

**Keith J. Riesberg**  
City Manager

August 12, 2015

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

**RE: Final Infrastructure and Capital Improvement Plan (ICIP) for Fiscal Years 2016-2021**

Mr. Mayor Hull:

Transmitted herein is a complete copy of the city's Infrastructure and Capital Improvement Plan (ICIP) for Fiscal Years 2016-2021 (July 1, 2015-June 30, 2021). While the ICIP does not impart legal authority for capital spending outside of Fiscal Year 2016, the document constitutes the primary basis upon which subsequent annual capital budgets will be formulated and presents a multi-year projection of capital needs and financing requirements.

The final ICIP reflects the collective effort of several city departments and various levels of management and staff. The ICIP document is intended to be a planning document and financial management tool that projects capital needs and priorities while identifying future financing requirements over the planning period. As such, the goals of the capital program as set forth in the policy contained herein are as follows:

1. Consistently make decisions related to infrastructure and capital improvement aligned with the adopted Strategic Plan.
2. Promote financial stability and focus attention on the city's long-term financial capacity to meet capital and operational needs.
3. Effectively communicate the city's priorities and plans for undertaking capital projects to internal and external stakeholders.

The document is organized around eight specific project categories including General Government and Other Departments; Police; Fire and Rescue; Parks, Recreation, and Community Services; Drainage; Transportation; Utility-Water; and Utility-Wastewater. Each project category consists of the following components:

1. A facility introduction section containing historical and contextual information about the city's capital assets and infrastructure. Information includes inventories, capacity and condition of assets, repair and maintenance programs/activities, asset performance indicators, ICIP plan development, developer contributions, and funding sources.
2. A summary table containing each planned project in order of priority rank.

3. Financing summaries presented for the aggregate planning period.
4. A list of 'Projects Under Consideration' for which a reasonable expectation of need has been established, but for which funding has not been determined within the ICIP time frame.
5. Detailed project information for individual projects containing project descriptions and scope, justification, history and status, and cost and funding information.
6. Recent past results and accomplishments related to completed or ongoing projects.

## **PROJECT HIGHLIGHTS BY PROJECT CATEGORY: FISCAL YEARS 2016-2021**

### Fire and Rescue

#### *Fire Apparatus*

The FY2016 ICIP includes a fire apparatus replacement plan totaling \$4,653,000 through Fiscal Year 2021. The proposed financing plan for fire apparatus and police vehicles has been presented as Exhibit 1. The plan for fire apparatus includes Public Safety Impact Fees, General Fund, and State Capital Outlay sources. General Fund sources have been programmed into the General Fund Five-Year Financial Plan.

#### *Fire and Rescue Administration Building*

On April 10, 2013, the Governing Body approved a loan in the principal amount of \$795,925 (R23, Enactment 13-022) for the acquisition of an existing building located at 1526 Stephanie Road for a Fire and Rescue Administration facility. The city purchased the property in May 2013 at a cost of \$701,739 and Fire and Rescue command and administrative staff have occupied the building since August 2013. Additional funds have been invested in information technology upgrades, modifications to the facility, and renovation of the warehouse space. Phase III improvements consisting of a fitness center and additional bathrooms and showers will be completed in FY2016.

### Police Department

#### *Police Vehicle Replacement*

The department has identified replacement of its aging law enforcement vehicle fleet as a pressing capital need. Currently, 49 percent of marked and pool police vehicles have in excess of 100,001 miles and an additional 10 percent could potentially reach that mileage within the next year. Since Fiscal Year 2010, the Department has procured a total of 75 replacement police vehicles funded by various sources including Federal Grants, Special Fund Loan Proceeds, Public Safety Impact Fees, and General Fund Revenues. The FY2016 ICIP includes a police vehicle replacement plan totaling \$3,094,976 through Fiscal Year 2021. The proposed financing plan for fire apparatus and police vehicles has been presented as Exhibit 1. The plan for police vehicle replacement includes Red Light Camera Revenue, Public Safety Impact Fees, Limited Obligation Loans pledging Law Enforcement Protection Funds and State Shared Gross Receipts Tax, General Fund, and State Capital Outlay sources. General Fund sources have been programmed into the General Fund Five-Year Financial Plan.

The FY2016 Budget includes four (4) replacement vehicle acquisitions (Impact Fees: \$71,700 and General Fund: \$24,000). The city also anticipates receiving State Capital Outlay funds for an additional eight (8) vehicles, and plans to enter into a limited obligation loan pledging Law Enforcement Protection Funds for six (6) police vehicles in Fiscal Year 2016.

## Transportation

### *Southern Boulevard Reconstruction from Golf Course Road to NM528*

The project consists of final design and reconstruction of Southern Boulevard from Golf Course Road to NM528 to include signalized intersections, street lighting, curb and gutter, sidewalks, roadway pavement replacement, turning lane reconstruction, storm drainage reconstruction, striping, and signage. Staff is currently conducting a corridor study and preliminary design activities to be completed in summer 2015. Final design is planned in Fiscal Year 2016 and the city anticipates receiving federal grant funds in the amount of \$7,009,600 in Fiscal Year 2018 for construction activities.

### *Westside Boulevard Permanent Roadway Improvements*

The city completed two lane road improvements in spring 2010 at a cost of \$381,266 to open the roadway in support of development in the area, including the new Presbyterian Hospital and the Village Mixed Use Development. Widening of Westside Boulevard from Wellspring Avenue to Unser Boulevard was completed in summer 2011 at an additional cost of \$209,838.

Construction of the Westside Boulevard bridge at the Cabezon Channel Crossing and related improvements commenced in May 2015 to be completed fall 2015. Funding sources include 2009 General Obligation Bond Proceeds, a 2014 State Capital Outlay Appropriation, and a grant from Sandoval County.

### *Broadmoor Boulevard-Phase I*

The project consists of final design and construction of the two-lane interim roadway from Norwich Avenue to Paseo del Volcan, as well as improvements to the section between Northern Boulevard and Norwich Avenue. Broadmoor Boulevard will be an integral north-south corridor accommodating traffic flows into and out of the City Center area. Final design is currently in progress utilizing Federal Grants and Higher Education Gross Receipts Tax sources. Construction is anticipated to commence in summer 2015.

### *Idalia Road Reconstruction*

The project consists of reconstruction and expansion of the roadway from Iris Road to NM528, including improved storm drainage, bike lanes, sidewalks, landscape medians, and a traffic signal at Camino Encantadas. Design is currently in progress and construction is anticipated to commence in fall 2015 to be completed in one year. Total funding for the project to date includes more than \$13.7 million in Federal Grants, 2009 General Obligation Bond Proceeds, and Road Impact Fees.

