

CITY OF RIO RANCHO GENERAL FUND SUMMARY FOR THE PERIOD 7/1/2013 to 6/30/2014

	Adjusted FY2013	Increase (Decrease)	Adopted FY2014	Percentage Change
Beginning Fund Balance	10,207,595	(922,431)	9,285,164	-9.0%
Property Tax	12,904,207	414,332	13,318,539	3.2%
Gross Receipts Tax	23,612,279	868,142	24,480,421	3.7%
Franchise Fees	3,586,080	247,074	3,833,154	6.9%
Licenses & Permits	394,948	(8,280)	386,668	-2.1%
Grants	117,105	(49,000)	68,105	-41.8%
State Shared Taxes	324,628	(2,865)	321,763	-0.9%
General Government	1,491,922	436,268	1,928,190	29.2%
Public Safety	2,305,296	247,092	2,552,388	10.7%
Cultural Enrichment	978,417	5,261	983,678	0.5%
Fines and Forfeitures	1,291,977	144,023	1,436,000	11.1%
Reimbursement Revenue	3,060,395	(51,061)	3,009,334	-1.7%
Miscellaneous Revenue	335,834	(151,674)	184,160	-45.2%
Total Recurring Revenues	50,403,088	2,099,312	52,502,400	4.2%
Non-Recurring Revenues	684,524	(133,597)	550,927	-19.5%
Total Revenues	51,087,612	1,965,715	53,053,327	3.8%
Transfers In	307	3,576	3,883	1164.8%
Total Sources	61,295,514	1,046,860	62,342,374	1.7%
Personal Services	40,436,176	698,019	41,134,195	1.7%
Materials & Services	12,770,768	(1,206,356)	11,564,412	-9.4%
Capital Outlay	129,851	(64,348)	65,503	-49.6%
Total Expenditures	53,336,795	(572,685)	52,764,110	-1.1%
Transfers Out	1,304,823	365,033	1,669,856	28.0%
Ending Fund Balance Unreserved	2,209,609	1,301,790	3,511,399	58.9%
Ending Fund Balance Reserved	4,444,287	(47,278)	4,397,009	-1.1%
Total Ending Fund Balance	6,653,896	1,254,512	7,908,408	18.9%
Total Uses	61,295,514	1,046,860	62,342,374	1.7%

GENERAL FUND
Revenue/Sources Detail

	FY 11 Actual	FY 12 Actual	FY 13 Actual	FY 14 Adopted	Variance FY14 - FY13 Increase (Decrease)	% Change FY14/FY13 Increase (Decrease)
Balances and Reserves						
Beginning Balance	\$ 5,096,265	\$ 8,520,281	\$ 10,207,595	9,285,164	(922,431)	-9%
Taxes						
Property Tax	11,797,718	12,390,887	13,158,336	13,409,499	251,163	2%
Gross Receipts	24,282,901	25,947,724	24,267,804	24,841,348	573,544	2%
Franchise Fees	3,077,763	3,353,922	3,459,316	3,833,154	373,838	11%
Total Taxes	39,158,382	41,692,533	40,885,456	42,084,001	1,198,545	3%
Licenses and Permits	595,521	470,789	347,318	386,668	39,350	11%
Intergovernmental						
Federal Grants	359,639	54,101	100,311	67,105	(33,206)	-33%
County Grants	1,000	1,000	1,000	51,000	50,000	5000%
State Shared Taxes	321,337	332,617	326,370	321,763	(4,607)	-1%
Total Intergovernmental	681,976	387,718	427,681	439,868	12,187	3%
Charge for Services						
General Government	1,691,759	1,548,704	1,933,579	1,928,190	(5,389)	0%
Public Safety	1,905,431	2,272,631	2,300,500	2,552,388	251,888	11%
Cultural/Recreation	962,484	1,027,307	1,061,157	983,678	(77,479)	-7%
Total Charge for Services	4,559,674	4,848,642	5,295,236	5,464,256	169,020	3%
Fines and Forfeitures	1,101,623	1,294,267	1,435,651	1,436,000	349	0%
Miscellaneous						
Interest Income	7,818	(15,036)	7,017	7,000	(17)	0%
Rents and Royalties	6,554	2,701	2,700	2,700	-	0%
Contributions/Donations	5	130,000	5,000	-	(5,000)	-100%
Reimbursements	2,873,043	3,139,901	3,038,916	3,009,334	(29,582)	-1%
Other Miscellaneous	650,378	114,989	529,654	223,500	(306,154)	-58%
Total Miscellaneous Revenue	3,537,798	3,372,555	3,583,287	3,242,534	(340,753)	-10%
Other Sources						
Interfund Operating Transfer	772,342	81,499	199	3,883	3,684	1851%
Total General Fund	\$ 55,503,581	\$ 60,668,284	\$ 62,182,423	\$ 62,342,374	159,951	0%

