

**Keith J. Riesberg**  
City Manager

August 10, 2016

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

**RE: Final Infrastructure and Capital Improvement Plan (ICIP) for Fiscal Years 2017-2022**

Mr. Mayor Hull:

Transmitted herein is a complete copy of the city's Infrastructure and Capital Improvement Plan (ICIP) for Fiscal Years 2017-2022 (July 1, 2016-June 30, 2022). While the ICIP does not impart legal authority for capital spending outside of Fiscal Year 2017, the document constitutes 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 2017-2022**

### Fire and Rescue

#### Fire Apparatus

The FY2017 ICIP includes fire apparatus replacement needs totaling \$4,190,000 through Fiscal Year 2022. The proposed financing plan for fire apparatus includes funding in the amount of \$1,421,052 consisting of Public Safety Impact Fees and General Fund sources for an ambulance, a ladder truck, and an engine/pumper truck (see Exhibit 1). General Fund sources have been programmed into the General Fund Five-Year Financial Plan.

### Police Department

#### Police Vehicle Replacement

The department has identified replacement of its aging law enforcement vehicle fleet as a pressing capital need. Currently, 45 percent of marked and pool police vehicles have in excess of 100,001 miles and an additional 9 percent could potentially reach that mileage within the next year. Between FY2010 and FY2015, the Department has procured a total of seventy five (75) replacement police vehicles funded by various sources including Federal Grants, Special Fund Loan Proceeds, Public Safety Impact Fees, and General Fund Revenues. Eleven (11) vehicles were acquired in FY2016, while funding for an additional eight (8) was rolled to the FY2017 Budget for acquisitions in progress.

The FY2017 ICIP includes police vehicle replacement needs totaling \$5,346,000 (includes equipping) through Fiscal Year 2022. The proposed financing plan for police vehicles includes new funding in the amount of \$2,658,939 for sixty six (66) replacement vehicles. Funding sources consist of Automated Traffic Enforcement Revenue, Public Safety Impact Fees, Limited Obligation Loans pledging Law Enforcement Protection Funds and State Shared Gross Receipts Tax, and State Capital Outlay sources.

The FY2017 Budget includes eight (8) replacement vehicles (Automated Traffic Enforcement Revenue: \$211,084, Impact Fees: \$72,000, and Law Enforcement Protection funds: \$40,000). The city also anticipates receiving State Capital Outlay funds for an additional seven (7) vehicles, for a total of fifteen (15) replacements in Fiscal Year 2017.

### 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. The corridor study and preliminary design activities were completed in September 2015 and

final design began in May 2016. The city anticipates receiving federal grant funds in the amount of \$7,009,600 in Fiscal Year 2018 for construction activities.

#### 2016 General Obligation Road Bonds

On March 1, 2016, voters approved a bond question authorizing the city to issue up to \$9 million in General Obligation Bonds for improvements to Sara Road (\$2.25 million) and High Resort Boulevard (\$6.75 million). Design commenced in May 2016 and construction is expected to begin in September and November 2016 for Sara Road and High Resort Boulevard, respectively.

#### Broadmoor Boulevard-Phase I

The project consists of final design and construction of the two-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 utilizing Federal Grants and Higher Education Gross Receipts Tax sources was substantially completed in fall 2015. Construction commenced in May 2016 to be completed in November 2011. Total funding for the project to date includes more than \$6.7 million in Federal Grants, Higher Education Gross Receipts Taxes, 2009 General Obligation Bond Proceeds, and Road Impact Fees.

#### Idalia Road Reconstruction

The project consists of reconstruction and expansion of the roadway from Iris Road to NM528, including improved storm drainage, bike lanes, sidewalks, landscape medians, and a traffic signal at Camino Encantadas. Construction commenced November 2015 to be completed in summer 2016. Total funding for the project to date includes more than \$11.9 million in Federal Grants, 2009 General Obligation Bond Proceeds, and Road Impact Fees.

#### Utility-Water

##### Booster Station and Transmission Line from Tank 8 to Tank 13

The project consists of installing a new 4 Million Gallon Per Day (MGD) booster station and 18" transmission line between Tank 8 to Tank 13. The project will provide a redundant source of water to Tank 13 and communities located on and near Northern and Rainbow Boulevards should Well 9 and/or Well 13 fail. Construction commenced in May 2016 to be completed in early 2017. The project is funded by cash resources of the Utility Funds.

##### Water Rights Acquisition

The city's water rights acquisition liability is approximately 16,000 acre feet over 55 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-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 5,060 acre feet toward both permit requirements. As such, the city has satisfied its obligation under the 2003 permit for the first four periods: 2008-2012, 2013-2017, 2018-2022, and 2023-2027. Acquisition of water rights has been funded through a combination of Utility Operating Revenues, Utility Bond Proceeds, Water Rights Acquisition Fees, and three Water Rights Loans entered into in January and December of 2011, and April 2015. The balance of capital funds at year end FY2016 available for purchase of additional water rights is \$2.9 million, while estimated recurring revenue from the water rights acquisition fee available through Fiscal Year 2022 is \$9.4 million.

## Utility Rates and the Water Infrastructure and Capital Improvement Plan

Effective February 1, 2013, water and wastewater rates were set to increase by 8.8 percent 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 FY2014 to 7.8 percent effective July 1, 2013 (O16, Enactment 13-13) due to receipt of a State Capital Outlay Appropriation for water service line replacements. In FY2015, 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 percent for FY2015 through FY2017.

The FY2017 Water ICIP includes new cash financing in the amount of \$4.2 million for water projects through FY2022. Notable projects financed with cash sources include Phase I Well 13 Re-drill; Renovation of Water Storage Tanks; and Vehicles and Heavy Equipment.

### Utility-Wastewater

#### Wastewater Treatment Plant #1 Rebuild

The project consists of rebuilding Wastewater Treatment Plant #1 to a 1.5 Million Gallon per Day (MGD) Membrane Bioreactor Plant. The existing plant is an aged treatment facility constructed in the early 1970s and has exceeded its useful life. The city intends to construct a new plant to treat existing flows, accommodate increased flows in the service area, and have the ability to meet the stringent effluent standards required for the Advanced Water Treatment Facility (AWTF). Preliminary engineering was completed in fall 2015 and design/build is anticipated in Fiscal Year 2018. Financing for design and construction activities is a \$25 million limited obligation loan.

