HISTORY

Rio Rancho is one of New Mexico’s newest communities, incorporated as a City in 1981 with 10,131 residents. Although incorporated as a new community in 1981, the occupation of the site upon which present day Rio Rancho sits can be traced back to the Ice Age.

Prehistoric to Early Historic
It is commonly held that the Rio Grande Valley was inhabited approximately 10,000 to 12,000 years ago. The remains of a hunting campsite, located within the current City limits of Rio Rancho, reveal that the first indigenous residents lived in the Rio Rancho vicinity approximately 11,000 years ago. These early inhabitants were hunters and gatherers whose tools of the trade were arrowhead-like artifacts called “Folsom Points” named after the location where similar artifacts were first located in New Mexico in 1927.

Archaeologists have located numerous pit house settlements, evidence of early habitation along the banks of the Rio Grande. The sites, one of which is estimated to have been occupied for nearly four hundred years, have either been excavated for academic study or preserved in perpetuity for future generations as open space.

Spanish Period 1540 to 1821
The end of the prehistoric era is marked by the appearance of the first Spanish explorers into the area. Francisco Vásquez de Coronado led Spanish conquistadors to the Rio Rancho vicinity in the winter of 1540 in search of the fabled, “seven cities of gold,” while conquering native peoples along the way.

An early twentieth century excavation of a large 1,000-room, Tiwa pueblo revealed that it was occupied by the Anasazi (a Navajo word meaning the “ancient ones”) into the 16th century. The site included a temporary campsite associated with early Spanish expeditions into the middle Rio Grande region by Coronado.

Located just north of Rio Rancho is the Coronado State monument consisting of the ruins of the Pueblo of Kuaua. The monument contains reproductions of original murals on the walls of a ceremonial kiva. The murals represent some of the most superb pre-European examples of mural art in North America.

Instead of the Seven Cities of Gold, Coronado’s party found an agrarian society of more than 60,000 persons living in 12 to 16 inhabited pueblos along the Rio Grande between present-day Bernalillo and Isleta Pueblo.

"This river of Nuestra Señora (Rio Grande) flows through a broad valley planted with fields of maize and dotted with cottonwood groves. There are twelve pueblos, whose houses are built of mud and are two stories high." Hernando de Alvarado, 1540

The Spanish explored New Mexico as a combination of exploration and missionary efforts by the Catholic Church of Spain. The Spanish entered the middle Rio Grande valley and mandated
catholic teachings in every pueblo they encountered. This was in direct conflict with the Native Americans’ traditional religions and eventually led to unrest and the ensuing Pueblo Revolt of 1680.

In 1706, Colonization increased and Albuquerque was founded by Governor Don Francisco Cuervo y Valdes and named in honor of the Duke of Albuquerque, viceroy in Mexico City. Four years later the Town of Alameda Land Grant, land upon which Rio Rancho is built, was officially conveyed by the Spanish Crown. It stretched from the Rio Grande to the Rio Puerco, and included present day Alameda, Corrales, Paradise Hills and Rio Rancho. Within the grant the land was divided by varas: long parcels that extended westward from the Rio Grande and connected each farmer to his neighbor through a network of acequias or irrigation ditches. This parcel platting is still evident in the ownership pattern and street pattern visible in the adjoining community of Corrales.

**Mexican Period 1821 to 1846**

In 1821, Mexico won its independence and the Santa Fe Trail was opened as a major commerce route between Mexico City and Missouri. The route parallels the Rio Grande corridor adjacent to present day Rio Rancho.

**American Period 1846 to 1912**

In 1846, President Polk declared war with Mexico under the direction of General Stephen W. Kearny. Santa Fe was subsequently captured and New Mexico was organized as a territorial entity. At the close of the Mexican War two years later, the Treaty of Guadalupe Hidalgo was signed commencing the process of formally adopting New Mexico as a Territory of the United States.

