

July 23, 2014

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 2015-2020

Mr. Mayor and City Councilors:

Transmitted herein is a complete copy of the City's Infrastructure and Capital Improvement Plan (ICIP) for Fiscal Years 2015-2020 (July 1, 2014-June 30, 2020). While the ICIP does not impart legal authority for capital spending outside of Fiscal Year 2015, 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 2015-2020

Fire and Rescue

Fire Apparatus

The FY15 ICIP includes a fire apparatus replacement plan totaling \$4,118,958 through Fiscal Year 2020. A replacement engine is currently on order to be delivered in August 2014. The proposed financing plan for fire apparatus and police vehicles has been presented as Exhibit 1. The plan for fire apparatus includes Public Safety Impact Fee and General Fund sources. General Fund sources have been programmed into the General Fund Five Year Financial Plan.

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. Construction of Phase II improvements consisting of a large training room and Emergency Operations Center is currently in progress, while Phase III improvements consisting of a fitness center and additional bathrooms are planned for Fiscal Year 2016 contingent upon identification of additional funding.

Police Department

Rio Rancho Public Safety Communications Upgrade

The project involves a communication equipment upgrade to a simulcast microwave network linking all 4 communication tower sites, including Angel Road Tower which has been relocated in the Village of Corrales. The upgrade will improve radio transmissions from first responders in the field to the Communications Center. Funding for the system upgrade is to be determined at this time.

Police Vehicle Replacement

The Department has identified replacement of its aging law enforcement vehicle fleet as a pressing capital need. Currently, 36 percent of marked police vehicles have in excess of 100,001 miles and an additional 16 percent will potentially reach that mileage within the next year. Since Fiscal Year 2010, the Department has procured a total of 65 police vehicles funded by various sources, including federal grants, special fund loan proceeds, public safety impact fees, and general fund revenues.

The FY15 ICIP includes a police vehicle replacement plan totaling \$3,407,572 through Fiscal Year 2020. The proposed financing plan for fire apparatus and police vehicles has been presented as Exhibit 1. The plan for police vehicle replacement includes State Capital Outlay, Public Safety Impact Fee, Law Enforcement Protection Fund, and General Fund sources. General Fund sources have been programmed into the General Fund Five Year Financial Plan.

The FY15 Budget includes two (2) replacement vehicle acquisitions (Impact Fees: \$47,800 and General Fund: \$35,364). The City also anticipates receiving a State Capital Outlay Appropriation in the amount of \$337,000 in Fiscal Year 2015.

Transportation

Southern Boulevard Reconstruction from Golf Course Road to NM528

The project consists of final design and reconstruction of Southern Boulevard from Golf Course Road to NM528 to include signalized intersections, street lighting, curb and gutter, sidewalks, roadway pavement replacement, turning lane reconstruction, storm drainage reconstruction, striping, and signage. Staff is currently conducting a corridor study and preliminary design activities to be completed in October 2014. Final design is planned in Fiscal Year 2016 and the City anticipates receiving federal grant funds in Fiscal Year 2018 in the amount of \$7,009,600 for construction activities.

Westside Boulevard Permanent Roadway Improvements

The City completed two lane road improvements in spring 2010 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 Boulevard from Wellspring Avenue to Unser Boulevard was completed in summer 2011 at an additional cost of \$209,838.

2009 General Obligation Bond Proceeds in the amount of \$571,383 have been reallocated to the project. These funds along with the anticipated 2014 State Capital Outlay Appropriation in the amount of \$965,000 will complete the design and construction of the Westside Boulevard bridge at the Cabezón Channel crossing, including approaches and departures roadways. Design is currently in progress and construction is planned for Fiscal Year 2015.

Broadmoor Boulevard-Phase I

The project consists of final design and construction of the two (2) lane interim roadway from Norwich Avenue to Paseo del Volcan, as well as improvements to the section between Northern Boulevard and Norwich Avenue. Broadmoor Boulevard will be an integral north-south corridor accommodating traffic flows into and out of the City Center area. Final design is currently in progress utilizing Federal Grants and Higher Education Gross Receipts Tax sources. The FY15 Budget includes an additional \$3,250,000 in Higher Education Gross Receipts Tax sources for construction activities.

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 4,451 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. The balance of capital funds available for purchase of additional water rights is \$2,239,147, while estimated recurring revenue from the water rights acquisition fee available through Fiscal Year 2020 is \$8 million.

2013 Utility Rates and the Water Infrastructure and Capital Improvement Plan

Effective February 1, 2013, water and 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 (O35, Enactment 12-34). On May

22, 2013, the Governing Body amended the increase for FY14 to 7.8% effective July 1, 2013 (O16, Enactment 13-13) due to receipt of a State Capital Outlay Appropriation for water service line replacement. In FY15, rates were set to return to the predetermined increases originally adopted in O35, Enactment 12-34; however on June 25, 2014 the Governing Body amended the annual increase to 7.8% for FY15 through FY17.

The FY15 Water ICIP includes new cash financing in the amount of \$7 million and new debt financing in the amount of \$26 million for water projects. Potential debt financed projects include Booster Station and Transmission Line from Tank 8 to Tank 13 (\$3,000,000), Redrill Well 13 and Equip for Arsenic Treatment (\$12,530,000), and Redrill Well 5 and Equip for Arsenic Treatment (\$10,950,000).

