



July 27, 2011

Dear Citizens:

I respectfully transmit the budget for the City of Rio Rancho for the fiscal year July 1, 2011 through June 30, 2012. I am cautiously optimistic that our community has turned a corner on the worst economic recession in decades. The employment and housing markets appear to be stabilizing, but more promising are the signs that personal income and local spending are beginning to strengthen. Additionally, we have two new hospitals opening up within the next year, and we expect to have added over 2,000 jobs to the City between 2009 and 2012. The Governing Body has taken its role very seriously and took measures over the last few years that have solidified our revenue base and shored up our ending fund balances. While I know we are not completely out of the woods, our future looks bright.

We have worked hard to balance the budget in this extremely challenging environment. Despite increases in energy and healthcare expenses, city expenditure levels in the FY12 Adopted Budget rose a modest 1.5 percent, reflecting continued reductions in spending in most other areas. The most significant area of savings stems from the freezing of 83 non-first responder positions. With that said, I feel good about being able to say that the FY12 Adopted Budget includes increased resources for two public safety positions, medical services, supplies and vehicles as well as a modest one percent salary increase for City employees. The FY12 Adopted Budget includes two revenue increases, including an increase to the municipal court fee, and changes to the ambulance service fee schedule, whereby the City has adopted the State tariff schedule.

We estimate that the combined expenditure and revenue actions will provide a reserve fund balance that will meet the 1/12th (approximately 8.33 percent) of expenditures, as required by the State of New Mexico, and provide a total ending fund balance of 13.5 percent, which is moving closer to our long-term target of 15 percent.

As outlined in the City's Strategic Plan, our vision is to be *a diverse, sustainable, family-friendly community that is safe, vibrant and attractive to residents, businesses and visitors*. I believe we

are making significant progress in these areas with the opening of the new University of New Mexico and Central New Mexico Community College campuses (opened January and August of 2010, respectively), the upcoming opening of two state-of-the-art hospitals, a new movie theater, and rapidly expanding retail and restaurant options to serve our community.

In summary, it has been a difficult few years due to the economic recession. However, I believe that we are beginning to see the light at the end of the tunnel and truly believe that our community will emerge as a stronger, more resilient community. I want to thank the City Council for making the difficult decisions that have placed us on much more solid ground in order to continue to address the strategic priorities of our community over the long term. I want to acknowledge all of the City staff for their tireless efforts to bring the best public services possible to the residents of the community. On behalf of the Rio Rancho Governing Body and the employees of the City of Rio Rancho, I thank all of the residents and community stakeholders for your support of our great City.

Sincerely,

A handwritten signature in cursive script that reads "Thomas E. Swisstack".

Thomas E. Swisstack, Mayor



July 27, 2011

The Honorable Mayor and City Councilors
City of Rio Rancho
3200 Civic Center Circle NE
Rio Rancho, New Mexico 87144-4501

Dear Mayor and City Councilors:

In compliance with the City Charter and applicable state statute, I am submitting a copy of the Comprehensive City Budget Adopted for Fiscal Year 2012 (FY12).

The theme of this year's budget continues to be sustainability, which is critical to our efforts to implement the City's adopted Strategic Plan. Over the last few years, difficult, but important decisions were made to address a structural budgetary imbalance caused primarily by the collapse of the local housing market and an ongoing gross receipts tax leakage problem. Specifically, the Governing Body took decisive measures in Fiscal Year 2011 that provided a balanced and long-term approach to addressing our budget shortfall. Because of these measures as well as what appears to be a local economy that is stabilizing, the overall fiscal health of the city is showing significant improvements. We must, however, continue to look beyond the upcoming fiscal year when making our budget decisions, and continue to seek to balance our recurring revenues and our recurring expenditures.

The FY12 Adopted Budget reflects a regional economy that is starting to show signs of recovery from the worst economic recession in decades. The first quarter of 2011 through June saw positive job growth for the first time in the Albuquerque Metro area since 2008, and gross receipts taxes in retail and service sectors are once again growing, albeit modestly. The recovery, by all accounts is expected to be slow. Employment growth is forecasted to be sluggish with little to no growth in 2011 and 1.6 percent growth in 2012 through 2015. Personal income is expected to post 2.6 and 4.1 percent growth in 2011 and 2012, with a downside risk that as ARRA-related government transfer payments expire, this could negatively impact New Mexico personal income more than expected.

The housing market has yet to show signs of the recovery and experts do not anticipate a recovery to begin until mid 2012. Monthly housing starts in calendar year 2011 are 34 percent below 2010 levels and the lowest first half of a year on record. This of course follows the dramatic decline in housing starts from 3,084 in 2005 to 455 in 2010. The collapse of housing construction activity is the single most important factor leading to the sharp revenue declines witnessed by the City since 2007 and is expected to continue to contract in 2011. As we look

beyond the housing market bubble, we should remain focused on increasing our Gross Receipts Tax (GRT) revenues in the retail and services sectors through the ongoing effort to attract retailers to our City and continue to promote to residents the benefits of shopping locally.

One factor that has influenced the City's fiscal situation over the last year is the revenue generated by GRT taxes on large non-residential construction projects. The revenue associated with the construction of two hospitals that occurred this fiscal year provided a source of non-recurring revenue that worked to build up the City's beginning fund balance in FY12. These nonrecurring revenues are expected to continue through part of FY12 as these structures are completed. As noted above, the City must be cautious when allocating these types of funds, as they are not a consistent source of revenue and are not expected to continue into FY13 at the same level. As such, the budget sets aside \$2,638,944, largely stemming from the beginning fund balance, as a step toward the City's policy target of fifteen percent total reserve balance.

