

**CITY OF RIO RANCHO
GENERAL FUND SUMMARY
FOR THE PERIOD 7/1/2018 TO 6/30/2019**

	Adopted FY2018	Increase (Decrease)	Adopted FY2019	Percentage Change
Beginning Fund Balance	10,230,793	(3,584,531)	6,646,262	-35.0%
Property Tax	15,538,345	475,563	16,013,908	3.1%
Gross Receipts Tax	29,182,413	(282,627)	28,899,786	-1.0%
Franchise Fees	3,363,619	170,341	3,533,960	5.1%
Licenses & Permits	319,345	7,555	326,900	2.4%
Grants	148,000	250	148,250	0.2%
State Shared Taxes	350,000	15,000	365,000	4.3%
General Government	2,297,000	(42,500)	2,254,500	-1.9%
Public Safety	2,546,500	53,500	2,600,000	2.1%
Cultural Enrichment	973,453	127,078	1,100,531	13.1%
Fines and Forfeitures	892,500	15,500	908,000	1.7%
Miscellaneous Revenue	1,876,890	60,013	1,936,903	3.2%
Total Recurring Revenues	57,488,065	599,673	58,087,738	1.0%
Non-Recurring Revenues	-	-	-	0.0%
Total Revenues	57,488,065	599,673	58,087,738	1.0%
Transfers In	-	3,665,113	3,665,113	0.0%
Total Sources	67,718,858	680,255	68,399,113	1.0%
Personal Services	42,570,261	319,903	42,890,164	0.8%
Materials & Services	11,494,262	(96,197)	11,398,065	-0.8%
Capital Outlay	274,496	(77,174)	197,322	-28.1%
Other Non-Rec. Expenditures	397,329	(176,212)	221,117	100.0%
Total Expenditures	54,736,348	(29,680)	54,706,668	-0.1%
Transfers Out	4,773,060	703,527	5,476,587	14.7%
Ending Fund Balance Unreserved	3,648,088	8,881	3,656,969	0.2%
Ending Fund Balance Reserved	4,561,362	(2,473)	4,558,889	-0.1%
Total Ending Fund Balance	8,209,450	6,408	8,215,858	0.1%
Total Uses	67,718,858	680,255	68,399,113	1.0%

GENERAL FUND
Revenue / Sources Detail

	FY 16	FY 17	FY 18	FY 19	Variance	% Change
	Actual	Actual	Actual	Adopted	FY19 - FY18	FY19/FY18
					Increase	Increase
					(Decrease)	(Decrease)
Balances and Reserves						
Beginning Balance	\$ 11,206,072	\$ 11,701,212	\$ 10,850,514	\$ 6,646,262	\$ (4,204,252)	-39%
Taxes						
Property Tax	14,757,264	15,382,347	15,876,138	16,013,908	137,770	1%
Gross Receipts	29,032,819	29,226,747	28,200,904	28,899,786	698,882	2%
Franchise Fees	3,446,906	3,364,855	3,457,806	3,533,960	76,154	2%
Total Taxes	47,236,989	47,973,949	47,534,848	48,447,654	912,806	2%
Licenses and Permits	337,256	348,097	328,867	326,900	(1,967)	-1%
Intergovernmental						
Federal Grants	157,236	133,552	112,608	45,000	(67,608)	-60%
County Grants	101,500	101,750	103,250	103,250	-	0%
State Shared Taxes	361,855	355,803	370,483	365,000	(5,483)	-1%
Total Intergovernmental	620,591	591,105	586,341	513,250	(73,091)	-12%
Charge for Services						
General Government	2,430,498	2,290,220	2,265,726	2,254,500	(11,226)	0%
Public Safety	2,560,383	2,594,089	2,593,898	2,600,000	6,102	0%
Cultural/Recreation	993,337	1,053,084	1,134,738	1,100,531	(34,207)	-3%
Total Charge for Services	5,984,218	5,937,393	5,994,362	5,955,031	(39,331)	-1%
Fines and Forfeitures	934,337	898,981	919,182	908,000	(11,182)	-1%
Miscellaneous						
Interest Income	13,960	12,358	20,266	19,215	(1,051)	-5%
Rents and Royalties	521	-	-	-	-	0%
Contributions/Donations	-	-	2,000	-	(2,000)	0%
Reimbursements	1,944,002	1,647,177	1,829,854	1,830,298	444	0%
Other Miscellaneous	249,734	216,943	181,944	87,390	(94,554)	-52%
Total Miscellaneous Revenue	2,208,217	1,876,478	2,034,064	1,936,903	(97,161)	-5%
Other Sources						
Interfund Operating Transfer	-	2	3,443	3,665,113	-	0%
Total General Fund	\$ 68,527,680	\$ 69,327,217	\$ 68,251,621	\$ 68,399,113	\$ 147,492	0%

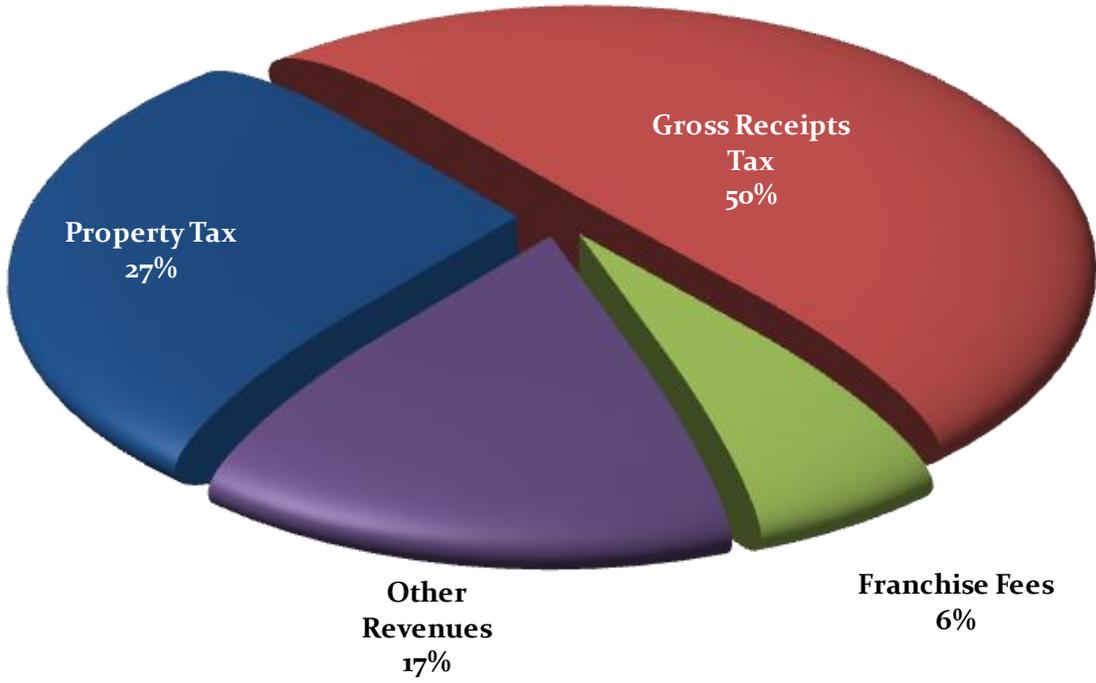
GENERAL FUND
Expenditures by Object

	FY 16	FY 17	FY 18	FY 19	Variance	% Change
	Actual	Actual	Actual	Adopted	FY19 - FY18	FY19/FY18
					Increase	Increase
					(Decrease)	(Decrease)
Operating Expenditures						
<i>Personal Services</i>						
Wages & Salaries	\$ 27,651,277	\$ 29,221,301	\$ 29,121,856	\$ 29,290,684	\$ 168,828	1%
Fringe Benefits	12,114,663	12,922,844	13,274,513	13,599,480	324,967	2%
Total Personal Services	39,765,940	42,144,145	42,396,369	42,890,164	493,795	1%
<i>Materials & Services</i>						
Contracts and Services	3,772,190	4,007,019	4,230,806	4,436,200	205,394	5%
Programs	75,179	67,611	83,342	121,755	38,413	46%
Membership/Subscriptions	176,410	189,802	187,196	186,635	(561)	0%
Conference, Travel & Training	179,289	185,022	173,188	216,048	42,860	25%
Repair & Maintenance	667,201	717,978	681,446	751,384	69,938	10%
Fleet Maintenance	758,062	841,310	699,723	810,371	110,648	16%
Utilities (1)	2,500,964	2,661,309	2,707,384	2,756,763	49,379	2%
Communications (2)	201,350	236,181	170,187	181,547	11,360	7%
Gasoline	517,114	545,777	594,934	689,748	94,814	16%
Supplies	1,018,099	1,020,920	1,103,480	1,226,926	123,446	11%
Minor Furniture & Equipment	303,897	278,950	216,864	215,755	(1,109)	-1%
Other Costs	542,044	251,997	260,119	26,050	(234,069)	-90%
Total Material & Services	10,711,799	11,003,876	11,108,669	11,619,182	510,513	5%
Total Operating Expenditures	50,477,739	53,148,021	53,505,038	54,509,346	1,004,308	2%
Capital Outlay						
Capital Projects-Infrastructure	822	8,390	6,506	-	(6,506)	0%
Vehicles & Heavy Equipment	10,000	-	-	-	-	0%
Major Furniture & Equipment	77,061	178,482	236,785	197,322	(39,463)	-17%
Total Capital Outlay	87,883	186,872	243,291	197,322	(45,969)	-19%
Other Uses						
Transfers	6,245,190	5,128,087	7,325,378	5,476,587	(1,848,791)	-25%
Balances & Reserves	7,625,946	7,936,526	5,018,796	8,215,858	3,197,062	64%
Total Other Uses	13,871,136	13,064,613	12,344,174	13,692,445	1,348,271	11%
Total Expenditures	\$ 64,436,758	\$ 66,399,506	\$ 66,092,503	\$ 68,399,113	\$ 2,306,610	3%