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: 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 was substantially completed in November 2013. Construction of the remaining project scope is currently in progress to be completed in January 2015. 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 III and IV

The project consists of installation of new 30" and 36" sanitary sewer pipe to replace the existing 15" pipe that will be capped and abandoned in place. Phase III construction from the Sports Complex Dam to approximately 500 feet east of Broadmoor Boulevard was completed in February 2013. A related developer managed project involves expansion of the sewer interceptor from the termination point of Phase III to Idalia Road to serve developments northwest of Northern and Broadmoor Boulevards. At the time the developer segment of the line is completed (estimated in 2014), staff will commence Phase IV which will extend from Idalia Road to Northern Boulevard to connect to an existing sewer line. The project is funded by Wastewater Impact Fees and Utility Operating sources.

2013 Utility Rates and the Wastewater Infrastructure and Capital Improvement Plan

The FY15 Wastewater ICIP includes new cash financing in the amount of \$6.6 million and new debt financing for wastewater projects in the amount of \$13.6 million. Notable debt financed projects include Retrofit Wastewater Treatment Plant #1 to a Membrane BioReactor (\$10,234,122) and New Warehouse, Laboratory, and Office Complex at Wastewater Treatment Plant #2 (\$2,621,098).

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.

A 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 summer 2012 and a 6 acre park site in the Cabezon subdivision has been selected as the home for the new park. Phase I construction commenced in March 2014 and an additional \$60,000 State Capital Outlay Appropriation was authorized by the 2014 Legislature. 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. The City has also 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 Montoya's Arroyo. The project is required to protect road crossings and allow further development in the area. Design of the ultimate drainage solution was completed in October 2013 and construction of Phase I improvements up to Gemini Road was completed in May 2014. The FY15 Budget includes additional Drainage Impact Fee funds in the amount of \$141,141 for Phase II improvements from Gemini Road to Los Montoya's Arroyo.

General and Other

Fleet Vehicle and Heavy Equipment Replacement

The Department of Public Works, Building and Fleet Maintenance Division prioritizes the 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 FY15 ICIP includes \$7.8 million in planned acquisitions through Fiscal Year 2020. The FY15 Budget includes cash financing of a Parks Maintenance truck replacement, an Animal Control truck replacement, an equipment transportation trailer for Streets and Right-of-Way, and additional equipment for road maintenance.

CAPITAL SPENDING OVERVIEW: FISCAL YEARS 2015-2020

In the aggregate, the City's capital program consists of 92 projects at a total estimated cost of \$277 million for the planning period beginning on July 1, 2014 and ending on June 30, 2020 (FY15-FY20). Similar to past ICIPs, the major project categories accounting for the most substantial portions of the aggregate program are Transportation and Drainage (39%) and Utilities-Water and Wastewater (48%).

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 \$6.2 million or 2 percent compared to last year's plan. Major changes in the size of the capital program are detailed in Exhibit 2. 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. The ICIP document also contains a 'Projects Under Consideration' list for each facility category consisting of projects for which an expectation of need has been established, but for which funding is yet to be determined. The 'Projects Under Consideration' list therefore captures

projects considered deferred due to lack of funding at this time.

Table 1

ICIP Comparison: FY2014-2019 and FY2015-2020

	FY 2014-2019	FY 2015-2020	\$ Change	% Change
General and Other	\$ 3,191,776	\$ 9,732,831	\$ 6,541,055	205%
Police	\$ 5,307,880	\$ 5,547,772	\$ 239,892	5%
Fire and Rescue	\$ 5,006,484	\$ 6,006,067	\$ 999,583	20%
Parks, Rec. and Comm. Services	\$ 31,634,247	\$ 16,150,533	\$ (15,483,714)	-49%
Drainage	\$ 2,962,339	\$ 5,166,334	\$ 2,203,995	74%
Transportation	\$ 110,533,127	\$ 102,330,654	\$ (8,202,473)	-7%
Utilities-Water	\$ 62,403,000	\$ 68,792,758	\$ 6,389,758	10%
Utilities-Wastewater	\$ 62,630,472	\$ 63,720,769	\$ 1,090,297	2%
	\$ 283,669,325	\$ 277,447,718	\$ (6,221,607)	-2%

CAPITAL FINANCING OVERVIEW: FISCAL YEARS 2015-2020

At the time of publication of the ICIP, the City has affirmatively and/or tentatively identified funding sources for 52 percent of total capital spending planned to occur through Fiscal Year 2020. Sources include both pay-as-you-go (use of current financial resources) and debt financing sources, while 48 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 FY15 ICIP to accurately represent the funding gap that exists between capital needs as identified in the plan and financial resources available for those needs.

The FY15 ICIP includes an amount of \$42 million in utility enterprise bond proceeds programmed for expenditure in anticipation of future debt issuance for non-growth capital projects pursuant to the 2012 Rate Study. 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 jurisdictions.

The table below presents a broad look at the capital financing of the FY15-20 ICIP. A more detailed break out of funding by source and fiscal year is presented in a summary page following this message.