## Utility-Water

### *Water Rights Acquisition*

The city's water rights acquisition liability is approximately 16,000 acre feet within the next 50 years under two Office of State Engineer (OSE) permits authorizing diversion of up to 24,000 acre feet per year. The 2003 OSE permit requires acquisition of 728 acre feet of water rights every five-year period through 2063, beginning at a time when the city reaches 12,000 acre feet of annual consumption (reached in December 2007). The 1979 permit requirement will vary according to water model results of how the city's water consumption affects the Rio Grande River. To date, the city has acquired and applied approximately 4,719 acre feet toward both permit requirements. As such, the city has satisfied its obligation under the 2003 permit for the first three periods, 2008-2012, 2013-2017, 2018-2022, and has satisfied approximately fifty percent of its obligation for the 2023-2027 accounting period. Acquisition of water rights has been funded through a combination of Utility Operating Revenues,

Utility Bond Proceeds, Water Rights Acquisition Fees, and three Water Rights Loans entered into in January and December of 2011, and April 2015. The balance of capital funds, including loan proceeds, available for purchase of additional water rights is \$6.2 million, while estimated recurring revenue from the water rights acquisition fee available through Fiscal Year 2021 is \$10.3 million.

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

Effective February 1, 2013, water and wastewater rates were set to increase by 8.8 percent annually to provide sufficient funds for rising operations and maintenance costs, and to support non-growth related capital projects to maintain the system at its current size and level of service provision (O35, Enactment 12-34). On May 22, 2013, the Governing Body amended the increase for FY2014 to 7.8 percent effective July 1, 2013 (O16, Enactment 13-13) due to receipt of a State Capital Outlay Appropriation for water service line replacements. In FY2015, rates were set to return to the predetermined increases originally adopted in O35, Enactment 12-34; however on June 25, 2014 the Governing Body amended the annual increase to 7.8 percent for FY2015 through FY2017.

The FY2016 Water ICIP includes new cash financing in the amount of \$10.1 million for water projects through FY2021. Notable projects financed with cash sources include the Booster Station and Transmission Line from Tank 8 to Tank 13; Renovation of Water Storage Tanks; New Pressure Reducing Values; and Vehicles and Heavy Equipment.

#### Utility-Wastewater

##### *Wastewater Treatment Plant #6 Expansion and Effluent Pump Station and Reuse Line to Wastewater Treatment Plant #2*

The project will expand treatment capacity at the plant while the pump station and waterline will deliver reuse water from Wastewater Treatment Plant (WWTP) #6 to WWTP#2, providing irrigation for various city park facilities, the Rio Rancho Sports Complex, the Cabezon subdivision, and Club Rio Rancho. Treated effluent water will also be used for direct injection activities related to the aquifer recharge project. Construction of three segments of the reuse pipeline has been completed in the following locations: 1) WWTP#6 to 27<sup>th</sup> Street and Southern Blvd.; 2) Phase I-Montoya's Arroyo; and, 3) Southern Blvd. and Nicklaus Dr. through the Club Rio Rancho golf course. Installation of the membrane filtration system at WWTP#6 was fully completed in November 2013 and construction of the remaining project scope is currently in progress to be completed in summer 2015. The project is financed primarily with proceeds of a limited obligation loan from the New Mexico Environment Department (NMED) in the principal amount of \$25 million.

##### *Lift Station 10 Relocation*

Design of the Lift Station 10 Relocation project commenced in summer 2013 and land was acquired for the new facility in summer 2014. The new lift station will divert wastewater from WWTP#2 to WWTP#1 to reduce flows and thereby provide hydraulic and solids loading relief. The additional capacity will allow WWTP#2 to be available to handle increased flows from the City Center development until WWTP#2 can be expanded. Construction is anticipated to begin in summer 2015. The project is funded by the aforementioned NMED Loan.

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

The FY2016 Wastewater ICIP includes new cash financing in the amount of \$4.7 million and new debt financing in the approximate amount of \$13 million for wastewater projects through FY2021. Notable projects financed with cash sources include Membrane Replacement, Advanced Water Treatment

Facility Equipping, and the Recycled Water Tank. Bond proceeds in the approximate amount of \$13 million have been programmed for the Retrofit Wastewater Treatment Plant #1 to a Membrane Bio Reactor project.

### Parks, Recreation, and Community Services

#### *Meadowlark Senior Center Parking Lot*

Parking lot renovations were necessary to meet federal requirements established by the American with Disabilities Act (ADA). Design of Phase I improvements addressing ADA issues in areas immediately surrounding the senior center was completed with Community Development Block Grant (CDBG) funding received in FY2010, and the department received an additional \$23,000 in CDBG funding in FY2013 for Phase II design services. Construction was completed in August 2014 utilizing state appropriations authorized by the 2012 and 2013 Legislatures. Additional state capital outlay funds in the amount of \$450,500 from the 2015 Legislature will be utilized for further parking lot improvements including lighted cross walks, safety railing, additional landscaping, and storage units.

#### *A Park Above*

The project consists of designing, constructing, and equipping a one hundred percent all-inclusive regional park facility which will offer uniquely configured parkscape elements and special features for children with disabilities. Research and conceptual design was completed in summer 2012 and a 6 acre park site in the Cabezon subdivision was selected as the home for the new park. Phase I construction commenced in March 2014 and the park grand opening is anticipated in fall 2015. Sources of funding include State Capital Outlay Appropriations, Park Impact Fees, and commitments by various partners including Sandoval County, Intel, Sandia National Laboratories, Presbyterian Health Services and the non-profit group A Park Above Inc. The city intends to continue working with the non-profit and other partners to secure additional funding and donated in-kind construction services. The city has also started to develop volunteer support groups that will adopt and help maintain and operate the park once completed.

### Drainage

#### *Los Milagros Channel Improvements*

The project involves channel improvements from the outlet of the Los Milagros Subdivision pond across Gemini Road and across Chessman Road to the Los Montoya's Arroyo. The project is required to protect road crossings and allow further development in the area. Design of the ultimate drainage solution was completed in October 2013 and construction of Phase I improvements up to Gemini Road was completed in May 2014. The FY2016 Budget includes additional Drainage Impact Fee funds in the amount of \$50,000 for Phase II improvements from Gemini Road to Los Montoya's Arroyo. Construction will commence after the 2015 monsoon season.

### General and Other

#### *Fleet Vehicle and Heavy Equipment Replacement*

The Department of Public Works, Building and Fleet Maintenance Division annually prioritizes the needs of the general vehicle and heavy equipment fleet based on the age and condition of existing vehicles, as well as service demands and priorities of the city as they relate to the need for vehicle acquisition and/or replacement. The FY2016 ICIP needs assessment includes \$6.4 million in acquisitions through Fiscal Year 2021. The FY2016 Budget includes cash financing for a Parks Maintenance truck replacement, an Animal Control truck replacement, a destroyed vehicle contingency and partial funding for a Streets and Right-of-Way Dump Truck.

## **CAPITAL SPENDING OVERVIEW: FISCAL YEARS 2016-2021**

In the aggregate, the city's capital program consists of 90 projects at a total estimated cost of \$300.8 million for the planning period beginning on July 1, 2015 and ending on June 30, 2021 (FY2016-FY2021). Similar to past ICIPs, the major project categories accounting for the most substantial portions of the aggregate program are Transportation and Drainage (39%) and Utilities-Water and Wastewater (48%).

A complete breakdown of planned capital spending by project category and fiscal year is presented in a summary page following this message.