Due to the continued weakness in recurring revenue collections, the FY12 Adopted Budget continues to require Departments to hold the line by maintaining 83 frozen. The Budget contains various changes in expenditure levels that continue to reflect the City's high priority service areas, including providing additional funding for two public safety positions, EMS system upgrades and law enforcement protective clothing and supplies. Expenditure reductions include reducing the General Fund subsidy to certain non-core functions, such as the adult sports program and special events, consolidating and reducing professional service expenditures for Public Works and Development Services, funding to replace turf in three City locations to lower water expenditures, and various electricity efficiency improvements, which should help produce long-term savings. Additionally, the budget reflects anticipated increases in electricity prices, water rates, gasoline prices, and a three percent increase in healthcare premiums.

The FY12 Adopted Budget also includes two user fee increases. These include a \$5 increase to the \$20 Correction Fee charged by the Municipal Court to offset charges for detainees held in the county detention center. The City will also be adopting the State Tariff schedule for Ambulance Services, which will bring these fees more in line with the true cost of providing these services. We estimate that these levels of spending and revenues will provide a restricted ending fund balance that equals the 8.3 percent of expenditures, as required by the state of New Mexico, and an unreserved ending fund balance of \$2,638,944, bringing our total reserves to 13.5 percent of expenditures, which is step closer to our policy target of 15 percent.

General Fund

REVENUES: **\$49,966,580**

Total General Fund budgeted revenues for FY12 (excluding transfers in from other funds) are projected to decrease by 1.7 percent or \$857,389 compared to FY11 actual revenues. This decrease is mostly related to nonrecurring revenues that were collected in FY11, such as simultaneous construction of two hospitals, the end of the Federal SAFER grant, sale of land that occurred in FY11, a rebate received from PNM, and a tax rebate stemming from a cost segregation study. The beginning fund balance is estimated to be \$7,987,140. This amount is

approximately \$2.9 million more than the beginning fund balance in FY11.

The City's single most important revenue source is the gross receipts tax (GRT). The GRT revenue estimate of \$25,164,295 accounts for approximately 50 percent of the total FY12 General Fund operating revenues. The GRT distribution to the General Fund is projected to decrease slightly, about 1.2 percent, from FY11 levels, as nonrecurring revenue from two hospitals slows compared to the activity in FY11. However, offsetting these decreases is the one-quarter percent increase in GRT and anticipated growth in retail sector activity associated with higher personal income and the Think Rio Rancho First project.

Property tax revenue, the second-largest revenue source, is estimated to increase slightly from FY11 levels, with an estimated increase of \$212,847 or 1.8 percent. Since the surge in new housing construction activity that occurred from 2005 to 2007, new construction in Rio Rancho has declined dramatically, returning to long-term historical levels. The two-year lag between construction activity and property tax revenues is a function of new construction activity not materializing into new taxable value until the following year and not being picked up on the County's tax roll until the subsequent year. As such, the FY12 revenue estimate uses the housing permit number from 2010 and known non-residential construction activity.

Franchise fees, the third largest revenue source, are projected to increase slightly by \$61,065 or 2.0 percent over the current year. The majority of the anticipated increase relates to electricity revenue projections. Other major revenue increases to the General Fund are anticipated in Public Safety revenues, reflecting the new Ambulance Tariff schedule.

TRANSFERS INTO GENERAL FUND: \$102,502

Transfers from special funds to the General Fund support operating activities.

Transfers from Impact Fee Funds \$31,843
The Impact Fee Ordinance provides for the ability to transfer 3.0 percent of impact fee revenues to the General Fund to support impact fee administration costs. The transfers from the impact fee funds include: Roads \$11,596, Bikeways and Trails \$193, Parks \$2,453 Public Safety \$5,053, Drainage \$2,177, Water \$5,772 and Wastewater \$4,599.

Transfer from Capital Projects Fund (301) \$33,978
This reflects a reversion of the cash balance upon completion of projects.

Transfer from Vending Fund (210) \$20,463
Transfer of cash balance to the General Fund to partially fund turf replacement.

Transfer from Rio Metro Fund (213) \$15,468
Transfer to recover cost of providing Rio Metro services for this program

Transfer from Rio Rancho Economic Development (RREDC) Fund (710) \$750
Transfer administration fees for collecting donations

EXPENDITURES: **\$50,819,334**

The Adopted Budget includes an overall increase in total General Fund expenditures of \$759,863.00, or a 1.5 percent increase over the FY11 Adjusted Budget.

Personal Services: **\$39,569,046**

Personal Services expenditures account for 78 percent of the General Fund operating budget. In the FY12 Budget, Personal Services expenditures increase 1.6 percent or \$616,707 when compared to the FY11 Adjusted budget. The primary factors contributing to the increase include a one percent increase in salaries, a one-time payment to fire fighters equal to 4 percent of their salary, the addition of one firefighter position and one police officer position, a three percent increase in the cost of healthcare benefits implemented to offset a potentially higher increase in FY13, and moving two engineering positions from the Utility Fund to the General Fund.

Significant personnel savings continued to be factored into this budget and relate to:

- freezing non-critical positions that become vacant through attrition;
- hiring replacement employees at lower salaries than those being replaced;
- delaying hiring process for certain positions; and
- decreasing costs through the use of temporary employees for aquatics and park maintenance operations.

The City will continue to plan for an increasing number of retirees, with approximately 32 eligible for retirement in FY12 on City credits alone, compared to 14 in 2008. The FY12 Adopted Budget includes an amount to cover the estimated cash payout or the cost of terminal leave for approximately 10 employees, based on the historical relationship between those eligible and those that actually did retire. However, this number is extremely difficult to estimate due to service credits earned in other organizations.