#### Lift Station 10 Relocation

Design of the Lift Station 10 Relocation project commenced in summer 2013, land acquired for the new facility occurred in summer 2014, and construction was completed in summer 2016. The new lift station will divert wastewater from WWTP#2 to WWTP#1 to reduce flows and thereby provide hydraulic and solids loading relief. The additional capacity will allow WWTP#2 to be available to handle increased flows from the City Center development until WWTP#2 can be expanded. The project was financed by proceeds of a limited obligation loan from the New Mexico Environment Department (NMED).

#### Recycled Water Tank

The project consists of construction of a 2 Million Gallon Recycled Water Tank for operation of the reuse system. The tank is necessary as a supply source for the direct injection program and recycled water irrigation system. The project is funded by cash resources of the Utility Funds, and construction will be completed in December 2016.

#### Advanced Water Treatment Facility (AWTF)

The project consists of construction of a subsurface injection system which will recharge the aquifer that supplies water to the city, including equipping of the advanced water treatment facility with an advanced oxidation process, installing activated carbon filtration system, canister filtration system, degasser and final disinfection process, retrofitting the direct injection well for routine backwash operations, and completion of controls and associated site improvements for operation of the facility. The project is funded by cash resources of the Utility Fund and a combination State Grant/Loan. Construction commenced in April 2016 to be completed in March 2017.

## Utility Rates and the Wastewater Infrastructure and Capital Improvement Plan

The FY2017 Wastewater ICIP includes new cash financing in the amount of \$1.1 million and new debt financing in the amount of \$25 million for wastewater projects through FY2022. Notable projects financed with cash sources include the Lift Station 15 property purchase; design of upgrades to Lift Stations 15, 21, and 22; and Vehicles and Heavy Equipment.

### Parks, Recreation, and Community Services

#### Parks and Recreation Americans with Disabilities Act (ADA) Improvements

The project consists of implementation of project recommendations from the 2014 ADA Compliance Transition Plan for access improvements to city parks and facilities. An estimated \$411,195 in earmarked cell tower revenue is available through FY2022 for capital improvements, while an additional \$120,373 is anticipated to be spent on non-capital materials and services expenditures related to ADA compliance. Capital and non-capital expenditures to date total \$40,962 and have included work at Rainbow Park, Star Heights, Haynes Recreation Center, and Sabana Grande Recreation Center.

#### Meadowlark Senior Center Parking Lot

Parking lot renovations were necessary to meet federal requirements established by the Americans with Disabilities Act (ADA). Design of Phase I improvements addressing ADA issues in areas immediately surrounding the senior center was completed with Community Development Block Grant (CDBG) funding received in FY2010, and the department received an additional \$23,000 in CDBG funding in FY2013 for Phase II design services. Construction was completed in August 2014 utilizing state appropriations authorized by the 2012 and 2013 Legislatures. Additional state grant funding was appropriated in the 2015 Special Legislative Session in the amount of \$383,832 for an additional phase of parking lot improvements to include: the installation of three lighted crosswalks, additional landscaping, site furnishings, signage, and storage units.

### General and Other

#### Fleet Vehicle and Heavy Equipment Replacement

The Department of Public Works, Building and Fleet Maintenance Division annually prioritizes the needs of the general vehicle and heavy equipment fleet based on the age and condition of existing vehicles, as well as service demands and priorities of the city as they relate to the need for vehicle acquisition and/or replacement. The FY2017 ICIP needs assessment includes \$5.4 million in acquisitions through Fiscal Year 2022. Of that amount an estimated \$3.8 million is funded by a combination of General Fund sources and a Municipal Gas Tax Loan. The FY2017 Budget includes cash financing for a Parks Maintenance replacement truck, a Streets and Right of Way replacement truck, and a new Development Services vehicle.

#### Major Equipment and Software, and City Facility Improvements

The FY2017 ICIP programs \$1.1 million in General Fund sources and \$72,073 in special fund sources through FY2022 for software acquisition and capital improvements to city facilities. Major projects include: enterprise and infrastructure/asset management software upgrades, and Loma Colorado Library roof replacement.

### **CAPITAL SPENDING OVERVIEW: FISCAL YEARS 2017-2022**

In the aggregate, the city's capital program consists of 92 projects at a total estimated cost of \$307.9

million for the planning period beginning on July 1, 2016 and ending on June 30, 2022 (FY2017-FY2022). Similar to past ICIPs, the major project categories accounting for the most substantial portions of the aggregate program are Transportation and Drainage (37%) and Utilities-Water and Wastewater (46%).

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 increased by \$7.15 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 completely determined. The 'Projects Under Consideration' list therefore captures projects considered deferred due to lack of funding at this time.

**Table 1**

**ICIP Comparison: FY2016-2021 and FY2017-2022**

	FY 2016-2021	FY 2017-2022	\$ Change	% Change
General and Other	\$ 8,965,113	\$ 7,952,758	\$ (1,012,355)	-11%
Police	\$ 5,286,666	\$ 6,060,284	\$ 773,618	15%
Fire and Rescue	\$ 6,192,360	\$ 6,061,795	\$ (130,565)	-2%
Parks, Rec. and Comm. Services	\$ 16,316,222	\$ 32,523,657	\$ 16,207,435	99%
Drainage	\$ 5,195,225	\$ 2,097,454	\$ (3,097,771)	-60%
Transportation	\$ 113,066,968	\$ 112,671,222	\$ (395,746)	0%
Utilities-Water	\$ 78,350,313	\$ 87,476,498	\$ 9,126,185	12%
Utilities-Wastewater	\$ 67,445,714	\$ 53,122,851	\$ (14,322,863)	-21%
	<b>\$ 300,818,581</b>	<b>\$ 307,966,519</b>	<b>\$ 7,147,938</b>	<b>2%</b>

**CAPITAL FINANCING OVERVIEW: FISCAL YEARS 2017-2022**

At the time of publication of the ICIP, the city has affirmatively and/or tentatively identified funding sources for 37 percent of total capital spending planned to occur through Fiscal Year 2022. Sources include both pay-as-you-go (use of current financial resources) and debt financing sources, while 63 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 FY2017 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 FY2017 ICIP includes new debt issuance in support of high priority projects as summarized in bullet points below.