The size of the capital program has increased by \$23.4 million or 8 percent compared to last year's plan. Major changes in the size of the capital program are detailed in Exhibit 2. The ICIP presents the city's plan for capital spending based on a reasonable estimate of financial resources likely to be available over the planning period. The ICIP document also contains a 'Projects Under Consideration' list for each facility category consisting of projects for which an expectation of need has been established but for which funding is yet to be completely determined. The 'Projects Under Consideration' list therefore captures projects considered deferred due to lack of funding at this time.

**Table 1**

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

	FY 2015-2020	FY 2016-2021	\$ Change	% Change
General and Other	\$ 9,732,831	\$ 8,965,113	\$ (767,718)	-8%
Police	\$ 5,547,772	\$ 5,286,666	\$ (261,106)	-5%
Fire and Rescue	\$ 6,006,067	\$ 6,192,360	\$ 186,293	3%
Parks, Rec. and Comm. Services	\$ 16,150,533	\$ 16,316,222	\$ 165,689	1%
Drainage	\$ 5,166,334	\$ 5,195,225	\$ 28,891	1%
Transportation	\$ 102,330,654	\$ 113,066,968	\$ 10,736,314	10%
Utilities-Water	\$ 68,792,758	\$ 78,350,313	\$ 9,557,555	14%
Utilities-Wastewater	\$ 63,720,769	\$ 67,445,714	\$ 3,724,945	6%
	<b>\$ 277,447,718</b>	<b>\$ 300,818,581</b>	<b>\$ 23,370,863</b>	<b>8%</b>

## **CAPITAL FINANCING OVERVIEW: FISCAL YEARS 2016-2021**

At the time of publication of the ICIP, the city has affirmatively and/or tentatively identified funding sources for 37 percent of total capital spending planned to occur through Fiscal Year 2021. Sources include both pay-as-you-go (use of current financial resources) and debt financing sources, while 63 percent of the total program funding is yet to be determined.

The city continuously identifies funding for high priority projects throughout the fiscal year and an effort has been made in the FY2016 ICIP to accurately represent the funding gap that exists between capital needs as identified in the plan and financial resources available for those needs.

The FY2016 ICIP includes an approximate amount of \$13 million in joint utility bond proceeds programmed for expenditure in anticipation of debt issuance in calendar year 2015 for the retrofit and expansion of Wastewater Treatment Plant #1. The size of the proposed bond issue may be up to \$25 million depending on the final design parameters and project scope. A continuing effort in the coming fiscal year will be to analyze the city's debt capacity and benchmark its debt program against other similar-sized jurisdictions.

The table below presents a broad look at the capital financing of the FY2016-FY2021 ICIP. A more detailed break out of funding by source and fiscal year is presented in a summary page following this message.

**Table 2**

<i>Type of Financing</i>	FY 2016	% of Total	FY 2017-2021	% of Total
Pay as You Go	\$ 44,158,385	53%	\$ 38,551,792	18%
Debt Financing	\$ 18,738,816	23%	\$ 10,833,742	5%
To Be Determined*	\$ 20,193,633	23%	\$ 168,342,213	77%
<b>TOTAL</b>	<b>\$ 83,090,834</b>	<b>100%</b>	<b>\$ 217,727,747</b>	<b>100%</b>

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

**Fiscal Year 2016 Capital Budget**

**Table 3**

<i>Fund</i>	<i>\$ Amount</i>
General Fund	\$ 31,459
Special Funds	\$ 3,396,122
Utility Funds	\$ 3,315,670
<b>TOTAL</b>	<b>\$ 6,743,251</b>

General Fund: \$31,459

Capital outlay in the General Fund typically consists of items such as equipment and software. Larger capital items and improvements such as vehicle and heavy machinery acquisition, and building and facility improvements are funded through transfers to capital funds, such as the Equipment Replacement Fund and Building/Facility Improvement Fund. General Fund capital outlay for Fiscal Year 2016 consists of:

- Auto Scrubber for Building Maintenance: \$6,119
- Bluetooth Devices for the Traffic Section for NM528 at Sara Rd. and Ridgecrest Dr.: \$10,840
- Electric Gurney for Fire and Rescue: \$14,500

The capital budget for Fiscal Year 2016 is \$88,875 less than the Fiscal Year 2015 capital budget.

Special Funds: \$3,396,122

Special funds are established to account for revenue sources related to specific activities and objectives that require segregated accounting for restricted or committed purposes. Major capital projects funded in the Fiscal Year 2016 Budget include:

- Police Motorcycle and All Terrain Vehicle: \$41,003 (Traffic Education and Enforcement Fund)
- Fire Station Renovations: \$40,440 (State Fire Protection Fund)
- Fire Command Vehicle: \$25,916 (State Fire Protection Fund)
- Chest Compression System: \$14,346 (EMS Fund)
- Road Restoration, ADA Sidewalks, and Intelligent Traffic System Upgrades: \$87,000 (Municipal Gas Tax Fund)
- Radio Dispatch Base Station: \$22,280 (Communication Center Fund)

- Southern Blvd. Reconstruction Design: \$1,700,000 (Infrastructure Fund-General Fund transfer)
- Idalia Rd. Right-of-Way Acquisition: \$112,616 (Infrastructure Fund-Federal Grant sources)
- Vehicles and Heavy Equipment, including a Park Maintenance truck, Animal Control truck and box, and partial funding for a Streets and Right-of Way Dump Truck: 206,000 (Equipment Replacement Fund-General Fund transfer)
- Destroyed Vehicle Contingency: \$83,164 (Equipment Replacement Fund-General Fund transfer)
- Building and Facility Improvements including Dispenser and Fuel Pump Upgrade and Parks and Recreation Center improvements: \$115,710 (Building and Facility Improvement Fund)
- Sprint and Enchanted Hills Intersection: \$217,422 (Road Impact Fee Fund) and \$21,830 (Infrastructure Fund-Contributions and Donations)
- Idalia Road Reconstruction: \$173,339 (Road Impact Fee Fund)
- Sports Complex North: \$96,757 (Park Impact Fee Fund)
- A Park Above: \$40,000 (Park Impact Fee Fund)
- Ambulance: \$200,000 (Equipment Replacement Fund and Public Safety Impact Fee Fund)
- Police Vehicles (4): \$95,700 (Equipment Replacement Fund and Public Safety Impact Fee Fund)
- Los Milagros Phase II Improvements: \$50,000 (Drainage Impact Fee Fund)
- Rainbow Park Playground Replacement: \$51,600 (Community Development Block Grant Fund)

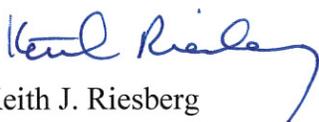
Utility Funds: \$3,315,670

Capital outlay in the Utilities Funds range from equipment items and vehicles to major infrastructure projects. Funding for capital projects is made available through a combination of direct spending from the Utility Operating Fund (Fund 501), transfers from the Utility Operating Fund, Impact Fees, and debt financing. Major capital projects funded in the Fiscal Year 2016 Budget include:

- Water Production Equipment: \$92,768 (Utility Operating Fund)
- Transmission and Distribution Equipment: \$34,546 (Utility Operating Fund)
- Wastewater Equipment: \$139,569 (Utility Operating Fund)
- Vehicles and Heavy Equipment: \$488,142 (Equipment Replacement Fund)
- Water Capital Improvements, including renovation of water tanks, SCADA, and well site security: \$649,584 (Water Capital Fund)
- Wastewater and Effluent Capital Improvements, including SCADA and Injection Well fencing: \$135,180 (Wastewater and Effluent Capital Funds)
- Water Rights Acquisition: \$1,775,881 (Water Rights Acquisition Fund)

In closing, I believe this capital program accurately represents the capital priorities of the city as identified through department-level capital needs assessments, asset management, and ongoing infrastructure planning. Project financing has been identified to the extent practicable given the uncertainty of funding and dedicated revenue sources associated with capital projects. Additional work will be undertaken by staff throughout the fiscal year to identify additional resources for future capital projects.

