



Keith J. Riesberg
City Manager

July 24, 2013

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 2014-2019

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 2014-2019 (July 1, 2013-June 30, 2019). While the ICIP does not impart legal authority for capital spending outside of Fiscal Year 2014, 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 facility introduction section containing historical and contextual information about the City's capital assets and infrastructure. Information includes inventories, capacity and condition of assets, repair and maintenance programs/activities, asset performance indicators, ICIP plan development, developer contributions, and funding sources.

2. A summary table containing each planned project in order of priority rank.
3. Financing summaries presented for the aggregate planning period.
4. A list of ‘Projects Under Consideration’ for which a reasonable expectation of need has been established, but for which funding has not been determined within the ICIP time frame.
5. Detailed project information for individual projects containing project descriptions and scope, justification, history and status, and cost and funding information.
6. Recent past results and accomplishments related to completed or ongoing projects.

PROJECT HIGHLIGHTS BY PROJECT CATEGORY: FISCAL YEARS 2014-2019

Fire and Rescue

Fire Apparatus

The FY14 ICIP includes a fire apparatus replacement plan totaling \$3,375,000 through Fiscal Year 2019. The FY14 Budget includes \$25,422 for a replacement engine, while an estimated amount of \$474,578 will be debt financed through a special limited obligation loan pledging the City’s state shared gross receipts tax revenue. Fire apparatus acquisition in the outer years could be financed through a combination of public safety impact fees and general obligation bond proceeds. Funding for replacement ambulances, a brush truck, and a tanker is to be determined at this time. The proposed financing plan for fire apparatus and police vehicle replacement can be found in Exhibit 1.

Fire and Rescue Administration Building

On April 10, 2013, the Governing Body approved a loan in the principal amount of \$795,925 (R23, Enactment 13-022) for the acquisition of an existing building located at 1526 Stephanie Road for a Fire and Rescue Administration facility. The City purchased the property in May 2013 at a cost of \$697,459 and renovation plans are currently in progress. Funds available for information technology upgrades and various modifications to the building total \$95,306. The acquisition of the Fire and Rescue Administration Building addresses a critical department need, relocating eleven (11) members of the administration division to a central location. The acquisition of the building will increase efficiency of staff, and provide a future location for a new Emergency Operations Center (EOC) and a student training facility.

Police Department

Police Vehicle Replacement

The Department has identified replacement of its aging law enforcement vehicle fleet as its most pressing capital need. Currently, 42 percent of the 160 law enforcement vehicle fleet has in excess of 100,001 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 41 replacement police vehicles funded by various sources, including federal grants, special fund loan proceeds, public safety impact fees, and general fund revenues.

The FY14 ICIP includes plans for debt financing 20 replacement vehicles via a special limited obligation loan pledging the City’s state shared gross receipts tax revenue. Replacement police vehicles in the outer years will be financed through a combination of state grant funding, public safety impact fees, general funds, and general obligation bond proceeds. The proposed financing plan for fire

apparatus and police vehicle replacement can be found in Exhibit 1. The FY14 Final Budget also includes 2 new vehicle acquisitions related to newly authorized police officer positions.

Rio Rancho Public Safety Communications Upgrade

The project involves various equipment upgrades to a simulcast microwave network linking all 4 communication tower sites, including Angel Tower which will be relocated in the Village of Corrales. In Fiscal Year 2014, the project consists of relocating an existing 180 foot City owned communications tower to the top of Angel Rd. in Corrales. Funding sources include federal and state grant sources. The City will participate in project coordination; however, funding will not flow through City coffers therefore anticipated capital spending for the relocation has been removed from the ICIP. In Fiscal Year 2015, the project consists of upgrading the City's two way radio system to a 6 channel VHF analog simulcast solution comprised of 4 linked communication sites. The upgrade will improve radio transmissions from first responders in the field to the Communications Center. Funding for the system upgrade is largely to be determined at this time.

Transportation

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 \$43.76 million), the project has been phased beginning with Phase IIA: Paseo del Volcan to King Blvd. (\$15,867,747); then, Phase IIB: Cherry Rd. to Paseo del Volcan (\$18,020,000); and lastly, Phase IIC: King Blvd. to Progress Blvd. (\$9,872,331). Phase IIA was completed in December 2012 and City staff will be pursuing a portion of right of way acquisition of Phase IIB properties through a federal transportation grant recently allocated through the Mid Region Council of Governments in the amount of \$880,222. The local match amount to the federal grant is \$150,000 for a total of \$1,030,222. Matching funds consist of 2009 general obligation bond proceeds.

Idalia Road Reconstruction (NM HWY528 to Iris Road)

The project involves reconstruction and widening of the two lane roadway to a three lane roadway, including the addition of turning lanes, bike lanes, sidewalks, street lighting, and intersection improvements. The project is planned for design in Fiscal Year 2014 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 \$1,947,950 as a condition of receiving federal funding and has budgeted \$282,173 of road impact fees and \$1,665,777 of 2009 general obligation bond proceeds in Fiscal Year 2013.

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 Mixed Use Development. 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 General Obligation Road Bond Election failed in March 2011 and the project remains unfunded. The estimated cost of the project has been revised to \$2.88 million and future general obligation bond funding has been programmed for the project.

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 2003 OSE permit requires acquisition of 728 acre feet of water rights every five (5) year period through 2063, beginning at a time when the City reaches 12,000 acre feet of annual consumption (reached in December 2007). The 1979 permit requirement will vary according to water model results of how the City's water consumption affects the Rio Grande River. To date, the City has acquired and applied approximately 4,398.64 acre feet toward both permit requirements. As such, the City has satisfied its obligation under the 2003 permit for the first three periods, 2008-2012, 2013-2017, and 2018-2022. 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. As of July 1, 2013, the balance of capital funds available for purchase of additional water rights is \$1,482,977, while estimated recurring revenue from the water rights acquisition fee available through Fiscal Year 2019 is \$7.07 million.

