

2016 Mayor State of the City Report

It's an honor and privilege to give this State of the City Report to the City Council and the citizens of Rio Rancho.

I continue to maintain an optimistic view about the future of our community, as should all citizens of Rio Rancho.

There are many notable achievements that have occurred in Rio Rancho from the past year that include:

- expanding health care services;
- Booming retail growth and shopping opportunities;
- The addition of more than 1100 jobs, which will bring approximately \$34 million in payroll to the region at full hire.
- The passing of a general obligation bond that will make \$9 million available for road maintenance, construction, and reconstruction;
- And, fulfilling my promise to tenaciously pursue the receipt of a \$2.1 million reimbursement from the Army Corps of Engineers.

Last year, we conducted a citizen survey in order to identify community strengths and weaknesses, establish benchmarks for tracking the quality of services provided to residents by local government, and gain useful information for immediate and long-term planning.

Eight-four percent of respondents rated Rio Rancho as an excellent or good place to live, and 83 percent rated the City as an excellent or good place to raise children.

With these foundations already in place, and a recovering economy, it's not hard to see why further development of our community and job creation is on the rise. Simply put, Rio Rancho is a place people want to be.

The past year has been an exciting time as we have seen the Presbyterian Rust Medical Center expand and the opening of new restaurants and businesses.

We are on track to see further growth in shopping opportunities in the community through the expansion of The Plaza at Enchanted Hills with retailers such as PetSmart, Ross, and Burkes Outlet. These new businesses are on schedule to open by the upcoming holiday shopping season.

It cannot be overstated how important it is to support existing and new local businesses. When we spend our money in Rio Rancho, local government has more tax revenue available to provide the public services we all need and want as residents.

Rio Rancho is welcoming two new companies via Safelite auto glass repair and PCM technology solutions. Safelite is bringing approximately 900 insurance claims processing and operations support positions. PCM will be located in Rio Rancho's City Center and filling nearly 225 positions.

These expansions are a testament to our workforce and the hard work and collaboration with different partners that has taken place in order to foster a business environment that is conducive to attracting new private sector investment.

In addition to PCM and Safelite, I would like to welcome and acknowledge the numerous other businesses that invested in Rio Rancho this year, some of which include: Rio Grande Credit Union, Gonstead Heath, Nusenda Credit Union, Taco Cabana, Chick fil A, Whataburger, and numerous other companies—too many to list.

The local housing market is showing positive growth and development. Residential development is critical as it creates the demand for retailers to expand and/or locate their operations in Rio Rancho.

During the past fiscal year, more than 500 new single-family home permits were issued. The Neighborhood by La Vida Llena, a senior-living community, has opened in the Loma Colorado community.

The formation of a Public Improvement District was approved to help support expansion of the existing Lomas Encantadas and Enchanted Hills communities. In the coming years, we are poised to see more than a 1,000 new homes added to the community.

Last year's citizen survey had 91 percent of respondents in agreement that the roads in Rio Rancho need to be improved. I am pleased to report progress in this area is being made.

The much needed reconstruction and improvement of Idalia Road between Iris Road and N.M. 528 will be completed this fall.

The extension of Broadmoor Boulevard to Paseo del Volcan will be done this winter. Through the completion of this project, a new and needed north-south corridor is created that provides improved access to the City Center area. In addition, this roadway extension opens up a new area for development.

This past March, Rio Rancho voters overwhelming approved a general obligation road bond question that makes available \$9 million. I want to thank voters again for choosing to invest their hard-earned dollars into the community.

As the City indicated leading up to the road bond election, if the bond was approved the money would be applied to improving Sara Road between N.M. 528 and Southern Boulevard and reconstructing High Resort Boulevard from N.M. 528 to Broadmoor Boulevard. The Sara Road work will be underway shortly and will be completed in a few months. High Resort Boulevard work is slated to begin this winter and last approximately nine months.

And, coming in 2018, reconstruction work on Southern Boulevard, Phase 1 beginning at N.M.

528, will begin. This work will be funded via already secured federal and City sources.

As a result of the very sound financial and management approach lead by City Manager Keith Riesberg and the Financial Services Department staff that has been supported by the Governing Body, when revenues have exceeded estimates, this has created unencumbered one-time money that can be used where it's needed most. For example, as part of last year's budget when additional revenue materialized, it went to emergency repair work on the Idalia Road tributary crossing and roadway improvements to Grande Boulevard and Ridgecrest Drive.