Respectfully,



Keith J. Riesberg  
City Manager

City of Rio Rancho, New Mexico  
 Reconciliation of the FY2016-2021 Infrastructure and Capital Improvements Plan (ICIP)  
 to the FY2016 Capital Outlay Budget  
 August 12, 2015

**Total FY2016 ICIP Spending Amount** **\$6,743,251**

Amounts budgeted as capital outlay in the FY2016 Budget  
 are different because:

Capital spending resulting in an asset not costing  
 \$10,000 or more and not having a useful life of at least  
 10 years are not included in the ICIP

\$ -

Capital spending deferred in the ICIP Plan for Police Vehicles  
 utilizing Redlight Camera Revenue budgeted in FY2016

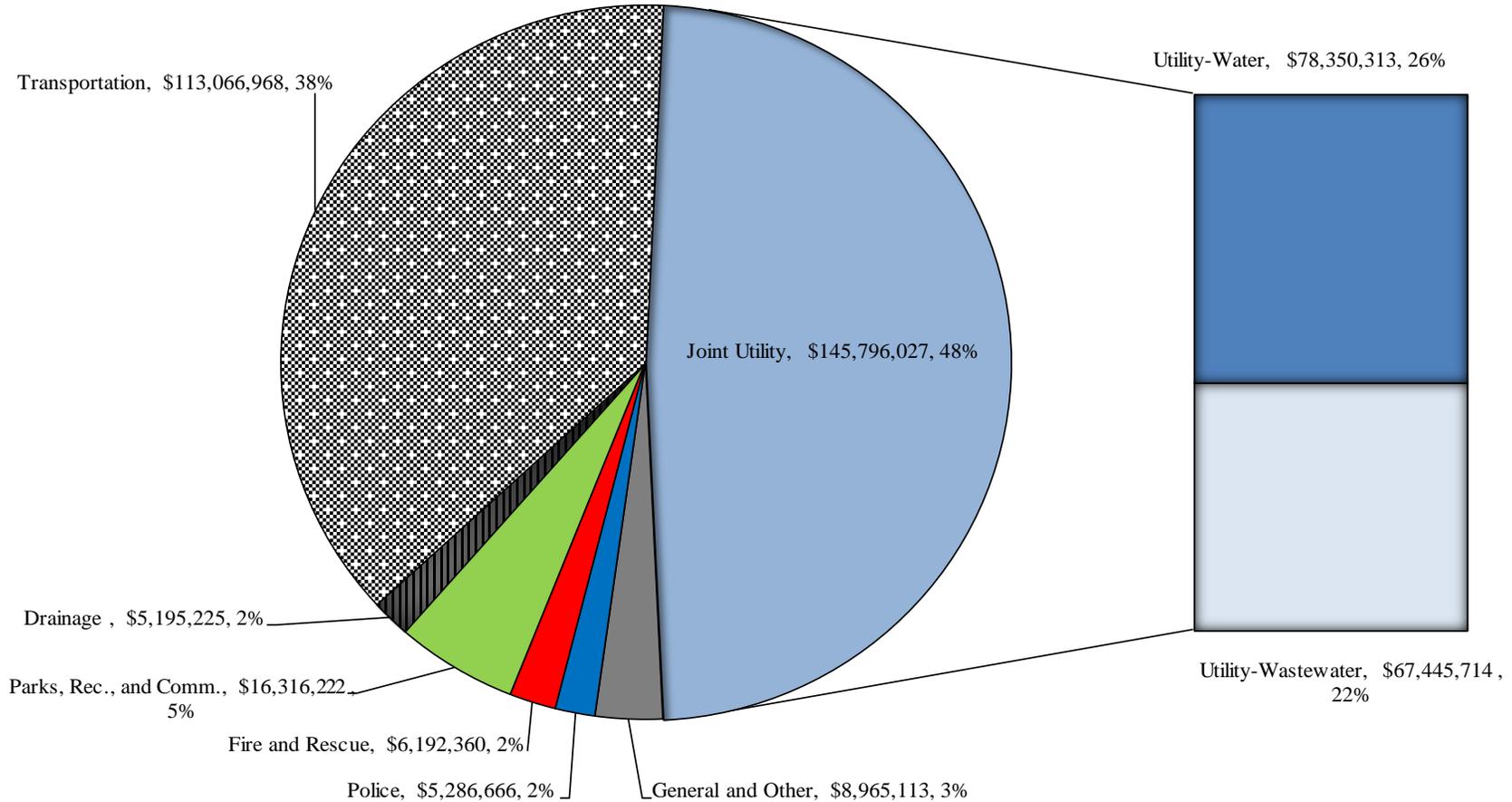
\$ 190,000

	<b>Total</b>	\$	<u>190,000</u>		\$	<u>190,000</u>
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**Total FY2016 Capital Outlay Budget Amount** **\$6,933,251**