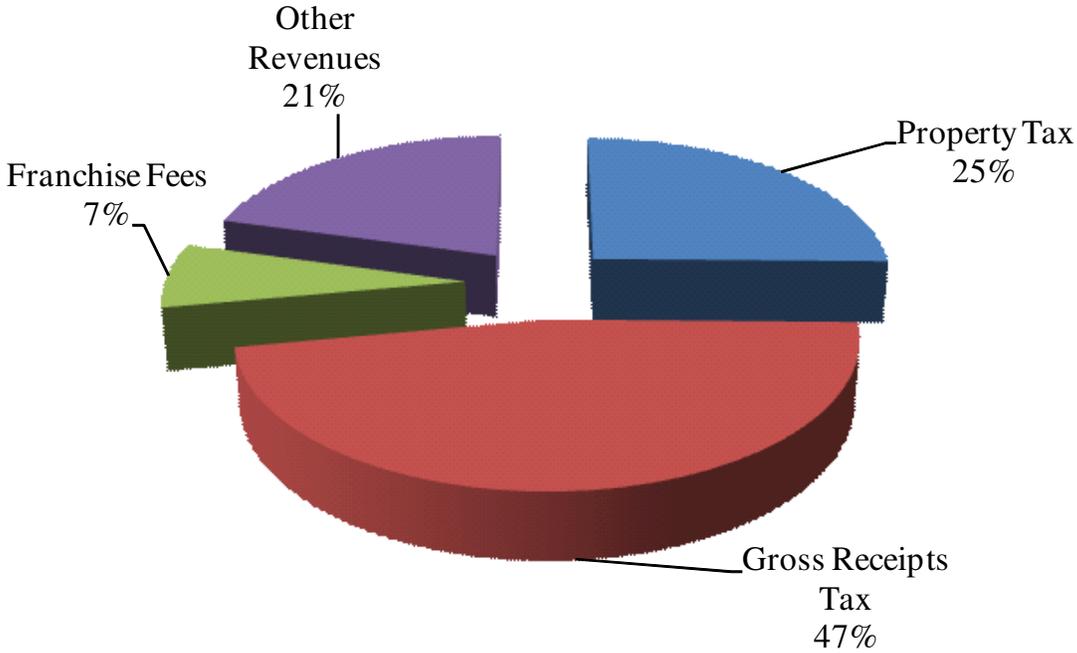
GENERAL FUND
Expenditures by Object

	FY 11	FY 12	FY 13	FY 14	Variance	% Change
	Actual	Actual	Actual	Adopted	FY14 - FY13	FY14 - FY13
					Increase	Increase
					(Decrease)	(Decrease)
Operating Expenditures						
<i>Personal Services</i>						
Wages & Salaries	\$ 26,582,078	\$ 27,412,062	\$ 28,066,513	\$ 28,482,377	\$ 415,864	1%
Fringe Benefits	11,192,762	11,340,639	11,478,879	12,651,818	1,172,939	10%
Total Personal Services	37,774,840	38,752,701	39,545,392	41,134,195	1,588,803	4%
<i>Materials & Services</i>						
Contracts and Services	2,415,595	2,627,732	2,959,042	3,936,265	977,223	33%
Programs	14,595	15,867	17,159	25,825	8,666	51%
Membership/Subscriptions	131,818	125,640	141,284	164,652	23,368	17%
Conference, Travel & Training	62,757	92,688	116,957	190,907	73,950	63%
Postage	50,723	49,574	49,038	65,327	16,289	33%
Repair & Maintenance	828,978	817,959	636,747	942,566	305,819	48%
Fleet Maintenance	658,706	713,317	715,832	751,150	35,318	5%
Utilities (1)	2,049,963	2,237,937	2,468,156	2,587,994	119,838	5%
Communications (2)	209,560	173,446	175,442	182,438	6,996	4%
Gasoline	828,297	1,004,898	925,736	940,284	14,548	2%
Supplies	999,296	1,079,698	922,817	1,137,253	214,436	23%
Minor Furniture & Equipment	115,869	225,792	257,648	219,817	(37,831)	-15%
Other Costs	1,491,933	1,923,351	2,035,511	419,934	(1,615,577)	-79%
Total Material & Services	9,858,090	11,087,899	11,421,369	11,564,412	143,043	1%
Total Operating Expenditures	47,632,930	49,840,600	50,966,761	52,698,607	1,731,846	3%
Capital Outlay						
Capital Projects-Infrastructure	16,437	-	12,313	-	(12,313)	-100%
Vehicles & Heavy Equipment	-	37,849	15,547	-	(15,547)	-100%
Major Furniture & Equipment	38,100	135,047	78,572	65,503	(13,069)	-17%
Total Capital Outlay	54,537	172,896	106,432	65,503	(40,929)	-38%
Other Uses						
Transfers	484,545	426,522	1,272,633	1,669,856	397,223	31%
Balances & Reserves	4,328,092	6,873,888	6,653,896	7,908,408	1,254,512	19%
Total Other Uses	4,812,637	7,300,410	7,926,529	9,578,264	1,651,735	21%
Total Expenditures	\$ 52,500,104	\$ 57,313,906	\$ 58,999,722	\$ 62,342,374	\$ 3,342,652	6%

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

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

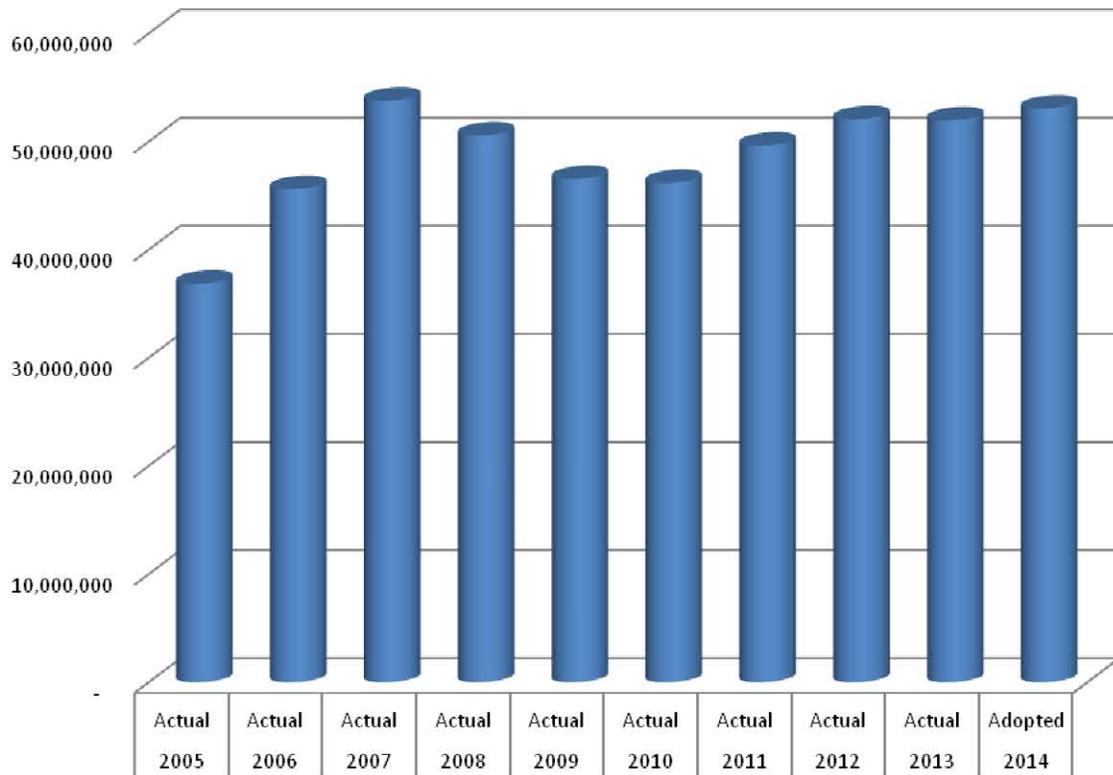
**FISCAL YEAR 2014
GENERAL FUND
Revenue Budget by Category**



Property Tax	13,409,499
Gross Receipts Tax	24,841,348
Franchise Fees	3,833,154
Other Revenues	10,969,326
Total Revenue	<u>\$ 53,053,327</u>

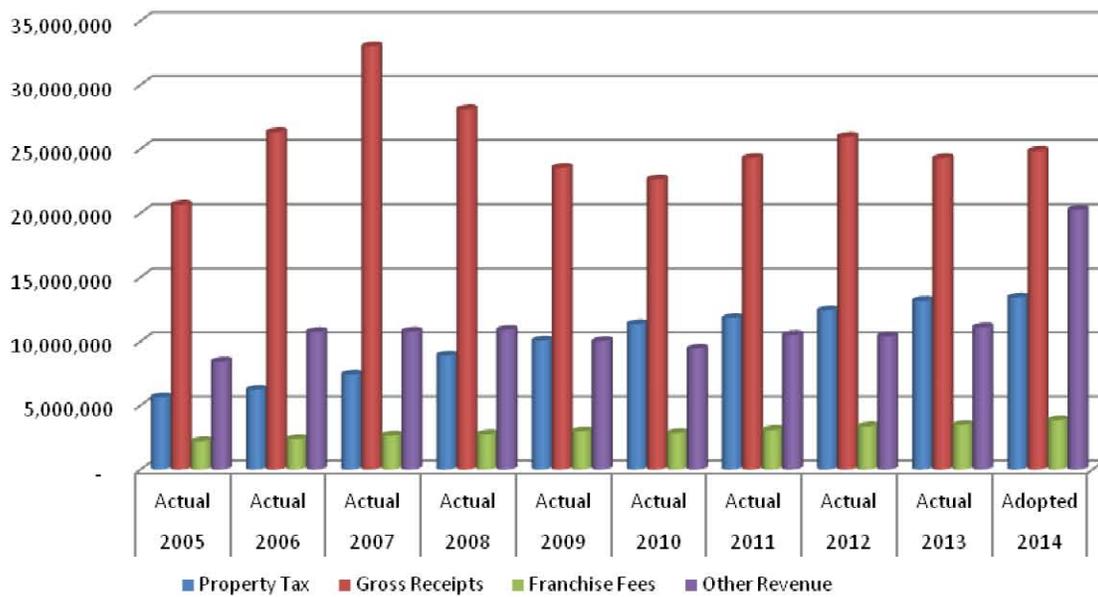
Transfer from other funds are excluded (\$3,883)