**FY2017**

- \$9 million General Obligation Bonds for road improvements to Sara Road and High Resort Boulevard
- \$25 million Limited Obligation Utility Loan for Rebuild of Wastewater Treatment Plant #1
- \$243,000 Limited Obligation Law Enforcement Protection Loan for Police Vehicles

FY2019

- \$599,800 Limited Obligation Municipal Gas Tax Loan for Fleet Vehicles and Equipment
- \$800,000 Limited Obligation Gross Receipts Tax Loan for Police Vehicles

FY2021

- \$240,000 Limited Obligation Law Enforcement Protection Loan for Police Vehicles

A continued 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 FY2017-FY2022 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 2017	% of Total	FY 2018-2022	% of Total
Pay as You Go	\$ 38,607,470	42%	\$ 37,535,766	17%
Debt Financing	\$ 35,334,426	39%	\$ 1,329,571	1%
To Be Determined*	\$ 17,442,739	18%	\$ 177,716,547	82%
<b>TOTAL</b>	<b>\$ 91,384,635</b>	<b>100%</b>	<b>\$ 216,581,884</b>	<b>100%</b>

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

**Fiscal Year 2017 Capital Budget**

**Table 3**

<i>Fund</i>	<i>\$ Amount</i>
General Fund	\$ 214,844
Special Funds	\$ 1,267,954
Utility Funds	\$ 6,440,894
<b>TOTAL</b>	<b>\$ 7,923,692</b>

General Fund: \$214,844

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 2017 consists of:

- Park Maintenance Equipment: \$179,044
- Vehicle Lift for Streets and Right of Way Fleet Maintenance: \$9,500
- Video Replacement System at Quantum Police Headquarters: \$11,800
- Electric Gurney for Fire and Rescue: \$14,500

The capital budget for Fiscal Year 2017 is \$126,944, or 144 percent more than the Fiscal Year 2016 capital budget.

Special Funds: \$1,267,954

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 2017 Budget include:

- Police Motorcycle: \$21,000 (Traffic Education and Enforcement Fund)
- Fire Command Vehicle: \$26,404 (State Fire Protection Fund)
- Fire and Emergency Medical Equipment: \$29,822 (State Fire Protection and EMS funds)
- Road Restoration, Traffic Cabinet, Cabezon Rapid Reflector Flashing Beacons, ADA Sidewalks, and Intelligent Traffic System Upgrades: \$100,464 (Municipal Gas Tax Fund)
- Radio Dispatch Position: \$27,995 (Communication Center Fund)
- Vehicles and Heavy Equipment: \$91,912 (Equipment Replacement Fund-General Fund transfer)
- Sports Complex North: \$105,000 (Park Impact Fee Fund)
- Building and Facility Improvements: \$111,306 (Building and Facility Improvement Fund, including General Fund transfer of \$69,786)
- Bosque Trail: \$150,000 (Bikeway and Trail Impact Fee Fund)
- FY2017 Community Development Block Grant Projects: \$177,893 (CDBG Fund)
- Ambulance: \$200,000 (Public Safety Impact Fee Fund)
- Police Vehicles (Quantity: 9): \$222,651 (Equipment Replacement Fund, Automated Traffic Enforcement Fund, and Public Safety Impact Fee Fund)

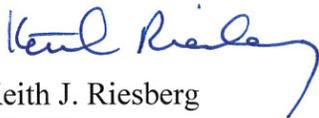
Utility Funds: \$6,440,894

Capital outlay in the Utility 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 Water Rights Acquisition Fees. Major capital projects funded in the Fiscal Year 2017 Budget include:

- Transmission and Distribution Equipment: \$31,000 (Utility Operating Fund)
- Vehicles and Heavy Equipment: \$443,900 (Equipment Replacement Fund)
- Water Capital Improvements, including High Resort Boulevard Water line and Phase I Well 13 Re-drill: \$3,915,937 (Water Capital Fund)
- Wastewater Capital Improvements, including Lift Station 15 property acquisition and crane system replacement: \$845,525 (Wastewater Capital Funds)
- Water Rights Acquisition: \$1,204,532 (Water Rights Acquisition Fund)

In closing, I believe this capital program accurately represents the capital priorities of the city as identified through department-level capital needs assessments, 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 additional resources for future capital projects.