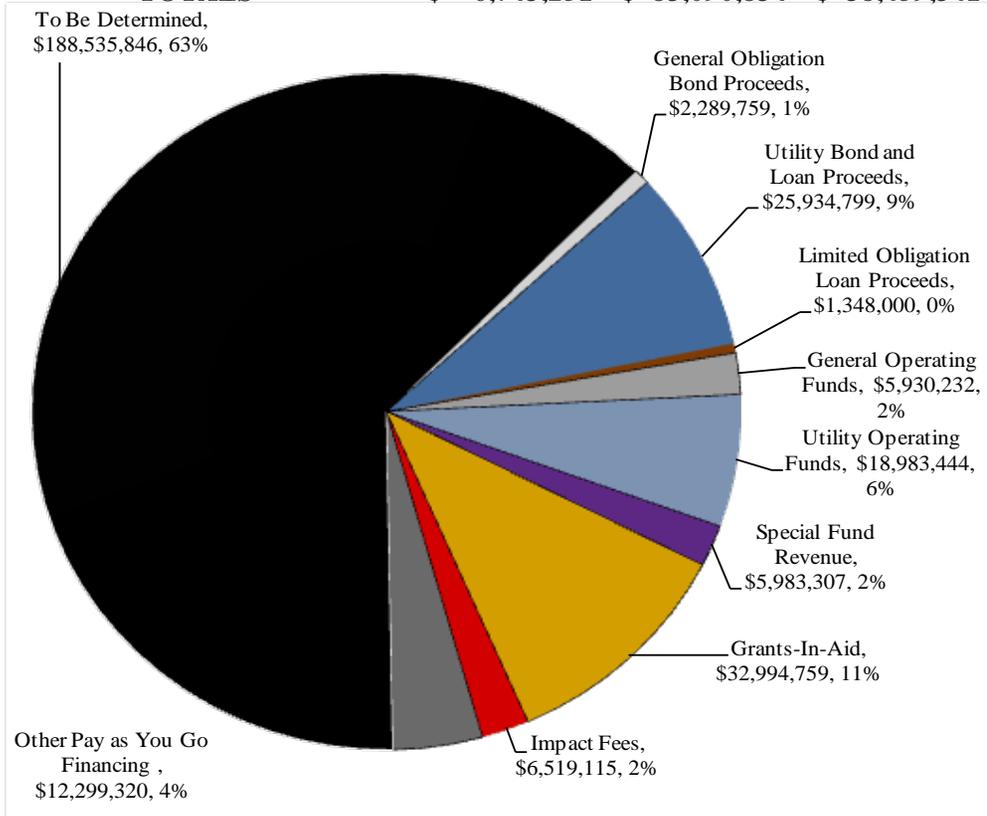
## Final Infrastructure and Capital Improvement Plan (ICIP) Allocations by Project Category: FY16-FY21

Project Category	Total No. of Projects	FY2016 Budget	FY2016 Total	FY2017	FY2018	FY2019	FY2020	FY2021	TOTALS
General and Other	5	\$ 367,055	\$ 1,531,087	\$ 1,766,443	\$ 1,082,671	\$ 2,346,240	\$ 1,949,372	\$ 289,300	\$ 8,965,113
Police	6	\$ 158,983	\$ 1,261,259	\$ 958,383	\$ 553,006	\$ 822,006	\$ 946,006	\$ 746,006	\$ 5,286,666
Fire and Rescue	7	\$ 295,202	\$ 2,310,588	\$ 891,762	\$ 1,094,762	\$ 287,416	\$ 790,416	\$ 817,416	\$ 6,192,360
Parks, Rec., and Comm.	13	\$ 243,370	\$ 2,241,951	\$ 802,074	\$ 3,017,667	\$ 3,993,118	\$ 5,098,412	\$ 1,163,000	\$ 16,316,222
Drainage	6	\$ 50,000	\$ 1,268,245	\$ 214,489	\$ 2,184,889	\$ 136,770	\$ 139,232	\$ 1,251,600	\$ 5,195,225
Transportation	20	\$ 2,312,971	\$ 34,200,860	\$ 14,892,020	\$ 16,512,207	\$ 8,495,679	\$ 8,049,266	\$ 30,916,936	\$ 113,066,968
Utility-Water	14	\$ 2,652,291	\$ 15,763,517	\$ 10,409,342	\$ 14,185,242	\$ 11,759,025	\$ 4,893,627	\$ 21,339,560	\$ 78,350,313
Utility-Wastewater	19	\$ 663,379	\$ 24,513,327	\$ 8,524,828	\$ 7,705,773	\$ 1,302,759	\$ 5,273,052	\$ 20,125,975	\$ 67,445,714
<b>TOTALS</b>	<b>90</b>	<b>\$ 6,743,251</b>	<b>\$ 83,090,834</b>	<b>\$ 38,459,341</b>	<b>\$ 46,336,217</b>	<b>\$ 29,143,013</b>	<b>\$ 27,139,383</b>	<b>\$ 76,649,793</b>	<b>\$300,818,581</b>

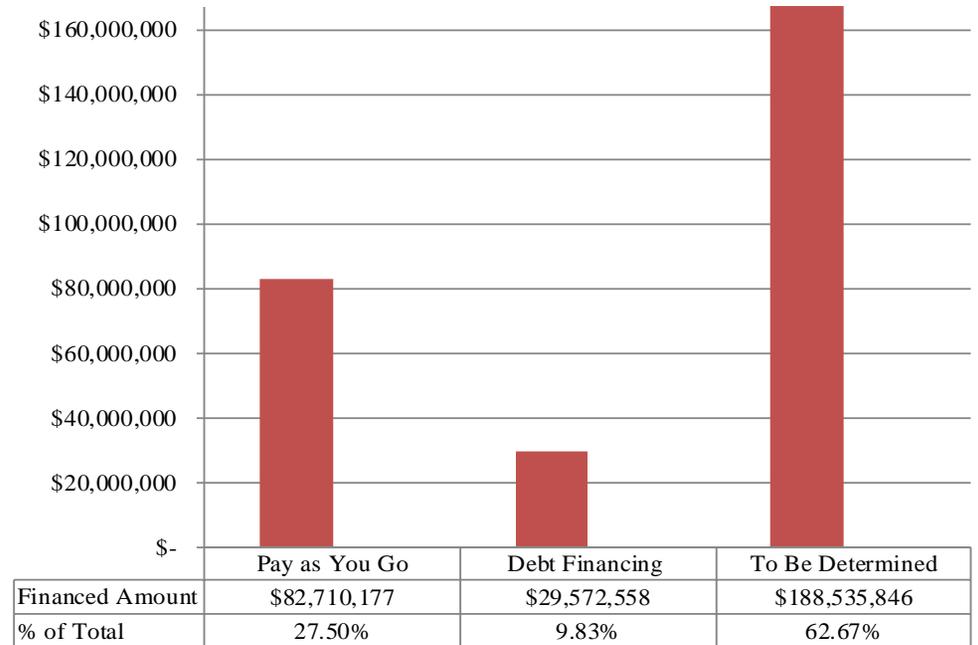


## Final Infrastructure and Capital Improvement Plan (ICIP) Financing by Source: FY16-FY21

Funding Source Category	FY2016 Budget	FY2016 Total	FY2017	FY2018	FY2019	FY2020	FY2021	TOTALS
General Operating Funds	\$ 2,106,209	\$ 2,630,232				\$ 3,300,000		\$ 5,930,232
Utility Operating Funds	\$ 1,539,789	\$ 9,196,938	\$ 1,713,625	\$ 2,394,853	\$ 1,284,084	\$ 2,789,332	\$ 1,604,612	\$ 18,983,444
Special Fund Revenue	\$ 214,403	\$ 4,415,354	\$ 168,824	\$ 290,069	\$ 330,815	\$ 368,702	\$ 409,543	\$ 5,983,307
Grants-In-Aid	\$ 285,921	\$ 20,526,408	\$ 429,351	\$ 7,152,522	\$ 187,922	\$ 292,922	\$ 4,405,634	\$ 32,994,759
Impact Fees	\$ 799,218	\$ 3,632,037	\$ 663,744	\$ 733,581	\$ 706,746	\$ 515,332	\$ 267,675	\$ 6,519,115
Other Pay as You Go Financing	\$ 1,792,132	\$ 3,757,416	\$ 1,707,050	\$ 1,708,889	\$ 1,707,191	\$ 1,706,295	\$ 1,712,479	\$ 12,299,320
To Be Determined		\$ 20,193,633	\$ 27,356,919	\$ 30,846,389	\$ 23,866,255	\$ 18,166,800	\$ 68,105,850	\$ 188,535,846
General Obligation Bond Proceeds		\$ 2,289,759						\$ 2,289,759
Utility Bond and Loan Proceeds	\$ 5,579	\$ 16,305,057	\$ 6,419,828	\$ 3,209,914				\$ 25,934,799
Limited Obligation Loan Proceeds		\$ 144,000			\$ 1,060,000		\$ 144,000	\$ 1,348,000
<b>TOTALS</b>	<b>\$ 6,743,251</b>	<b>\$ 83,090,834</b>	<b>\$ 38,459,341</b>	<b>\$ 46,336,217</b>	<b>\$ 29,143,013</b>	<b>\$ 27,139,383</b>	<b>\$ 76,649,793</b>	<b>\$300,818,581</b>