After the establishment of the American territorial government in 1848, private land holdings, such as the Alameda Land Grant, were challenged in the United States Court leading to a number of lawsuits resulting in disputed boundaries for many years. In 1864, the Office of the US Surveyor General surveyed the Town of Alameda Land Grant followed by the creation of Sandoval County in the early 1900’s. The total population of the entire State of New Mexico was estimated to be approximately 327,300 persons. President William Howard Taft signed the legislation that made New Mexico the 47th state of the union in 1912.

**Statehood 1912 to 1960**

It has been speculated that because land grant heirs did not understand property laws or were unable to pay taxes, much of the Alameda Land Grant was sold to a land investment company. The San Mateo Land Company purchased the property in 1919 for $0.19 per acre as an investment and sold the property several years later in 1948 to Brownfield & Koontz to become the “Koontz Ranch” with over 500 head of cattle grazing on the property. In 1959, the property was sold to Ed Snow, a local investor and developer. The land, located immediately north and west of the City of Albuquerque, continued to increase in value as the Albuquerque metropolitan area grew to just over 200,000 persons in 1960.

**AMREP 1961 to Present Day**

In 1961, Rio Rancho Estates, Inc. (hereinafter, “AMREP”) purchased an estimated 55,000 acres as an investment. AMREP’s success in New York City as a rose flower mail order business afforded the company the financial ability to purchase the property for approximately ten million dollars. In the years immediately following the purchase, a plan was created to subdivide the
property into tens of thousands of lots and sell them using mass marketing and mail order techniques. AMREP platted and sold this land as Rio Rancho Estates in half acre and one acre lots to thousands of absentee property owners through mail order sales in the 60's and 70's. AMREP sold 77,000 lots to 40,000 buyers for $200 million at $795 for one half acre and $1,495 for one acre, while retaining over 25 percent of the acreage for future development.

In 1966 the 100th family moved into the community and by 1970, “Rio Rancho Estates” had grown to 91,000 acres with the purchase of an additional 35,000 acres of King Ranch property. AMREP continued its interest and involvement in the community and established its role in the development of the emerging city as builder, land developer, economic development coordinator and leader in the construction of affordable housing.

In 1975, AMREP ceased mail order land sales and began concentrating on housing and commercial development. Beginning in 1977, AMREP marketed most of its early subdivisions to retirees, but it soon shifted its focus to providing affordable housing for young families. After Rio Rancho incorporated on February 23, 1981, AMREP began promoting economic development to provide a more favorable jobs/housing balance for the area and an economic base to generate high paying jobs and tax revenues for the growing city. In 1980, the City had 1,500 jobs, less than one third of which were economic base jobs that export goods and services out of the area and bring in money. By 2000, employment in the City had increased to over 19,000 jobs, over 10,000 of which were in the economic base category.

The 1990's were marked by Rio Rancho’s monumental steps forward with respect to its ability to mature as a city – from bedroom community to a self-sustaining municipality. The City acquired the Water and Wastewater Utility, established its own school district, solicited the development of several post-secondary educational facilities, elected to become a “Home Rule” Chartered community, achieved and currently maintains the second lowest crime rate in the State of New Mexico, and encouraged the development of a variety of business through the development of efficient public/private partnerships and through incentives such as industrial revenue bonds.
Rio Rancho has also made exceptional strides toward becoming a self-sufficient community by playing a leading role in the creation of economic base jobs within the greater Albuquerque metropolitan area. The Intel Corporation, as the world’s largest single producer of computer chips, has had a significant positive economic impact on the community since 1980. In addition in 1997 and 1998 the City added about 4,500 jobs associated with the “Call Center” industry. As the City continues to grow, diversification of the economy becomes more important in the creation of a stable business development climate. Most recently, Hewlett Packard Company started operations in November 2009 and two hospitals opened their doors, Presbyterian in October 2011 and UNM Sandoval Regional Hospital in July 2012.

The population of the City has continued to grow from 9,985 in 1980, to 51,765 in 2000 and 87,357 according to the 2010 U.S. Census. The Bureau estimated the population to be up to 98,023 in July 2018.