Material and Services: **\$11,109,995**

Materials and Services expenditures increase by \$39,030 or 0.4 percent compared to the FY11 budgeted expenditures. Changes include increases in the Police Law Enforcement budget, the Fire EMS budget, and utility price increases. The Adopted Budget continues to reflect overall reductions in various spending areas, including supplies and conference, travel and training.

Capital Outlay: **\$140,293**

Capital Outlay in the General Fund includes funding for a new police vehicle and repair of existing vehicles (\$58,393), partial funding for an ambulance (\$20,000), alarm billing software (\$34,900) to increase billing efficiencies and collection rates, and a cardiac defibrillator (\$27,000).

TRANSFERS TO SPECIAL FUNDS: **\$363,000**

Transfers provide General Fund dollars to special funds to support various activities such as:

<u>Local Government Correction Fund</u>	\$90,200
To provide for costs of detainees held in the county detention center.	
<u>Lodgers Tax Fund</u>	\$ 31,219
This fund provides funding for advertising and promotion of the City.	
<u>Promotion and Marketing Fund</u>	\$60,290
To provide funding for Special Events managed by the Convention and Visitors Bureau.	
<u>Crime Victims Assistance Grant</u>	\$7,611
To provide the required City's matching funds for this grant.	
<u>Recreation Fund</u>	\$55,000
To provide funding for a Sustainability Study recommendation for turf replacement that is expected to generate \$20,000 in annual savings once fully implemented.	
<u>Vehicle Replacement Fund</u>	\$18,680
To provide funding for destroyed vehicles which, when combined with cash balance funding, will be sufficient for two vehicle replacements.	
<u>State Appropriations Fund</u>	\$100,000
To reimburse the State Appropriations Fund for FY07 expenditure for the design of the proposed Military Museum, which were not reimbursed by State due to a re-appropriation to the Rio Rancho Public Schools in the 2009 session after funds were spent.	
<u>ENDING FUND BALANCE:</u>	\$6,873,888

The Reserved General Fund Ending Fund Balance is \$4,234,945, which meets the state reserve requirement of 1/12th of General Fund expenditures. The Unreserved Ending Fund Balance is \$2,638,944, for a total Ending Fund Balance of \$6,873,888, or 13.5 percent of expenditures.

SPECIAL FUNDS:

Special funds are established to account for revenue sources that fund particular functions or projects. A complete list of all special fund activities can be found in the Special Fund section. Following is a list of special funds that include significant activities:

Recreation Activities Fund

This self-funding program provides for adult softball, adult recreation programs, classes, and van trips supported by revenues of \$361,997. The City is moving the expenditure budget for a Recreation Leader position (\$31,934) to this fund in FY12, further minimizing the General Fund subsidy to Adult Sports.

Library State/County Bond Fund

The source of budgeted revenues comes from State Library Bonds and County Library Bonds. The major budgeted expenditures include \$573,000 for books, \$50,000 for minor equipment, \$64,834 in memberships and subscriptions for both Loma Colorado and Esther Bone

Libraries.

Promotions Fund

The main source of FY12 revenue comes from event income. Most of the materials and services budget is for the Pork and Brew community event that took place during the Fourth of July weekend. The July 2012 event revenue is estimated at \$97,450, of which \$82,537 is included in the FY12 Budget. A General Fund transfer is budgeted in the amount of \$60,290 to subsidize events and pay personnel costs in the FY12 Budget.

Local Government Correction Fund

Correction fees are received for guilty pleas budgeted at approximately \$186,000. Expenditures from this fund are paid for prisoner care provided by Sandoval County, the cost of which increased over the last year. I am proposing to increase these fees from \$20 to \$25, which is expected to generate approximately \$46,000 and reduce the General Fund subsidy for prisoner costs from \$136,200 to \$90,200.

Law Enforcement Fund

Projected resources total \$108,039. Budgeted expenditures include a loan payment for vehicles purchased in FY11 (\$56,841), operating expenditures including training (\$24,265), and minor furniture and equipment (\$26,923).

Fire Protection Fund

Revenues received from the state grant are pursuant to the Fire Protection Fund Law, NMSA 1978, Section 59A-53-1. The grant amount for FY12 is \$571,122. The expenditures include operating costs, equipment, a loan repayment, and a wild land fire truck chassis.

Federal Grant Fund

Several federal grants amounting to \$449,999 are budgeted for in this fund including:

ODWI Grant (Operation DWI), \$60,000 for overtime for DWI blitz activities.

STEP Grant (Selected Traffic Enforcement Program), \$99,999 for statewide training and minor equipment.

SFST Grant (Standard Field Sobriety Test), \$275,000 for contract services for statewide training.

Gang Task Force Grant, \$10,000 for overtime gang related activities.

Homeland Security Grant, \$5,000 for overtime immigration and homeland security activities.

Municipal Road Fund

This fund is supported by budgeted State Gasoline Tax revenue, estimated at \$580,000 in FY12 compared to \$563,470 received in FY11. The fund provides for road maintenance supplies and repairs. A road restoration expense funded by a road restoration fee is included in the budget in the amount of \$50,000.

Building Improvement\Replacement Fund

The available resources total \$177,292. Projects in my funding recommendation include recreation center building improvements (\$50,000), retro-commissioning (an adjustment of building HVAC controls and other electrical systems to maximize energy efficiency) of City

Hall and the Aquatic Center to increase operational efficiency and reduce electricity use (\$40,000), Haynes Park lighting (\$34,000), and public safety information technology upgrades (\$31,500).