GENERAL FUND Total Revenues



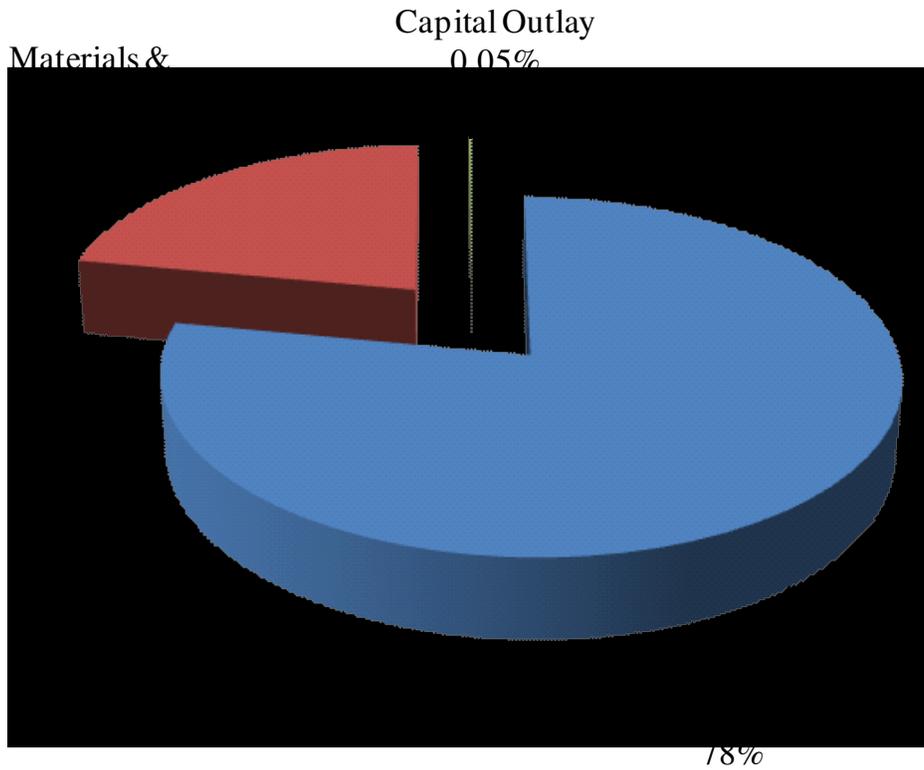
Transfers from other funds are excluded

Revenues by Category



Transfers from other funds are excluded

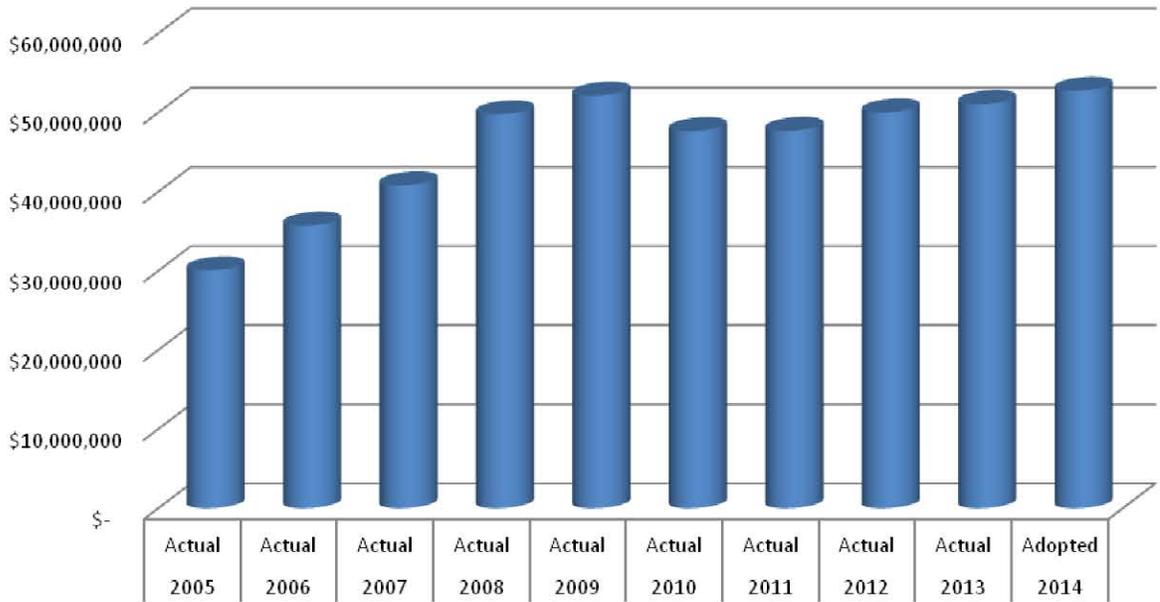
**FISCAL YEAR 2014
GENERAL FUND
Expenditure Budget by Category**



Personal Services	\$	41,134,195
Materials & Services	\$	11,564,412
Capital Outlay	\$	65,503
Total Expenditures	\$	<u>52,764,110</u>

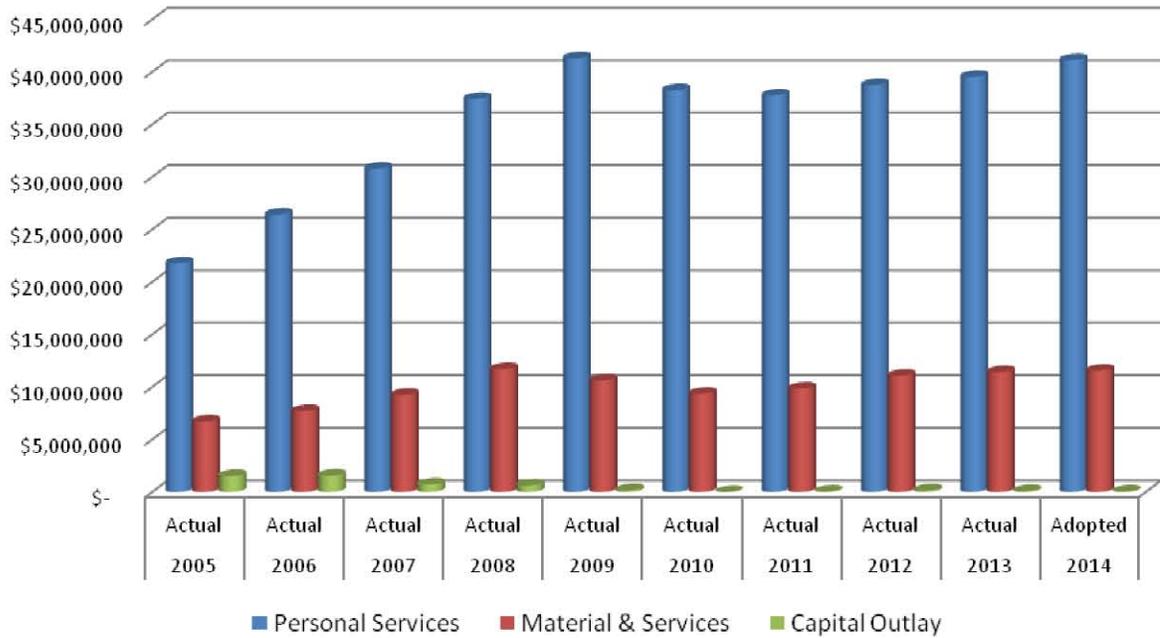
Transfers are excluded (\$1,669,856)

GENERAL FUND Total Expenditures



Transfers to other funds are excluded

Expenditures by Category



GENERAL FUND REVENUES

The General Fund provides the principal funding for local government operations. Most of the General Fund revenues come from three principle sources: gross receipts taxes (GRT), property taxes, and franchise fees. The balance comes from a variety of other sources such as licenses and permits, grants, state shared taxes, general government, public safety revenues, and transfers.