(1) Includes: Telephone services, Water, Wastewater, Gas & Electric services

(2) Includes: Long Distance Telephone, Cellular Phone services & Pagers

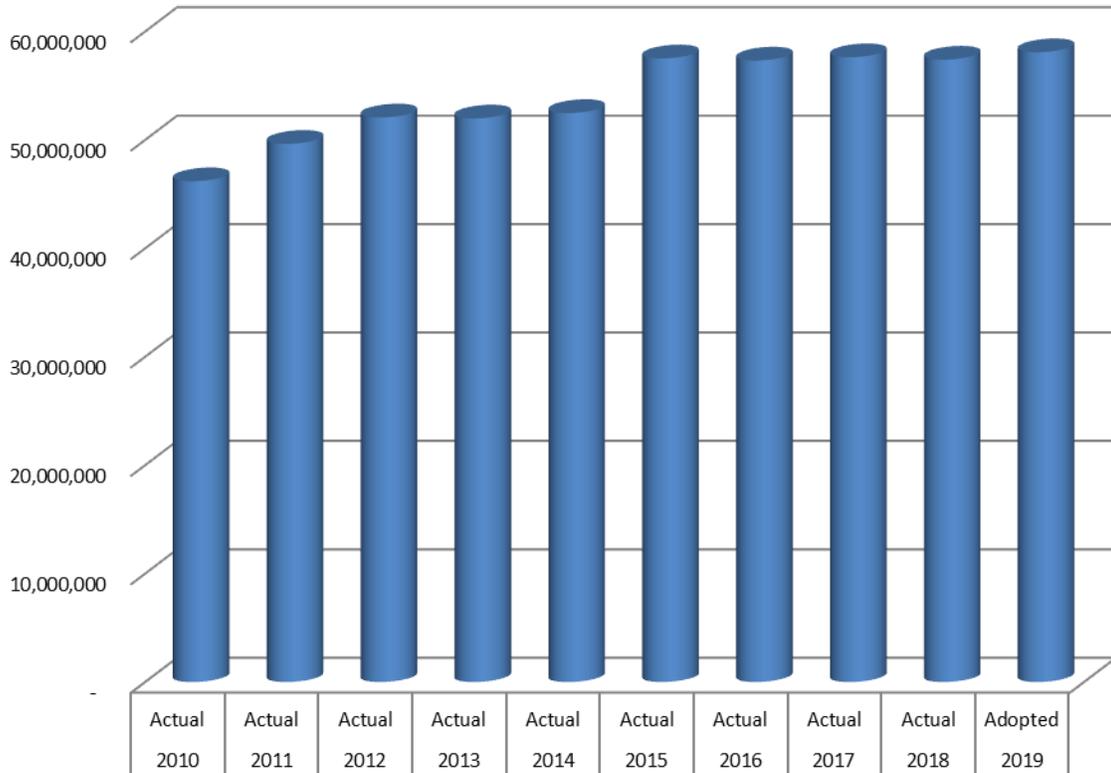
**FISCAL YEAR 2019
GENERAL FUND
Revenue Budget by Category**



Property Tax	16,013,098
Gross Receipts Tax	28,899,786
Franchise Fees	3,533,960
Other Revenues	9,640,894
Total Revenue	<u>\$ 58,087,738</u>

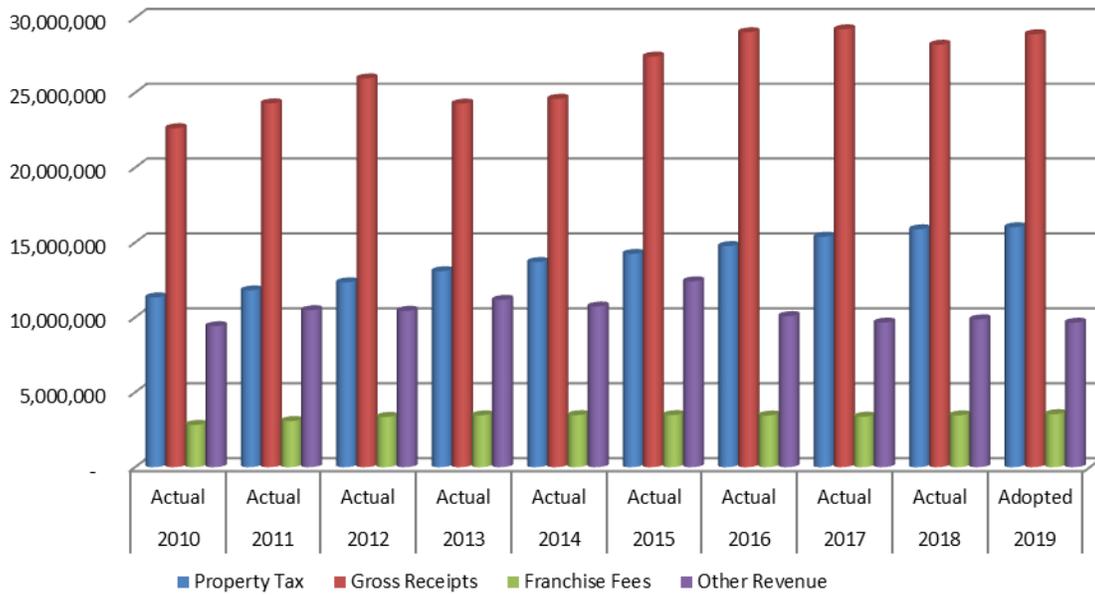
Transfers In are excluded (\$3,665,113)