Impact Fee – Road Fund

Based on 325 projected single-family starts in FY12 and anticipated commercial construction starts, budgeted revenue is \$386,525. Impact fee revenue will be used for matches to complete the Meadowlark and Prairie Sage bikeway, Leon Grande sidewalk, Lincoln Avenue, Tarpon sidewalks, and Northern and Rockaway boulevards signalized intersection project.

Impact Fee – Parks Fund

Based on 325 projected single-family housing starts in FY12 and anticipated commercial construction starts, budgeted revenue is \$81,770. Projects budgeted include Cabezon Dog Park, Rainbow Park Observatory, and Cielo Grande Park.

High School Infrastructure Loan Fund

This project is complete. The remaining funding of \$362,522 will be transferred to the loan debt service fund which will reduce the funding required from the General Fund for FY12.

Water and Wastewater Utility

The Water and Wastewater Utility provides service to approximately 32,000 customers. Revenue to fund operations is derived from the sale of water and wastewater services. A scheduled rate increase of 3.3 percent will provide funds for operation and capital costs. This increase is based on the Global Insight CPI estimate for water and wastewater maintenance. The Public Service of New Mexico (PNM) announced a rate increase request of 5.1 percent in July 2011 and 5.7 percent in January 2012. The projected increase in water and wastewater electricity costs is \$256,000. A portion of this increase has been included in the FY12 budget.

The City’s water and wastewater utility will integrate the work order system with GIS. This will allow Utilities staff to query historical events to prioritize capital projects, review water and wastewater system capacity and analyze future maintenance and capital needs. In FY12, the City will install a splitter box to support continued growth in the northeast quadrant of the City.

REVENUES: **\$32,913,960**

Revenues in FY12 are derived from Water and Wastewater sales, Interest Income and Impact Fees. In comparison to FY11 actual revenues, a 9.9 percent or \$3,595,635 decrease in the total FY12 budgeted revenues is anticipated due to the revenue projections discussed below:

- A slight decrease of 0.2 percent or \$59,017 compared with actual FY11 revenues is projected in FY12 Water and Wastewater revenues.
- Water and Wastewater Impact Fees are projected to decrease 40.5 percent or \$235,526 due to the continued decline in the construction industry.

State appropriations and grants decreased \$3,339,389 because the total amount received in Fiscal

Year 2011 included grant awards from the Army Corps of Engineers for arsenic removal and the State of New Mexico for water and effluent infrastructure. Although the City has applied for several grants for FY12, we have not received notice of award.

MATERIALS & SERVICES: \$18,161,308

The materials and services budget decreased 0.1 percent or \$15,951 compared with actual FY11 expenditures. This is primarily due to a decrease in professional services used for the implementation of SCADA (Supervisory Control and Data Acquisition) and supplies. Additionally, FY11 included a roll forward of expenditures incurred in the prior fiscal year but paid in FY11, while the final FY12 budget does not.

CAPITAL OUTLAY: \$2,357,722

Capital Outlay in the Utilities Fund contains items such as equipment and capital projects. A detailed list of equipment can be found in the Capital Outlay section of the budget document. Funding for capital projects is provided through a combination of Utilities Operation revenues, Impact Fees, grants, loan/bond proceeds, and Environmental Gross Receipts Tax revenue.

Conversion of the current water meter system from manual reading to electronic reading and new meter installations (\$772,800) are budgeted in the Operations & Maintenance Fund.

Funds to purchase water rights (\$580,191) are provided in the Water Rights Fund. To satisfy the Office of the State Engineer permit requirements, the City must acquire 728 acre feet of water rights over a five-year period.

Funds to construct the Paseo Gateway Water Line are provided in Water Impact Fees (\$175,622). Currently, the Enchanted Hills area is served by one well and transmission line. This project will provide additional water supply and storage for the Paseo Gateway and Enchanted Hills areas.

Wastewater Impact Fees will be used to install a splitter box at Lift Station #10 (\$275,589) located at the intersection of N.M. 528/Pat D'Arco Highway and Southern Boulevard. The splitter box will divert wastewater from Wastewater Treatment Plant #2 (WWTP #2) to provide additional capacity. This will enable WWTP #2 to more readily handle the increase flow that will occur with development in the northeast quadrant of the City.

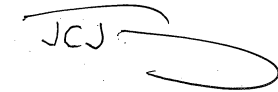
The Environmental Gross Receipts Tax Fund provides funding for the rehabilitation and repair of the City's wells (\$200,000). Annual repair and maintenance for the City's wells is essential to maintain the delivery of water to the City's Utilities customers.

UTILITY FUND ENDING FUND BALANCE:

The Utilities Fund unreserved ending fund balance is \$4,150,554. Based on the estimated revenues, expenditures, and ending fund balance in FY12, the Utility meets the required debt service coverage ratio of 1.15 times coverage for parity bonds. In FY12, the debt coverage ratio for parity bonds is 1.27 times and the debt coverage for bonds and loans is 1.13 times.

In summary, the economic recession has hit harder and lasted longer than anyone in the State had predicted. The economic growth outlook for the coming years suggests that City resources will continue to be strained. We encourage our community, our employees, and our public officials to continue to work together to generate ideas on ways to improve our services to the community, while using our resources in ways that are consistent with the City's adopted strategic plan. Many thanks go to all City employees for the valued services they provide our residents.

Sincerely,

A handwritten signature in black ink, consisting of the initials "JCJ" followed by a large, stylized flourish that loops back to the left.