2013 Utility Rates and the Water Infrastructure and Capital Improvement Plan

Effective February 1, 2013, water rates increased by 8.8% annually to provide sufficient funds for rising operations and maintenance costs, and to support non-growth related capital projects to maintain the system at its current size and level of service provision. On May 22, 2013 the Governing Body amended the increase for FY14 to 7.8% effective July 1, 2013 (O16, Enactment 13-13). The FY14 Water ICIP includes new cash financing for water projects in the amount of \$5.3 million. Project allocations include Well Rehabilitation, SCADA Improvements, Vehicle and Heavy Equipment Replacement, Major Equipment Acquisition, and Well Site Security. The FY14 Water ICIP includes new debt financing sources for water projects in the amount of \$16 million. Project allocations include Redrill Well 4 or 5, New Pressure Reducing Valves, Renovate Water Storage Tanks, and Water Main Replacement.

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 will be substantially completed in July 2013. Construction of the remaining project scope is planned for Fiscal Year 2014. 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 new 30" and 36" sanitary sewer pipe to replace the existing 15" pipe that will be capped and abandoned in place. Project cost is estimated to be \$1.85 million and

construction is planned in Fiscal Year 2014. The City's portion of the project consists of the segments from the Sports Complex Dam to 450 feet east of Broadmoor Blvd. and from Idalia Rd. to Northern Blvd. Funding for construction of the segment from Idalia Rd. to Northern Blvd. has not been identified. A related project involves expansion of the Montoyas Arroyo sewer interceptor to serve development northwest of Northern Blvd. and Broadmoor Blvd. 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 No. 5 project in the Wastewater facility category.

2013 Utility Rates and the Wastewater Infrastructure and Capital Improvement Plan

Effective February 1, 2013, wastewater rates increased by 8.8% annually to provide sufficient funds for rising operations and maintenance costs, and to support non-growth related capital projects to maintain the system at its current size and level of service provision. On May 22, 2013 the Governing Body amended the increase for FY14 to 7.8% effective July 1, 2013 (O16, Enactment 13-13). The FY14 Wastewater ICIP includes new cash financing for wastewater projects in the amount of \$3.1 million. Project allocations include Significant Rebuild of WWTP #2A, 2B, and 3, SCADA Improvements, Membrane Filter Replacement, Vehicle and Heavy Equipment Replacement, and a Security Wall at WWTP #2. The FY14 Wastewater ICIP includes new debt financing sources for wastewater projects in the amount of \$24.3 million. Project allocations include Retrofit of WWTP #1, Splitter Box and Lift Station 10 Relocation, Septic Dump Station, Sewer line Replacement, WWTP #2 Warehouse and Office Improvements, Broadmoor/Chessman Sewer line, and Industrial Park Sewer line.

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 received an additional \$23,000 in CDBG funding in Fiscal Year 2013 for Phase II design services, and an amount of \$912,600 in state appropriations have been authorized by the 2012 and 2013 Legislatures for construction. The additional 2013 state appropriation will allow the project to be completed in one construction phase.

New Senior Center

Design and construction of a new senior center will be phased beginning with design in Fiscal Years 2012-2014 with construction to follow contingent upon funding availability. The City secured two capital outlay appropriations from the Department of Aging and Long Term Services in the aggregate dollar amount of \$583,894 to plan, design, construct, and equip a new senior center. The City is working with the architect to effectively design a facility that can be phased. Phase I will include a reception area, administrative offices, lounge, fitness and exercise rooms, small classrooms, game areas, tech lab, kitchen, cafe, bathrooms, and support spaces. This phase is estimated to cost approximately \$8,600,000. The square footage proposed for Phase I is 22,500. Agency offices, arts & crafts room, billiards, additional classrooms and miscellaneous conference and consultation rooms will be constructed in future phases at an estimated cost of \$5,500,000.

Park Above

The project consists of designing, constructing, and equipping a 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 was completed in the summer of 2012 and a 6 acre park site in the Cabezon subdivision has been selected as the home for the new park. Design has

commenced in the spring of 2013. The City is slated to receive \$1,548,224 in 2012 and 2013 legislative appropriations, 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 City intends to continue working with the non-profit and other partners to secure additional funding and donated in-kind construction services to begin construction in 2013. The City has started developing volunteer support groups that will adopt and help maintain and operate the park once constructed.

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. Design of the ultimate drainage solution commenced in the spring of 2013 and construction is anticipated in the fall of 2013.

City Center Drainage Plan

The project is a cooperative effort between the City and the Southern Sandoval County Arroyo Flood Control Authority (SSCAFCA). The project will result in the creation of a facility plan that provides the development requirements and responsibilities for all development in the upper portion of the La Barranca watershed. City staff is currently developing a memorandum of understanding with SSCAFCA for shared funding and scope requirements of the City Center Drainage Facility Plan. City funding will come from Drainage Impact Fees.

General and Other

Fleet Vehicle and Heavy Equipment Replacement

The Department of Public Works, Building and Fleet Maintenance Division prioritizes the replacement needs of the general vehicle and heavy equipment fleet annually based on the age and condition of existing vehicles, and service demands and priorities of the City as they relate to the need for vehicle acquisition and/or replacement. The FY14 ICIP includes \$2.9 million in planned replacements. The FY14 Budget includes cash financing of an Animal Control vehicle replacement, a Code Enforcement vehicle replacement, pavement crack sealer equipment, and a destroyed vehicle replacement contingency. The FY14 Budget plan also includes a proposed 5 year loan for acquisition of \$592,890 in heavy equipment replacements for the Streets and Right of Way function.

CAPITAL SPENDING OVERVIEW: FISCAL YEARS 2014-2019

In the aggregate, the City's capital program consists of 102 projects at a total estimated cost of \$283.7 million for the planning period (FY14 to FY19). Similar to past ICIPs, the major project categories accounting for the most substantial portions of the aggregate program are Transportation and Drainage (40%) and Utilities-Water and Wastewater (44%).

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

The size of the capital program has decreased by \$461.3 million or 62 percent compared to last year's plan. This is primarily due to a change in the organizational structure of the ICIP whereby a significant number of projects have been moved to the 'Projects Under Consideration' list. The 'Projects Under Consideration' list consists of projects for which an expectation of need has been established, but for which funding is completely to be determined. The ICIP presents the City's plan for capital spending

based on a reasonable estimate of financial resources likely to be available over the planning period, while the ‘Projects Under Consideration’ list captures ICIP projects considered deferred due to lack of funding at this time. Major changes in the size of the capital program are detailed in Exhibit 1.