GENERAL FUND Total Revenues



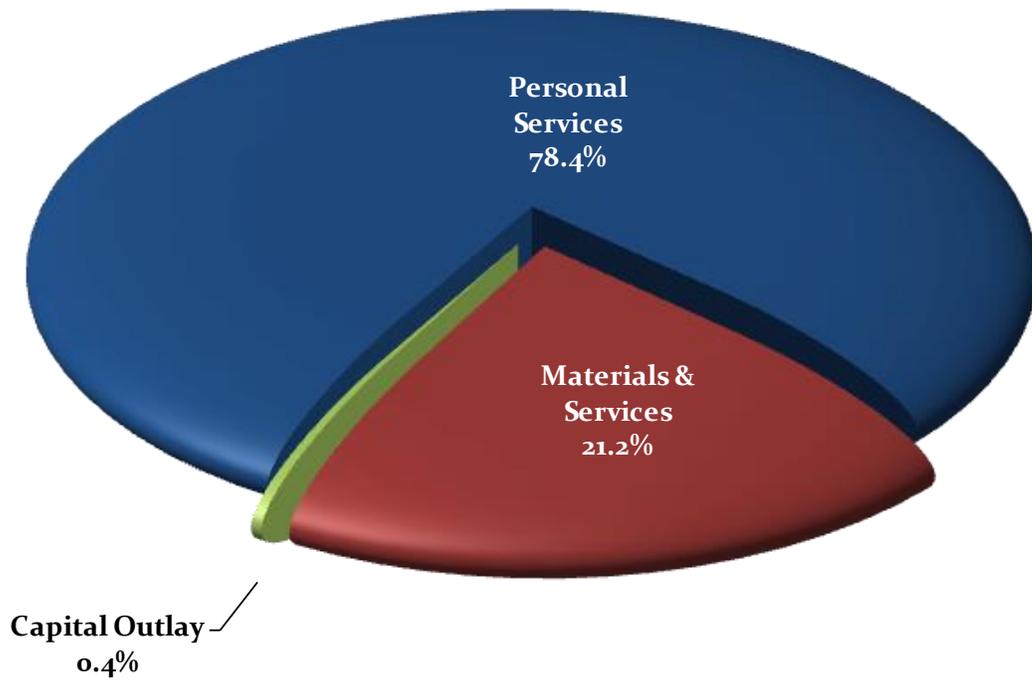
Transfers from other funds are excluded

Revenues by Category



Transfers from other funds are excluded

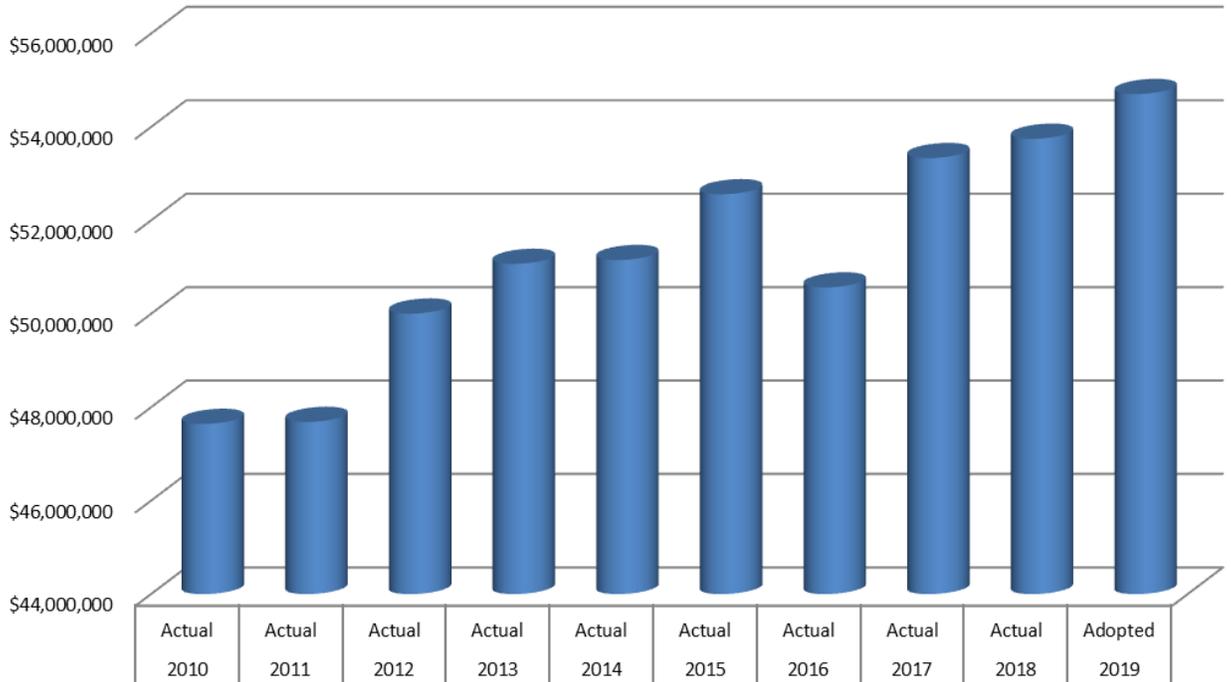
**FISCAL YEAR 2019
GENERAL FUND
Expenditure Budget by Category**



Personal Services	\$	42,890,164
Materials & Services	\$	11,619,182
Capital Outlay	\$	197,322
Total Expenditures	\$	54,706,668

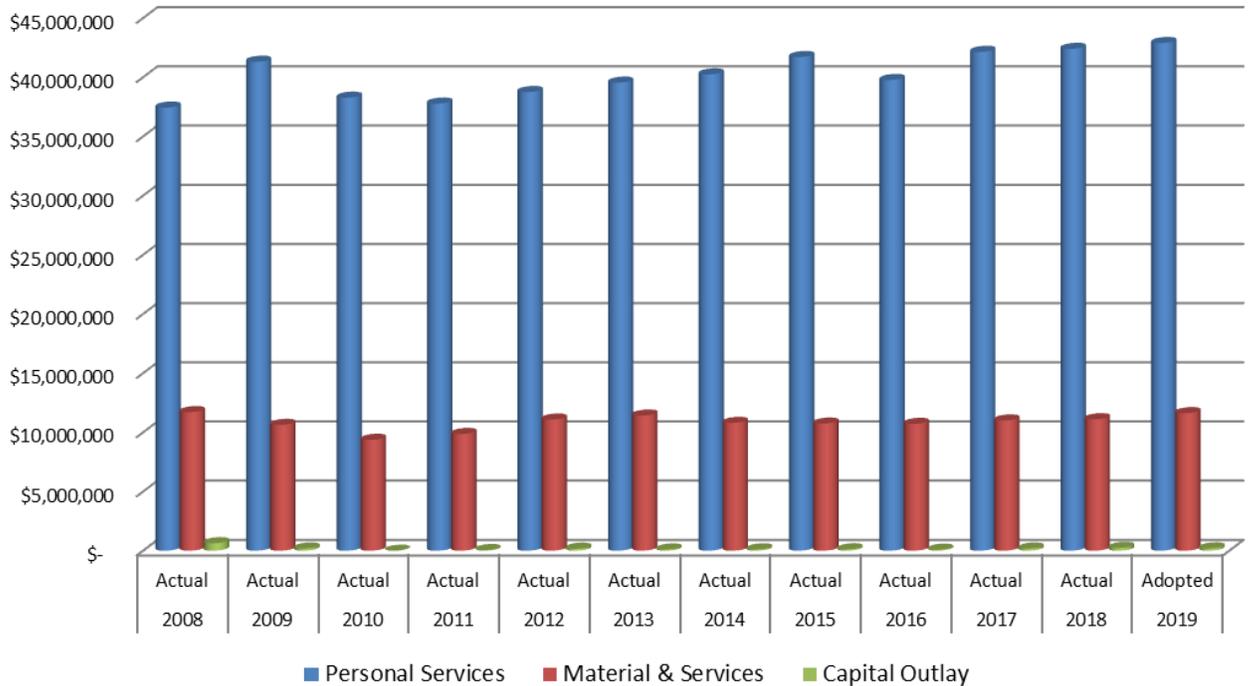
Transfers Out are excluded (\$5,476,587)

GENERAL FUND Total Expenditures



Transfers to other funds are excluded

Expenditures by Category



GENERAL FUND REVENUES

The General Fund provides the principal funding for city government operations. Most of the General Fund revenue comes from three principle sources: gross receipts taxes, property taxes, and franchise fees. The balance comes from a variety of other sources such as licenses and permits, grants, state shared taxes, charge for services and fines.

Gross Receipts Tax

The City's **Gross Receipts Tax (GRT)** revenue is derived from local options imposed by ordinance and state-shared distributions. The GRT is the most important revenue source for the City comprising 50 percent of total General Fund revenues.

Gross receipts tax revenue is very sensitive to the performance of the local economy. During the early 1990's, the annual growth of GRT revenue was over 20 percent per year. However; in the late 1990's this growth slowed to about 5 percent per year due to the loss of retail trade to Albuquerque. Construction GRT revenue was extremely strong in FY 2006 and FY 2007 primarily related to increased construction activity but declined sharply from FY08 to 2010 with the onset of the economic recession and housing market collapse. Since that time, GRT revenue has stabilized in line with the overall economic recovery. The Construction sector led all sectors in FY15, posting a year over year growth rate of 46.4 percent, driven mainly by commercial projects. Construction peaked in FY16 and has declined since; we are projecting a 13% decline for FY19 compared to FY18. The Retail sector shows in the following table a projected growth rate of 1 percent compared to FY18. Manufacturing is anticipated to grow slightly while TCU is projected to grow 16 percent from FY18. Overall the projected GRT for FY19 will remain flat.