James C. Jimenez

City Manager

**CITY OF RIO RANCHO
GOVERNING BODY**

**District 1; Councilor
Michael J. Williams**



**District 2: Councilor
Patricia A. Thomas**



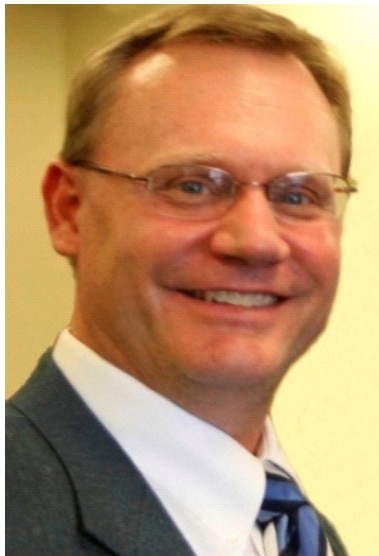
**District 3: Councilor
Tamara L. Gutierrez**



**District 4: Councilor
Steven L. Shaw**



**District 5: Councilor
Timothy C. Crum**



**District 6: Councilor/Deputy
Mayor. Kathleen M. Colley**



Mission

The City of Rio Rancho's mission is to ensure the health, safety and welfare of the community by providing excellent service to achieve a high quality of life for residents, businesses, and visitors.

Vision

A diverse, sustainable, family-friendly community that is safe, vibrant and attractive to residents, businesses and visitors.

Values

The overarching values of Rio Rancho are:

- Service
- Accountability
- Respect

The values statement for Rio Rancho is: A philosophy of service, accountability and respect shall govern our interactions with citizens and with each other.

GOALS

The Strategic Plan promotes the City of Rio Rancho's vision by establishing goals and strategic directions for each of the issue areas identified during the planning process. The following six goals have been created to reflect the character of the community that is envisioned in the future. The goals are multi-year in nature.

Goal 1: INFRASTRUCTURE

Ensure that the City develops new and has well-maintained infrastructure that fosters a quality community, supports a strong economy and meets the needs of current and future residents.

Goal 2: DEVELOPMENT

Ensure the City has plans and policies in place to attract and create well-planned high-quality, stable, residential, commercial and industrial development.

Goal 3: FISCAL HEALTH

Ensure that the City's fiscal health is strong with a growing tax base, sound financial policies and economically diverse funding solutions.

Goal 4: PUBLIC SAFETY SERVICES

Provide services to ensure the safety and health of the community through quality police, fire and emergency medical services.

Goal 5: GOVERNMENT SERVICES

Deliver quality services to meet community needs, assuring that the City is sufficiently staffed, trained and equipped overall.

Goal 6: QUALITY OF LIFE

Provide quality of life services to meet community needs, assuring that there are strong relationships with all sectors of the community and ample opportunities for citizen engagement.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Rio Rancho
New Mexico**

For the Fiscal Year Beginning

July 1, 2010

President

Executive Director

The Government Finance Officers Association of the United State and Canada (GFOA) presented an Award for Distinguished Budget Presentation to the City of Rio Rancho for its Annual Operating Budget for Fiscal Year beginning July 1, 2010 through June 30, 2011.

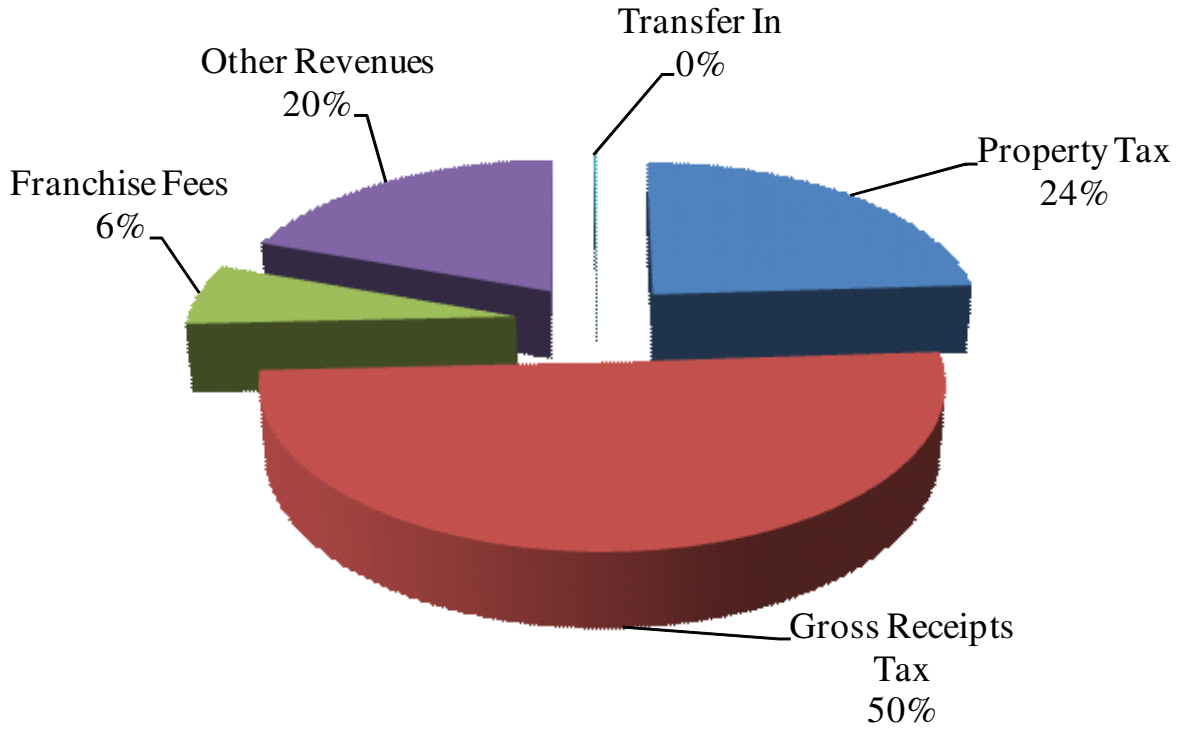
In order to receive this award, a government must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium.