Table 2

<i>Type of Financing</i>	FY 2015	% of Total	FY 2016-2020	% of Total
Pay as You Go	\$ 41,256,058	54%	\$ 45,493,881	23%
Debt Financing	\$ 18,568,788	24%	\$ 38,279,434	19%
To Be Determined*	\$ 16,028,330	21%	\$ 117,821,227	58%
TOTAL	\$ 75,853,176	100%	\$ 201,594,542	100%

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

Fiscal Year 2015 Capital Budget

Table 3

<i>Fund</i>	<i>\$ Amount</i>
General Fund	\$ 120,334
Special Funds	\$ 5,554,170
Utility Funds	\$ 4,385,536
TOTAL	\$ 10,060,040

General Fund: \$120,334

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 2015 consists of:

- Haynes Pool Pump Equipment: \$6,060
- Front Deck Mowers (2) for Parks Maintenance: \$40,340
- Streets and Right-of-Way Equipment: \$51,934
- Bait Car Equipment: \$7,500
- Electric Gurney for Fire and Rescue: \$14,500

The capital budget for Fiscal Year 2015 is \$5,878 more than the Fiscal Year 2014 actual capital expenditures.

Special Funds: \$5,554,170

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 the Fiscal Year 2015 Budget include:

- Police Motorcycles (2): \$42,000 (Law Enforcement Protection Fund)
- Fire Command Vehicles (2): \$60,000 (Fire Protection Fund)
- Broadmoor Boulevard Phase I: \$3,250,000 (Higher Education Gross Receipts Tax Fund)
- Road Restoration, Traffic Equipment, Pedestrian Improvements, ADA Sidewalks: \$68,442 (Municipal Gas Tax Fund)
- Pavement Preservation: \$1,000,000 (Infrastructure Fund-General Fund sources)
- Rockaway and Northern Boulevards Traffic Signal: \$250,000 (Infrastructure Fund-State Grants: \$187,500 and Road Impact Fee Fund: \$62,500)
- Local Government Road Fund Grants: \$75,000 (Infrastructure Fund)
- Rainbow Park Observatory: \$3,166 (Recreations Fund-County Grants)
- Laserfiche Upgrade: \$59,065 (Computer Replacement Fund-General Fund sources)
- Vehicles and Heavy Equipment, including a Park Maintenance truck, Animal Control truck and box, Equipment Trailer, and Streets and Right-of Way equipment: \$358,042 (Equipment Replacement Fund-General Fund sources)
- Building and Facility Improvements, including a Streets and Right-of-Way storage building and Parks and Recreation Center improvements: \$116,607 (Building and Facility Improvement Fund)
- Westside Boulevard: \$20,338 (2009 Bond Construction Fund)
- Cabazon Boulevard and Western Hills intersection and design analysis: \$62,569 (Road Impact Fee Fund)
- Police Vehicles (2): \$47,800 (Public Safety Impact Fee Fund)

- Los Milagros Phase II Improvements: \$141,141 (Drainage Impact Fee Fund)

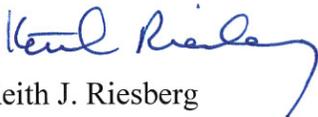
Utility Funds: \$4,385,536

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 the Fiscal Year 2015 Budget include:

- Laserfiche Upgrade: \$19,514 (Utility Operating Fund)
- Various Equipment Items: \$38,500 (Utility Operating Fund)
- Vehicles and Heavy Equipment: \$988,416 (Equipment Replacement Fund)
- Water Capital Improvements, including design of the Redrill Well 13 and Renovation of Water Storage Tanks projects: \$1,376,502 (Water Capital Fund)
- Wastewater Capital Improvements, including SCADA Improvements: \$179,700 (Wastewater Capital Fund)
- Water Rights Acquisition: \$1,782,904 (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 staff throughout the fiscal year to identify resources for capital projects.