**PHYSICAL ENVIRONMENT**

The City of Rio Rancho comprises approximately 105 square miles and is located along the Middle Rio Grande Valley, north of Albuquerque. It is bounded on the east by the Rio Grande, which separates the City from Sandia Pueblo, while the escarpment between Rio Rancho and the Village of Corrales defines the remainder of the eastern boundary. On the south, Rio Rancho’s boundary is the Sandoval County line. In 2003, the City of Rio Rancho incorporated 6,500 acres of Quail Ranch and 3,528 acres of Paradise Ranch located west of Albuquerque in Bernalillo County. The City’s western boundary generally follows Rainbow Boulevard and the Calabacillas Arroyo. The City’s northernmost boundary is defined by Albuquerque Academy’s Mariposa Ranch, State Land Office (SLO) properties & US 550.

**Geology**

Rio Rancho is located in the Albuquerque Basin of the “Basin and Range Province” within a geologic feature known as the Rio Grande Rift. The community sits upon several hundred feet of sediment that fills the rift trough. The elevation of the City varies from approximately 50’ to 1000’ feet above the present Rio Grande floodplain. The rift represents a large fracture in the earth’s surface that bisects the State of New Mexico from the Colorado border to Las Cruces. The rift was formed by the pulling apart movement of a large piece of the earth’s crust resulting in a valley bounded on two sides by mountains. *Figure 4.31* below illustrates a geologic cross-section of the Middle Rio Grande Valley.

The Sandia Mountains and the Rio Puerco valley define the east-west boundary of the rift within the metropolitan region. The rift edges are called faults and are comprised of a large number of fractures. The volcanoes just south of Rio Rancho were formed along one of these fractures in the rift approximately 190,000 years ago. Fractures in the earth’s surface have allowed rising heat from the earth’s core to heat groundwater and result in hot springs and geologic formations such as Soda Dam in the Jemez Mountains north of Rio Rancho.
The City of Rio Rancho was incorporated in 1981 and adopted a municipal charter as a “home rule” City in 1991. A municipal charter grants the City broad power of self-government under the state of New Mexico constitution. The City may specify its form of government and enact ordinances to address land use, and it may adopt its own procurement code. The Charter also establishes the office of the City Manager, City Attorney, and the City Clerk. The Charter establishes the Municipal Court and the Municipal Judge. The Charter establishes boards and commissions, such as the Planning and Zoning Commission, the Utilities Commission, Parks and Recreation Board, and Capital Improvement Plan Citizens Advisory Committee.

The City of Rio Rancho has a hybrid Council/Manager form of government in which the Mayor is a member of the Governing Body. The Mayor is the Chief Executive Officer, serves a four-year term, and is elected at large in a non-partisan election held in March in even numbered years. The Mayor presides over Governing Body meetings, but can only vote in the event of a tie vote or if a council member is absent. The Mayor appoints members of City boards and commissions with the approval of the Governing Body. Six City Councilors are elected by district to four-year terms, with three members elected every two years. The council elects from its members a deputy mayor to act in the Mayor’s absence. The Governing Body enacts by ordinance the administrative structure of the City, determining the number of City departments and their respective functions. The Governing Body established by ordinance a personnel policy for hiring, promotion and discipline of City employees.

The City Manager is the Chief Administrative Officer, appointed by the Mayor subject to the approval of the Governing Body. The City Manager is responsible for the day-to-day operations of the City. Governing Body policy is conducted through the City Manager to department staff. The City Manager appoints all City department directors subject to the approval of the Governing Body. The City Manager is responsible for the preparation of the annual budget and five-year capital improvement plan for submission to the Governing Body.
BUDGET PHILOSOPHY

Definition of a Budget
The City of Rio Rancho’s Fiscal Year 2021 budget is far more than just a set of numbers in neatly laid out tables. It is the single most comprehensive expression of Governing Body policy that is produced. As such, the budget document has been prepared to serve a variety of stakeholders and purposes. Stakeholders include citizens, Governing Body, state agencies, City staff, and social agencies. All are considered to be our customers. In order to address the concerns of our customers, the budget is designed to be:

Policy Document
As the most comprehensive expression of Governing Body policy produced by the City, the document describes what the City is doing, why it is necessary, how and where it will be done, and how it will be financed. These are policy decisions.