The award is valid for a period of one year only. We believe our current budget (FY 2012) continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

**CITY OF RIO RANCHO
GENERAL FUND SUMMARY
FOR THE PERIOD 7/1/2011 To 6/30/2012**

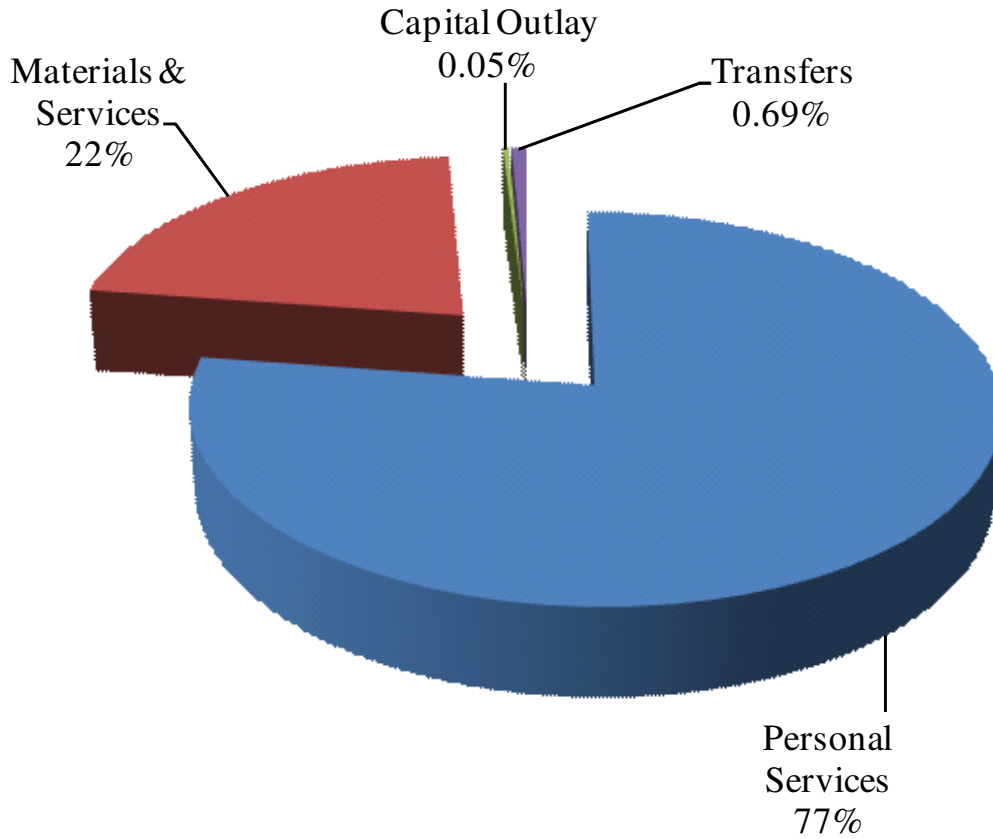
	FY 2011 Actual	Increase (Decrease)	FY 2012 Final Budget	Percentage Change
Beginning Fund Balance	5,096,265	2,890,875	7,987,140	56.7%
Revenues				
Property Tax	11,797,718	212,847	12,010,565	1.8%
Gross Receipts Tax	25,471,900	(307,605)	25,164,295	-1.2%
Franchise Fees	3,077,763	61,065	3,138,828	2.0%
Licenses and Permits	595,520	(76,158)	519,362	-12.8%
Grants	359,639	(255,239)	104,400	-71.0%
State Shared Taxes	321,337	(13,231)	308,106	-4.1%
General Government	1,691,758	(175,882)	1,515,876	-10.4%
Public Safety	1,905,430	383,911	2,289,341	20.1%
Culture and Recreation	962,484	(60,329)	902,155	-6.3%
Fines and Forfeitures	1,101,622	(32,872)	1,068,750	-3.0%
Reimbursement Revenue	2,873,043	14,359	2,887,402	0.5%
Other Miscellaneous Revenue	665,755	(608,255)	57,500	-91.4%
Total Revenues	50,823,969	(857,389)	49,966,580	-1.7%
Other Financing Sources				
Transfer In	772,343	(669,841)	102,502	-86.7%
Total Resources	56,692,577	1,363,645	58,056,222	2.4%
Expenditures				
Personal Services	37,774,840	1,794,206	39,569,046	4.7%
Materials and Services	9,858,874	1,251,121	11,109,995	12.7%
Capital Outlay	54,537	85,756	140,293	157.2%
Encumbrances and Projects	532,641	(532,641)	-	-100.0%
Total Expenditures	48,220,892	2,598,442	50,819,334	5.4%
Other				
Transfer Out	484,545	(121,545)	363,000	-25.1%
Ending Fund Balance				
Unreserved	3,968,732	(1,329,789)	2,638,944	-33.5%
Reserved	4,018,408	216,537	4,234,945	5.4%
Total Ending Fund Balance	7,987,140	(1,113,252)	6,873,888	-13.9%
Total Uses	56,692,577	1,363,645	58,056,222	2.4%