### Capital Financing by Type: FY16-FY21



**EXHIBIT 1**

**Public Safety Vehicle Financing Plan: FY2016-2021**

<u>Sources</u>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	<b>Total</b>
# of Police Vehicles <sup>1</sup>	18	6	11	31	11	17	<b>94</b>
# of Fire Apparatus <sup>2</sup>	3	1	1	1			<b>6</b>
Redlight Camera Revenue <sup>3</sup>	\$ -	\$ 190,000	\$ 380,000	\$ 380,000	\$ 380,000	\$ 380,000	<b>\$ 1,710,000</b>
Public Safety Impact Fees Police <sup>4</sup>	\$ 71,700	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000	<b>\$ 431,700</b>
Public Safety Impact Fees Fire <sup>4</sup>	\$ 150,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ -	\$ -	<b>\$ 750,000</b>
General Fund Police <sup>5</sup>	\$ 88,000	\$ -	\$ -	\$ -	\$ -	\$ -	<b>\$ 88,000</b>
General Fund Fire <sup>6</sup>	\$ 50,000	\$ -	\$ -	\$ -	\$ 750,000	\$ -	<b>\$ 800,000</b>
Law Enforcement Fund-Loan <sup>7</sup>	\$ 240,300	\$ -	\$ -	\$ -	\$ -	\$ 240,000	<b>\$ 480,300</b>
State Capital Outlay Police	\$ 338,100	\$ -	\$ -	\$ -	\$ -		<b>\$ 338,100</b>
State Capital Outlay Fire	\$ 263,000	\$ -	\$ -	\$ -	\$ -	\$ -	<b>\$ 263,000</b>
Police Vehicle Loan <sup>8</sup>	\$ -	\$ -	\$ -	\$ 800,000	\$ -	\$ -	<b>\$ 800,000</b>
<b>Total</b>	<b>\$ 1,201,100</b>	<b>\$ 462,000</b>	<b>\$ 652,000</b>	<b>\$ 1,452,000</b>	<b>\$ 1,202,000</b>	<b>\$ 692,000</b>	<b>\$ 5,661,100</b>
<u>Uses</u>							
Police Vehicle Replacement	\$ 442,860	\$ 144,000	\$ 264,000	\$ 744,000	\$ 264,000	\$ 408,000	<b>\$ 2,266,860</b>
Equipping	\$ 295,240	\$ 118,000	\$ 188,000	\$ 508,000	\$ 188,000	\$ 284,000	<b>\$ 1,581,240</b>
Fire Apparatus	\$ 463,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 750,000	\$ -	<b>\$ 1,813,000</b>
<b>Total</b>	<b>\$ 1,201,100</b>	<b>\$ 462,000</b>	<b>\$ 652,000</b>	<b>\$ 1,452,000</b>	<b>\$ 1,202,000</b>	<b>\$ 692,000</b>	<b>\$ 5,661,100</b>

1. The annual number of replacement Police Vehicles has been smoothed out over the planning period. The 100,000 mile replacement benchmark is used and fit within a reasonable estimate of annual financing availability.
2. Fire Apparatus Schedule revised in Fiscal Year 2016 ICIP. Financing Plan includes funding for replacement Ambulances only.
3. Redlight camera revenue generated in prior year will be allocated for Police Vehicle acquisition beginning with half of revenues generated in FY16, and full amount generated thereafter.
4. The amount of Public Safety Impact Fee cash financing available is based on the December 2014 estimate. This cash financing allows acquisition of three (3) Police Vehicle replacements in Fiscal Years 2016-2021. Equipping is funded with General Fund sources in Fiscal Year 2016, and from Redlight Camera sources in Fiscal Years 2017-2021. An amount of \$200,000 is programmed for fire apparatus in Fiscal Years 2017-2021.
5. General Fund sources for Police Vehicles would cover the cost of equipping three (3) vehicles: \$48,000, and the full cost of one (1) vehicle: \$40,000 in Fiscal Year 2016.
6. General Fund sources for Fire Apparatus is supplemented by Public Safety Impact Fees in Fiscal Year 2016.
7. The Fiscal Year 2016 Police Vehicle Loan Cycles assumes 6 replacement vehicles at an approximate cost of \$40,000 each. Debt service would be paid by Law Enforcement Fund revenue. Estimated average annual debt service is \$53,000 .
8. The Fiscal Year 2019 Police Vehicle Loan assumes 20 replacement vehicles at a cost of \$40,000 each. Debt service would be paid by the City's State Shared Gross Receipts Tax Revenue. Estimated average annual debt service is \$170,036.

## EXHIBIT 2

**Table 1**

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

Facility Category	FY 2015-FY 2020	Changes to Projects	Removal of Projects	Addition of Projects	FY 2016-FY 2021
General and Other	\$ 9,732,831	\$ (484,822)	\$ (282,896)	\$ -	\$ 8,965,113
Police	\$ 5,547,772	\$ (253,606)	\$ (7,500)	\$ -	\$ 5,286,666
Fire and Rescue	\$ 6,006,067	\$ 186,293	\$ -	\$ -	\$ 6,192,360
Parks, Recreation, and Community Services	\$ 16,150,533	\$ 868,636	\$ (818,448)	\$ 115,501	\$ 16,316,222
Drainage	\$ 5,166,334	\$ 32,987	\$ (4,097)	\$ 1	\$ 5,195,225
Transportation	\$ 102,330,654	\$ 6,132,141	\$ (900,000)	\$ 5,504,173	\$ 113,066,968
Utility-Water	\$ 68,792,758	\$ 4,024,172	\$ (3,591,616)	\$ 9,124,999	\$ 78,350,313
Utility-Wastewater	\$ 63,720,769	\$ (4,452,906)	\$ -	\$ 8,177,851	\$ 67,445,714
<b>TOTAL</b>	<b>\$ 277,447,718</b>	<b>\$ 6,052,895</b>	<b>\$ (5,604,557)</b>	<b>\$ 22,922,525</b>	<b>\$ 300,818,581</b>

Major changes in the size of the capital program include:

#### Project Category

- *General and Other*: The nearly \$800,000 decrease to the General and Other capital plan is attributable to decreased cost estimates as a result of revised needs assessments for various projects and removal of completed projects. Major items of revision include:

- Net decrease of \$1,287,352 due to the revised needs assessments for general fleet vehicle and heavy equipment acquisition, and city facility improvements.
- Increase of \$890,000 for planned improvements at the Santa Ana Star Center.
- Decrease of \$266,913 due to completion of the Loma Colorado Library Radio Frequency Identification System in Fiscal Year 2015.