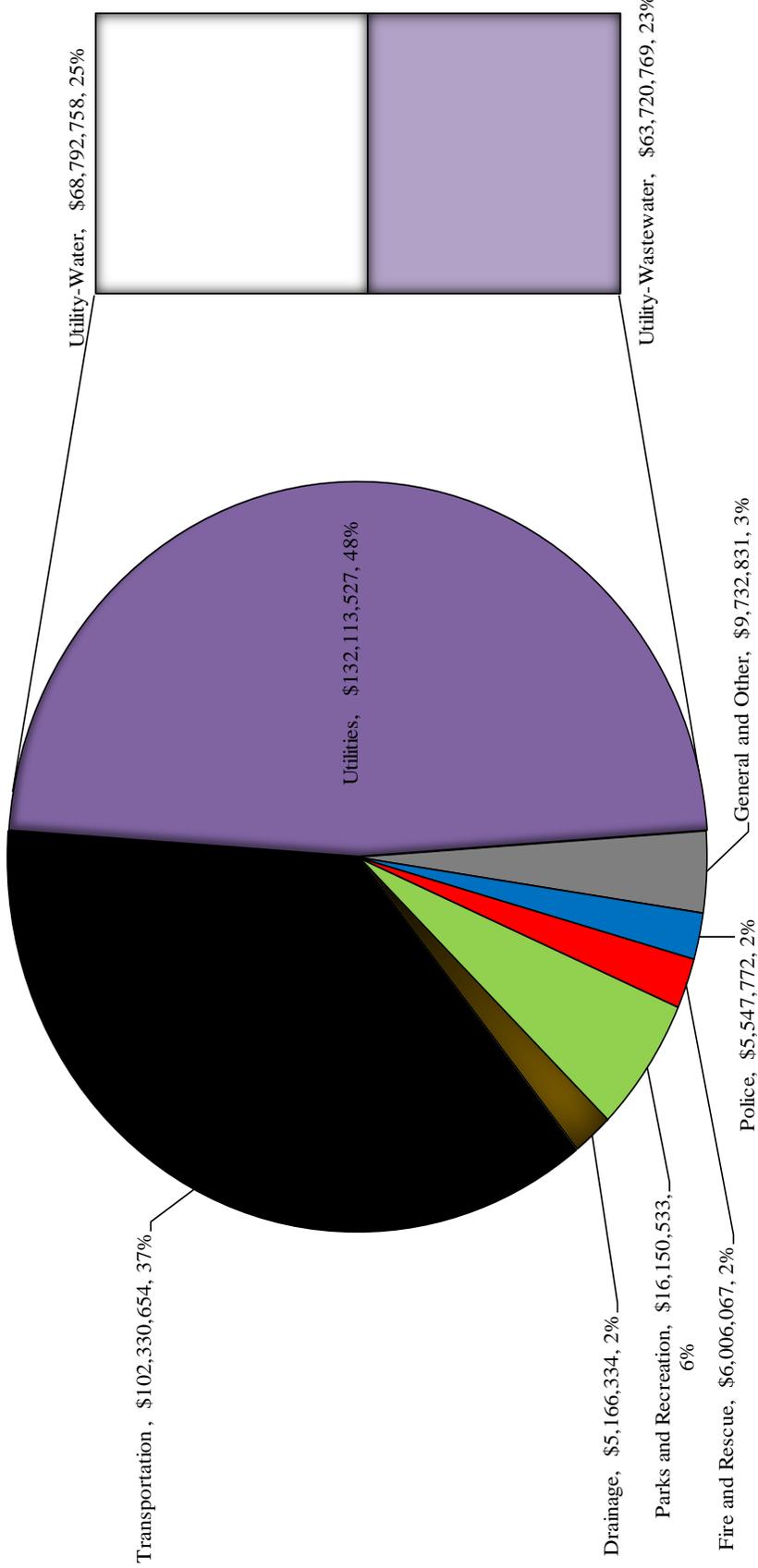
Respectfully,



Keith J. Riesberg
City Manager

Final Infrastructure and Capital Improvement Plan (ICIP) Allocations by Project Category: FY15-FY20

Project Category	Total No. of Projects	FY2015 Budget	FY2015 Total	FY2016	FY2017	FY2018	FY2019	FY2020	TOTALS
General and Other	7	\$ 546,173	\$ 2,527,828	\$ 2,227,712	\$ 954,047	\$ 2,673,892	\$ 1,211,952	\$ 137,400	\$ 9,732,831
Police	7	\$ 97,300	\$ 3,072,724	\$ 542,509	\$ 588,653	\$ 397,442	\$ 626,600	\$ 319,844	\$ 5,547,772
Fire and Rescue	7	\$ 74,500	\$ 1,798,273	\$ 1,159,794	\$ 972,000	\$ 997,000	\$ 272,000	\$ 807,000	\$ 6,006,067
Parks, Rec., and Comm.	18	\$ 118,041	\$ 2,648,686	\$ 683,468	\$ 2,887,453	\$ 3,731,642	\$ 5,282,233	\$ 917,052	\$ 16,150,533
Drainage	7	\$ 141,141	\$ 1,283,818	\$ 214,489	\$ 2,184,889	\$ 138,384	\$ 144,754	\$ 1,200,000	\$ 5,166,334
Transportation	18	\$ 4,697,349	\$ 34,135,271	\$ 19,242,511	\$ 9,065,789	\$ 14,875,028	\$ 15,913,587	\$ 9,098,468	\$ 102,330,654
Utility-Water	12	\$ 3,734,559	\$ 10,644,645	\$ 14,016,814	\$ 19,977,004	\$ 19,140,447	\$ 2,223,473	\$ 2,790,374	\$ 68,792,758
Utility-Wastewater	16	\$ 650,977	\$ 19,741,931	\$ 18,457,818	\$ 892,412	\$ 7,143,608	\$ 2,840,000	\$ 14,645,000	\$ 63,720,769
TOTALS	92	\$ 10,060,040	\$ 75,853,176	\$ 56,545,115	\$ 37,522,247	\$ 49,097,443	\$ 28,514,599	\$ 29,915,138	\$ 277,447,718



Final Infrastructure and Capital Improvement Plan (ICIP) Financing by Source: FY15-FY20