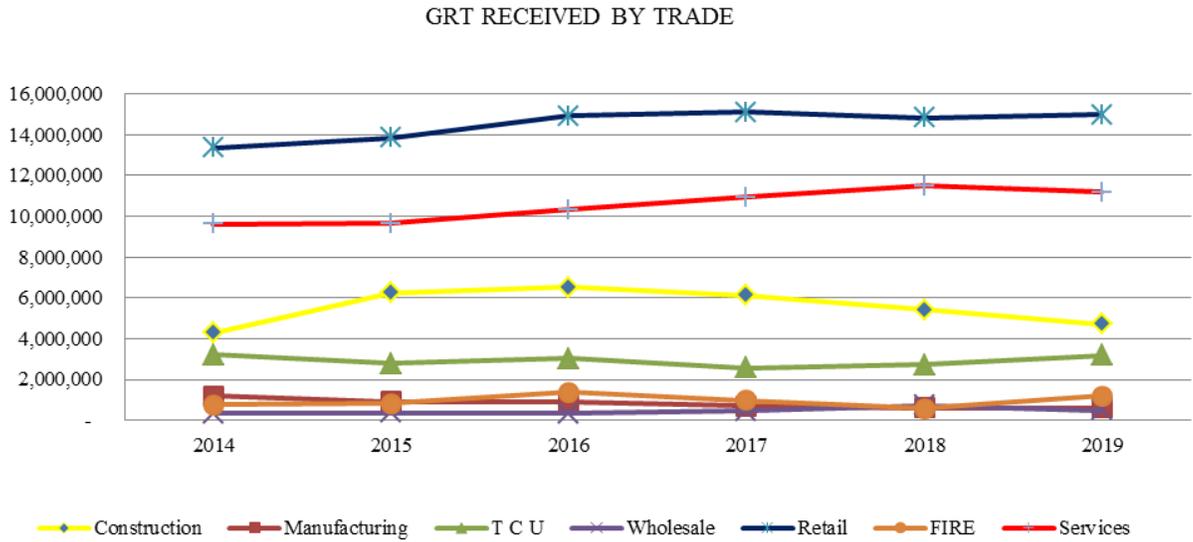
CITY OF RIO RANCHO, NM							
GROSS RECEIPT TAXES RECEIVED BY TYPE OF TRADE							
All Funds							
Last Five Fiscal Years							
	Actual					Projected	17/16 Change
	2014	2015	2016	2017	2018	2019	
Construction	\$ 4,276,650	\$ 6,259,033	6,534,493	6,142,891	5,413,428	4,706,517	-13%
	12.99%	17.78%	17.06%	16.55%	14.79%	12.88%	
Manufacturing	1,209,192	924,870	877,153	704,469	609,153	613,134	1%
	3.67%	2.63%	2.29%	1.90%	1.66%	1.68%	
T C U	3,223,650	2,776,117	3,035,065	2,570,147	2,736,116	3,186,302	16%
	9.79%	7.88%	7.92%	6.93%	7.48%	8.72%	
Wholesale	334,652	383,210	333,738	465,831	726,047	476,388	-34%
	1.02%	1.09%	0.87%	1.26%	1.98%	1.30%	
Retail*	13,354,791	13,862,973	14,910,745	15,108,664	14,847,990	14,995,010	1%
	40.58%	39.37%	38.93%	40.71%	40.57%	41.03%	
FIRE	760,481	827,174	1,393,214	996,660	595,289	1,196,644	101%
	2.31%	2.35%	3.64%	2.69%	1.63%	3.27%	
Services*	9,634,631	9,784,874	10,338,946	10,926,004	11,507,083	11,177,822	-3%
	29.27%	27.79%	26.99%	29.44%	31.44%	30.58%	
Others	118,425	390,529	880,561	193,797	159,965	196,397	23%
	0.36%	1.11%	2.30%	0.52%	0.44%	0.54%	
Total	32,912,472	35,208,780	38,303,916	37,108,463	36,595,071	36,548,214	0%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	

FIRE: Financial institutions and real estate; T C U: Transportation, Communication and Utility.

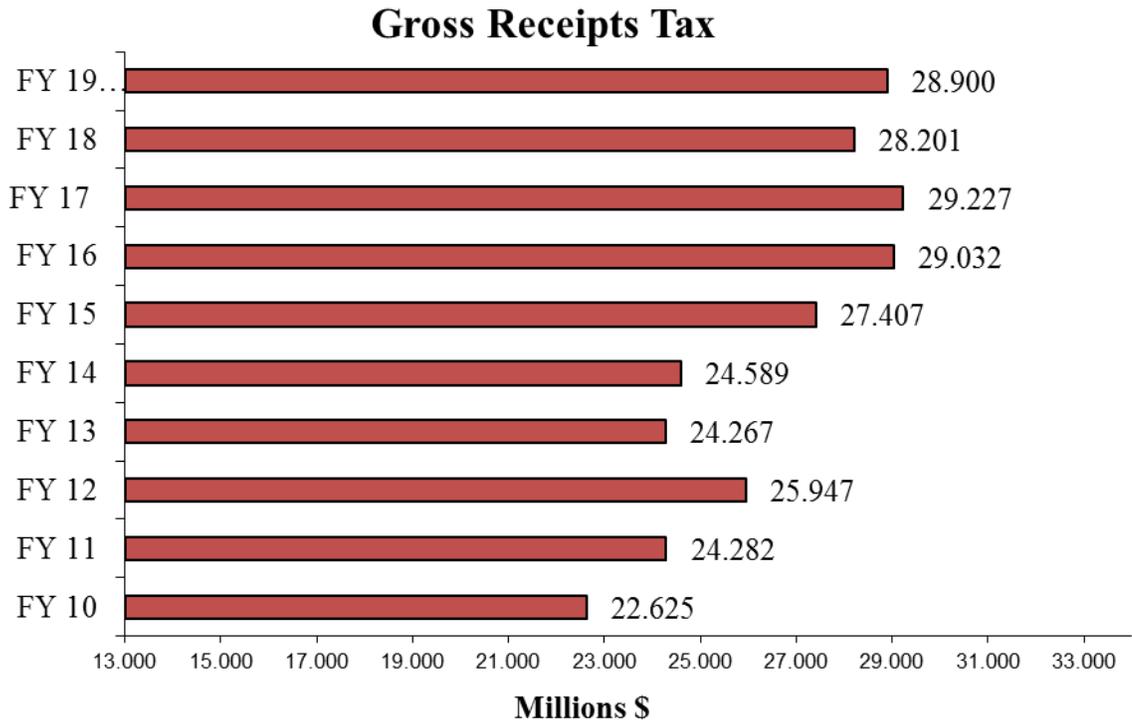
Source: State of New Mexico, Department of Taxation and Revenue; Prepared by: City of Rio Rancho Department of Finance Services

Note*: Includes Hold Harmless distribution

The following table is a breakdown of Gross Receipts Taxes received by type of trade.



In 2005 the State of New Mexico removed gross receipts tax from food and medical services. In doing so, the State held cities harmless against gross receipts revenue loss as a result of the new legislation. The taxable retail gross receipts reported in this table include food and medical services. Beginning in FY 2016, the hold harmless payments will be phased out over a 15 year period.



NEW MEXICO GROSS RECEIPTS TAX RATE							
		N.M.G.R.T.		Total	MUNICIPAL G.R.T.		Total G.R. Tax
		To Rio Rancho	To State		Sandoval County	Rio Rancho	
7/1/1982	(1)	1.3500%	2.150%	3.5000%		0.5000%	4.0000%
7/1/1983	(2)	1.3500%	2.400%	3.7500%		0.7500%	4.5000%
7/1/1984		1.3500%	2.400%	3.7500%	0.1250%	0.7500%	4.625%
7/1/1985	(3)	1.3500%	2.400%	3.7500%	0.1250%	1.0000%	4.875%
7/1/1985	(3)	1.3500%	2.400%	3.7500%	0.1250%	1.5000%	5.375%
7/1/1990	(4)	1.3500%	3.150%	4.5000%	0.1250%	1.5000%	6.125%
1/1/1991	(5)	1.3500%	3.150%	4.5000%	0.2500%	1.5000%	6.2500%
7/1/1991	(3)	1.3500%	3.150%	4.5000%	0.2500%	1.2500%	6.0000%
1/1/1992	(6)	1.3500%	3.150%	4.5000%	0.2500%	1.4375%	6.1875%
8/1/1992	(7)	1.2250%	3.275%	4.5000%	0.2500%	1.4375%	6.1875%
1/1/2005	(8)	1.2250%	3.775%	5.0000%	0.2500%	1.4375%	6.6875%
7/1/2008	(9)	1.2250%	3.775%	5.0000%	0.2500%	1.6875%	6.9375%
7/1/2009	(10)	1.2250%	3.775%	5.0000%	0.3750%	1.6875%	7.0625%
7/1/2010	(11)	1.2250%	3.900%	5.1250%	0.3750%	1.6875%	7.1875%
1/1/2011	(12)	1.2250%	3.900%	5.1250%	0.3750%	1.9375%	7.4375%
1/1/2019	(13)	1.2250%	3.900%	5.1250%	0.3750%	2.0625%	7.5625%

Note: Rio Rancho incorporated as a City on September 6, 1980, but it was not "officially" incorporated for tax distribution purposes until March, 1981. On 7/1/81 the State of New Mexico lowered the state-wide gross receipts tax rate from 3.75% to 3.50%. This allowed municipalities to add 3/4% of 1% additional 1/4% increments. This 3/4% of 1% additional is known as the "Municipal Gross Receipts Tax."