Table 1

ICIP Comparison: FY2013-2018 and FY2014-2019

	FY 2013-2017	FY 2014-2019	\$ Change	% Change
General and Other	\$ 20,570,808	\$ 3,191,776	\$ (17,379,032)	-84%
Police	\$ 10,633,484	\$ 5,307,880	\$ (5,325,604)	-50%
Fire and Rescue	\$ 18,715,713	\$ 5,006,484	\$ (13,709,229)	-73%
Parks, Rec. and Comm. Services	\$ 49,675,852	\$ 31,634,247	\$ (18,041,605)	-36%
Drainage	\$ 44,499,000	\$ 2,962,339	\$ (41,536,661)	-93%
Transportation	\$ 310,744,537	\$ 110,533,127	\$ (200,211,410)	-64%
Utilities-Water	\$ 114,139,563	\$ 62,403,000	\$ (51,736,563)	-45%
Utilities-Wastewater	\$ 175,965,921	\$ 62,630,472	\$ (113,335,449)	-64%
TOTAL	\$ 744,944,878	\$ 283,669,325	\$ (461,275,553)	-62%

CAPITAL FINANCING OVERVIEW: FISCAL YEARS 2014-2019

At the time of publication of the final ICIP, the City has affirmatively and/or tentatively identified funding sources for 45 percent of the total capital spending planned to occur through Fiscal Year 2019. Sources include both pay-as-you-go (use of current financial resources) and debt financing sources, while 55 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 FY14 ICIP to accurately represent the funding gap that exists between capital needs as identified in this plan and financial resources available for those needs. Beginning in the FY14 ICIP, general obligation and utility enterprise bond/loan proceeds anticipated from future debt issuance have been programmed. Approximately \$9 million of future general obligation bond proceeds and \$40.3 million in utility enterprise bond/loan proceeds are allocated to projects in the FY14 ICIP. A continuing effort in the coming fiscal year will be to analyze the City’s debt capacity and benchmark its debt program against other similar sized jurisdiction.

The table below presents a broad look at the capital financing of the FY14-19 ICIP. A more detailed break out of funding by source and fiscal year is presented in a summary page contained in this message.

Table 2

Type of Financing	FY 2014	% of Total	FY 2015-2019	% of Total
Pay as You Go	\$ 20,294,536	26%	\$ 36,851,555	18%
Debt Financing	\$ 28,844,467	36%	\$ 41,925,457	21%
To Be Determined*	\$ 30,385,665	38%	\$ 125,367,645	61%
TOTAL	\$ 79,524,668	100%	\$ 204,144,657	100%

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

FISCAL YEAR 2014 CAPITAL BUDGET

Table 3

<i>Fund</i>	<i>\$ Amount</i>
General Fund	\$ 57,000
Special Funds	\$ 1,445,733
Utility Funds	\$ 3,672,659
TOTAL	\$ 5,175,392

General Fund: \$57,000

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 Replacement Fund and Building/Facility Improvement Fund. General Fund capital outlay for Fiscal Year 2014 consists of a combination Cardiac Monitor/Defibrillator for the Fire Department (\$27,000) and road equipment for Public Works road repair activities (\$30,000). The capital outlay budget for Fiscal Year 2014 is \$49,433 less than Fiscal Year 2013 actual capital expenditures.

Special Funds: \$1,445,733

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 2014 via special fund resources include:

- Star Heights Playground Surfacing and Shade Structure: \$50,000 (Recreation Activities Fund)
- UNM Street Lighting: \$100,000 (Higher Education Gross Receipts Tax Fund)
- Road Restoration, Pedestrian Safety, and ADA Sidewalks: \$35,000 (Municipal Gas Tax Fund)
- Vehicles, including (2) Police Vehicles, an Animal Control Box, a Code Enforcement Truck Replacement, and a Destroyed Vehicle Replacement Contingency: \$121,881 (Equipment Replacement Fund-General Fund Transfer)
- Building and Facility Improvements, including Animal Control Facility Natural Gas line Extension: \$68,150 (Building and Facility Replacement Fund)
- 2009 General Obligation Bond Proceeds-Unallocated: \$636,065 (G.O. Construction Fund)
- Saratoga Sidewalks: \$50,000 (Road Impact Fee Fund)
- Trail Connections: \$1,863 (Bikeway and Trail Impact Fee Fund)
- Parks Improvements, including Sports Complex Addition and A Park Above: \$215,257 (Park Impact Fee Fund)
- Fire Truck Replacement: \$25,422 (Public Safety Impact Fee Fund)
- Drainage Improvements, including City Center Drainage Plan and Industrial Park East Drainage Improvements: \$99,680 (Drainage Impact Fee Fund)

Utility Funds: \$3,672,659

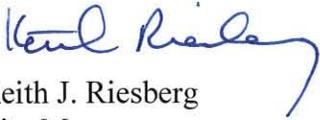
Capital outlay in the Utilities Funds range from equipment items and vehicles, to major infrastructure projects. Funding for capital projects is made available through a combination of direct spending from the Utility Operating Fund (Fund 501), transfers from the Utility Operating Fund, impact fees, and the Environmental Gross Receipts Tax Fund (Fund 260). Major capital projects funded in Fiscal Year

2014 include:

- Water SCADA Equipment: \$180,000 (Utility Operating Fund)
- Significant Rebuild of Wastewater Treatment Plan #1, 2A, 2B, and 3: \$583,000 (Utility Operating Fund)
- Replacement Fleet and Heavy Equipment: \$454,821 (Utility Equipment Replacement Fund)
- Well Rehabilitation and Well Site Security Improvements: \$446,197 (Water Capital Improvement Fund)
- Well Rehabilitation: \$217,554 (Environmental Gross Receipt Tax Fund)
- Membrane Filter Replacement for Wastewater Treatment Plan #5&6: \$100,000 (Wastewater Capital Improvement Fund)
- Water Rights Acquisition: \$1,446,024 (Water Rights Acquisition Fund)

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 and conduct long term financial planning for capital projects.