Funding Source Category	FY2015		FY2016		FY2017		FY2018		FY2019		FY2020		TOTALS
	Budget	Total											
General Operating Funds	\$ 1,552,237	\$ 1,759,967	\$ 3,351,400	\$ 1,669,500	\$ 2,469,500	\$ 1,073,900	\$ 1,623,900	\$ 2,469,500	\$ 1,073,900	\$ 1,623,900	\$ 1,623,900	\$ 11,948,167	
Utility Operating Funds	\$ 2,602,632	\$ 9,745,942	\$ 1,252,425	\$ 1,064,341	\$ 4,996,620	\$ 1,081,075	\$ 2,615,227	\$ 4,996,620	\$ 1,081,075	\$ 2,615,227	\$ 2,615,227	\$ 20,755,630	
Special Fund Revenue	\$ 3,522,253	\$ 4,272,261	\$ 149,400	\$ 159,714	\$ 160,924	\$ 162,169	\$ 163,452	\$ 160,924	\$ 162,169	\$ 163,452	\$ 163,452	\$ 5,067,920	
Grants-In-Aid	\$ 265,666	\$ 19,178,012	\$ 7,086,816	\$ 106,344	\$ 7,081,750	\$ 30,000	\$ 30,000	\$ 7,081,750	\$ 30,000	\$ 30,000	\$ 30,000	\$ 33,512,922	
Impact Fees	\$ 314,010	\$ 2,453,418	\$ 977,545	\$ 478,043	\$ 684,099	\$ 402,426	\$ 396,607	\$ 684,099	\$ 402,426	\$ 396,607	\$ 396,607	\$ 5,392,138	
Other Pay as You Go Financing	\$ 1,782,904	\$ 3,846,458	\$ 1,170,149	\$ 1,207,483	\$ 1,246,527	\$ 1,320,147	\$ 10,073,162	\$ 1,246,527	\$ 1,282,398	\$ 1,320,147	\$ 1,320,147	\$ 10,073,162	
To Be Determined	\$ -	\$ 16,028,330	\$ 22,029,858	\$ 15,562,910	\$ 32,458,023	\$ 24,004,631	\$ 23,765,805	\$ 32,458,023	\$ 24,004,631	\$ 23,765,805	\$ 23,765,805	\$ 133,849,557	
General Obligation Bond Proceeds	\$ 20,338	\$ 2,473,957										\$ 2,473,957	
Utility Bond and Loan Proceeds	\$ -	\$ 15,253,221	\$ 20,384,122	\$ 17,273,912								\$ 52,911,255	
Limited Obligation Loan Proceeds	\$ -	\$ 841,610	\$ 143,400						\$ 478,000			\$ 1,463,010	
TOTALS	\$ 10,060,040	\$ 75,853,176	\$ 56,545,115	\$ 37,522,247	\$ 49,097,443	\$ 28,514,599	\$ 29,915,138	\$ 28,514,599	\$ 29,915,138	\$ 29,915,138	\$ 29,915,138	\$ 277,447,718	