- (1) The City of Rio Rancho enacted two 1/4% increments (i.e. 1/2 of 1%) on July 1, 1982.
- (2) Effective July 1, 1982, the N.M. Gross Receipts Tax was increased 3.75% from 3.5%. The City imposed an increment of 1/4% on July 1, 1983. Receipts of additional 1/4% commenced approximately September 10, 1983.
- (3) Allowable municipal rate increased to 1 1/4%, and a Special Municipal Gross Receipts Tax was authorized. The Special Municipal Gross Receipts Tax now deemed to be an imposition of a Municipal Gross Receipts Tax by Section 7-19A-3 (G) NMSA 1978. The authority to impose the Special Municipal Gross Receipts Tax of 1/4% expired on 6-30-91, except for municipalities who have issued bonds secured by such tax, which Rio Rancho had not done.
- (4) The State rate was increased to 4.5% to fund salary increases for teachers and to fund environmental issues.
- (5) The County increased its rate by .125% for the Indigent Fund.
- (6) The City of Rio Rancho increased its rate by 3/16%: 1/16% for environmental, and 2/16% for infrastructure.
- (7) The State reduced the amount to cities from the N.M. Gross Receipts Tax by 1/8% effective August 1, 1992.
- (8) The State removed the tax on certain food items and medical services, and removed the .50% credit to municipalities.
- (9) The City of Rio Rancho increased its rate by 1/4% for acquisition, construction, renovation or improvement of facilities of higher public education.
- (10) Sandoval County joined with voters from Bernalillo and Valencia counties in approving a 1/8 of a cent GRT increase to help fund the Rail Runner Express and bus transit services in the area.
- (11) The State increase 1/4% to help close the state's budget deficit
- (12) The City of Rio Rancho increased its rate by 1/4%.
- (13) The City of Rio Rancho increase the first 1/8 of the GRT Hold Harmless

Property Tax

Property tax is the second largest source of General Fund revenue and generated approximately \$15.8 million for operations in FY 2018. The net taxable value of residential and non-residential properties in Rio Rancho was certified to be \$2.14 billion in Tax Year 2017. The City's FY 2017 operating mill rate was \$7.492 per \$1,000 of net

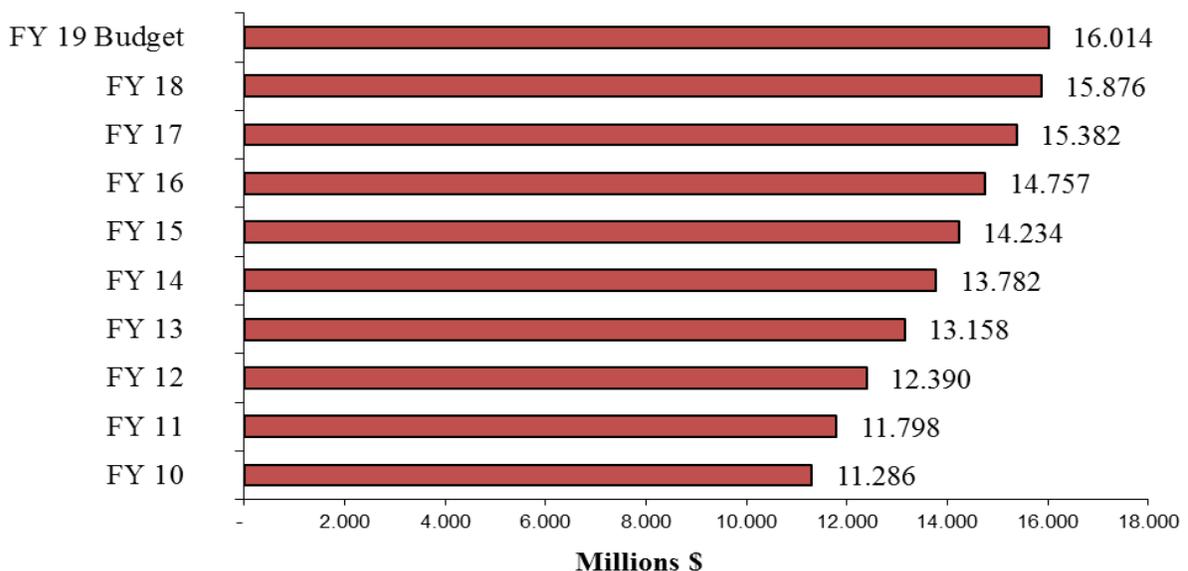
taxable value for residential and non-residential property located in Sandoval County and non-residential in Bernalillo County. The City also imposed a debt mill rate of \$2.051 per \$1,000 of net taxable value for repayment of outstanding General Obligation (G.O.) Bonds. Net taxable values have decreased in recent years resulting in a higher tax burden spread across a lower tax base. While the property tax revenue forecast is a conservative one, the outlook for values is cautiously optimistic as home values slowly rise with improving market fundamentals, and new construction experiences an uptick in a recovering market.

Assessed Valuation of property within the City is calculated as follows: Of the total estimated actual valuation of all taxable property in the City, 33 1/3 percent is legally subject to ad valorem taxes. After deduction of certain personal exemptions, the 2017 Assessed Valuation is \$2,136,680,060. For Sandoval and Bernalillo counties the actual value of personal property within the City (see "Assessments" below) is determined by the County Assessor. The actual value of certain corporate property within the City (see "Centrally Assessed" below) is determined by the State of New Mexico, Taxation and Revenue Department, Property Tax Division. The analysis of Assessed Valuation is as follows:

	Tax Year 2013	Tax Year 2014	Percent Change	Tax Year 2015	Percent Change	Tax Year 2016	Percent Change	Tax Year 2017	Percent Change
Rio Rancho/Sandoval*									
Residential	\$ 1,558,255,219	\$ 1,594,141,405	2%	\$ 1,610,082,819	1.00%	\$ 1,650,033,647	2%	\$ 1,717,808,950	4%
Non-Residential	436,524,544	411,520,793	-6%	387,942,610	-5.73%	402,449,950	4%	418,871,110	4%
Total Sandoval	\$ 1,994,779,763	\$ 2,005,662,198	1%	\$ 1,998,025,429	-0.38%	\$ 2,052,483,597	3%	\$ 2,136,680,060	4%

Source: New Mexico Department of Finance and Administration; Prepared by: City of Rio Rancho Department of Finance Services. () Includes Non-Residential valuation from Bernalillo County.*

Property Tax Revenues



Tax Rates

The following table summarizes the tax levy on residential property for 2006-2016.

PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS (Residential)										
Tax Year	City of Rio Rancho			Overlapping Rates						
	General Fund	Debt Service Fund	Total	State	County	School District	Central NM Comm. College	Pres. Hospital (A)	(B)	Total
2008	5.847	2.060	7.907	1.250	5.368	10.899	2.990		1.482	29.896
2009	5.944	2.067	8.011	1.150	5.809	10.635	3.046	4.250	1.623	34.524
2010	6.113	2.060	8.173	1.530	5.952	10.694	3.158	4.250	1.654	35.411
2011	6.518	1.645	8.163	1.362	6.659	10.773	3.237	4.250	1.867	36.311
2012	6.990	1.617	8.607	1.360	6.995	10.785	3.344	4.250	1.851	37.192
2013	7.181	1.789	8.970	1.360	7.167	10.791	3.392	4.250	2.076	38.006
2014	7.307	1.881	9.188	1.360	6.779	10.795	3.377	4.250	2.076	37.825
2015	7.426	2.000	9.426	1.360	7.191	10.802	3.381	4.250	2.076	38.486
2016	7.449	2.016	9.465	1.360	7.401	10.803	3.776	4.250	2.077	39.132
2017	7.492	2.051	9.543	1.360	7.367	10.804	3.789	0.000	2.194	35.057

Rate per \$1,000 of assessed value

Source: State of New Mexico Department of Finance and Administration; Prepared by: City of Rio Rancho Department of Financial Services

(A) Starting in 2009 Presbyterian Hospital Rates are listed separately

(B) Southern Sandoval County Arroyo Flood Control Authority

History of Assessed Valuation

The following is a ten-year history of assessed valuation for the City of Rio Rancho and Sandoval County.

Tax Year	City of Rio Rancho*	Percentage Change	Sandoval County	Percentage Change
2008	2,102,689,119	0.00%	3,244,344,944	0.00%
2009	2,176,345,299	3.50%	3,348,477,492	3.21%
2010	2,179,478,260	0.14%	3,357,248,301	0.26%
2011	2,056,634,824	-5.64%	3,222,126,760	-4.02%
2012	1,999,664,999	-2.77%	3,156,898,770	-2.02%
2013	1,994,779,763	-0.24%	3,152,673,758	-0.13%
2014	2,005,662,198	0.55%	3,218,987,082	2.10%
2015	1,998,025,429	-0.38%	3,281,955,891	1.96%
2016	2,052,483,597	2.73%	3,337,949,847	1.71%
2017	2,136,680,060	4.10%	3,477,523,540	4.18%

Source: State of New Mexico, Taxation & Revenue Department

Prepared by: City of Rio Rancho Department of Financial Services

*Includes property valuation in both counties Sandoval and Bernalillo

Major Taxpayers:

The ten largest taxpayers have a combined assessed valuation of \$81,203,759 which represents 3.80 percent of the 2016 Assessed Valuation of Rio Rancho in Sandoval County. This table is useful in assessing the concentration risk of the tax base.

