
Drainage	22	\$ 100,000	\$ 7,035,000	\$ 10,408,000	\$ 9,316,000	\$ 5,310,000	\$ 5,845,000	\$ 6,585,000	\$ 44,499,000
Transportation	66	\$ 317,465	\$ 41,723,881	\$ 27,185,075	\$ 34,757,407	\$ 50,926,740	\$ 67,170,489	\$ 88,980,945	\$ 310,744,537
Utility-Water	27	\$ 3,698,405	\$ 9,773,557	\$ 9,206,927	\$ 22,679,302	\$ 32,279,429	\$ 30,422,795	\$ 9,777,553	\$ 114,139,563
Utility-Wastewater	30	\$ 419,000	\$ 31,397,148	\$ 28,426,701	\$ 18,744,731	\$ 2,607,477	\$ 14,728,800	\$ 80,061,064	\$ 175,965,921
TOTALS	212	\$ 5,260,226	\$ 97,966,690	\$ 92,688,193	\$ 111,011,037	\$ 108,314,456	\$ 143,296,688	\$ 191,667,814	\$ 744,944,878



Final Infrastructure and Capital Improvement Plan (ICIP) Financing by Source: FY13-FY18

TOTALS	\$	5,260,226	\$	97,966,690	\$	92,688,193	\$	111,011,037	\$ 108,314,456	\$	143,296,688	\$	191,667,814	\$	744,944,878	
Limited Obligation Loan Proceeds	\$	-	\$	574,054	\$	-	\$	-	\$ -	\$	-	\$	-	\$	574,054	
Utility Bond and Loan Proceeds	\$	-	\$	23,055,720	\$	-	\$	-	\$ -	\$	-	\$	-	\$	23,055,720	
General Obligation Bond Proceeds	\$	-	\$	5,501,172	\$	-	\$	-	\$ -	\$	-	\$	-	\$	5,501,172	
To Be Determined	\$	-	\$	44,558,940	\$	88,307,555	\$	98,111,839	\$ 104,605,773	\$	140,536,982	\$	189,674,596	\$	665,795,685	
Other Pay as You Go Financing	\$	1,010,952	\$	1,045,838	\$	788,964	\$	800,891	\$ 852,754	\$	907,174	\$	964,173	\$	5,359,794	
Impact Fees	\$	788,603	\$	4,905,872	\$	1,200,480	\$	920,911	\$ 899,395	\$	943,494	\$	420,007	\$	9,290,159	
Grants-In-Aid	\$	75,000	\$	10,917,524	\$	1,458,684	\$	10,227,106	\$ 1,390,000	\$	330,000	\$	30,000	\$	24,353,314	
Special Fund Revenue	\$	205,546	\$	1,817,936	\$	322,506	\$	250,290	\$ 287,178	\$	329,038	\$	329,038	\$	3,335,986	
Utility Operating Funds	\$	2,821,120	\$	5,163,580	\$	610,004	\$	700,000	\$ 279,356	\$	250,000	\$	250,000	\$	7,252,940	
General Operating Funds	\$	359,005	\$	426,054	\$	-	\$	-	\$ -	\$	-	\$	-	\$	426,054	
Funding Source Category		Budget	Total		FY2014		FY2015		FY2016		FY2017		FY2018	TOTALS		
		FY2013		FY2013												





CITY OF RIO RANCHO RESOLUTION

RESOLUTION NO. 50

ENACTMENT NO. 12-050

RESOLUTION TO ADOPT THE FINAL INFRASTRUCTURE AND CAPITAL IMPROVEMENT PLAN (ICIP) FOR FISCAL YEARS 2013-2018

WHEREAS: Article VI of the City Charter requires the City Manager to prepare and submit to the Mayor and Governing Body, a recommended capital program, and;

WHEREAS: A public hearing was conducted for the City's capital program on May 10, 2012 pursuant to Article VI of the City Charter, and;

WHEREAS: The Governing Body adopted the Recommended ICIP on May 23, 2012 by Resolution No. 35, Enactment No. 12-036, and;

WHEREAS: The City's Infrastructure and Capital Improvement Plan (ICIP) is a medium range management and financial plan identifying the need and financing requirements for acquisition of capital assets having an anticipated cost of ten thousand dollars (\$10,000) or greater and having a useful life of ten (10) years or more, and:

WHEREAS: The ICIP is a six (6) year plan covering the period beginning July 1, 2012 and ending June 30, 2018, and incorporates the ensuing fiscal year's capital appropriations, and;

WHEREAS: The ICIP has been updated to be consistent with the Fiscal Year 2013 Final Capital Outlay Budget.

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF RIO RANCHO:

That the Governing Body hereby adopts the Final Infrastructure and Capital Improvement Plan (ICIP) for Fiscal Years 2013-2013.

ADOPTED THIS 25TH DAY OF JULY, 2012.

Thomas E. Swisstack, Mayor

Date

ATTEST:

Volanda Lucero, Acting City Clerk

(SEAL)

THIS PAGE LEFT INTENTIONALLY BLANK