Capital Financing by Type: FY15-FY20

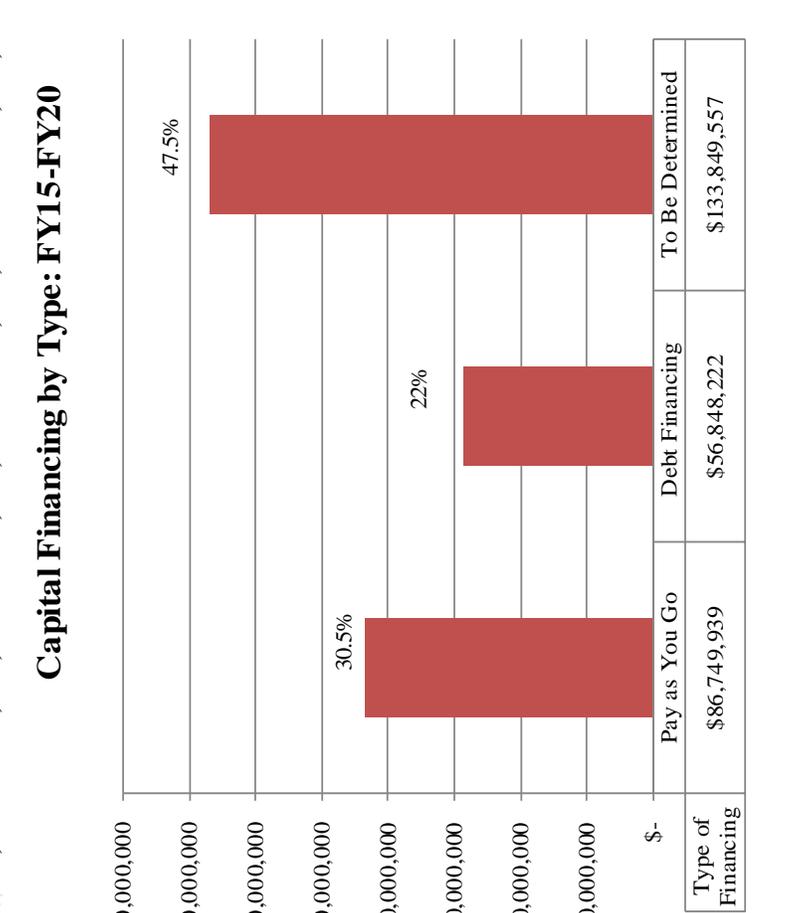


EXHIBIT 1

Public Safety Vehicle Financing Plan: FY2015-2020

<u>Sources</u>	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Total
# of Police Vehicles ¹	10	10	8	8	24	4	64
# of Fire Apparatus ²	0	2	2	2	1	1	8
State Capital Outlay Appropriation ³	\$ 337,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 337,000
Public Safety Impact Fees ⁴	\$ 47,800	\$ 221,700	\$ 221,700	\$ 221,700	\$ 221,700	\$ 221,700	\$ 1,156,300
General Fund Police ⁵	\$ 35,364	\$ 94,628	\$ 260,956	\$ 260,956	\$ 94,628	\$ 94,628	\$ 841,160
General Fund Fire ⁵	\$ -	\$ 800,000	\$ 550,000	\$ 550,000	\$ 50,000	\$ 600,000	\$ 2,550,000
Law Enforcement Fund-Loan ⁶	\$ -	\$ 249,492	\$ -	\$ -	\$ -	\$ -	\$ 249,492
Police Vehicle Loan ⁷	\$ -	\$ -	\$ -	\$ -	\$ 831,640	\$ -	\$ 831,640
Total	\$ 420,164	\$ 1,365,820	\$ 1,032,656	\$ 1,032,656	\$ 1,197,968	\$ 916,328	\$ 5,965,592
<u>Uses</u>							
Police Vehicle Replacement	\$ 241,510	\$ 239,013	\$ 191,211	\$ 191,211	\$ 573,632	\$ 95,605	\$ 1,532,182
Equipping	\$ 178,654	\$ 176,807	\$ 141,445	\$ 141,445	\$ 424,336	\$ 70,723	\$ 1,133,410
Fire Apparatus	\$ -	\$ 950,000	\$ 700,000	\$ 700,000	\$ 200,000	\$ 750,000	\$ 3,300,000
Total	\$ 420,164	\$ 1,365,820	\$ 1,032,656	\$ 1,032,656	\$ 1,197,968	\$ 916,328	\$ 5,965,592

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. Fire Apparatus Schedule revised in Fiscal Year 2015 ICIP.

3. 2014 Regular Session House, Taxation, and Revenue Committee Substitute for House Bill 55. \$337,000/\$41,582=8 cars.

4. The amount of Public Safety Impact Fee cash financing available is based on the January 2014 estimate. This cash financing allows acquisition of (2) Police Vehicle replacements (equipping from General Fund Sources) in Fiscal Year 2015, and (3) Police Vehicle replacements per year thereafter.

An amount of \$150,000 is programmed for fire apparatus in FY16 through FY20.

5. General Fund support: FY15: \$35,364; FY16: \$894,628; FY17: \$810,956; FY18: \$810,956; FY19: \$144,628; FY20: \$694,628; Total: \$3,391,160.

6. The Fiscal Year 2016 Police Vehicle Loan Cycles assumes 6 replacement vehicles at a cost of \$41,582 each. Debt service would be paid by Law Enforcement Fund revenue. Estimated average annual debt service is \$54,494.

7. The Fiscal Year 2019 Police Vehicle Loan assumes 20 replacement vehicles at a cost of \$41,582 each. Debt service would be paid by the City's State Shared Gross Receipts Tax Revenue. Estimated average annual debt service is \$174,793.

EXHIBIT 2

Table 1

ICIP Comparison: FY2014-2019 and FY2015-2020

	FY 2014-2019	FY 2015-2020	\$ Change	% Change
General and Other	\$ 3,191,776	\$ 9,732,831	\$ 6,541,055	205%
Police	\$ 5,307,880	\$ 5,547,772	\$ 239,892	5%
Fire and Rescue	\$ 5,006,484	\$ 6,006,067	\$ 999,583	20%
Parks, Rec. and Comm. Services	\$ 31,634,247	\$ 16,150,533	\$ (15,483,714)	-49%
Drainage	\$ 2,962,339	\$ 5,166,334	\$ 2,203,995	74%
Transportation	\$ 110,533,127	\$ 102,330,654	\$ (8,202,473)	-7%
Utilities-Water	\$ 62,403,000	\$ 68,792,758	\$ 6,389,758	10%
Utilities-Wastewater	\$ 62,630,472	\$ 63,720,769	\$ 1,090,297	2%
	\$ 283,669,325	\$ 277,447,718	\$ (6,221,607)	-2%

Major changes in the size of the capital program include:

Project Category

- *General and Other*: The \$6.5 million increase to the General and Other capital plan is attributable to increased cost estimates as a result of revised needs assessments for various projects, and the addition of projects to the FY15 ICIP. Major items of revision include:

- Increase of \$4,892,692 in cost estimates due to a revised needs assessment for general fleet vehicle acquisition and city facility improvements.
- Increase of \$1,112,500 for the addition of planned improvements at the Santa Ana Star Center.

- *Police*: The nearly \$240,000 increase to the Police capital plan is the net effect of revisions to cost estimates, revised need assessments for various projects, and the addition of projects to the FY15 ICIP. Major items of revision include:

- Decrease of \$499,011 to the Communications Upgrade project to reflect a reduced scope of equipment upgrades to accommodate the Police Department.
- Net increase of \$242,113 to the Police Vehicle and Police Motorcycle replacement plans as a result of revised needs assessments.
- Net increase of \$229,290 for improvements to the Quantum Building as a result of a revised needs assessment.
- Increase of \$260,000 for the addition of a Mobile Command Post vehicle.

- *Fire and Rescue*: The nearly \$1 million increase to the Fire and Rescue capital plan is the net effect of revisions to cost estimates, revised needs assessments, and decreases for prior year actual expenditures. Major items of revision include:

- Increase of \$743,958 for Fire Apparatus acquisition as a result of a revised needs assessment.
- Increase of \$177,017 to the Fire Administration Building project for the addition of phased improvements to the facility.
- Increase of \$120,000 for the addition of Fire Station improvements at Stations 3 (storage building and fencing) and Station 5 (drive pad replacement).