Gross Receipts Tax

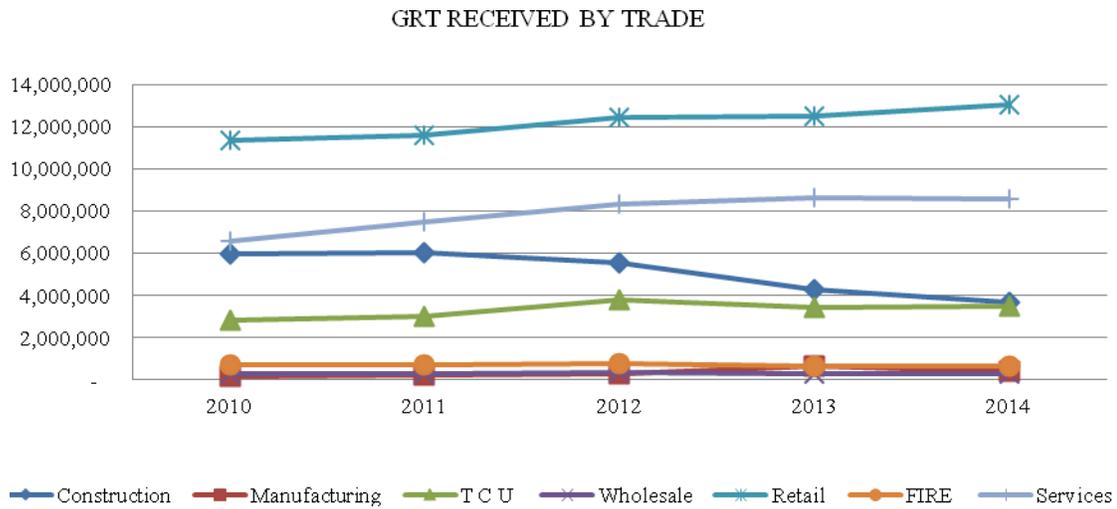
Gross receipts tax (GRT) revenue is very sensitive to the performance of the local economy. During the early 1990's, the annual growth of GRT revenues was over 20 percent per year. However; in the late 1990's this growth slowed to about 5 percent per year due to the loss of retail trade to Albuquerque. Construction GRT revenues were extremely strong in FY 2006 and FY 2007 primarily related to increased construction activity and declined sharply from FY08 to 2010 with the onset of the economic recession and housing market collapse. Since that time, GRT revenues have stabilized in line with the overall economic recovery

CITY OF RIO RANCHO, NM						
GROSS RECEIPT TAXES RECEIVED BY TYPE OF TRADE						
All Funds						
Last Five Fiscal Years						
	Actual				Projected	13/12 Change
	2010	2011	2012	2013	2014	
Construction	\$ 5,997,000	\$ 6,005,629	\$ 5,534,280	\$ 4,294,359	\$ 3,689,065	-14.10%
	20.01%	18.90%	16.29%	12.99%	11.32%	
Manufacturing	159,426	223,820	278,949	643,036	412,508	-35.85%
	0.53%	0.70%	0.82%	1.95%	1.27%	
T C U	2,841,294	3,024,026	3,769,828	3,455,821	3,514,503	1.70%
	9.48%	9.52%	11.10%	10.45%	10.79%	
Wholesale	265,964	258,838	325,053	294,467	275,430	-6.46%
	0.89%	0.81%	0.96%	0.89%	0.85%	
Retail	11,362,688	11,600,790	12,435,852	12,507,777	13,041,896	4.27%
	37.92%	36.52%	36.61%	37.84%	40.03%	
FIRE	689,255	721,610	772,179	656,337	632,465	-3.64%
	2.30%	2.27%	2.27%	1.99%	1.94%	
Services	6,551,880	7,498,030	8,309,053	8,637,029	8,574,213	-0.73%
	21.86%	23.60%	24.46%	26.13%	26.32%	
Others	2,099,057	2,437,025	2,540,198	2,566,869	2,439,428	-4.96%
	7.00%	7.67%	7.48%	7.77%	7.49%	
Total	29,966,564	31,769,768	33,965,392	33,055,695	32,579,508	-1.44%
	100.00%	100.00%	100.00%	100.00%	100.00%	

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

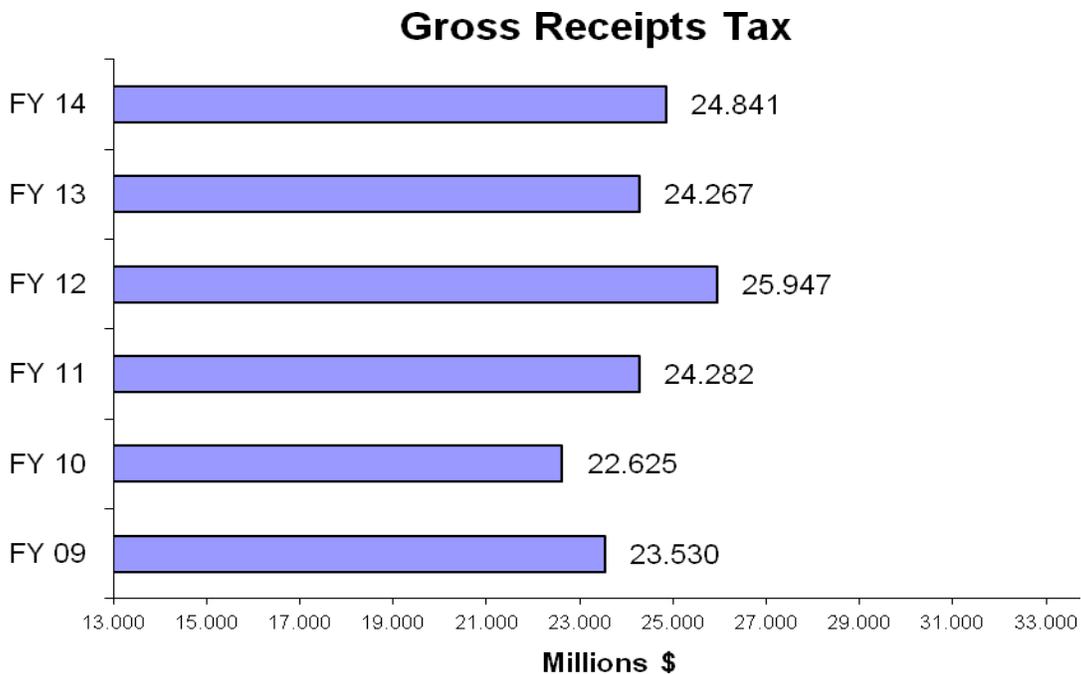
Source: State of New Mexico, Department of Taxation and Revenue; Prepared by: City of Rio Rancho Department of Finance Services

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



In 2005 the State of New Mexico enacted law that removed gross receipts tax from food and medical services. In doing so, the State of New Mexico 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. In FY 2016, the hold harmless payments will be phased out over a 15 year period.

The City's **Gross Receipts Tax (GRT)** revenues are derived from local options imposed by ordinance and state-shared distributions. The GRT is the most important revenue source for the City comprising of 47 percent of total General Fund revenues.



NEW MEXICO GROSS RECEIPTS TAX RATE							
		N.M.G.R.T.			MUNICIPAL G.R.T.		Total
		To Rio Rancho	To State	Total	Sandoval County	Rio Rancho	G.R. Tax
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%

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) 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 environment 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%.