Respectfully,



Keith J. Riesberg
City Manager

City of Rio Rancho, New Mexico
 Reconciliation of the FY2014-2019 Infrastructure and Capital Improvements Plan (ICIP)
 to the FY2014 Capital Outlay Budget
 July 24,2013

Total FY2014 ICIP Spending Amount **\$5,175,392**

Amounts budgeted as capital outlay in the FY2014 budget are different because:

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

101-5512-441-7025-Hot Flush Transmission Flush Equipment	\$	5,900	
101-5520-441-7025/501-7015-515-7025-Xerox 7800 Printer	\$	5,206	
259-0000-424-7015-Police All Terrain Vehicles (ATVs)	\$	17,046	
260-0000-511-7025-TopCon GPS Unit	\$	6,381	
311-0000-410-7025/501-7015-515-7025-GIS Computer Hardware	\$	25,720	
501-7020-530-7025-Utility Billing AMR Laptops	\$	12,480	
501-7025-540-7010-CPU Profinet Controllers	\$	39,900	
501-7035-550-7025-Replacement Heaters and Auto Samplers	\$	36,800	\$ 149,433

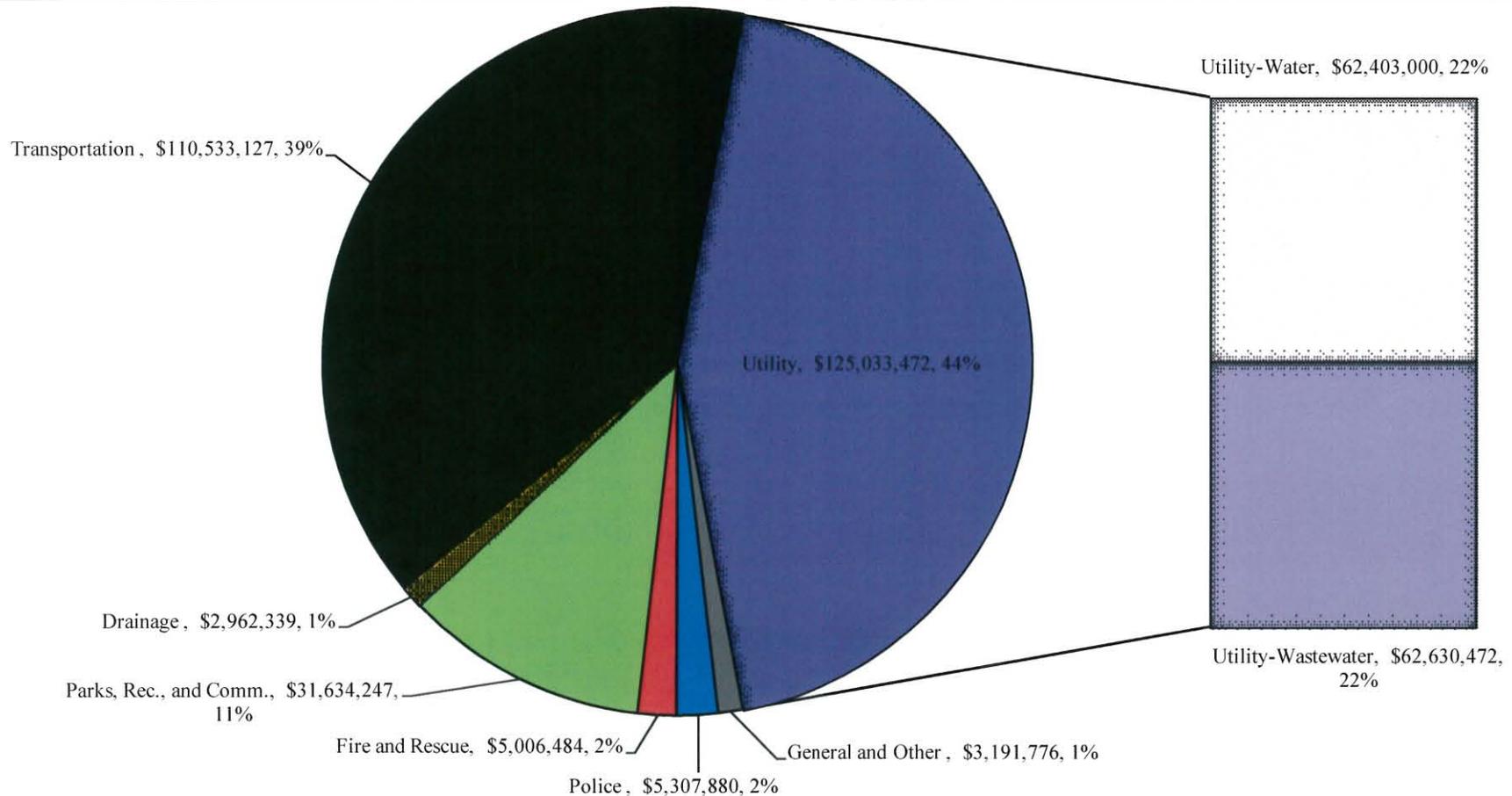
Amounts budgeted for under the professional services line item are included in the ICIP because they are related to a larger capital expenditure, however the likelihood of capitalization of the expenditure as a City asset is uncertain at the time of publication of this document

	\$	-	\$ -

Total FY2014 Capital Outlay Budget Amount **\$5,324,825**

Final Infrastructure and Capital Improvement Plan (ICIP) Allocations by Project Category: FY14-FY19