- *Police*: The \$261,000 decrease to the Police capital plan is the net effect of revisions to cost estimates and revised need assessments for various projects. Major items of revision include:

- Decrease of \$1,060,343 to reflect removal of the Communications Upgrade project from the city's ICIP. The upgrade will be funded and administered by Sandoval County.
- Increase of \$125,300 for additional planned improvements at the Quantum Building, including replacement of stucco.
- Increase of \$681,437 to the Police Vehicle, Police Motorcycle, and SWAT Vehicle acquisition plans as a result of revised needs assessments.
- Decrease of \$7,500 due to equipment acquisition for the Bait Car Program in Fiscal Year 2015.

- *Fire and Rescue*: The \$186,000 increase to the Fire and Rescue capital plan is the net effect of revisions to cost estimates; revised needs assessments; and decreases for prior year actual expenditures. Major items of revision include:

- Net increase of \$534,042 for Fire Apparatus acquisition and \$31,538 for Fire and EMS Equipment as a result of a revised needs assessment.
- Net decrease of \$234,349 to the Station 1 Remodel project to account for prior year actual

expenditures and an increase in the Phase II estimate.

- Decrease of \$182,234 to the Fire Administration Building project for prior year expenditures.
- Increase of \$50,440 to the Fire Station Renovations project as a result of a revised needs assessment.

*-Parks, Recreation, and Community Services:* The \$165,000 increase to the Parks and Recreation capital plan is the net effect of revisions to cost estimates; decreases for prior year actual expenditures; and removal of projects from the FY2016 ICIP. Major items of revision include:

- Net increase of approximately \$1.8 million to cost estimates for the Parks ADA Implementation Plan, Park Playground Replacement, the Meadowlark Senior Center, Sabana Grande Recreation Center, and Haynes Park, Pool, and Recreation Center.
- Decrease of approximately \$894,329 for prior year actual expenditures including the Meadowlark Senior Center Parking Lot, A Park Above, Rainbow Park Observatory, and the Aquatic Center.
- Decrease of approximately \$810,000 for removal of projects to the 'Projects Under Consideration' list.
- Increase of \$115,500 for the addition of Rainbow Park and Pool Improvements to the ICIP.

*-Drainage:* The \$29,000 increase to the Drainage capital plan is the net effect of revisions to cost estimates and removal of projects from the FY2016 ICIP. Major items of revision include:

- Net increase of \$5,308 to the Los Milagros Channel Phase II improvements from Gemini Road to Los Montoya's Arroyo for prior year actual expenditures and an increase in the Phase 2 estimate.
- Decrease of \$16,785 to the Sports Complex Armoring project based on the submitted Federal Emergency Management grant application.
- Decrease of \$7,136 to the Christopher and Grey Hawk Pond projects based on updated Drainage Impact Fee funding availability.
- Increase of \$51,600 to the Red River Watershed project estimate.
- Decrease of \$4,097 due to completion of the City Center Drainage Facility Plan in Fiscal Year 2015.

*-Transportation:* The \$10.7 million increase to the Transportation capital plan is the net effect of revisions to cost estimates; decreases for prior year actual expenditures; and addition and removal of projects from the FY2016 ICIP. Major items of revision include:

- Net increase of \$6,262,894 to cost estimates for Pavement Preservation, Unser Blvd. Phase IIB from Cherry Rd. to Paseo del Volcan, ADA Improvements, Intelligent Traffic Systems, and Intersection Improvements at King Blvd. and Wilpett Ave., and Sprint Ave. and Enchanted Hills Blvd.
- Decrease of \$3,674,662 for prior year actual expenditures for Westside Blvd., Broadmoor Blvd. Phase I, Southern Blvd. Preliminary Design, Idalia Rd. Design, Rockaway Blvd. Traffic Signal, and Pedestrian Safety Improvements.
- Increase of \$9,048,082 for the addition of projects to the ICIP, including Lincoln Ave. Right-of-Way Acquisition, Broadmoor Phase II Right-of Way Acquisition, Northern Blvd. Phase B Design and Right-of-Way Acquisition, and Veranda Rd. Safety Improvements.
- Decrease of \$900,000 for the Cabezon and Western Hills Intersection project removed from the FY2016 ICIP.

*-Utilities-Water and Wastewater:* The \$13.3 million increase in the Utilities capital plan is the net result of revisions to cost estimates; revised need assessments for various projects; decreases for prior year actual expenditures; removal of projects from the FY2016 ICIP; and the addition of projects to the FY2016 ICIP. The Water and Wastewater facility categories include capital projects necessary to meet system maintenance and improvement requirements for existing development and new infrastructure needs based on utility availabilities issued by the city. The Water and Wastewater ICIP financing plan incorporates the customer rate increase effective February 1, 2013 (O35, Enactment 12-34) and subsequent amendments effective July 1, 2013 (O16, Enactment 13-13) and July 1, 2014 (O11, Enactment 14-09). Under the rate increases, cash and debt financing is anticipated for non-growth related projects.