As a result of smart spending practices and forecasting that keeps the City's financial position positive, the budget the City just finalized has more than \$1 million in one-time money that is available and not already allocated.

In the coming months, decisions will be made on how best to utilize this funding for public services. As I have consistently done since becoming Mayor, I will advocate that additional revenue such as this is put towards needed road work.

While I have just mentioned a number of road projects, I want to be clear that Rio Rancho has many other road-related needs with very high costs. Identifying additional revenue sources to get more and more work done will be ongoing.

Next year will see the culmination of years of planning and investment, a truly historic event, when the City begins injecting clean recycled water back into the aquifer. By doing so, we will greatly extend the life of the aquifer, provide substantial storage of water that can be used by future generations, and support economic development as increasing water availability is an essential component of such efforts.

It's anticipated that by spring 2017, up to approximately 1 million gallons per day will begin to be injected back into the aquifer, which is about 10 percent on average what the City draws out of the aquifer daily.

By this winter, approximately 3,000 leaking water service lines will have been replaced at a cost of more than \$4 million since 2014. This is tremendous progress on a very critical issue; however, more work remains – nearly 12,000 lines. The City will continue to use available revenues and search for supplemental funding sources to address this need.

Earlier this year, the new Governing Body helped secure the future of the City by approving the rebuild of a nearly 50-year old wastewater treatment plant. Not only will a current need be addressed through this project, but the future of the City is also being fortified by rebuilding the plant with modern technology that will help make more water available in the future for a variety of needs and uses.

This past year marked a giant step forward in terms of addressing an issue that has lingered for years, which has been one of my top priorities since becoming Mayor.

The City received a partial reimbursement of \$2.135 million from the U.S. Army Corps of Engineers stemming from a 2007 agreement for the design and construction of an arsenic treatment facility in order to meet federal requirements.

Approximately \$4 million remains owed to the City per this agreement. Obtaining the remainder of the outstanding reimbursement amount will continue to be a priority for me during my term.

Rio Rancho's reputation of being a safe community is a reflection of the City's commitment to our public safety departments and the fine men and women we have willing to put their lives on the line daily.

Once again, this year's budget makes investments in public safety through a variety of equipment and vehicles acquisitions as well as pay increases. Specifically, the Police Department received additional money for pay increases in order to help ensure personnel is retained.

The community's admiration and respect for police officers is reflected in a new Regional Law Enforcement Officer Memorial at Veterans Monument Park. Through private contributions and donations, law enforcement officers who have made the ultimate sacrifice in the line of duty in the City of Rio Rancho and Sandoval County will be forever honored and remembered.

City finances are another positive indicator that the community and local government are on the right track.

We estimate that the General Fund reserves will exceed the State of New Mexico requirement of 1/12th (8.3 percent) of expenditures and end the year at 15 percent, which is also the City's policy target. It's also extremely positive that the City's current projections for Fiscal Years 2018-2021 are close to the 15 percent threshold as well.

Having these reserves is not only a best practice, but is critical due to the somewhat volatile nature of the City's main revenue source, Gross Receipts Tax. As we know, unexpected emergencies can be costly and maintaining healthy fund balances gives the City flexibility and capacity to address these situations.

One of the most important documents for local government, or any organization for that matter, is its strategic plan because clear goals and strategies for meeting needs and challenges are identified. Our local government's current strategic plan was adopted in 2009 and is in need of updating. Revising this document is scheduled to take place in the coming year.

Quality of life, and a high level of it, is something that all communities strive for. In Rio Rancho, through a number of facilities and programs, community members have lots to choose from. In this regard, I want to highlight a new facility.

After many years in the making, the A Park Above opened this year. The response to date has been nothing short of amazing and overwhelming.

Establishing the first fully-inclusive and accessible park in New Mexico for people of all ages and abilities, I believe, epitomizes what Rio Rancho and its community members are all about. This park is a perfect example of what can happen when the public and private sectors come together.

In closing, I want to acknowledge that without the quality of staff at the City of Rio Rancho none

of these accomplishments would be possible. I cannot thank staff enough for their hard work in keeping Rio Rancho the great community that it is.

On behalf of the Rio Rancho City Council and the employees of the City of Rio Rancho, I thank all of the residents and community stakeholders for supporting our great City.

This concludes my 2016 State of the City Report. Thank you and God Bless.