PROPERTY TAX LEVIES AND COLLECTIONS CITY OF RIO RANCHO, NM Last Five Fiscal Years						
Fiscal Year	Collected within the Fiscal Year of the Levy			Delinquent Tax Collection (A)	Total Tax Collection	Tax Collections to Total Tax
	Taxes Levied for the Fiscal Year (A)	Amount (A)	Percentage			
2007	12,293,753	12,226,476	99.45%	54,546	12,281,022	99.90%
2008	14,656,315	13,790,591	94.09%	842,434	14,633,025	99.84%
2009	16,328,702	15,231,543	93.28%	1,052,724	16,284,267	99.73%
2010	17,227,219	15,498,538	89.97%	1,689,475	17,188,013	99.77%
2011	15,890,258	15,206,260	95.70%	639,842	15,846,102	99.72%
2012	16,504,482	15,951,790	96.65%	496,810	16,448,600	99.66%
2013	17,440,514	16,801,608	96.34%	529,217	17,330,825	99.37%
2014	18,188,145	17,592,907	96.73%	385,149	17,978,056	98.84%
2015	18,665,557	18,171,992	97.36%	-	18,171,992	97.36%
2016	19,677,778	19,207,650	97.61%	-	19,207,650	97.61%

Source: Sandoval County Treasurer's Office; Prepared by: City of Rio Rancho Department of Financial Services
(A) - Subject to change each day due to additions and deletions of levied and collected amounts.

Tax Collections

General property taxes for all units of government are collected by the County Treasurer and distributed monthly to the various political subdivisions to which they are due. Property taxes are due in two installments. The first half installment is due on November 10 and becomes delinquent on December 10. The second half installment is due on April 10 and becomes delinquent on May 10. Collection statistics for all political subdivisions within Rio Rancho for which each county treasurer collects taxes are as follows:

Interest on Delinquent Taxes

Pursuant to Section 7-38-49, NMSA 1978, if property taxes are not paid for any reason within 30 days after the date they are due, interest on the unpaid taxes shall accrue from the 30th day after they are due until the date they are paid. Interest accrues at the rate of one percent per month or any fraction of a month.

Penalty for Delinquent Taxes.

Pursuant to Section 7-38-50, NMSA 1978, if property taxes become delinquent, a penalty of one percent of the delinquent tax for each month, or any portion of a month, they remain unpaid must be imposed, but the total penalty shall not exceed five percent of the delinquent taxes. The minimum penalty imposed is \$5.00. A county can suspend application of the minimum penalty requirement for any tax year. If property taxes become delinquent because of intent to defraud by the property owner, 50 percent of the property tax due or \$50.00, whichever is greater, shall be added as a penalty.

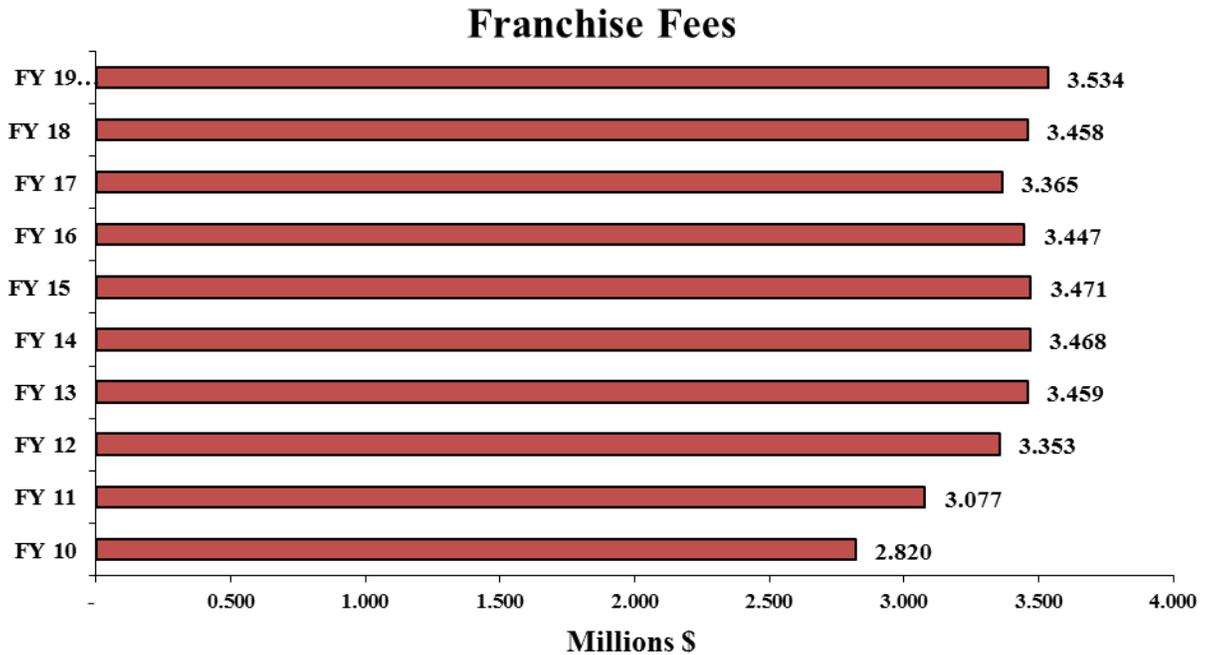
Remedies Available for Non-Payment of Taxes

Pursuant to Section 7-38-47, NMSA 1978, property taxes are the personal obligation of the person owning the property on the date in which the property was subject to valuation for property taxation purposes. A personal judgment may be rendered against the taxpayer for payment of taxes that are delinquent, together with any penalty and interest on the delinquent taxes.

Taxes on real property are a lien against the real property. Pursuant to Section 7-38-65, NMSA 1978, delinquent taxes on real property may be collected by selling the real property on which taxes are delinquent.

Franchise Fees

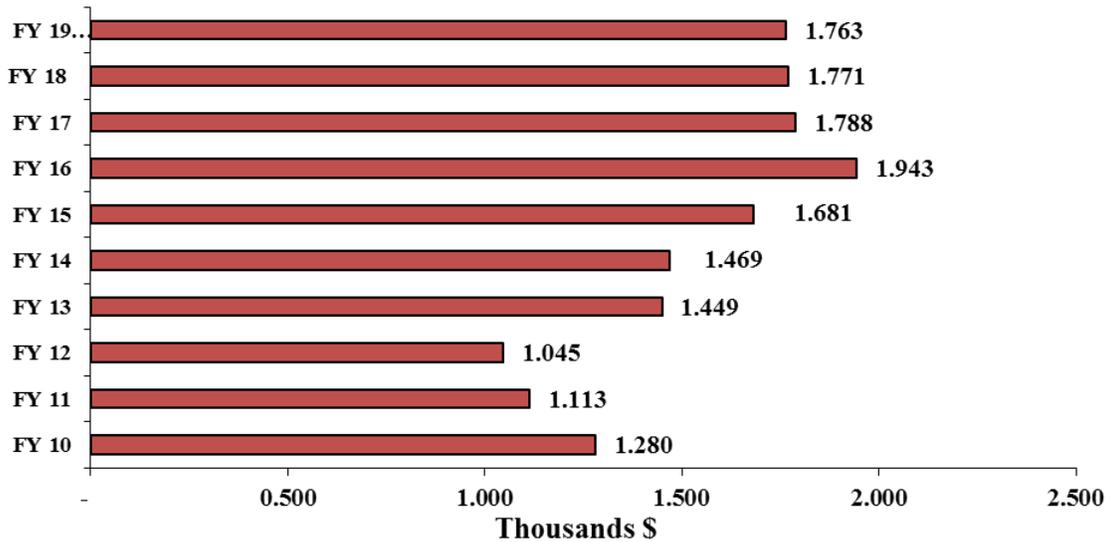
Franchise fees represent the third largest category of revenue in the General Fund, with over \$3.46 million in fees received in FY18. These fees are assessed on providers of waste collection, cable TV, water and wastewater, electricity, natural gas, and telephone service, with PNM Electric accounting for 46 percent of total franchise revenues. Trends for electric, gas, and water franchise fees are affected by changes in weather among other factors. For FY19, franchise fees are estimated 2% increase compared to FY18 actual.



City Development Revenue

City development revenue is an important component of General Fund revenues due to the City's housing growth. As depicted in the table below, the high volume of construction activity began to increase revenues in FY13, peaking in FY16 due to commercial construction activity, and dropping off slightly after. The FY19 Budget anticipates these revenues to remain close to the same level of prior FY17 and FY18.