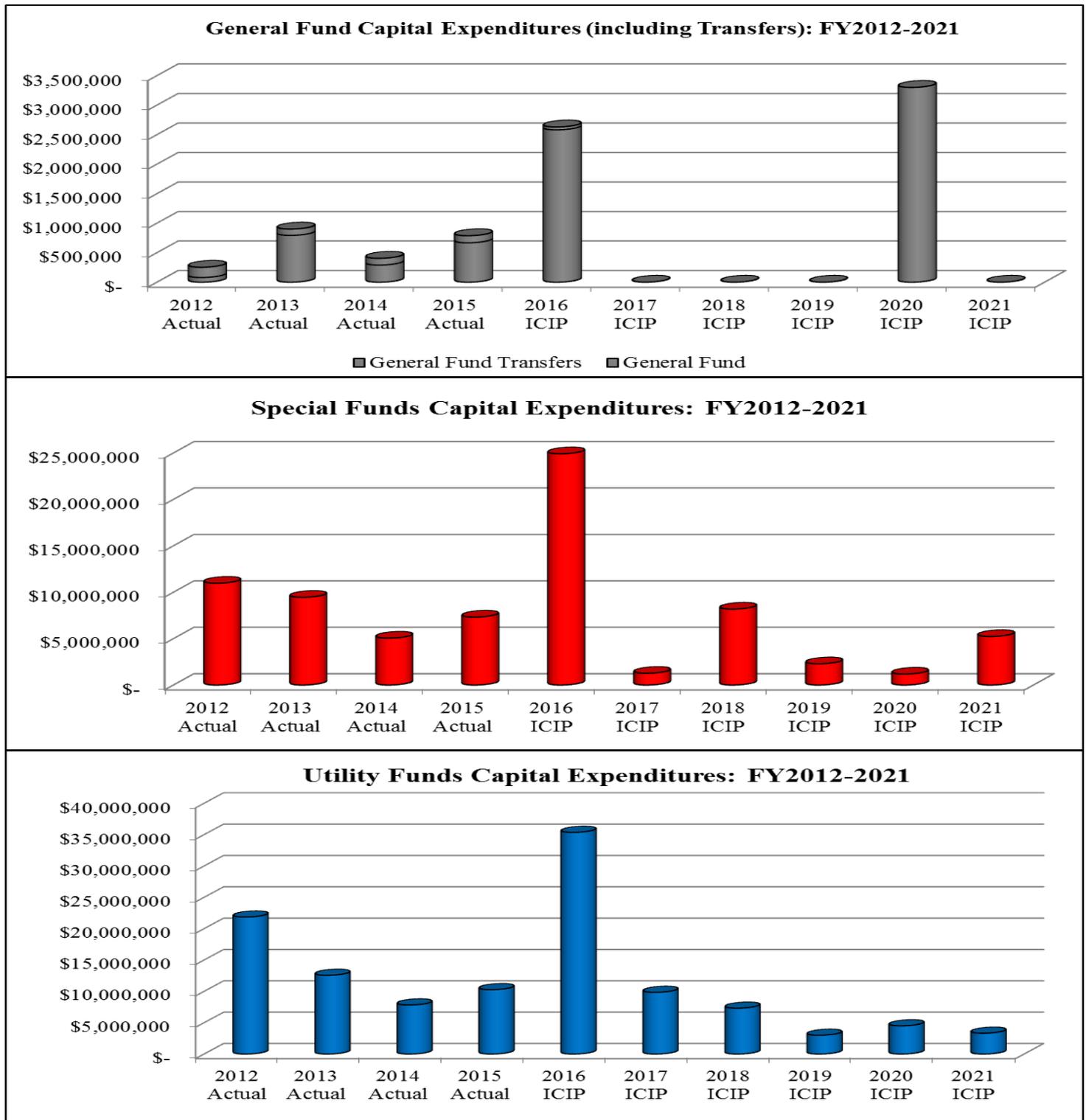
The Water facility category increased by a net amount of \$9.6 million. Major items of revision include:

- Net increase of \$6.3 million in cost estimates, most notably an additional \$6.2 million in estimated resources available for Water Rights Acquisition due to a \$4.3 million loan and revised estimate for water rights fees.
- Decrease of \$2,238,206 for prior year actual expenditures for the 3MG Tank at Enchanted Hills Design, Booster Station at Tank 8 Design, Re-drill Well 13 Preliminary Design, and SCADA Improvements.
- Decrease of \$3.6 million for projects removed from the FY2016 ICIP, most notably the Paseo Gateway Phase 2 Waterline project which was placed on the 'Projects Under Consideration' list.
- Increase of \$9.1 million for projects added to the FY2016 ICIP, most notably for installation and replacement of water mains.

The Wastewater facility category increased by a net amount of \$3.7 million. Major items of revision include:

- Net increase of \$706,470 in costs estimates for Retrofit of WWTP#1, WWTP#2 Warehouse, Lift Station 15, 21, and 22 upgrades, the Advanced Water Treatment Facility, Vehicles and Heavy Equipment Acquisition, Major Equipment, the Security Wall at WWTP#2, Montoyas Arroyo Phase 5, and Industrial Park Sewer Line.
- Decrease of \$5.2 million for prior year actual expenditures for WWTP#6 Expansion and Rebuild of WWTP#2A.
- Increase of \$8.2 million for projects added to the FY2016 ICIP, most notably the NM528 Force Main, and installation and replacement of sanitary sewer lines.

### Exhibit 3-Historical Capital Expenditures



Type of Fund	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 ICIP	2017 ICIP	2018 ICIP	2019 ICIP	2020 ICIP	2021 ICIP
General Fund	\$ 172,896	\$ 106,433	\$ 114,456	\$ 120,025	\$ 48,429	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund Transfers	\$ 80,040	\$ 793,831	\$ 290,387	\$ 667,824	\$ 2,581,803	\$ -	\$ -	\$ -	\$ 3,300,000	\$ -
Special Funds	\$10,967,240	\$ 9,450,046	\$ 5,049,007	\$ 7,319,974	\$24,910,248	\$ 1,261,919	\$ 8,176,172	\$ 2,285,483	\$ 1,176,956	\$ 5,226,852
Utility Funds	\$21,850,049	\$12,556,832	\$ 7,825,844	\$10,261,931	\$35,356,721	\$ 9,840,503	\$ 7,313,656	\$ 2,991,275	\$ 4,495,627	\$ 3,317,091
TBD-Governmental Fund:	\$ -	\$ -	\$ -	\$ -	\$15,273,510	\$18,263,252	\$16,269,030	\$13,795,746	\$12,495,748	\$29,957,406
TBD-Utility Funds	\$ -	\$ -	\$ -	\$ -	\$ 4,920,123	\$ 9,093,667	\$14,577,359	\$10,070,509	\$ 5,671,052	\$38,148,444
<b>TOTAL</b>	<b>\$33,070,225</b>	<b>\$22,907,142</b>	<b>\$13,279,694</b>	<b>\$18,369,755</b>	<b>\$83,090,834</b>	<b>\$38,459,341</b>	<b>\$46,336,217</b>	<b>\$29,143,013</b>	<b>\$27,139,383</b>	<b>\$76,649,793</b>



**CITY OF RIO RANCHO  
RESOLUTION**

**RESOLUTION NO. 64**

**ENACTMENT NO. 15-058**

**RESOLUTION TO ADOPT THE FINAL INFRASTRUCTURE AND CAPITAL  
IMPROVEMENT PLAN (ICIP) FOR FISCAL YEARS 2016-2021**

**WHEREAS:** Article VI of the City Charter requires the City Manager to prepare and submit to the Mayor and Governing Body a recommended capital program; and

**WHEREAS:** A budget meeting was conducted for the city's capital program on May 11, 2015 to present the capital program to the Governing Body; and

**WHEREAS:** A public hearing pursuant to Article VI of the City Charter was conducted on May 27, 2015; and

**WHEREAS:** The Governing Body adopted the Recommended ICIP as amended on May 27, 2015 by Resolution No. 41, Enactment No. 15-038; and

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

**WHEREAS:** The ICIP is a six (6) year plan covering the period beginning July 1, 2015 and ending June 30, 2021, and incorporates the current fiscal year's capital appropriations; and

**WHEREAS:** The ICIP has been updated to be consistent with the Fiscal Year 2016 Final Capital Outlay Budget.

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

That the Governing Body hereby adopts the Final Infrastructure and Capital Improvement Plan (ICIP) for Fiscal Years 2016-2021.

ADOPTED THIS 12<sup>TH</sup> DAY OF AUGUST, 2015.

  
\_\_\_\_\_  
Greggory D. Hull, Mayor

ATTEST:

  
\_\_\_\_\_  
Stephen J. Ruger, City Clerk  
(SEAL)

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