Property Tax

Property taxes are a large source of General Fund revenue and generated approximately \$13 million for operations in FY 2013. The net taxable value of residential and non-residential properties in Rio Rancho were certified to be \$1.99 billion in Tax Year 2012. The City's FY 2013 operating mill rate was \$6.990 and \$5.159 per \$1,000 of net taxable value for residential and non-residential property located in Sandoval County respectively. The City also imposed a debt mill rate of \$1.617 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 shrinking tax base. While the property tax revenue forecast is a conservative one,

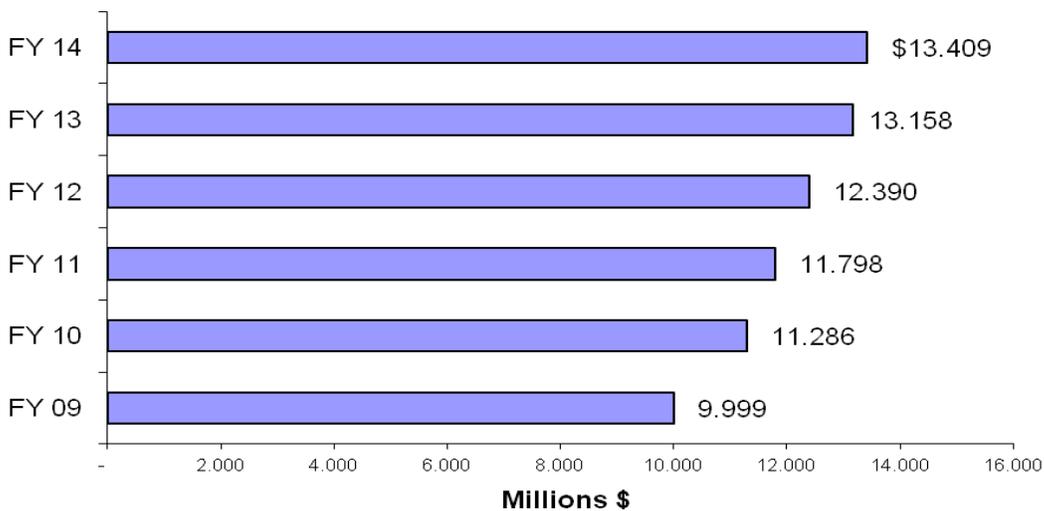
the outlook for values is cautiously optimistic as home values slowly rise with improving market fundamentals, and new construction experiences an uptick in a recovering market. Sandoval County is expected to complete its county wide re-assessment project ahead of certifying values for Tax Year 2014. The re-assessment project will bring values as close to current market within the limits of state law, providing a more reliable basis for forecasting property values and property tax revenue.

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 2012 Assessed Valuation is \$1,999,664,999. 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:

RESIDENTIAL AND NON-RESIDENTIAL VALUATIONS									
	Tax Year 2008	Tax Year 2009	Percent Change	Tax Year 2010	Percent Change	Tax Year 2011	Percent Change	Tax Year 2012	Percent Change
Rio Rancho/Sandoval									
Residential	\$ 1,503,000,052	\$ 1,626,691,648	8%	\$ 1,628,581,699	0.12%	\$ 1,579,390,497	-3%	\$ 1,547,186,906	-2%
Non-Residential	591,127,758	541,593,261	-8%	542,026,083	0.08%	469,642,498	-13%	444,954,028	-5%
Total Sandoval	\$ 2,094,127,810	\$ 2,168,284,909	4%	\$ 2,170,607,782	0.11%	\$ 2,049,032,995	-6%	\$ 1,992,140,934	-3%
Rio Rancho/Bernalillo									
Residential	-	-	-	-	-	-	-	-	-
Non-Residential	\$ 8,561,309	\$ 8,060,390	-6%	\$ 8,870,478	10%	\$ 7,601,829	-14%	\$ 7,524,065	-1%
Total Bernalillo	\$ 8,561,309	\$ 8,060,390	-6%	\$ 8,870,478	10%	\$ 7,601,829	-14%	\$ 7,524,065	-1%
Total Valuation	\$ 2,102,689,119	\$ 2,176,345,299	4%	\$ 2,179,478,260	0%	\$ 2,056,634,824	-6%	\$ 1,999,664,999	-3%

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

Property Tax Revenues



Tax Rates

The following table summarizes the tax levy on residential property for 2003-2012.

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	Hospital	Total
2003	6.227	2.074	8.301	1.520	5.759	10.758	3.011		29.349
2004	6.300	2.067	8.367	1.028	6.940	10.760	3.019		30.114
2005	6.286	2.067	8.353	1.234	6.384	10.756	3.038		29.765
2006	6.138	1.826	7.964	1.291	6.271	10.704	3.027		29.257
2007	5.914	2.060	7.974	1.221	5.800	10.624	2.992		28.611
2008	5.847	2.060	7.907	1.250	5.368	10.899	2.990		28.414
2009	5.944	2.067	8.011	1.150	5.809	10.635	3.046	4.250	32.901
2010	6.113	2.060	8.173	1.530	5.952	10.694	3.158	4.250	33.757
2011	6.518	1.645	8.163	1.362	6.659	10.773	3.237	4.250	34.444
2012	6.990	1.617	8.607	1.360	6.995	10.785	3.344	4.250	35.341

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

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
2003	858,249,709		1,506,824,794	
2004	919,484,245	7.13%	1,589,098,941	5.46%
2005	1,038,410,640	12.93%	1,796,081,781	13.03%
2006	2,094,127,810	101.67%	2,087,630,700	16.23%
2007	1,840,280,318	-12.12%	2,869,720,531	37.46%
2008	2,094,127,810	13.79%	3,244,344,944	13.05%
2009	2,168,284,909	3.54%	3,348,477,492	3.21%
2010	2,170,607,782	0.11%	3,357,248,301	0.26%
2011	2,049,032,995	-5.60%	3,222,126,760	-4.02%
2012	\$ 1,992,140,934	-2.78%	\$ 3,156,898,770	-2.02%

Source: State of New Mexico, Taxation & Revenue Department

Prepared by: City of Rio Rancho Department of Financial Services

*Excluding Rio Rancho in Bernalillo County.

Major Taxpayers:

The ten largest taxpayers have a combined assessed valuation of \$82,320,982 which represents 4.13 percent of the 2012 Assessed Valuation of Rio Rancho in Sandoval County. Property taxes are current for these taxpayers. This table is useful in assessing the concentration risk of the tax base.

PRINCIPAL PROPERTY TAX PAYERS Sandoval County		
Taxpayer	2011 Taxable Assessed Value	% of Total
Public Service Company of New Mexico	\$ 29,731,803	1.49%
Presbyterian Health Care Services	14,277,209	0.72%
Gas Company of New Mexico	7,622,859	0.38%
Wal-Mart Stores	5,121,699	0.26%
Sandia View LLC	4,682,814	0.24%
Broadstone High Resort LLC	4,623,141	0.23%
Pulte Homes of New Mexico	4,603,359	0.23%
Lowe's Home Centers	4,283,867	0.22%
Tri-State Generation & Transmission Assoc.	3,702,139	0.19%
Qwest Corporation	3,672,092	0.18%
	\$ 82,320,982	4.13%

Source: Sandoval County Assessor's and Treasurer's Office; Prepared by: City of Rio Rancho Department of Financial Services

Tax Collections

General (ad valorem) 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:

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	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Outstanding Delinquent Taxes to Total Tax Levy
	Taxes Levied for the Fiscal Year (A)	Amount (A)	Percentage					
2006	9,679,603	9,297,367	96%	289,712	9,587,079	99%	382,236	4%
2007	12,896,884	12,231,289	95%	422,973	12,654,262	98%	665,595	5%
2008	14,649,411	13,790,591	94%	519,749	14,310,340	98%	858,820	6%
2009	16,281,975	15,231,543	94%	462,192	15,693,735	96%	908,534	6%
2010	16,316,144	15,498,538	95%	540,128	16,038,666	98%	817,606	5%
2011	15,825,003	15,206,260	96%	-	15,206,260	96%	618,773	4%

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.