**FISCAL YEAR 2012
GENERAL FUND
Revenue Budget by Category**



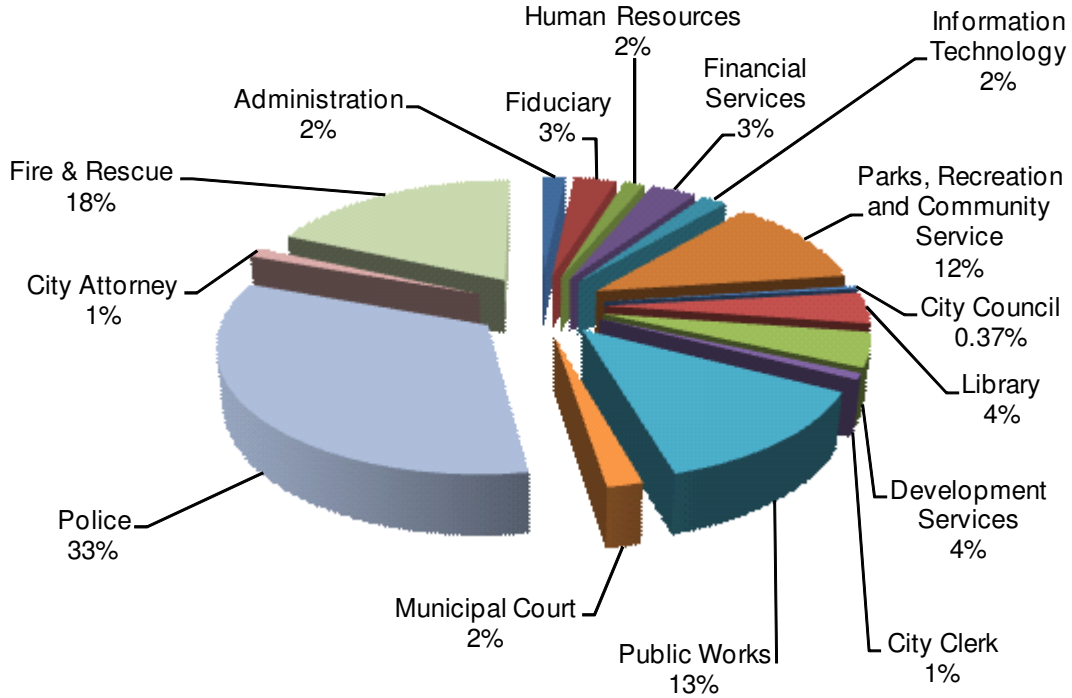
Property Tax	12,010,565
Gross Receipts Tax	25,164,295
Franchise Fees	3,138,828
Other Revenues	9,652,892
Transfer In	102,502
Total Revenue	<u>\$ 50,069,082</u>

**FISCAL YEAR 2012
GENERAL FUND
Expenditure Budget by Category**



Personal Services	\$	39,569,046
Materials & Services	\$	11,109,995
Capital Outlay	\$	140,293
Transfers	\$	363,000
Total Expenditures	\$	<u>51,182,334</u>

GENERAL FUND FISCAL YEAR 2012 Departmental Expenditures



Administration	\$ 862,054
Fiduciary	1,573,045
Human Resources	776,364
Financial Services	1,688,311
Information Technology	932,340
Parks, Recreation and Community Service	5,874,153
City Council	191,156
Library	2,073,488
Development Services	2,265,269
City Clerk	417,612
Public Works	6,683,938
Municipal Court	956,529
Police	16,884,963
City Attorney	626,479
Fire & Rescue	9,376,633
Total	<u>\$ 51,182,334</u>