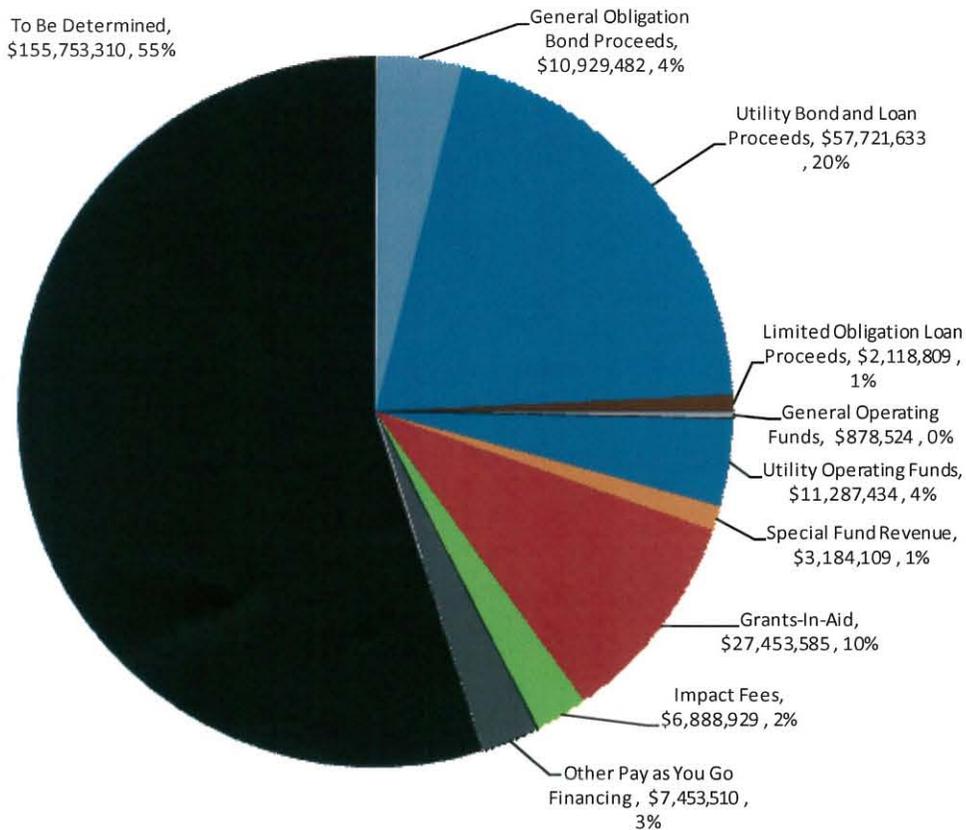
Project Category	Total No. of Projects	FY2014 Budget	FY2014 Total	FY2015	FY2016	FY2017	FY2018	FY2019	TOTALS
General and Other	5	\$ 162,281	\$ 808,726	\$ 660,050	\$ 398,500	\$ 199,000	\$ 570,500	\$ 555,000	\$ 3,191,776
Police	5	\$ 87,550	\$ 596,009	\$ 2,686,871	\$ 310,400	\$ 746,800	\$ 221,000	\$ 746,800	\$ 5,307,880
Fire and Rescue	6	\$ 65,037	\$ 1,892,484	\$ 1,064,000	\$ 383,000	\$ 1,304,000	\$ 289,000	\$ 74,000	\$ 5,006,484
Parks, Rec., and Comm.	21	\$ 267,120	\$ 17,605,463	\$ 1,345,283	\$ 3,127,919	\$ 4,278,118	\$ 4,393,464	\$ 884,000	\$ 31,634,247
Drainage	6	\$ 99,680	\$ 407,019	\$ 1,521,986	\$ 466,667	\$ 466,667	\$ 44,680	\$ 55,320	\$ 2,962,339
Transportation	25	\$ 821,065	\$ 22,062,017	\$ 28,454,585	\$ 9,787,244	\$ 28,955,586	\$ 12,015,227	\$ 9,258,468	\$ 110,533,127
Utility-Water	15	\$ 2,752,496	\$ 7,914,733	\$ 7,688,916	\$ 12,005,936	\$ 13,924,164	\$ 16,749,625	\$ 4,119,626	\$ 62,403,000
Utility-Wastewater	19	\$ 920,163	\$ 28,238,217	\$ 14,367,257	\$ 2,635,320	\$ 6,763,353	\$ 3,543,165	\$ 7,083,160	\$ 62,630,472
TOTALS	102	\$ 5,175,392	\$ 79,524,668	\$ 57,788,948	\$ 29,114,986	\$ 56,637,688	\$ 37,826,661	\$ 22,776,374	\$283,669,325



Final Infrastructure and Capital Improvement Plan (ICIP) Financing by Source: FY14-FY19

Funding Source Category	FY2014 Budget	FY2014 Total	FY2015	FY2016	FY2017	FY2018	FY2019	TOTALS
General Operating Funds	\$ 178,881	\$ 400,524	\$ 95,600	\$ 95,600	\$ 95,600	\$ 95,600	\$ 95,600	\$ 878,524
Utility Operating Funds	\$ 1,937,222	\$ 4,739,314	\$ 1,356,100	\$ 1,319,814	\$ 1,184,886	\$ 1,440,579	\$ 1,246,741	\$ 11,287,434
Special Fund Revenue	\$ 500,504	\$ 1,698,409	\$ 285,898	\$ 245,603	\$ 282,982	\$ 337,881	\$ 333,336	\$ 3,184,109
Grants-In-Aid	\$ 12,615	\$ 8,550,813	\$ 10,662,100	\$ 637,672	\$ 497,800	\$ 7,057,400	\$ 47,800	\$ 27,453,585
Impact Fees	\$ 392,222	\$ 3,122,996	\$ 1,348,082	\$ 729,217	\$ 712,388	\$ 509,294	\$ 466,952	\$ 6,888,929
Other Pay as You Go Financing	\$ 1,446,024	\$ 1,782,480	\$ 1,146,112	\$ 1,114,181	\$ 1,125,583	\$ 1,138,153	\$ 1,147,001	\$ 7,453,510
To Be Determined		\$ 30,385,665	\$ 20,617,844	\$ 19,979,456	\$ 45,695,540	\$ 22,749,866	\$ 16,324,939	\$ 155,753,310
General Obligation Bond Proceeds	\$ 636,065	\$ 1,017,950	\$ 6,558,807	\$ -	\$ 1,362,325	\$ 1,990,400	\$ -	\$ 10,929,482
Utility Bond and Loan Proceeds	\$ 71,859	\$ 26,233,508	\$ 15,718,405	\$ 4,993,443	\$ 5,680,584	\$ 2,507,488	\$ 2,588,205	\$ 57,721,633
Limited Obligation Loan Proceeds		\$ 1,593,009					\$ 525,800	\$ 2,118,809
TOTALS	\$ 5,175,392	\$ 79,524,668	\$ 57,788,948	\$ 29,114,986	\$ 56,637,688	\$ 37,826,661	\$ 22,776,374	\$283,669,325