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.

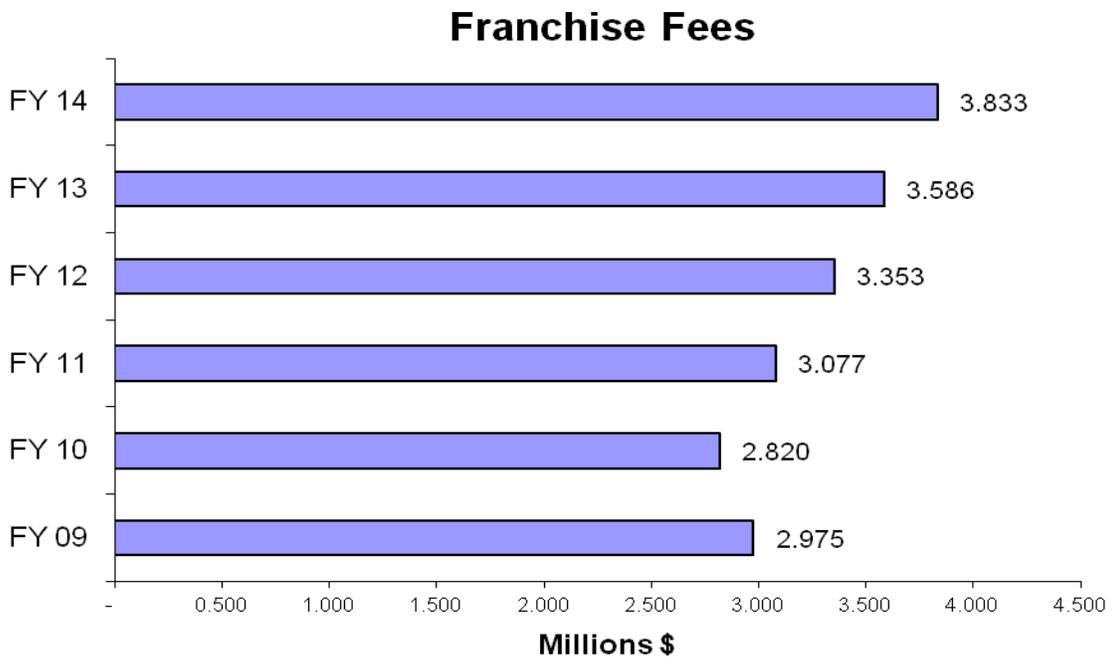
Remedies Available for Non-Payment of Taxes

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.

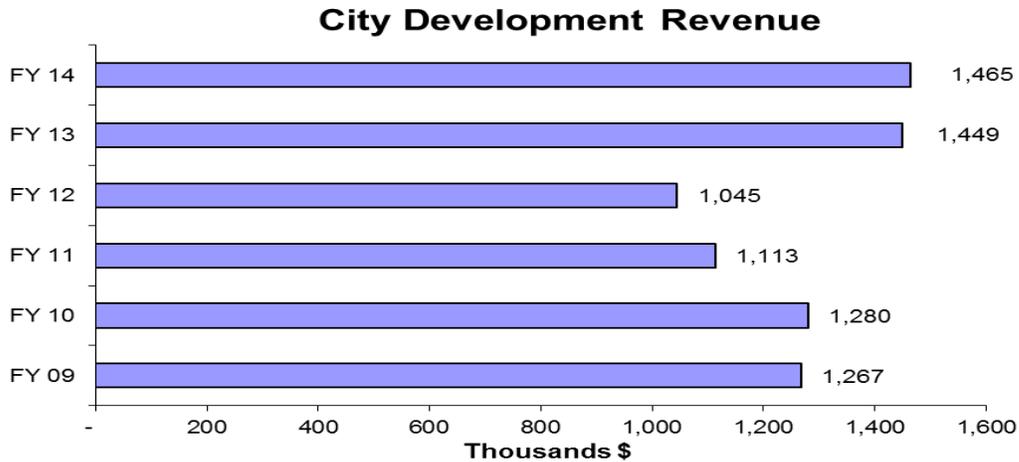
Franchise Fees

Franchise fees represent the third largest category of revenues in the General Fund, with over \$3.58 million in fees received in FY2013. 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 55.2 percent of total franchise revenues. Trends for electric, gas, and water Franchise Fees are affected by changes in weather among other factors. For FY14 franchise fees are estimated to increase by approximate 10.8 percent.



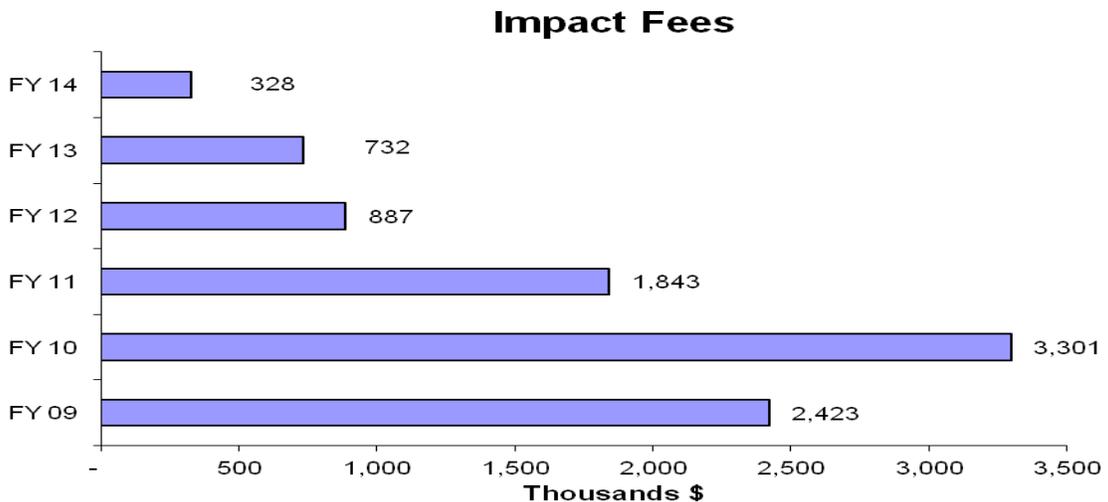
City Development Revenue

City development revenues are 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 FY09 and slowed dramatically through FY12. In line with the economic recovery, these revenues picked up in FY13 and are expected to grow again in FY14.



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 is waiving commercial impact fees for a 2-year period to spur economic development.