-Parks, Recreation, and Community Services: The nearly \$15.5 million decrease to the Parks and Recreation capital plan is the net effect of revisions to cost estimates, decreases for prior year actual expenditures, and removal of projects from the FY15 ICIP. Major items of revision include:

- Decrease of \$14,396,998 for the removal of the New Senior Center project to the ‘Projects Under Consideration’ list.
- Decrease of \$1,507,930 for prior year expenditures for the A Park Above project currently in progress.
- Increase of \$382,717 for the addition of four improvement projects to existing park and recreation facilities.

-Drainage: The \$2.2 million increase to the Drainage capital plan is the net effect of revisions to cost estimates, revised need assessments for various projects, and the addition of projects to the FY15 ICIP. Major items of revision include:

- Increase of \$293,802 to the Los Milagros Channel project for the addition of Phase 2 improvements from Gemini Road to Los Montoya’s Arroyo.
- Increase of \$899,378 to the Industrial Park East Drainage project as a result of a revised cost estimate. This represents the city’s share of drainage improvements necessitated by the NM Highway 528 widening project.
- Increase of \$733,580 for the addition of the Sports Complex Armoring project. Staff will pursue a Federal Emergency Management grant for the project.

-Transportation: The \$8.2 million decrease to the Transportation capital plan is the net effect of revisions to cost estimates, decreases for prior year actual expenditures, removal of completed projects; and removal of projects from the FY15 ICIP. Major items of revision include:

- Decrease of \$5,116,502 to the Broadmoor Boulevard-Phase I project as a result of a revised cost estimate based on recent design analysis and plans.
- Decrease of \$1,156,468 for projects removed from the FY15 ICIP and placed on the ‘Projects Under Consideration’ list.
- Decrease of \$919,503 to the Southern Boulevard Reconstruction (Golf Course Road to NM528) project as a result of a revised cost estimate based on recent design analysis and plans.

-Utilities-Water and Wastewater: The \$7.5 million decrease in the Utilities capital plan is the net result of revisions to cost estimates, revised need assessments for various projects, decreases for prior year actual expenditures, removal of projects from the FY15 ICIP, and the addition of projects to the FY15 ICIP. The Water and Wastewater facility categories include 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 amendments effective July 1, 2013 (O16, Enactment 13-13) and July 1, 2014 (O1, Enactment 14-09). Under the rate increase, cash and debt financing is anticipated to become available for non-growth related projects.

The Water facility category decreased by a net amount of approximately \$6.4 million. Major items of revision include:

- Net increase of \$358,756 in cost estimates, most notably an additional \$1.7 million in resources available for Water Rights Acquisition, an increase of \$1.6 million in the estimated cost of the Redrill Well 5 project, and a decrease of \$3.4 million to the Booster Station and Transmission

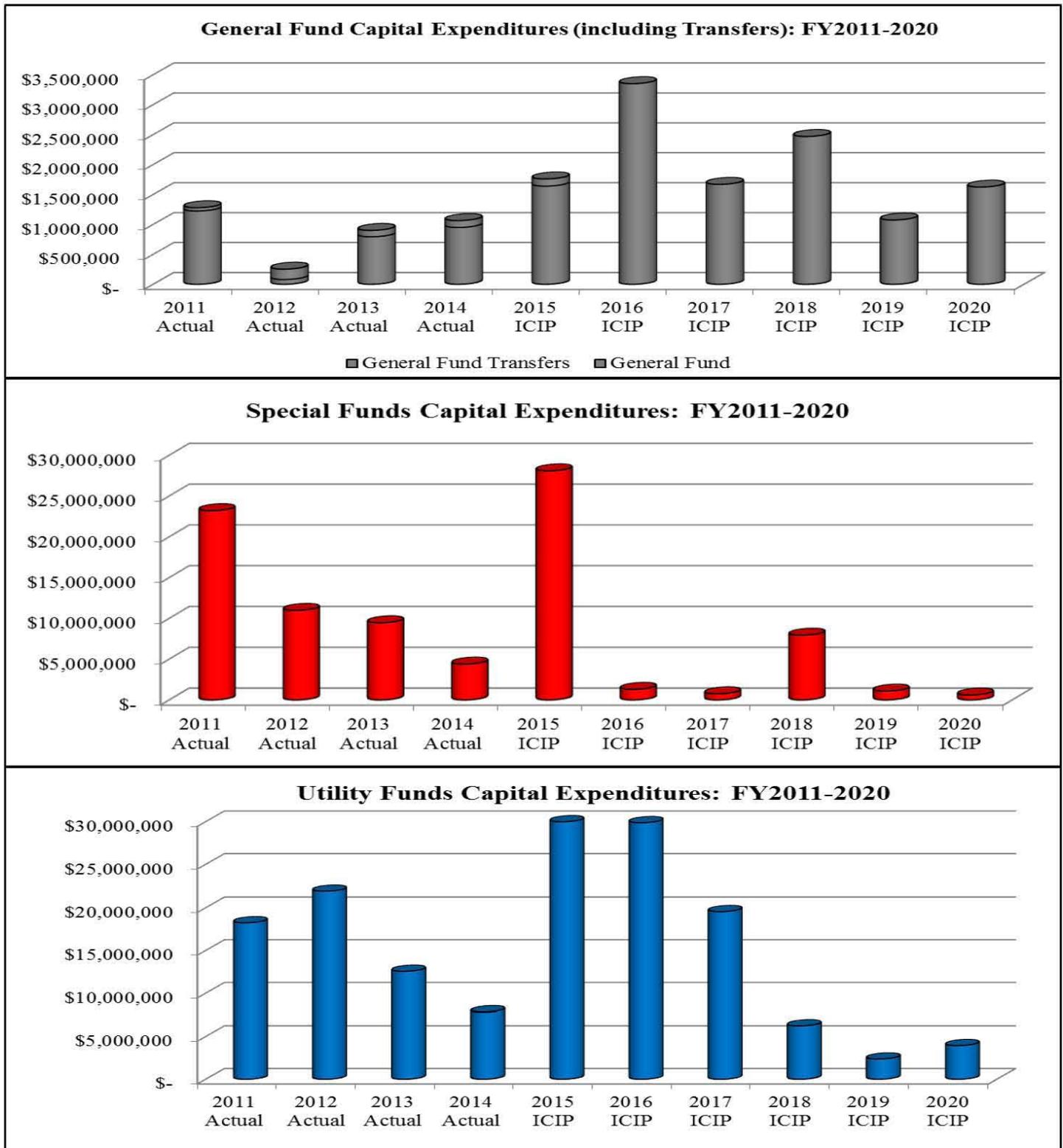
Line from Tank 8 to Tank 13 project.