Financial Plan
The budget provides the legal documents (fund summaries, tables, schedules, and charts) necessary to conduct City business for the current fiscal year. The budget document is reviewed and approved by the New Mexico Department of Finance and Administration.

Operations Guide
The budget describes City organization, strategic plan, and the functions of each element of the organization in each department budget.

Communications Device
The budget is developed to provide varying levels of detail for policy, financial, personnel, and project information. The varying levels of detail make the document a suitable source for research. The budget also includes features to make information retrieval simple, including a table of contents, a glossary, and an electronic version that is accessible and searchable through the City’s website.

Legal Authority and Mission
The City of Rio Rancho is a full service home rule municipality governed by the provisions of the New Mexico Constitution and the City Charter. The City provides a wide variety of services. Municipal services are financed through a variety of taxes, fees, charges for service, utility rates, and intergovernmental assistance. The Governing Body of the City adopts an Annual Budget as the plan for delivery of services.

Fund Accounting
Fund accounting is used by municipalities for budgeting and accounting. Each fund is considered to be a separate account, similar to a checking account. Revenues received are deposited into the fund and are used to pay for ongoing activities.

The City of Rio Rancho uses seven major types of funds: General, Special Revenue, Capital Project, Debt Service, Agency, Internal Service and Enterprise Funds. Following is a short description of each fund type:
General Fund
The General Fund is the major operating fund of the City that accounts for all financial resources except those required to be accounted for in another fund. The General Fund receives revenues from state and local taxes, grants, transfers from other funds, interest income, fees, fines, rentals, licenses, permits, reimbursed expenses, franchise fees, intergovernmental transfers, and other revenues. Services provided by the General Fund include public safety (police, communications 911, fire and rescue, emergency medical services, and emergency management), development services (planning, inspections, and code enforcement), public infrastructure (engineering and streets), cultural enrichment (parks, recreation, animal resource center, and senior programs), municipal court, libraries, finance, human resources, information technology, and administration.

Special Revenue Funds
Special Revenue Funds account for proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes, such as grants or restrictions imposed by state or federal laws for specific resources by the Governing Body.

Capital Projects Funds
Capital Projects Funds account for resources to be used for acquisition, construction, and major maintenance of capital facilities and infrastructure other than those financed by an enterprise fund.

Debt Service Funds
Debt Service Funds account for the accumulation of resources for, and payment of, general long-term debt principal and interest.

Agency Funds
Agency Funds are fiduciary funds that account for assets held as an agent for individuals, private organizations, and other governments that do not involve measurement of results operations.

Internal Service Funds
Internal Service Funds account for goods and services that are provided to city departments on a cost-reimbursement basis.

Enterprise Funds
Enterprise Funds account for activities for which a fee is charged to external users for goods or services. The City has two enterprise funds:

- Water and Wastewater Utility Fund
  The Water and Wastewater Utility Fund is financed by rate charges to water and wastewater utility customers, fees, grants, and interest income. These rates are set at a level to support all costs in delivering the service to residents.
- Multi-purpose Events Center Fund
  This funds accounts for activities, such as sporting events, concerts, and conventions. The fund is supported by contractually obligated income and a surcharge on all ticket sales and merchandise sales related to the Rio Rancho Events Center.
BASIS OF ACCOUNTING

Cash Basis
The City Budget is prepared on a cash basis of accounting. Annual budgets are adopted for all funds. All unexpended appropriations lapse at the close of the fiscal year (June 30th) and become components of the fund balance.

Modified Accrual Basis
For the city annual financial statements, the City of Rio Rancho uses the modified accrual basis of accounting for all governmental and agency funds, consistent with generally accepted accounting principles (GAAP). Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, except for un-matured interest on general long-term debt, which is recognized when due.

Accrual Basis
The accrual basis of accounting is followed in the enterprise fund and internal service funds. Revenues are recognized as soon as they are earned, and expenses are recognized as soon as a liability is incurred.