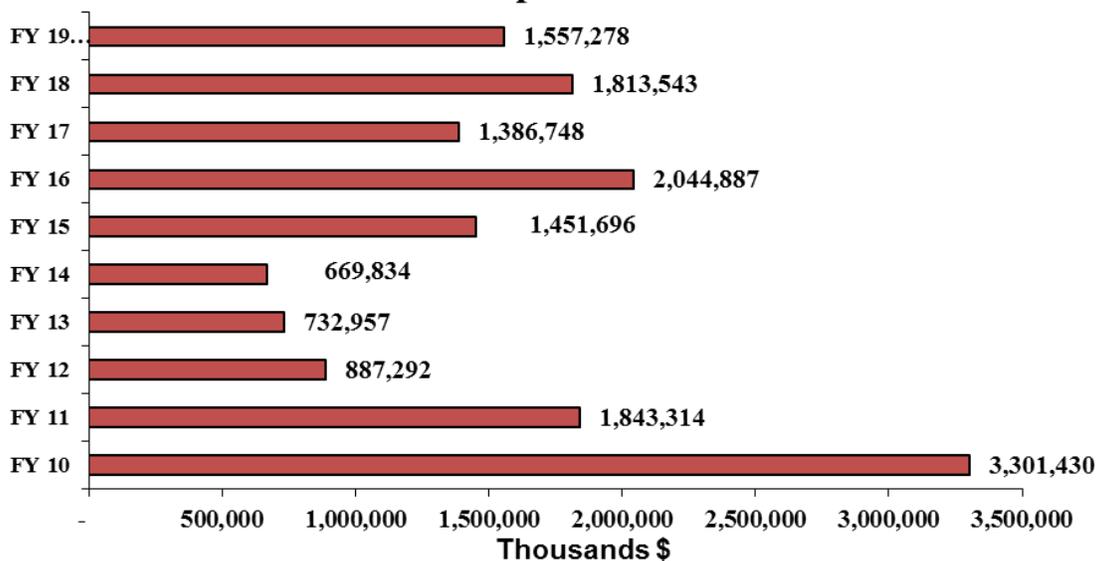
City Development Revenue



Impact Fees

Impact fees are accounted for in Special Funds and are an important source of funding for capital improvements. The City adopted an impact fee ordinance in 1995 in accordance with the state enabling legislation on impact fees. The legislation required that impact fees be assessed on new development for specified categories of infrastructure in order to pay the fair share of the costs of growth. The City assesses impact fees for both residential and nonresidential properties. On September 22, 2012 the City temporarily reduced residential impact fees by 50 percent and waived commercial impact fees for a 2-year period to spur economic development. FY19 Impact Fees revenue is projected to decrease.

Impact Fees



FY 2019 GENERAL FUND
SUMMARY BUDGET
By Department/Cost Center/Category

Department/Division	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Adopted
City Manager				
Personal Services	\$ 604,832	\$ 670,302	\$ 739,606	\$ 773,525
Material and Services	304,590	360,117	359,466	323,567
Total	\$ 909,422	\$ 1,030,419	\$ 1,099,072	\$ 1,097,092
Mayor				
Personal Services	\$ 42,578	\$ 34,874	\$ 45,589	\$ 74,683
Material and Services	22,307	18,344	12,768	27,813
Total	\$ 64,885	\$ 53,218	\$ 58,357	\$ 102,496
Total Administration	\$ 974,307	\$ 1,083,637	\$ 1,157,429	\$ 1,199,588
Fiduciary				
Personal Services	\$ 71,978	\$ 69,379	\$ 25,906	\$ (937,589)
Material and Services	1,027,861	734,985	799,187	631,064
Transfers to Other Funds	6,245,190	5,128,087	7,325,378	5,476,587
Total Fiduciary	\$ 7,345,029	\$ 5,932,451	\$ 8,150,471	\$ 5,170,062
City Council				
Personal Services	\$ 169,524	\$ 155,781	\$ 166,211	\$ 181,099
Material and Services	102,805	111,023	115,050	121,885
Total City Council	\$ 272,329	\$ 266,804	\$ 281,261	\$ 302,984
City Clerk				
Personal Services	\$ 199,569	\$ 208,904	\$ 214,476	\$ 216,465
Material and Services	103,830	46,703	96,530	50,118
Total City Clerk	\$ 303,399	\$ 255,607	\$ 311,006	\$ 266,583
Municipal Court				
Personal Services	\$ 694,700	\$ 765,341	\$ 762,229	\$ 783,117
Material and Services	353,906	394,032	431,577	532,202
Capital Outlay	7,996	-	26,312	-
Total Municipal Court	\$ 1,056,602	\$ 1,159,373	\$ 1,220,118	\$ 1,315,319
City Attorney				
Personal Services	\$ 556,423	\$ 691,190	\$ 732,371	\$ 765,200
Material and Services	51,071	79,545	78,349	115,303
Total City Attorney	\$ 607,494	\$ 770,735	\$ 810,720	\$ 880,503

FY 2019 GENERAL FUND
SUMMARY BUDGET
By Department/Cost Center/Category

Department/Division	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Adopted
Human Resources				
Personal Services	\$ 606,371	\$ 590,189	\$ 594,181	\$ 580,757
Material and Services	249,361	256,696	252,578	243,496
Total Human Resources	\$ 855,732	\$ 846,885	\$ 846,759	\$ 824,253
Financial Services				
Administration				
Personal Services	\$ 377,803	\$ 85,892	\$ 139,315	\$ 140,463
Material and Services	48,254	82,116	26,731	64,147
Total	\$ 426,057	\$ 168,008	\$ 166,046	\$ 204,610
Budget / Grants				
Personal Services	\$ -	\$ 366,008	\$ 381,416	\$ 397,801
Material and Services	-	36,603	48,708	33,146
Total	\$ -	\$ 402,611	\$ 430,124	\$ 430,947
Accounting				
Personal Services	\$ 459,190	\$ 485,091	\$ 572,324	\$ 541,500
Material and Services	85,309	81,532	89,353	94,202
Total	\$ 544,499	\$ 566,623	\$ 661,677	\$ 635,702
Ambulance Billing				
Personal Services	\$ 137,927	\$ 153,461	\$ 152,036	\$ 153,466
Material and Services	10,376	11,342	10,680	12,200
Total	\$ 148,303	\$ 164,803	\$ 162,716	\$ 165,666
Purchasing				
Personal Services	\$ 294,658	\$ 227,625	\$ 228,600	\$ 252,310
Material and Services	3,128	6,562	4,330	5,595
Total	\$ 297,786	\$ 234,187	\$ 232,930	\$ 257,905
Motor Vehicle Division				
Personal Services	\$ 250,118	\$ 295,077	\$ 306,168	\$ 321,135
Material and Services	5,000	15,479	6,173	6,718
Total	\$ 255,118	\$ 310,556	\$ 312,341	\$ 327,853
Total Financial Services	\$ 1,671,763	\$ 1,846,788	\$ 1,965,834	\$ 2,022,683
Information Technologies				
Personal Services	\$ 496,998	\$ 502,384	\$ 538,523	\$ 549,961
Material and Services	538,314	542,306	592,488	611,766
Total Information Technologies	\$ 1,035,312	\$ 1,044,690	\$ 1,131,011	\$ 1,161,727

FY 2019 GENERAL FUND
SUMMARY BUDGET
By Department/Cost Center/Category

Department/Division	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Adopted
Parks, Recreation and Community Services				
Administration				
Personal Services	\$ 530,178	\$ 486,428	\$ 523,300	\$ 563,412
Material and Services	1,207,607	1,367,362	1,371,607	1,419,216
Total	\$ 1,737,785	\$ 1,853,790	\$ 1,894,907	\$ 1,982,628
Outdoor Aquatics				
Personal Services	\$ 214,794	\$ 267,164	\$ 220,673	\$ 251,735
Material and Services	46,068	51,321	44,094	53,783
Capital Outlay	-	-	6,506	-
Total	\$ 260,862	\$ 318,485	\$ 271,273	\$ 305,518
Rio Rancho Aquatic Center				
Personal Services	\$ 557,068	\$ 546,552	\$ 612,209	\$ 639,806
Material and Services	304,370	309,400	307,191	332,185
Total	\$ 861,438	\$ 855,952	\$ 919,400	\$ 971,991
Programming				
Personal Services	\$ 895,769	\$ 928,438	\$ 827,984	\$ 889,152
Material and Services	190,459	202,524	263,507	259,493
Capital Outlay	9,689	-	-	-
Total	\$ 1,095,917	\$ 1,130,962	\$ 1,091,491	\$ 1,148,645
Parks & Facilities				
Personal Services	\$ 1,013,630	\$ 1,107,859	\$ 1,127,419	\$ 1,220,453
Material and Services	336,174	375,136	475,680	385,091
Capital Outlay	-	162,314	136,659	165,210
Total	\$ 1,349,804	\$ 1,645,309	\$ 1,739,758	\$ 1,770,754
Keep Rio Rancho Beautiful				
Personal Services	\$ 49,356	\$ 75,983	\$ 78,680	\$ 88,267
Material and Services	15,883	19,973	17,469	19,706
Total	\$ 65,239	\$ 95,956	\$ 96,149	\$ 107,973
Senior Services				
Personal Services	\$ 347,811	\$ 388,655	\$ 421,268	\$ 410,391
Material and Services	92,691	86,626	110,798	109,535
Capital Outlay	822	-	-	-
Total	\$ 441,324	\$ 475,281	\$ 532,066	\$ 519,926
Total Parks, Rec. and Comm. Serv.	\$ 5,812,369	\$ 6,375,735	\$ 6,545,044	\$ 6,807,435