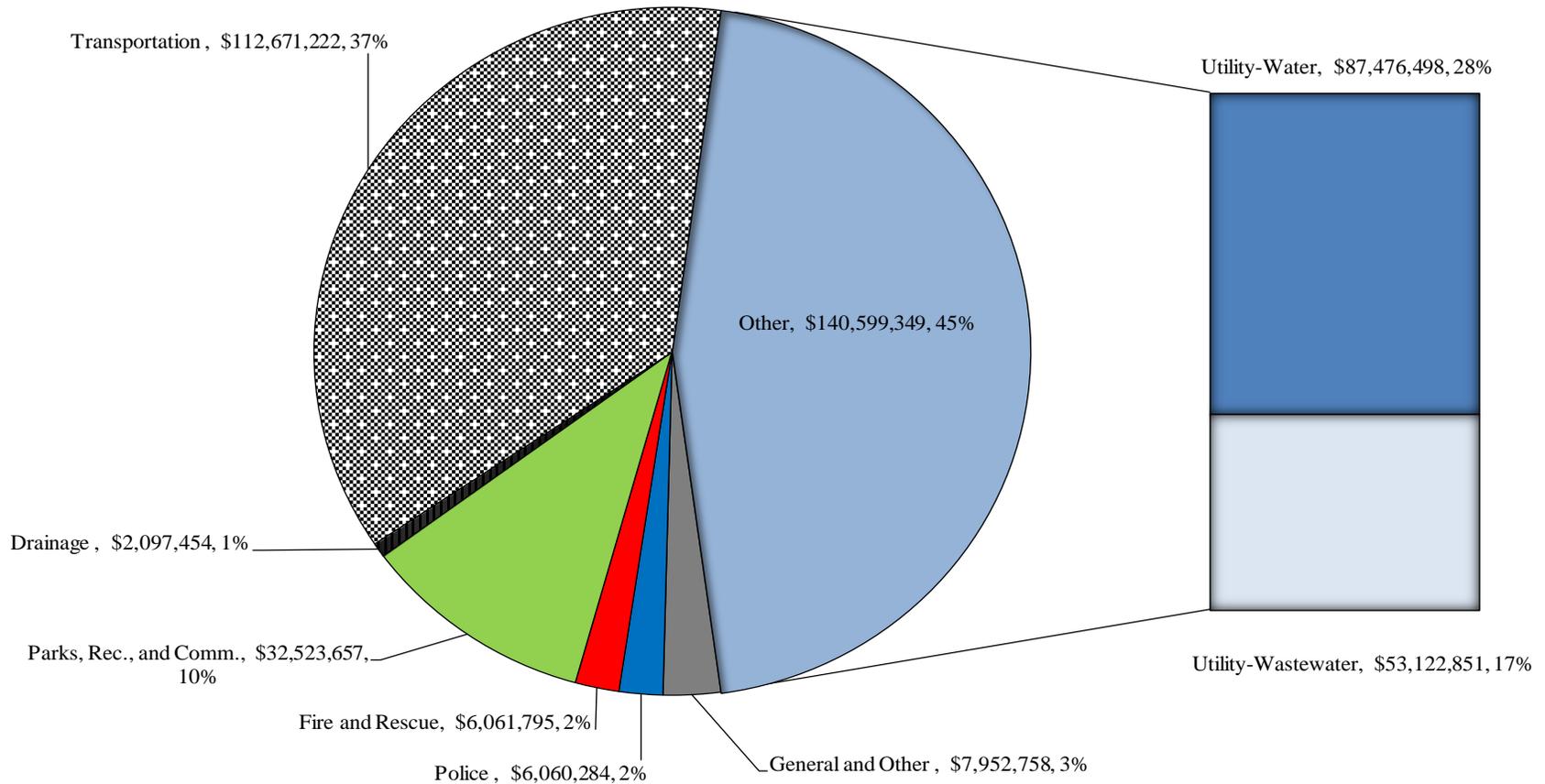
Respectfully,



Keith J. Riesberg  
City Manager

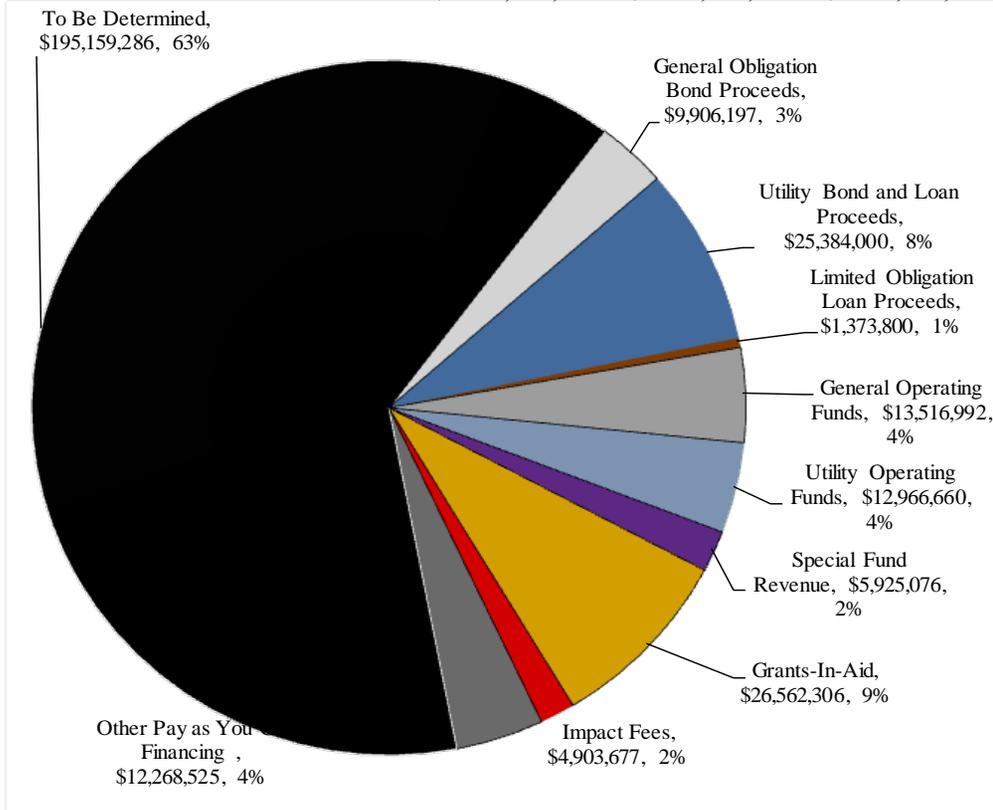
## Final Infrastructure and Capital Improvement Plan (ICIP) Allocations by Project Category: FY17-FY22

Project Category	Total No. of Projects	FY2017 Budget	FY2017 Total	FY2018	FY2019	FY2020	FY2021	FY2022	TOTALS
General and Other	5	\$ 128,194	\$ 462,634	\$ 331,782	\$ 934,582	\$ 1,583,470	\$ 2,697,348	\$ 1,942,942	\$ 7,952,758
Police	6	\$ 283,446	\$ 1,655,159	\$ 348,600	\$ 815,600	\$ 870,400	\$ 776,800	\$ 1,593,725	\$ 6,060,284
Fire and Rescue	5	\$ 270,726	\$ 346,583	\$ 1,768,250	\$ 283,250	\$ 145,904	\$ 1,575,404	\$ 1,942,404	\$ 6,061,795
Parks, Rec., and Comm.	17	\$ 711,461	\$ 1,846,009	\$ 4,433,861	\$ 12,054,927	\$ 6,363,680	\$ 6,662,180	\$ 1,163,000	\$ 32,523,657
Drainage	4	\$ -	\$ 971,520	\$ 1,125,934	\$ -	\$ -	\$ -	\$ -	\$ 2,097,454
Transportation	20	\$ 88,971	\$ 34,231,985	\$ 22,289,538	\$ 7,956,459	\$ 8,435,679	\$ 12,926,143	\$ 26,831,417	\$ 112,671,222
Utility-Water	19	\$ 5,364,169	\$ 14,237,149	\$ 16,729,801	\$ 10,004,924	\$ 6,325,206	\$ 8,924,680	\$ 31,254,739	\$ 87,476,498
Utility-Wastewater	16	\$ 1,076,725	\$ 37,633,596	\$ 2,821,498	\$ 6,369,158	\$ 1,751,324	\$ 745,017	\$ 3,802,258	\$ 53,122,851
<b>TOTALS</b>	<b>92</b>	<b>\$ 7,923,692</b>	<b>\$ 91,384,635</b>	<b>\$ 49,849,264</b>	<b>\$ 38,418,900</b>	<b>\$ 25,475,663</b>	<b>\$ 34,307,572</b>	<b>\$ 68,530,485</b>	<b>\$ 307,966,519</b>