- Decrease of \$28 million for projects removed from the FY15 ICIP, most notably the Well 23 Equipping project which was placed on the 'Projects Under Consideration' list.
- Increase of \$34 million for projects added to the FY15 ICIP, most notably the Redrill Well 13 and Equip for Arsenic Treatment, and Redrill Well 9 projects.

The Wastewater facility category increased by a net amount of \$1 million. Major items of revision include:

- Decrease of \$4.5 million for prior year actual expenditures.
- Net increase of \$3.6 million in costs estimates, most notably \$3.8 million for the Aquifer Storage Demonstration project for phase 2 improvements to the Advanced Water Treatment Facility at the Loma Colorado site. Staff will pursue a Water Trust Board grant for the project.
- Decrease of \$17.9 million for project removed from the FY15 ICIP, most notably \$9.3 million for projects moved to the 'Projects Under Consideration' list.
- Increase of \$19.8 million for projects added to the FY15 ICIP, most notably Retrofit Wastewater Treatment Plan #3 to a Membrane Bio Reactor project.

Exhibit 3-Historical Capital Expenditures



Type of Fund	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 ICIP	2016 ICIP	2017 ICIP	2018 ICIP	2019 ICIP	2020 ICIP
General Fund	\$ 54,537	\$ 172,896	\$ 106,433	\$ 114,456	\$ 120,334	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund Transfers	\$ 43,420	\$ 91,728	\$ 333,866	\$ 949,580	\$ 1,639,633	\$ 3,351,400	\$ 1,669,500	\$ 2,469,500	\$ 1,073,900	\$ 1,623,900
Special Funds	\$24,374,611	\$10,955,551	\$ 9,910,011	\$ 4,389,814	\$28,078,303	\$ 1,288,488	\$ 744,101	\$ 7,926,773	\$ 1,072,595	\$ 590,059
Utility Funds	\$18,235,784	\$21,850,049	\$12,556,832	\$ 7,825,844	\$29,986,576	\$29,875,369	\$19,545,736	\$ 6,243,147	\$ 2,363,473	\$ 3,935,374
TBD-Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$15,628,330	\$19,430,595	\$14,239,230	\$12,446,921	\$21,304,631	\$10,265,805
TBD-Utility Funds	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ 2,599,263	\$ 1,323,680	\$20,011,102	\$ 2,700,000	\$13,500,000
TOTAL	\$42,708,352	\$33,070,225	\$22,907,142	\$13,279,694	\$75,853,176	\$56,545,115	\$37,522,247	\$49,097,443	\$28,514,599	\$29,915,138



**CITY OF RIO RANCHO
RESOLUTION**

RESOLUTION NO. 52

ENACTMENT NO. 14-051

**RESOLUTION TO ADOPT THE FINAL INFRASTRUCTURE AND CAPITAL
IMPROVEMENT PLAN (ICIP) FOR FISCAL YEARS 2015-2020**

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 budget hearing was conducted for the City's capital program on May 7, 2014 to present the capital program to the Governing Body, and;

WHEREAS: A public hearing pursuant to Article VI of the City Charter was conducted on May 28, 2014, and;

WHEREAS: The Governing Body adopted the Recommended ICIP as amended on May 28, 2014 by Resolution No. 35, Enactment No. 14-040, 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, 2014 and ending June 30, 2020, and incorporates the current fiscal year's capital appropriations, and;

WHEREAS: The ICIP has been updated to be consistent with the Fiscal Year 2015 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 2015-2020.

ADOPTED THIS 23rd DAY OF JULY, 2014



Greggory D. Hull, Mayor

ATTEST:



Stephen J. Ruger, City Clerk
(SEAL)