FY 2014 GENERAL FUND
SUMMARY BUDGET
By Department/Cost Center/Category

Department/Division	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted
City Manager				
Personal Services	\$ 591,388	\$ 606,072	\$ 637,430	\$ 592,501
Material and Services	219,152	203,140	196,150	167,283
Total	\$ 810,540	\$ 809,212	\$ 833,580	\$ 759,784
Mayor				
Personal Services	\$ 27,213	\$ 27,213	\$ 27,213	\$ 27,186
Material and Services	11,311	17,033	7,601	12,468
Total	\$ 38,524	\$ 44,246	\$ 34,814	\$ 39,654
Total Administration	\$ 849,064	\$ 853,458	\$ 868,394	\$ 799,438
Fiduciary				
Personal Services	\$ 38,148	\$ 59,487	\$ 81,800	\$ (890,000)
Material and Services	1,741,789	2,104,870	2,307,613	817,505
Transfers to Other Funds	484,545	426,522	1,272,633	1,669,856
Total Fiduciary	\$ 2,264,482	\$ 2,590,879	\$ 3,662,046	\$ 1,597,361
City Council				
Personal Services	\$ 117,770	\$ 122,347	\$ 126,393	\$ 127,086
Material and Services	74,976	69,059	87,425	89,329
Total City Council	\$ 192,746	\$ 191,406	\$ 213,818	\$ 216,415
City Clerk				
Personal Services	\$ 201,652	\$ 191,859	\$ 158,233	\$ 180,223
Material and Services	87,277	162,687	38,636	253,026
Total City Clerk	\$ 288,929	\$ 354,546	\$ 196,869	\$ 433,249
Municipal Court				
Personal Services	\$ 586,949	\$ 616,829	\$ 636,622	\$ 647,874
Material and Services	246,830	281,837	359,271	361,818
Capital Outlay	-	-	6,282	-
Total Municipal Court	\$ 833,779	\$ 898,666	\$ 1,002,175	\$ 1,009,692
City Attorney				
Personal Services	\$ 494,601	\$ 521,373	\$ 582,094	\$ 552,710
Material and Services	56,462	44,863	51,339	106,593
Total City Attorney	\$ 551,063	\$ 566,236	\$ 633,433	\$ 659,303

FY 2014 GENERAL FUND SUMMARY BUDGET By Department/Cost Center/Category

Department/Division	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted
Human Resources				
Personal Services	\$ 443,159	\$ 463,877	\$ 479,347	\$ 484,238
Material and Services	283,063	333,985	348,065	376,072
Total Human Resources	\$ 726,222	\$ 797,862	\$ 827,412	\$ 860,310
Financial Services				
Administration				
Personal Services	\$ 371,427	\$ 378,108	\$ 374,757	\$ 359,715
Material and Services	46,686	40,967	25,444	53,519
Total	\$ 418,113	\$ 419,075	\$ 400,201	\$ 413,234
Accounting				
Personal Services	\$ 470,038	\$ 488,910	\$ 530,819	\$ 528,874
Material and Services	77,844	83,812	82,589	91,772
Capital Outlay	-	34,024	-	-
Total	\$ 547,882	\$ 606,746	\$ 613,408	\$ 620,646
Ambulance Billing				
Personal Services	\$ 154,201	\$ 156,799	\$ 147,908	\$ 169,222
Material and Services	19,765	10,617	22,115	11,977
Total	\$ 173,966	\$ 167,416	\$ 170,023	\$ 181,199
Purchasing				
Personal Services	\$ 169,096	\$ 163,520	\$ 195,020	\$ 226,368
Material and Services	6,591	6,443	6,695	5,375
Total	\$ 175,687	\$ 169,963	\$ 201,715	\$ 231,743
Motor Vehicle Division				
Personal Services	\$ 248,335	\$ 246,179	\$ 240,295	\$ 284,121
Material and Services	6,687	5,319	5,249	6,500
Total	\$ 255,022	\$ 251,498	\$ 245,544	\$ 290,621
Total Financial Services	\$ 1,570,670	\$ 1,614,698	\$ 1,630,891	\$ 1,737,443
Information Technologies				
Personal Services	\$ 432,299	\$ 421,344	\$ 451,734	\$ 491,751
Material and Services	474,823	475,976	476,577	507,695
Total Information Technologies	\$ 907,122	\$ 897,320	\$ 928,311	\$ 999,446

FY 2014 GENERAL FUND SUMMARY BUDGET By Department/Cost Center/Category

Department/Division	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted
Parks, Recreation and Community Services				
Administration				
Personal Services	\$ 461,062	\$ 468,996	\$ 505,409	\$ 492,326
Material and Services	999,949	1,032,333	1,170,909	1,235,912
Capital Outlay	1,100	-	-	-
Total	<u>\$ 1,462,111</u>	<u>\$ 1,501,329</u>	<u>\$ 1,676,318</u>	<u>\$ 1,728,238</u>
Outdoor Aquatics				
Personal Services	\$ 237,396	\$ 230,054	\$ 248,664	\$ 259,266
Material and Services	38,508	38,752	44,058	56,028
Capital Outlay	-	-	-	-
Total	<u>\$ 275,904</u>	<u>\$ 268,806</u>	<u>\$ 292,722</u>	<u>\$ 315,294</u>
Rio Rancho Aquatic Center				
Personal Services	\$ 520,978	\$ 543,742	\$ 558,786	\$ 584,773
Material and Services	249,727	284,641	306,174	352,195
Capital Outlay	-	5,899	3,133	-
Total	<u>\$ 770,705</u>	<u>\$ 834,282</u>	<u>\$ 868,093</u>	<u>\$ 936,968</u>
Programming				
Personal Services	\$ 830,903	\$ 814,129	\$ 865,200	\$ 910,360
Material and Services	145,589	158,675	199,744	249,552
Total	<u>\$ 976,492</u>	<u>\$ 972,804</u>	<u>\$ 1,064,944</u>	<u>\$ 1,159,912</u>
Parks & Facilities				
Personal Services	\$ 1,025,131	\$ 1,034,830	\$ 1,042,560	\$ 1,094,756
Material and Services	277,337	315,032	379,280	389,244
Capital Outlay	16,260	13,855	-	-
Total	<u>\$ 1,318,728</u>	<u>\$ 1,363,717</u>	<u>\$ 1,421,840</u>	<u>\$ 1,484,000</u>
Keep Rio Rancho Beautiful				
Personal Services	\$ 52,919	\$ 54,312	\$ 55,225	\$ 59,911
Material and Services	9,713	14,678	19,619	18,882
Total	<u>\$ 62,632</u>	<u>\$ 68,990</u>	<u>\$ 74,844</u>	<u>\$ 78,793</u>
Senior Services				
Personal Services	\$ 368,462	\$ 357,523	\$ 384,251	\$ 383,402
Material and Services	81,508	79,838	93,026	113,084
Total	<u>\$ 449,970</u>	<u>\$ 437,361</u>	<u>\$ 477,277</u>	<u>\$ 496,486</u>
Total Parks, Rec. and Comm. Serv.	\$ 5,316,542	\$ 5,447,289	\$ 5,876,038	\$ 6,199,691

FY 2014 GENERAL FUND SUMMARY BUDGET By Department/Cost Center/Category

Department/Division	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted
Library & Information Services				
Personal Services	\$ 1,630,017	\$ 1,629,584	\$ 1,610,936	\$ 1,785,064
Material and Services	235,842	272,625	219,164	238,588
Capital Outlay	-	-	9,180	-
Total Library	\$ 1,865,859	\$ 1,902,209	\$ 1,839,280	\$ 2,023,652
Development Services				
Administration				
Personal Services	\$ 177,568	\$ 176,681	\$ 187,208	\$ 181,300
Material and Services	122,922	95,442	93,412	185,671
Capital Outlay	11,000	-	-	-
Total	\$ 311,490	\$ 272,123	\$ 280,620	\$ 366,971
Zoning				
Personal Services	\$ 265,505	\$ 272,723	\$ 279,488	\$ 279,928
Material and Services	1,036	591	560	2,320
Total	\$ 266,541	\$ 273,314	\$ 280,048	\$ 282,248
Building Inspection				
Personal Services	\$ 874,431	\$ 664,828	\$ 612,774	\$ 718,790
Material and Services	29,203	23,201	23,454	31,360
Total	\$ 903,634	\$ 688,029	\$ 636,228	\$ 750,150
Planning				
Personal Services	\$ 202,069	\$ 273,198	\$ 232,991	\$ 286,300
Material and Services	3,227	2,603	4,344	6,980
Total	\$ 205,296	\$ 275,801	\$ 237,335	\$ 293,280
Development Engineering				
Personal Services	\$ -	\$ 513,539	\$ 490,994	\$ 527,263
Material and Services	-	15,302	14,251	18,000
Total	\$ -	\$ 528,841	\$ 505,245	\$ 545,263
Total Development Services	\$ 1,686,961	\$ 2,038,108	\$ 1,939,476	\$ 2,237,912