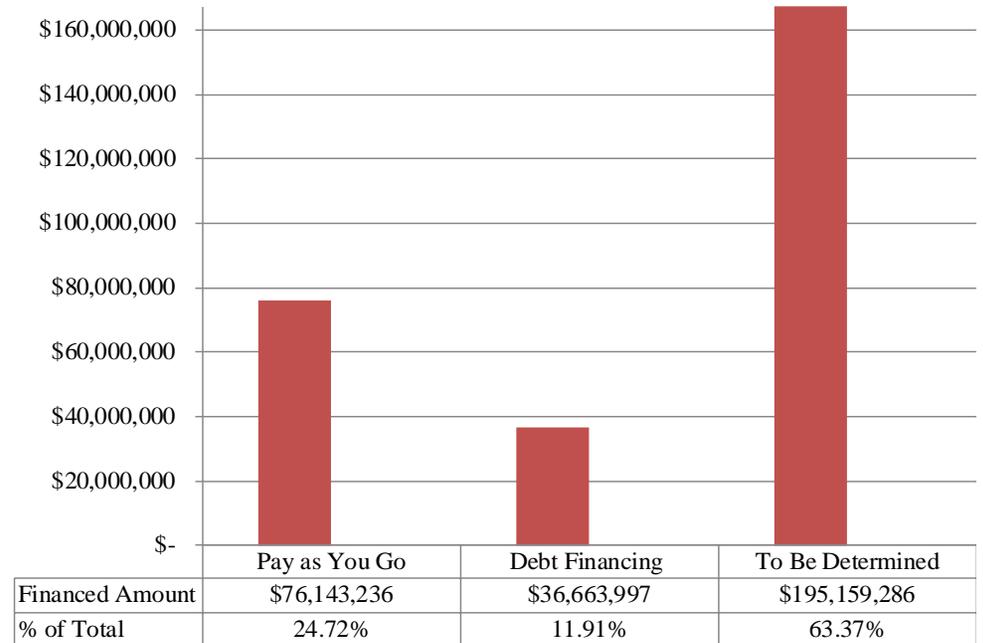


## Final Infrastructure and Capital Improvement Plan (ICIP) Financing by Source: FY17-FY22

Funding Source Category	FY2017 Budget	FY2017 Total	FY2018	FY2019	FY2020	FY2021	FY2022	TOTALS
General Operating Funds	\$ 391,099	\$ 3,352,182	\$ 1,262,096	\$ 1,158,634	\$ 2,464,159	\$ 4,511,564	\$ 768,357	\$ 13,516,992
Utility Operating Funds	\$ 5,236,362	\$ 12,966,660						\$ 12,966,660
Special Fund Revenue	\$ 282,073	\$ 4,248,167	\$ 184,322	\$ 181,635	\$ 183,776	\$ 185,982	\$ 941,194	\$ 5,925,076
Grants-In-Aid	\$ 279,119	\$ 11,194,799	\$ 10,745,179	\$ 127,404	\$ 127,404	\$ 4,240,116	\$ 127,404	\$ 26,562,306
Impact Fees	\$ 527,000	\$ 2,749,779	\$ 569,196	\$ 122,000	\$ 369,976	\$ 970,726	\$ 122,000	\$ 4,903,677
Other Pay as You Go Financing	\$ 1,204,532	\$ 4,095,883	\$ 1,606,671	\$ 1,619,269	\$ 1,633,204	\$ 1,648,483	\$ 1,665,015	\$ 12,268,525
To Be Determined		\$ 17,442,739	\$ 35,376,029	\$ 34,130,158	\$ 20,697,144	\$ 22,606,701	\$ 64,906,515	\$ 195,159,286
General Obligation Bond Proceeds	\$ 3,507	\$ 9,800,426	\$ 105,771					\$ 9,906,197
Utility Bond and Loan Proceeds		\$ 25,384,000						\$ 25,384,000
Limited Obligation Loan Proceeds		\$ 150,000		\$ 1,079,800		\$ 144,000		\$ 1,373,800
<b>TOTALS</b>	<b>\$ 7,923,692</b>	<b>\$ 91,384,635</b>	<b>\$ 49,849,264</b>	<b>\$ 38,418,900</b>	<b>\$ 25,475,663</b>	<b>\$ 34,307,572</b>	<b>\$ 68,530,485</b>	<b>\$ 307,966,519</b>