To Be Determined,
\$155,753,310, 55%



Capital Financing by Type: FY14-FY19

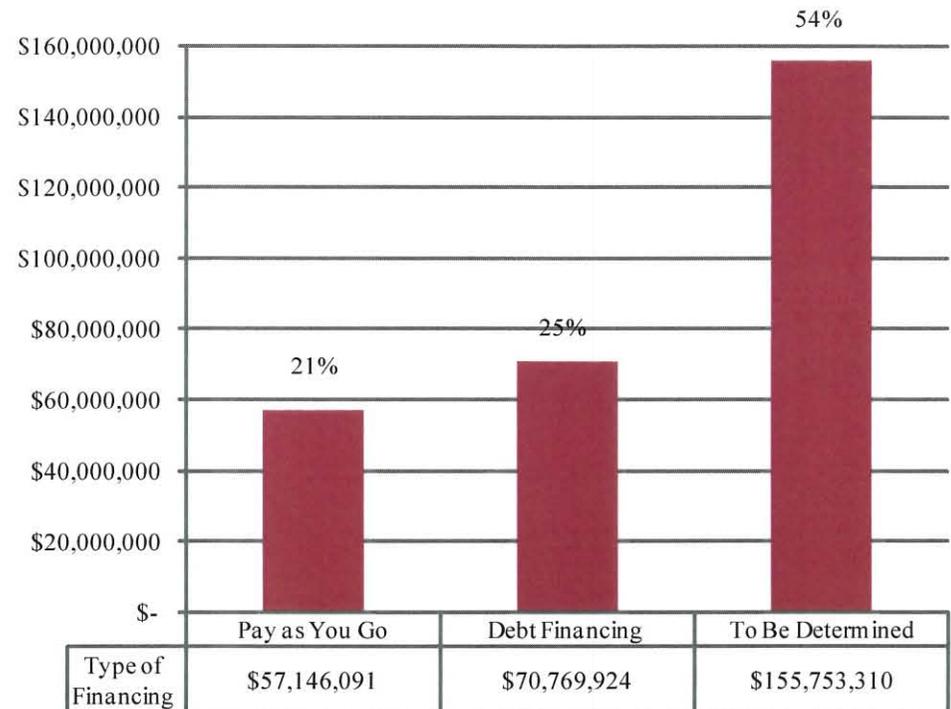


EXHIBIT 1

Police Vehicle and Fire Apparatus Financing Plan

Sources	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	Total
# of Police Vehicles ¹	20	30	8	30	8	30	126
# of Fire Trucks	1	1	0	2	0	0	4
Police Vehicle Loan(s) ²	\$ 831,640	\$ -	\$ -	\$ -	\$ -	\$ 914,804	\$1,746,444
General Fund Non Recurring-Cash	\$ -	\$ 201,692	\$ 201,692	\$ 201,692	\$ 201,692	\$ 201,692	\$1,008,460
General Obligation Bond Cycle ³	\$ -	\$1,684,397	\$ -	\$1,751,329	\$ -	\$ -	\$3,435,726
Law Enforcement Fund-Cash ⁴	\$ -	\$ -	\$ 83,164	\$ 83,164	\$ 83,164	\$ 83,164	\$ 332,656
Fire Engine Loan ⁵	\$ 474,578	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 474,578
Public Safety Impact Fees ⁶	\$ 25,422	\$ 111,371	\$ 47,800	\$ 211,275	\$ 47,800	\$ 47,800	\$ 491,468
Total	\$1,331,640	\$1,997,460	\$ 332,656	\$2,247,460	\$ 332,656	\$1,247,460	\$7,489,332
Uses							
Police Vehicle Replacement	\$ 478,000	\$ 717,000	\$ 191,200	\$ 717,000	\$ 191,200	\$ 717,000	\$3,011,400
Equipping	\$ 353,640	\$ 530,460	\$ 141,456	\$ 530,460	\$ 141,456	\$ 530,460	\$2,227,932
Fire Apparatus	\$ 500,000	\$ 750,000	\$ -	\$1,000,000	\$ -	\$ -	\$2,250,000
Total	\$1,331,640	\$1,997,460	\$ 332,656	\$2,247,460	\$ 332,656	\$1,247,460	\$7,489,332

1. The annual number of replacement Police vehicles has been smoothed out over the planning period. The 100,000 mile replacement benchmark is used and fit within a reasonable estimate of annual financing availability.

2. The Fiscal Year 2014 Police Vehicle Loan assumes 20 replacement vehicles at a cost of \$41,582 each. Debt service would be paid by General Fund revenue or the proposed restructuring of the City's local option gross receipts tax by which a 1/8th increment would be dedicated to Public Safety.

The plan assumes the 1/8th Public Safety increment would become effective January 1, 2014. A loan closing date of January 1, 2014 is assumed.

3. The amount of General Obligation (GO) Bond Proceeds is based on the total estimated cost of Public Safety vehicle and apparatus acquisition, less cash financing available from other sources (i.e. General Fund Cash, Law Enforcement Protection Funds, and Public Safety Impact Fees). A 2 year GO cycle is assumed.

4. The annual amount of Law Enforcement Fund cash financing allows acquisition of 2 Police Vehicle replacements (including equipping) per year after the outstanding Police Vehicle loan reaches maturity in Fiscal Year 2015. Approximately \$57,000 becomes available for Police Vehicle replacement in Fiscal Year 2016 and approximately \$27,000 in current expenditures would be moved to the General Fund or reduced entirely beginning in Fiscal Year 2016.

5. Debt service would be paid by the proposed restructuring of the City's local option gross receipts tax by which a 1/8th increment would be dedicated to Public Safety. The plan assumes the 1/8th Public Safety increment would become effective January 1, 2014. A loan closing date of January 1, 2014 is assumed.

6. The amount of Public Safety Impact Fee cash financing available is based on the December 2012 estimate. This cash financing allows acquisition of 2 Police Vehicle replacement (excluding equipping) per year and allocates the Fire and Rescue portion toward acquisition of a Fire Engine.