THE BUDGET DEVELOPMENT PROCESS

The budget schedule and process is designed to meet Charter mandates and to allow for participation by the public, the Governing Body, and staff. The City’s Annual Budget is developed over a nine-month period, beginning in November and ending in July.

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**November**
Budget preparation manual is distributed to all departments by the Financial Services Department and training is facilitated.

**December**
Departments prepare and submit their line-item budget requests to Financial Services.

**January, February and March**
The City Manager and Budget Committee discuss budget requests with department directors and staff. Adjustments are made to departments’ funding levels and infrastructure projects.

**April**
The Department of Financial Services develops the City Manager’s recommended budget document. The City Manager delivers the recommended budget to the Mayor for review no later than April 15th. The Mayor submits written comments regarding the recommended budget to the City Manager within ten days. The City Manager may or may not incorporate the comments into the recommended budget. The City Manager must give a written explanation to the Governing Body why any comment or recommendation was not included in the recommended budget, when presented to the Governing Body.

**May and June**
The recommended budget must be submitted to the Governing Body no later than the first regularly scheduled meeting in May. In addition, at least one public hearing for citizen comments is held during the month of May. Following adoption by resolution, the budget is submitted by June 1st to the New Mexico Department of Finance and Administration (DFA) to obtain interim approval. Upon DFA review, approval is granted by June 30. Public hearings on the proposed budget are held at the regularly scheduled Governing Body meetings.

**July**
Financial books are closed, and the beginning fund balance for each fund is calculated. Infrastructure and capital project balances are rolled to the next fiscal year. The payroll system is updated with new benefit costs. The Governing Body approves the final budget at the second meeting of July, and the final budget is submitted to DFA by July 31st.

**August**
DFA grants final approval of the budget in August.

**CHANGES TO THE ADOPTED BUDGET**

**Budget Increases**
Departments are expected to confine spending to amounts appropriated during the budget process. In certain cases, however, appropriations may be increased during the budget year under the following circumstances:

**Carryover Encumbrances**
If a department has open purchase orders at the end of the fiscal year, related appropriations are encumbered and carried over to the next year to cover the actual expenses when they occur.

**Unanticipated Revenue**
If a fund receives revenue during the year from a source that was not anticipated or projected in the budget, the Governing Body may approve a budget adjustment to increase appropriations for expenditure in the year received.

**Prior Year Reserves**
In cases where the reserves are greater than required by policy, supplemental appropriation requests may be funded, with Governing Body appropriating amounts from reserves to fund items not included in the original adopted budget. The Governing Body may also appropriate reserves in case of emergency or unusual circumstances.

**Budget Decreases**
Annual budgets may be decreased below adopted appropriations by Governing Body action. Changes in service demand, economic conditions, and revenues realized below projections and Governing Body goals and direction may cause budget reductions. The NM Department of Finance and Administration may also direct decreases if funds do not have sufficient reserves. The City Manager will recommend decreases in expenditure authority to the Governing Body as required.

**Budget Transfers**
There are two types of budget transfers: within a fund and between funds. Budget adjustments within a single fund and department that, in the aggregate during a fiscal year, do not exceed $50,000 may be approved administratively according to the following approval levels:
- <$1,000 – Budget and Grants Division Manager
- $1,000 - $5,000 – Director of Financial Services
- >$5,000 – City Manager or designee

Budget adjustments within a single fund and department that, in the aggregate during a fiscal year, exceed $50,000 shall be approved by resolution.

Budget adjustments between funds from the Ending Fund Balance account, or that increase or decrease the total budget of any single fund shall be made in accordance with the State Department of Finance and Administration’s (DFA) regulations.

The circumstances that require budget transfers are many. In some cases, the responsibility for implementing a program is changed from one department to another. Management continually strives to make the organization more efficient, and budget transfers assist in achieving efficiency.

New Mexico State law prohibits a municipality from making expenditures in excess of approved appropriations. If a fund is not overspent, it is in compliance with state law.