FY 2014 GENERAL FUND
SUMMARY BUDGET
By Department/Cost Center/Category

Department/Division	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted
Public Works				
Administration				
Personal Services	\$ 132,774	\$ 138,370	\$ 146,549	\$ 146,438
Material and Services	596,478	645,622	693,790	761,302
Total	<u>\$ 729,252</u>	<u>\$ 783,992</u>	<u>\$ 840,339</u>	<u>\$ 907,740</u>
Building Maintenance				
Personal Services	\$ 328,451	\$ 339,401	\$ 345,269	\$ 364,938
Material and Services	517,556	552,164	480,442	590,679
Capital Outlay	177	6,250	-	-
Total	<u>\$ 846,184</u>	<u>\$ 897,815</u>	<u>\$ 825,711</u>	<u>\$ 955,617</u>
Custodial				
Personal Services	\$ 242,271	\$ 239,659	\$ 246,541	\$ 288,507
Material and Services	105,494	129,093	107,022	129,526
Total	<u>\$ 347,765</u>	<u>\$ 368,752</u>	<u>\$ 353,563</u>	<u>\$ 418,033</u>
Fleet Maintenance				
Personal Services	\$ 379,256	\$ 392,426	\$ 406,870	\$ 407,031
Material and Services	27,684	28,015	29,304	43,113
Capital Outlay	-	-	9,222	5,900
Total	<u>\$ 406,940</u>	<u>\$ 420,441</u>	<u>\$ 445,396</u>	<u>\$ 456,044</u>
Streets and Rows				
Personal Services	\$ 1,963,378	\$ 1,873,850	\$ 1,891,353	\$ 2,523,993
Material and Services	566,667	641,702	676,658	846,726
Capital Outlay	-	48,710	7,900	30,000
Total	<u>\$ 2,530,045</u>	<u>\$ 2,564,262</u>	<u>\$ 2,575,911</u>	<u>\$ 3,400,719</u>
Engineering				
Personal Services	\$ 1,482,013	\$ 1,153,660	\$ 1,144,735	\$ 1,248,976
Material and Services	83,298	171,412	163,497	342,551
Capital Outlay	-	-	23,187	2,603
Total	<u>\$ 1,565,311</u>	<u>\$ 1,325,072</u>	<u>\$ 1,331,419</u>	<u>\$ 1,594,130</u>
Real Property Division				
Personal Services	\$ 135,179	\$ 98,512	\$ 85,908	\$ 85,840
Material and Services	2,200	6,352	9,251	11,015
Total	<u>\$ 137,379</u>	<u>\$ 104,864</u>	<u>\$ 95,159</u>	<u>\$ 96,855</u>
Total Public Works	\$ 6,562,876	\$ 6,465,198	\$ 6,467,498	\$ 7,829,138

FY 2014 GENERAL FUND SUMMARY BUDGET By Department/Cost Center/Category

Department/Division	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted
Police				
Administrative Services				
Personal Services	\$ 396,965	\$ 393,266	\$ 400,596	\$ 464,680
Material and Services	742,044	725,628	766,401	838,191
Capital Outlay	-	-	5,000	-
Total	<u>\$ 1,139,009</u>	<u>\$ 1,118,894</u>	<u>\$ 1,171,997</u>	<u>\$ 1,302,871</u>
Communications				
Personal Services	\$ 2,487,217	\$ 2,437,302	\$ 2,426,690	\$ 2,842,831
Material and Services	93,444	100,238	105,160	110,584
Total	<u>\$ 2,580,661</u>	<u>\$ 2,537,540</u>	<u>\$ 2,531,850</u>	<u>\$ 2,953,415</u>
Animal Control				
Personal Services	\$ 568,493	\$ 561,107	\$ 627,336	\$ 660,531
Material and Services	76,311	76,709	85,535	105,940
Total	<u>\$ 644,804</u>	<u>\$ 637,816</u>	<u>\$ 712,871</u>	<u>\$ 766,471</u>
Code Enforcement				
Personal Services	\$ 364,645	\$ 363,024	\$ 383,447	\$ 389,204
Material and Services	16,796	16,093	22,410	18,812
Total	<u>\$ 381,441</u>	<u>\$ 379,117</u>	<u>\$ 405,857</u>	<u>\$ 408,016</u>
Law Enforcement				
Personal Services	\$ 10,032,381	\$ 10,269,981	\$ 10,521,801	\$ 10,946,811
Material and Services	612,415	800,434	815,728	887,671
Capital Outlay	-	37,849	-	-
Total	<u>\$ 10,644,796</u>	<u>\$ 11,108,264</u>	<u>\$ 11,337,529</u>	<u>\$ 11,834,482</u>
Training				
Personal Services	\$ 120,049	\$ 169,861	\$ 180,879	\$ 162,091
Material and Services	83,794	118,024	115,282	181,957
Total	<u>\$ 203,843</u>	<u>\$ 287,885</u>	<u>\$ 296,161</u>	<u>\$ 344,048</u>
Total Police	\$15,594,554	\$16,069,516	\$16,456,265	\$17,609,303

FY 2014 GENERAL FUND SUMMARY BUDGET By Department/Cost Center/Category

Department/Division	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Adopted
Department of Fire / Rescue				
Fire/Rescue Services				
Personal Services	\$ 8,024,568	\$ 8,724,600	\$ 8,903,145	\$ 9,165,962
Material and Services	785,090	892,167	761,213	927,614
Capital Outlay	26,000	26,309	42,528	27,000
Total	<u>\$ 8,835,658</u>	<u>\$ 9,643,076</u>	<u>\$ 9,706,886</u>	<u>\$ 10,120,576</u>
Emergency Management				
Personal Services	\$ 124,483	\$ 99,626	\$ 90,122	\$ 91,054
Material and Services	1,786	3,571	6,912	9,983
Total	<u>\$ 126,269</u>	<u>\$ 103,197</u>	<u>\$ 97,034</u>	<u>\$ 101,037</u>
Total Fire & Rescue	\$ 8,961,927	\$ 9,746,273	\$ 9,803,920	\$10,221,613
General Fund Totals				
Personal Services	\$ 37,774,840	\$ 38,752,701	\$ 39,545,392	\$ 41,134,195
Material and Services	\$ 9,858,874	\$ 11,081,545	\$ 11,421,369	\$ 11,564,412
Capital Outlay	\$ 54,537	\$ 172,896	\$ 106,432	\$ 65,503
Transfers to Other Funds	\$ 484,545	\$ 426,522	\$ 1,272,633	\$ 1,669,856
Summary Total	<u>48,172,796</u>	<u>\$50,433,664</u>	<u>\$52,345,826</u>	<u>\$54,433,966</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)											
Accounting (3005)											
Ambulance Billing (3006)											
Purchasing (3010)											
Motor Vehicle (3015)											
MPEC (601, 610)											
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)											
Zoning (5010)											
Building Inspection (5015)											
Planning (5020)											
Engineering (5030)											
Administration (5501)											
Building Maintenance (5505)											
Custodial (5510)											
Fleet Maintenance (5512)											
Streets & ROW (5515)											
Engineering (5520)											
Real Property Division (5525)											
Utility Funds (501 - 574)											
Administration (6005)											
Communications (6010)											
Animal Control (6020)											
Code Enforcement (6022)											
Law Enforcement (6025)											
Training (6040)											
Fire/Rescue (6030)											
Emergency Management (6045)											

MPEC = Multi Purpose Event Center

KRRB = Keep Rio Rancho Beautiful

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

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