**Capital Financing by Type: FY17-FY22**



## EXHIBIT 1

## Public Safety Vehicle Financing Plan: FY2017-2022

<u>Sources</u>	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
# of Police Vehicles <sup>1</sup>	15	5	25	5	11	5	66
# of Fire Apparatus <sup>2</sup>	1	1			1		3
Automated Traffic Enforcement Revenue <sup>3</sup>	\$ 211,084	\$ 125,471	\$ 125,471	\$ 125,471	\$ 125,471	\$ 125,471	\$ 838,439
Public Safety Impact Fees Police <sup>4</sup>	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000	\$ 432,000
Public Safety Impact Fees Fire <sup>5</sup>	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ 278,155	\$ -	\$ 678,155
General Fund Fire <sup>6</sup>	\$ -	\$ 550,000	\$ -	\$ -	\$ 192,897	\$ -	\$ 742,897
State Capital Outlay Police	\$ 308,500	\$ -	\$ -	\$ -	\$ -		\$ 308,500
Police Vehicle Loan <sup>7</sup>	\$ -	\$ -	\$ 800,000	\$ -	\$ -	\$ -	\$ 800,000
Law Enforcement Fund	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000
Law Enforcement Fund-Loan <sup>8</sup>	\$ -	\$ -	\$ -	\$ -	\$ 240,000	\$ -	\$ 240,000
<b>Total</b>	<b>\$ 831,584</b>	<b>\$ 947,471</b>	<b>\$ 997,471</b>	<b>\$ 197,471</b>	<b>\$ 908,523</b>	<b>\$ 197,471</b>	<b>\$ 4,079,991</b>
<u>Uses</u>							
Police Vehicle Replacement	\$ 378,951	\$ 118,483	\$ 598,483	\$ 118,483	\$ 262,483	\$ 118,483	\$ 1,595,364
Equipping	\$ 252,633	\$ 78,988	\$ 398,988	\$ 78,988	\$ 174,988	\$ 78,988	\$ 1,063,575
Fire Apparatus	\$ 200,000	\$ 750,000	\$ -	\$ -	\$ 471,052	\$ -	\$ 1,421,052
<b>Total</b>	<b>\$ 831,584</b>	<b>\$ 947,471</b>	<b>\$ 997,471</b>	<b>\$ 197,471</b>	<b>\$ 908,523</b>	<b>\$ 197,471</b>	<b>\$ 4,079,991</b>

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 2017 ICIP. Financing Plan includes funding for a replacement ambulance in FY2017, a ladder truck in FY2018, and a replacement engine in FY2021.

3. Automated Traffic Enforcement revenue generated in the prior year will be allocated for Police Vehicle acquisition beginning with revenues generated in the second half of FY2016 for expenditure in FY2017. The full year of revenue generated thereafter will be allocated for Police Vehicles.

4. The amount of Public Safety Impact Fee cash financing available is based on the November 2015 estimate. The cash financing allows acquisition of three (3) Police Vehicle replacements in Fiscal Years 2017-2022. Equipping is funded with State Capital Outlay sources in Fiscal Year 2017, and from Automated Traffic Enforcement sources in Fiscal Years 2018-2022.

5. The amount of Public Safety Impact Fee cash financing available is based on the November 2015 estimate. Amounts of \$200,000 are programmed for a replacement ambulance in Fiscal Year 2017, \$200,000 for a replacement ladder truck in FY2018, and \$278,155 for a replacement engine in FY2021.

6. General Fund sources for Fire Apparatus is supplemented by Public Safety Impact Fees in Fiscal Year 2018 and Fiscal Year 2021.

7. The Fiscal Year 2019 Police Vehicle Loan assumes 20 replacement vehicles at a cost of \$40,000 each. Debt service would be paid by the City's State Shared Gross Receipts Tax Revenue. Estimated average annual debt service is \$170,036. The loan cycle for police vehicle replacement utilizing State Shared Gross Receipts Tax as pledged revenue was established in Fiscal Year 2014.

8. The Fiscal Year 2021 Police Vehicle Loan assumes 6 replacement vehicles at an approximate cost of \$40,000 each. Debt service would be paid by Law Enforcement Protection funds. Estimated average annual debt service is \$53,000. The loan cycle for police vehicle replacement utilizing Law Enforcement Protection funds as pledged revenue was established in Fiscal Year 2010.

## EXHIBIT 2

**Table 1**

### ICIP Comparison: FY2015-2020 and FY2016-2021

Facility Category	FY 2016-FY 2021	Changes to Projects	Removal of Projects	Addition of Projects	FY 2017-FY2022
General and Other	\$ 8,965,113	\$ (1,012,355)	\$ -	\$ -	\$ 7,952,758
Police	\$ 5,286,666	\$ 773,618	\$ -	\$ -	\$ 6,060,284
Fire and Rescue	\$ 6,192,360	\$ 110,724	\$ (241,289)	\$ -	\$ 6,061,795
Parks, Recreation, and Community Services	\$ 16,316,222	\$ (65,323)	\$ (52,784)	\$ 16,325,542	\$ 32,523,657
Drainage	\$ 5,195,225	\$ (512,777)	\$ (3,926,980)	\$ 1,341,986	\$ 2,097,454
Transportation	\$ 113,066,968	\$ (6,854,659)	\$ (3,086,939)	\$ 9,545,852	\$ 112,671,222
Utility-Water	\$ 78,350,313	\$ 2,313,901	\$ (292,666)	\$ 7,104,950	\$ 87,476,498
Utility-Wastewater	\$ 67,445,714	\$ 4,532,917	\$ (27,935,856)	\$ 9,080,076	\$ 53,122,851
<b>TOTAL</b>	<b>\$ 300,818,581</b>	<b>\$ (713,954)</b>	<b>\$ (35,536,514)</b>	<b>\$ 43,398,406</b>	<b>\$ 307,966,519</b>

Major changes in the size of the capital program include:

#### Project Category

- *General and Other*: The net \$1 million decrease to the General and Other capital plan is attributable to revisions to cost estimates and revised needs assessments for various projects. Major items of revision include:

- Decrease of \$2,072,125 due to the revised needs assessments for general fleet vehicle and heavy equipment acquisition, city facility improvements, Santa Ana Star Center improvements, and PNM Converge improvements.
- Increase of \$1,059,771 for planned software upgrades.

- *Police*: The nearly \$775,000 increase to the Police capital plan is the net effect of revisions to cost estimates and revised need assessments for various projects. Major items of revision include:

- Increase of \$1.4 million for software upgrades for the Regional Communications Center.
- Increase of \$15,800 for additional planned improvements at the Quantum Police Headquarters Building.
- Decrease of \$680,245 to Police Vehicle and Police Motorcycle acquisition plans as a result of revised needs assessments.

- *Fire and Rescue*: The \$130,000 decrease 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:

- Decrease of \$463,000 for ambulances acquired in FY2016.
- Increase of \$486,486 for Fire and EMS equipment as a result of a revised needs assessment and the addition of Self Containing Breathing Apparatus (SCBA) to the replacement schedule.
- Net increase of \$84,310 to the Station 1 Remodel and Fire Station Improvement projects to account for prior year actual expenditures and an increase in planned improvements.
- Decrease of \$241,289 for projects completed in FY2016 including the Fire and Rescue

Headquarters Building and Diesel Exhaust Removal projects.