FY 2019 GENERAL FUND
SUMMARY BUDGET
By Department/Cost Center/Category

Department/Division	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Adopted
Library & Information Services				
Personal Services	\$ 1,676,067	\$ 1,795,319	\$ 1,794,461	\$ 1,827,499
Material and Services	209,245	263,349	278,677	281,814
Total Library	\$ 1,885,312	\$ 2,058,668	\$ 2,073,138	\$ 2,109,313
Development Services				
Administration				
Personal Services	\$ 190,918	\$ 180,101	\$ 175,230	\$ 184,056
Material and Services	155,419	138,868	116,169	137,961
Total	\$ 346,337	\$ 318,969	\$ 291,399	\$ 322,017
Building Inspection				
Personal Services	\$ 728,633	\$ 795,541	\$ 791,585	\$ 801,258
Material and Services	23,139	34,259	28,929	43,735
Total	\$ 751,772	\$ 829,800	\$ 820,514	\$ 844,993
Development Engineering				
Personal Services	\$ 552,282	\$ 587,071	\$ 546,602	\$ 610,176
Material and Services	40,177	40,624	50,505	73,824
Total	\$ 592,459	\$ 627,695	\$ 597,107	\$ 684,000
Zoning and Planning				
Personal Services	\$ 440,112	\$ 435,018	\$ 485,852	\$ 487,950
Material and Services	7,844	8,848	15,015	86,335
Total	\$ 447,956	\$ 443,866	\$ 500,867	\$ 574,285
Code Enforcement				
Personal Services	\$ 398,239	\$ 422,298	\$ 336,935	\$ 403,938
Material and Services	37,963	17,755	18,347	15,605
Total	\$ 436,202	\$ 440,053	\$ 355,282	\$ 419,543
Total Development Services	\$ 2,574,726	\$ 2,660,383	\$ 2,565,169	\$ 2,844,838

FY 2019 GENERAL FUND
SUMMARY BUDGET
By Department/Cost Center/Category

Department/Division	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Adopted
Public Works				
Administration				
Personal Services	\$ 239,261	\$ 231,082	\$ 298,119	\$ 230,465
Material and Services	779,258	744,191	757,874	742,352
Total	<u>\$ 1,018,519</u>	<u>\$ 975,273</u>	<u>\$ 1,055,993</u>	<u>\$ 972,817</u>
Building Maintenance				
Personal Services	\$ 369,528	\$ 351,309	\$ 336,582	\$ 343,262
Material and Services	550,049	539,500	521,500	521,816
Capital Outlay	16,970	8,000	-	-
Total	<u>\$ 936,547</u>	<u>\$ 898,809</u>	<u>\$ 858,082</u>	<u>\$ 865,078</u>
Custodial				
Personal Services	\$ 278,781	\$ 333,620	\$ 325,459	\$ 346,564
Material and Services	96,565	84,910	94,440	95,293
Capital Outlay	6,119	-	-	-
Total	<u>\$ 381,465</u>	<u>\$ 418,530</u>	<u>\$ 419,899</u>	<u>\$ 441,857</u>
Fleet Maintenance				
Personal Services	\$ 418,789	\$ 399,318	\$ 325,964	\$ 411,978
Material and Services	20,998	30,502	25,122	28,242
Total	<u>\$ 439,787</u>	<u>\$ 429,820</u>	<u>\$ 351,086</u>	<u>\$ 440,220</u>
Streets and ROW				
Personal Services	\$ 2,384,316	\$ 2,170,312	\$ 2,143,717	\$ 2,320,301
Material and Services	807,203	835,161	878,329	1,118,446
Capital Outlay	-	7,394	8,537	-
Total	<u>\$ 3,191,519</u>	<u>\$ 3,012,867</u>	<u>\$ 3,030,583</u>	<u>\$ 3,438,747</u>
Engineering				
Personal Services	\$ 1,233,763	\$ 1,339,455	\$ 1,297,256	\$ 1,358,079
Material and Services	194,138	288,972	346,327	217,291
Capital Outlay	10,840	-	-	-
Total	<u>\$ 1,438,741</u>	<u>\$ 1,628,427</u>	<u>\$ 1,643,583</u>	<u>\$ 1,575,370</u>
Total Public Works	\$ 7,406,578	\$ 7,363,726	\$ 7,359,226	\$ 7,734,089

FY 2019 GENERAL FUND
SUMMARY BUDGET
By Department/Cost Center/Category

Department/Division	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Adopted
Police				
Administrative Services				
Personal Services	\$ 499,129	\$ 567,096	\$ 747,319	\$ 814,280
Material and Services	877,516	825,702	748,800	759,174
Capital Outlay	-	1,164	21,171	-
Total	<u>\$ 1,376,645</u>	<u>\$ 1,393,962</u>	<u>\$ 1,517,290</u>	<u>\$ 1,573,454</u>
Animal Control				
Personal Services	\$ 653,259	\$ 698,970	\$ 672,272	\$ 700,448
Material and Services	84,848	91,941	82,510	94,951
Total	<u>\$ 738,107</u>	<u>\$ 790,911</u>	<u>\$ 754,782</u>	<u>\$ 795,399</u>
Law Enforcement				
Personal Services	\$ 11,210,247	\$ 11,991,658	\$ 11,868,952	\$ 12,315,304
Material and Services	731,768	750,755	658,962	866,313
Capital Outlay	10,000	-	-	-
Total	<u>\$ 11,952,015</u>	<u>\$ 12,742,413</u>	<u>\$ 12,527,914</u>	<u>\$ 13,181,617</u>
Training				
Personal Services	\$ 175,465	\$ 190,490	\$ 212,901	\$ 273,887
Material and Services	201,942	181,743	196,388	220,401
Total	<u>\$ 377,407</u>	<u>\$ 372,233</u>	<u>\$ 409,289</u>	<u>\$ 494,288</u>
Total Police	\$ 14,444,174	\$ 15,299,519	\$ 15,209,275	\$ 16,044,758
Department of Fire / Rescue				
Fire/Rescue Services				
Personal Services	\$ 9,657,728	\$ 10,439,928	\$ 10,525,604	\$ 10,482,244
Material and Services	784,015	926,748	766,610	852,406
Capital Outlay	25,448	8,000	44,106	32,112
Total	<u>\$ 10,467,191</u>	<u>\$ 11,374,676</u>	<u>\$ 11,336,320</u>	<u>\$ 11,366,762</u>
Emergency Management				
Personal Services	\$ 88,148	\$ 112,982	\$ 101,075	\$ 121,366
Material and Services	10,349	10,412	9,851	10,992
Total	<u>\$ 98,497</u>	<u>\$ 123,394</u>	<u>\$ 110,926</u>	<u>\$ 132,358</u>
Total Fire & Rescue	\$ 10,565,688	\$ 11,498,070	\$ 11,447,246	\$ 11,499,120
General Fund Totals				
Personal Services	\$ 39,765,940	\$ 42,144,145	\$ 42,396,369	\$ 42,890,164
Material and Services	10,711,800	11,003,967	11,108,669	11,619,182
Capital Outlay	87,884	186,872	243,291	197,322
Transfers to Other Funds	6,245,190	5,128,087	7,325,378	5,476,587
Summary Total	<u>\$ 56,810,814</u>	<u>\$ 58,463,071</u>	<u>\$ 61,073,707</u>	<u>\$ 60,183,255</u>

Program (Cost Center) / Departments Relationships

Program (Cost Center)	Department										
	General Government	City Attorney	Human Resources	Financial Services	Information Technology	Parks, Rec. Community	Library	Development Services	Public Works	Police	Fire/Rescue
City Manager (0510)											
Major (0512)											
Fiduciary (0515)											
City Council (1005)											
City Clerk (1505)											
Municipal Court (1705)											
City Attorney (2005)											
Human Resources (2010)											
Administration (3001)											
Budget/Grants (3003)											
Accounting (3005)											
Ambulance Billing (3006)											
Purchasing (3010)											
Motor Vehicle (3015)											
Information Technology (3020)											
Administration (3505)											
Aquatic programs (3510)											
Rio Rancho Aquatic Ctr. (3511)											
Programming (3515)											
Parks & Facilities (3526)											
KRRB (3530)											
Senior Services (4005)											
Library (4505)											
Administration (5005)											
Building Inspection (5015)											
Engineering (5030)											
Zoning & Planning (5035)											
Code Enforcement (5040)											
Administration (5501)											
Building Maintenance (5505)											
Custodial (5510)											
Fleet Maintenance (5512)											
Streets & ROW (5515)											
Engineering (5520)											
Administration (6005)											
Animal Control (6020)											
Law Enforcement (6025)											
Training (6040)											
Fire/Rescue (6530)											
Emergency Management (6545)											

This matrix correlates the relationship between City's Departments and Cost Centers. Departments and Cost Centers are shown along the side.