Exhibit 2

Table 1

ICIP Comparison: FY2013-2018 and FY2014-2019

	FY 2013-2017	FY 2014-2019	\$ Change	% Change
General and Other	\$ 20,570,808	\$ 3,191,776	\$ (17,379,032)	-84%
Police	\$ 10,633,484	\$ 5,307,880	\$ (5,325,604)	-50%
Fire and Rescue	\$ 18,715,713	\$ 5,006,484	\$ (13,709,229)	-73%
Parks, Rec. and Comm. Services	\$ 49,675,852	\$ 31,634,247	\$ (18,041,605)	-36%
Drainage	\$ 44,499,000	\$ 2,962,339	\$ (41,536,661)	-93%
Transportation	\$ 310,744,537	\$ 110,533,127	\$ (200,211,410)	-64%
Utilities-Water	\$ 114,139,563	\$ 62,403,000	\$ (51,736,563)	-45%
Utilities-Wastewater	\$ 175,965,921	\$ 62,630,472	\$ (113,335,449)	-64%
TOTAL	\$ 744,944,878	\$ 283,669,325	\$ (461,275,553)	-62%

Major changes in the size of the capital program are as follows:

- *General and Other*: The \$17.4 million decrease is the net result of revisions to cost estimates; removal of completed projects; and, removal of projects from the FY14 ICIP. Major items of revision include:

- Increase of \$377,134 in cost estimates due to a revised needs assessment for general fleet vehicle acquisition, major equipment and software upgrades, and facility improvements.
- Decrease of \$47,061 for completed projects, including the UNM Art project, the financial reporting software upgrade, and the acquisition of fleet maintenance equipment.
- Decrease of \$17.7 million for projects moved to the 'Projects Under Consideration' list, including the City Maintenance Yard and new Municipal Court Building.

- *Police*: The \$5.3 million decrease is the net result of revisions to cost estimates; removal of projects; and, addition of projects to the FY14 ICIP. Major items of revision include:

- Net decrease of \$346,025 in cost estimates due to the revised police vehicle and motorcycle replacement plans.
- Decrease of \$6.6 million for projects moved to the 'Projects Under Consideration' list, including plans for North and South Substations, and a Multi-purpose Training Center.
- Increase of \$1.6 million for projects added to the FY14 ICIP, including the Public Safety Communications Equipment Upgrade and various improvements at Quantum Police Headquarters.

- *Fire and Rescue*: The \$13.7 million decrease is the net result of revisions to cost estimates; removal of completed projects; and, removal of projects from the FY14 ICIP. Major items of revision include:

- Net decrease of \$5.6 million to costs estimates, most notably for the Fire Administration Building acquired in May 2013 at a significantly lower cost than estimated in the FY13 ICIP.
- Decrease of \$774,562 for completed projects, including acquisition of the Fire Administration Building and the Station No. 7 ambulance in Fiscal Year 2013.
- Decrease of \$7.55 million for projects moved to the 'Projects Under Consideration' list, including Future Fire Stations and Apparatus.
- Increase of \$200,000 for the Diesel Exhaust Removal System project added to the FY14 ICIP.

-Parks, Recreation, and Community Services: The \$18 million decrease is the net result of revisions to cost estimates; decreases for prior year actual expenditures; and, removal of projects from the FY14 ICIP. Major items of revision include:

- Net decrease of \$2.1 million to cost estimates, most notably \$1.35 million for land acquisition for the New Senior Center project.
- Decrease of \$15.34 million for projects moved to the 'Projects Under Consideration' list.
- Decrease of \$582,022 for project expenditures removed from the ICIP, most notably \$412,000 for Cabezon Dog Park.

-Drainage: The \$41.5 million decrease is the net result of revisions to cost estimates; removal of projects; and, addition of projects to the FY14 ICIP. Major items of revision include:

- Net increase in cost estimates of \$9,339 for projects retained from the FY13 ICIP.
- Decrease of \$9.05 million for projects moved to the 'Projects Under Consideration' list.
- Decrease of \$32.6 million for projects removed from the ICIP, including previously generic project placeholders for drainage improvements in Unit 8, 10, 11, 12, 16, 17, and 20. The City does not have specific drainage infrastructure plans in these largely undeveloped areas.
- Increase of \$110,000 for the addition of the City Center Drainage Plan project.

-Transportation: The \$200.2 million decrease is the net result of revisions to cost estimates; decreases for prior year actual expenditures; removal of completed projects; removal of projects from the FY14 ICIP; and, addition of several new projects. Major items of revision include:

- Net increase of \$14 million to cost estimates, most notably for Pavement Preservation (\$7 million) and Unser Blvd. Phase IIB from Cherry Rd. to Paseo del Volcan (\$6.5 million).
- Decrease of \$217.3 million for projects moved to the 'Projects Under Consideration' list.
- Decrease of \$5.2 million for completed projects, most notably Unser Blvd. Phase IA from Paseo del Volcan to King Blvd. (\$3.7 million).
- Decrease of \$1.88 million for projects removed from the ICIP
- Increase of \$10.14 million for projects added to the FY14 ICIP, including Southern Blvd. Reconstruction from NM 528 to Golf Course Rd. (\$9.9 million).

-Utilities-Water and Wastewater: The \$165 million decrease is the net result of revisions to cost estimates; decreases for prior year actual expenditures; removal of completed projects; removal of projects from the FY14 ICIP; and, the addition of a new project in FY14. The Water and Wastewater facility 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 and Wastewater ICIP financing plan incorporates the customer rate increase effective February 1, 2013 (O35, Enactment 12-34) and the subsequent amendment effective July 1, 2013 (O16, Enactment 13-13). Under the rate increase, cash and debt financing is anticipated to become available for non-growth related projects through Fiscal Year 2019.

The Water facility category decreased by a net amount of \$51.7 million. The change reflects the following:

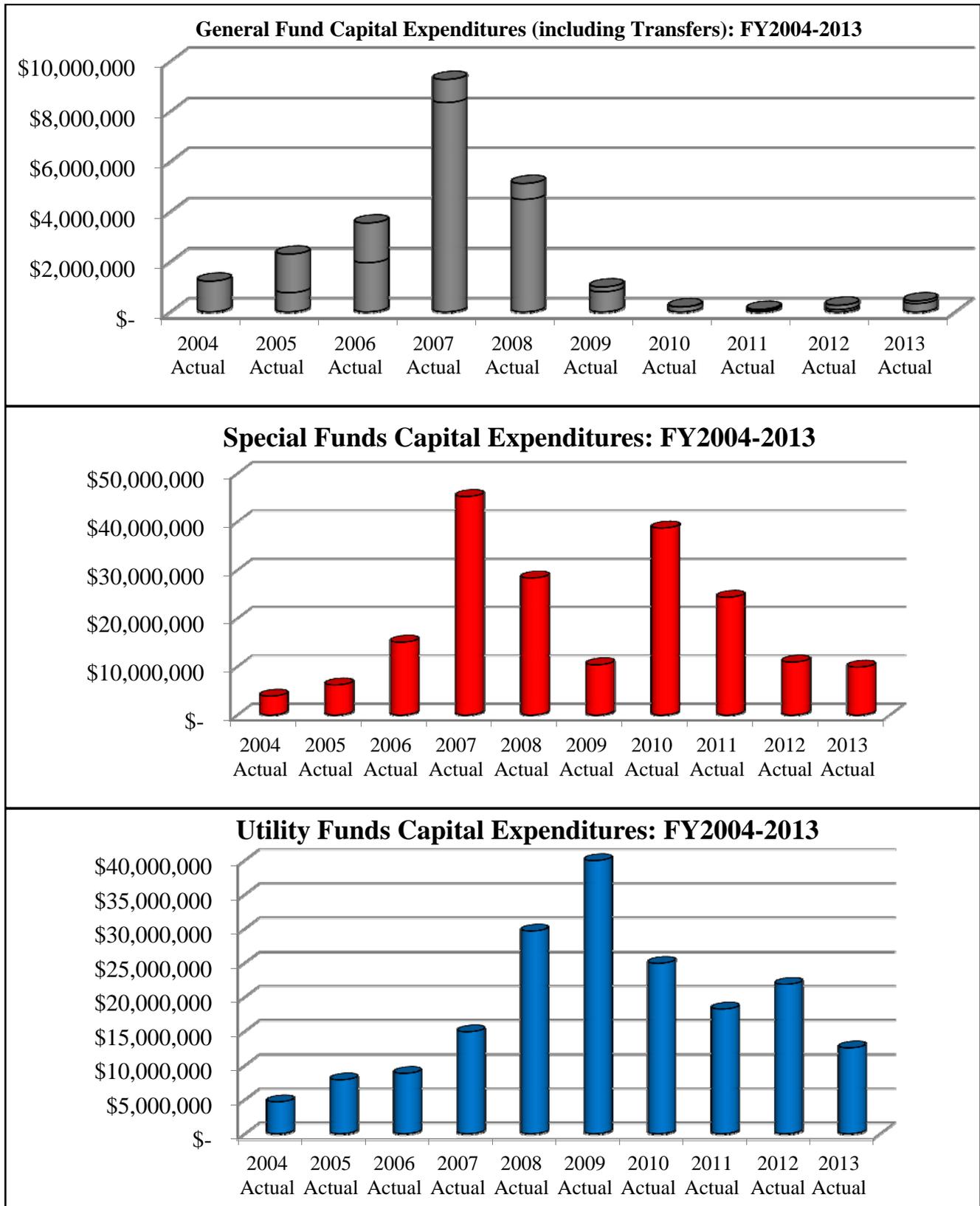
- Net increase of \$2.7 million in cost estimates, most notably an additional \$1.4 million in resources available for Water Rights Acquisition resulting from a \$1 increase in the water rights acquisition fees.
- Decrease of \$46.3 million for projects moved to the 'Projects Under Consideration' list.
- Decrease of \$1.14 million for completed projects, most notably City Center Booster Station (\$1.1 million).

- Decrease of \$7.2 million for projects removed from the ICIP, including automatic meter installations and meter change outs. These items are estimated under \$5,000 per unit and are no longer considered a capital expense.
- Increase of \$233,585 for the Lincoln Avenue Phase I waterline extension project added to the FY14 ICIP.

The Wastewater facility category decreased by a net amount of \$113.3 million. The change reflects the following:

- Net decrease of \$6.25 million in cost estimates, most notably for project to date expenditures for the Wastewater Treatment Plant #6 Expansion in progress.
- Decrease of \$55.2 million for projects moved to the 'Projects Under Consideration' list.
- Decrease of \$51.9 million for projects removed from the ICIP, including the Wastewater Treatment Plant Phase II project.

Exhibit 3-Historical Capital Expenditures



Type of Fund	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual
General Fund	\$ 1,225,591	\$ 1,538,323	\$ 1,585,411	\$ 921,885	\$ 632,818	\$ 192,136	\$ 6,499	\$ 54,537	\$ 172,896	\$ 106,433
General Fund Transfers		\$ 766,722	\$ 1,961,644	\$ 8,355,308	\$ 4,492,750	\$ 804,102	\$ 193,729	\$ 43,420	\$ 91,728	\$ 333,866
Special Funds	\$ 3,890,402	\$ 6,210,224	\$ 15,071,114	\$ 45,244,736	\$ 28,369,691	\$ 10,396,080	\$ 38,711,323	\$ 24,374,611	\$ 10,955,551	\$ 9,910,011
Utility Funds	\$ 4,666,706	\$ 7,884,556	\$ 8,830,348	\$ 14,907,960	\$ 29,643,322	\$ 39,941,457	\$ 24,917,610	\$ 18,235,784	\$ 21,850,049	\$ 12,556,832
Event Center	\$ -	\$ 1,038,421	\$ 17,147,006	\$ 20,009,147	\$ 93,211	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 9,782,699	\$17,438,247	\$44,595,524	\$89,439,036	\$63,231,792	\$51,333,775	\$63,829,162	\$42,708,352	\$33,070,225	\$22,907,142



**CITY OF RIO RANCHO
RESOLUTION**

RESOLUTION NO. 54

ENACTMENT NO. 13-052

**RESOLUTION TO ADOPT THE FINAL INFRASTRUCTURE AND CAPITAL
IMPROVEMENT PLAN (ICIP) FOR FISCAL YEARS 2014-2019**

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 7, 2013 pursuant to Article VI of the City Charter, and;

WHEREAS: The Governing Body adopted the Recommended ICIP on May 22, 2013 by Resolution No. 37, Enactment No. 13-033, 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, 2013 and ending June 30, 2019, and incorporates the ensuing fiscal year's capital appropriations, and;

WHEREAS: The ICIP has been updated to be consistent with the Fiscal Year 2014 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 2014-2019.

ADOPTED THIS 24TH DAY OF JULY, 2013.



Thomas E. Swisstack, Mayor

ATTEST:



Stephen J. Ruger, City Clerk
(SEAL)