*-Parks, Recreation, and Community Services:* The \$16.2 million increase to the Parks and Recreation capital plan is the net effect of revisions to cost estimates, decreases for prior year actual expenditures, and addition and removal of projects from the FY2017 ICIP. Major items of revision include:

- Increase of \$16.3 million in new projects, mostly for a new Senior Center (\$15.1 million).
- Decrease of approximately \$1.1 million for prior year actual expenditures including Park ADA Improvements, Park Playground Replacement, the Meadowlark Senior Center Parking Lot, Sabana Grande Outdoor Activity Area, Sports Complex North, A Park Above, Cabezon Lower Park Improvements, and Rainbow Park Observatory.
- Increase of approximately \$980,000 to projects as a result of revised costs estimates.

*-Drainage:* The \$3.1 million decrease to the Drainage capital plan is the net effect of addition and removal of projects from the FY2017 ICIP, and prior year expenditures. Major items of revision include:

- Net increase of \$1.3 million for Idalia Road Culvert Crossing projects.
- Decrease of \$3.9 million for projects removed from the FY2017 ICIP including the Industrial Park East Drainage and Redriver Watershed projects.
- Decrease of approximately \$512,777 for prior year actual expenditures including the Los Milagros Channel and Sports Complex Armoring projects.

*-Transportation:* The nearly \$400,000 decrease to the Transportation capital plan is the net effect of revisions to cost estimates, decreases for prior year actual expenditures, and addition and removal of projects from the FY2017 ICIP. Major items of revision include:

- Increase of \$9.5 million for the addition of projects to the ICIP, including High Resort Boulevard, Sara Road, and Meadowlark ADA improvements.
- Decrease of \$1.77 million for prior year actual expenditures for Westside Blvd., Broadmoor Blvd. Phase I, Southern Blvd. Preliminary Design, and Rockaway Blvd. The projects have been completed and have been removed from the ICIP.
- Decrease of \$7 million for prior year actual expenditures for projects retained on the FY2017 ICIP, namely for the Idalia Road Reconstruction project.
- Decrease of \$1.32 million for the King Boulevard and Wilpett Road Intersection project removed from the FY2017 ICIP.
- Net increase of \$204,360 to cost estimates for projects retained on the FY2017 ICIP.

*-Utilities-Water and Wastewater:* The net \$5.2 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 FY2017 ICIP, and the addition of projects to the FY2017 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 subsequent amendments effective July 1, 2013 (O16, Enactment 13-13) and July 1, 2014 (O11, Enactment 14-09). Under the rate increases, cash and debt financing is anticipated for non-growth related projects.

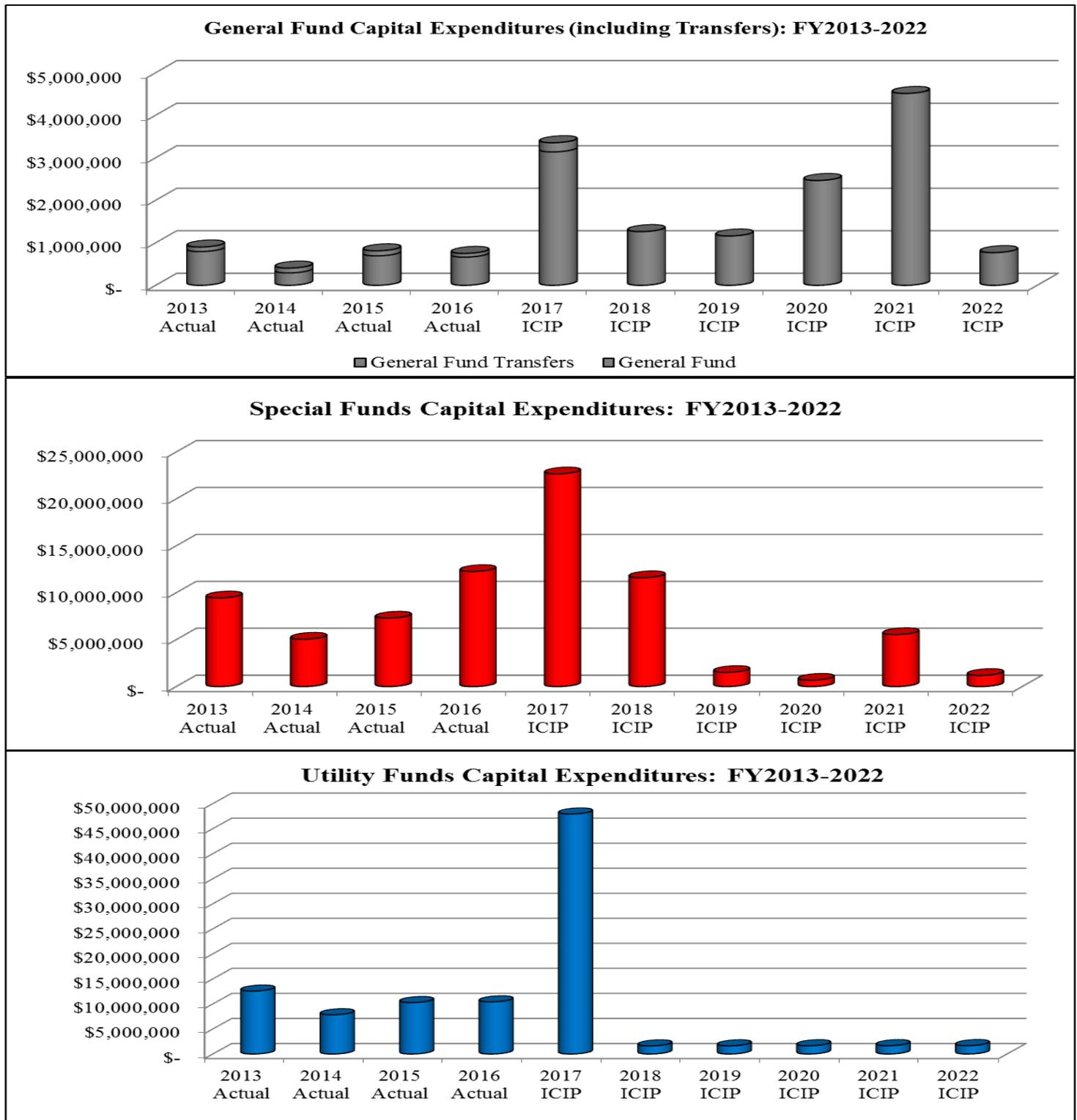
The Water facility category increased by a net amount of \$9.1 million. Major items of revision include:

- Net increase of \$7.6 million in cost estimates, most notably an additional \$7.3 million in estimated needs for renovation of water storage tanks.
- Decrease of \$5.3 million for prior year actual expenditures for Water Rights Acquisition, Booster Station at Tank 8, and Re-drill Well 13.
- Decrease of \$292,666 for projects removed from the FY2017 ICIP, namely the New 3MGD Tank at Enchanted Hills. The project was completed in FY2016.
- Increase of \$7.1 million for projects added to the FY2017 ICIP, most notably for installation of variable frequency drives at well sites, and a new tank at Well 9 and renovations to Tank 9.

The Wastewater facility category decreased by a net amount of \$14.3 million. Major items of revision include:

- Net increase of \$8 million in cost estimates, most notably an increase of \$12.1 million for Rebuild of Wastewater Treatment Plant #1, and a decrease of \$5.6 million for Lift Station 10 Relocation.
- Decrease of \$3.4 million for prior year actual expenditures for Lift Station 10 Relocation, Rebuild of Wastewater Treatment Plant #6, Advanced Water Treatment Facility design, and Industrial Park Loop Sewer Line design.
- Decrease of \$28 million for projects removed from the FY2017 ICIP, most notably the Wastewater Treatment Plan #3 Rebuild project.
- Increase of \$9.1 million for projects added to the FY2017 ICIP, most notably the Lift Station 2 Relocation and Rebuild, and Wastewater Treatment Plant #2 Ultraviolet Disinfection System projects.

### Exhibit 3-Historical Capital Expenditures



Type of Fund	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 ICIP	2018 ICIP	2019 ICIP	2020 ICIP	2021 ICIP	2022 ICIP
General Fund	\$ 106,433	\$ 114,456	\$ 120,025	\$ 87,883	\$ 214,844	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund Transfers	\$ 793,831	\$ 290,387	\$ 667,824	\$ 661,872	\$ 3,137,338	\$ 1,262,096	\$ 1,158,634	\$ 2,464,159	\$ 4,511,564	\$ 768,357
Special Funds	\$ 9,450,046	\$ 5,049,007	\$ 7,319,974	\$12,262,507	\$22,668,969	\$11,604,468	\$ 1,510,839	\$ 681,156	\$ 5,540,824	\$ 1,190,598
Utility Funds	\$12,556,832	\$ 7,825,844	\$10,261,931	\$10,401,795	\$47,920,745	\$ 1,606,671	\$ 1,619,269	\$ 1,633,204	\$ 1,648,483	\$ 1,665,015
TBD-Governmental Fund	\$ -	\$ -	\$ -	\$ -	\$13,492,739	\$17,431,401	\$19,375,345	\$14,253,818	\$14,585,487	\$31,514,533
TBD-Utility Funds	\$ -	\$ -	\$ -	\$ -	\$ 3,950,000	\$17,944,628	\$14,754,813	\$ 6,443,326	\$ 8,021,214	\$33,391,982
<b>TOTAL</b>	<b>\$22,907,142</b>	<b>\$13,279,694</b>	<b>\$18,369,755</b>	<b>\$23,414,056</b>	<b>\$91,384,635</b>	<b>\$49,849,264</b>	<b>\$38,418,900</b>	<b>\$25,475,663</b>	<b>\$34,307,572</b>	<b>\$68,530,485</b>



**CITY OF RIO RANCHO  
RESOLUTION**

**RESOLUTION NO. 66**

**ENACTMENT NO. 16-63**

**RESOLUTION TO ADOPT THE FINAL INFRASTRUCTURE AND CAPITAL  
IMPROVEMENT PLAN (ICIP) FOR FISCAL YEARS 2017-2022**

1  
2  
3  
4 **WHEREAS:** Article VI of the City Charter requires the City Manager to prepare and  
5 submit to the Mayor and Governing Body a recommended capital  
6 program; and  
7

8 **WHEREAS:** A budget meeting was conducted for the city's capital program on May 9,  
9 2016 to present the capital program to the Governing Body; and  
10

11 **WHEREAS:** A public hearing pursuant to Article VI of the City Charter was conducted  
12 on May 25, 2016; and  
13

14 **WHEREAS:** The Governing Body adopted the Recommended ICIP as amended on  
15 May 25, 2016 by Resolution No. 38, Enactment No. 16-39; and  
16

17 **WHEREAS:** The city's Infrastructure and Capital Improvement Plan (ICIP) is a medium  
18 range management and financial plan identifying the need and financing  
19 requirements for acquisition of capital assets having an anticipated cost of  
20 ten thousand dollars (\$10,000) or greater and having a useful life of ten  
21 (10) years or more; and  
22

23 **WHEREAS:** The ICIP is a six (6) year plan covering the period beginning July 1, 2016  
24 and ending June 30, 2022, and incorporates the current fiscal year's  
25 capital appropriations; and  
26

27 **WHEREAS:** The ICIP has been updated to be consistent with the Fiscal Year 2017  
28 Final Capital Outlay Budget.  
29

30 **NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY  
31 OF RIO RANCHO:**  
32

33 That the Governing Body hereby adopts the Final Infrastructure and Capital  
34 Improvement Plan (ICIP) for Fiscal Years 2017-2022.  
35

36 ADOPTED THIS 10<sup>TH</sup> DAY OF AUGUST, 2016.  
37

38  
39  
40   
41 \_\_\_\_\_  
42 Gregory D. Hull, Mayor

42 ATTEST:

43   
44 \_\_\_\_\_  
45 Stephen J. Ruger, City Clerk  
46 (SEAL)