CITY OF RIO RANCHO
GOVERNMENTAL FUNDS BUDGET SUMMARY
FOR THE PERIOD 7/1/2011 TO 6/30/2012

FUND NUMBER AND TITLE	BEG FUND BALANCE	REVENUES	OPERATING TRANSFERS	EXPENDITURES	ENDING FUND BALANCE
101 General Fund	7,987,140	49,966,580	(260,498)	50,819,334	6,873,888
201 Donation Revenue	1,195	4,100		4,804	491
202 Animal Control Contributions	24,784	35,800		60,584	-
204 Donations ACO/Police	3,966	1,500		3,678	1,788
205 Recreation Fund	2	-		2	-
206 Recreation Activities	68,119	361,997		380,505	49,611
207 KRRB Grant	(1,420)	68,000		66,580	-
210 City Vending Program	20,463		(20,463)	-	-
212 Workers Compensation Fund	627,603	525,091		600,000	552,694
213 Rio Metro Fund	948	141,145	(15,468)	126,625	-
215 Senior Center Programs	11,264	8,489		17,114	2,639
216 Senior Center Programs II	13,977	22,225		21,825	14,377
220 Library State/County Bond Fund	195,828	700,334		700,334	195,828
224 Promotions Fund	12,418	82,537	60,290	155,245	-
225 Convention Visitors Bureau	30,700	354,214	31,219	398,194	17,939
226 Cable Committee	50,047	129,729		155,001	24,775
227 SAD Operations	42,658	-	55,125	54,834	42,949
240 Local Government Correction Fund	(17,670)	186,000	90,200	258,530	-
241 Law Enforcement	8,439	99,600		108,029	10
242 DPS Enforcement Aid	24,996	15,000		35,235	4,761
243 Traffic Education	33,562	62,000		95,339	223
245 NM Gang Task Force	18,522	-		18,522	-
246 PS Misc. Revenue / Donations Fund	5,303	4,000		4,627	4,676
250 Fire Protection	64,353	571,122		585,475	50,000
251 EMS	50	19,882		19,932	-
252 DPS State Grants	-	19,640		19,640	-
253 Summer Lunch Program	55,336	116,500		171,836	-
259 Federal Grants Fund	8	449,999	-	449,999	8
260 Environmental Gross Receipts	123,449	668,232		747,468	44,213
263 Higher Education GRT	2,844,262	2,078,723	-	4,078,723	844,262
270 Municipal Road	121,805	635,050		686,855	70,000
301 Capital Projects Fund	33,978	-	(33,978)	-	-
304 HS Infrastructure	362,522	-	(362,522)	-	-
305 Infrastructure Fund	5,716	-		-	5,716
307 Infrastructure Rehabilitation Fund	24,174	-		-	24,174
310 Recreation Development Fund	3,672	1,280	55,000	56,280	3,672
311 Computer/Software Replacement Fund	19,795	-		19,795	-
312 Equipment Replacement	31,283	-	18,680	49,963	-
313 Building Improvement / Replacement	108,305	68,987	-	163,307	13,985
315 State Appropriation Capital Fund	-	(100,000)	100,000	-	-
323 SAD 6 Project Fund	514	-	(514)	-	-
324 SAD 7A Project Fund	33,806	-		-	33,806
325 SAD 8 Construction Fund	2	-	(2)	-	-
326 2004 Library Bond Construction Fund	5,513	-	(5,513)	-	-
328 2006 GRT Bond Construction Fund	72,480	-	-	72,480	-
329 2009 GO Bond Construction Fund	2,439	-		-	2,439
351 Impact Fees - Roads	531,845	387,525	(11,596)	422,917	484,857
352 Impact Fees - Bikeways/Trails	14,541	6,109	(193)	15,000	5,457
353 Impact Fees - Parks	244,438	81,820	(2,453)	119,882	203,923
354 Impact Fees - Public Safety	220,080	168,470	(5,053)	316,565	66,932
355 Impact Fees - Drainage	135,822	72,756	(2,177)	-	206,401
362 SAD 5 Debt Service	2,345	17,214	-	19,559	-
363 SAD 6 Debt Service	711,801	914,861	(19,486)	264,855	1,342,321
364 SAD 7A Debt Service	1,115,714	651,647	(21,525)	561,771	1,184,065
365 SAD 8 Debt Service	127,189	148,308	(13,598)	119,692	142,207
375 HUD-CDBG Fund	-	301,475		301,475	-
376 Crime Victims Assistance II	-	34,400	7,611	42,011	-
401 G.O. Bonds Debt Service	4,519,094	4,489,725	5,513	5,015,205	3,999,127
424 Series 2005 GRT Debt Service	120,672	1,448,056		1,448,056	120,672
425 GRT Refund NMFA Loan	1,393	16,687	-	16,687	1,393
426 HP Debt Service Loan Fund	36,099	433,159		433,159	36,099
427 HS Debt Service Loan Fund	51,432	24,952	362,522	436,916	1,990
706 Solid Waste Indigent Fund	18,424	14,000		32,424	-
710 RREDC Agency Fund	728	25,000	(750)	24,978	-
730 GRIP Fund	-	150,933		150,933	-
750 Health Self Insurance Fund	893,225	5,647,162		5,477,748	1,062,639
751 Dental Self Insurance Fund	100,059	494,280		494,280	100,059
TOTAL	\$ 21,921,207	\$ 72,826,295	\$ 10,371	\$ 76,920,807	\$ 17,837,066

**CITY OF RIO RANCHO
UTILITY FUNDS BUDGET SUMMARY
FOR THE PERIOD 7/1/2011 TO 6/30/2012**

FUND NUMBER AND TITLE	BEG FUND BALANCE	REVENUES	OPERATING TRANSFERS	EXPENDITURE	ENDING FUND BALANCE
501 Department of Utilities	\$ 4,396,508	\$ 31,441,720	\$ (10,417,044)	\$ 21,270,630	4,150,554
512 Equipment Replacement Fund	105,750	1,000	-	-	106,750
532 Debt Service / NMFA Loan	18,442	-	626,323	626,323	18,442
533 Utility 2009 Ref. Debt Service	27	100	5,985,481	5,985,482	126
534 Utility 2008 Bond Debt	4	25	865,211	865,211	29
536 Debt Service / NMED Loan	1,860,503	4,000	204,867	704,866	1,364,504
537 Utility 2004 Bond Debt	439,639	1,000	232,854	322,854	350,639
538 Utility 2005 Bond Debt	1,987,183	4,000	1,406,368	1,656,968	1,740,583
539 Utility 2007 Bond Debt	3,227,347	7,000	1,659,272	1,757,425	3,136,194
542 Water Rights Fund	493,862	1,109,300	(511,485)	580,191	511,486
545 Water Impact Fees	44,265	192,464	(5,772)	175,622	55,335
550 CIF Wastewater	116,990	-	-	-	116,990
552 Effluent Fund	4,742	-	-	-	4,742
555 Wastewater - Impact Fees	166,947	153,351	(4,599)	275,589	40,110
572 2007 Utility Bond Construction	51,847	-	(51,847)	-	-
573 2008 Utility Bond Construction	365	-	-	-	365
574 2009 Utility Refunding Bond Constructic	714	-	-	-	714
575 Water / Osmosis Projects	18,423	-	-	-	18,423
UTILITY TOTAL	\$ 12,933,558	\$ 32,913,960	\$ (10,371)	\$ 34,221,161	\$ 11,615,986

**CITY OF RIO RANCHO
MULTI-PURPOSE EVENT CENTER FUNDS BUDGET SUMMARY
FOR THE PERIOD 7/1/2011 TO 6/30/2012**

FUND NUMBER AND TITLE	BEG FUND BALANCE	REVENUES	OPERATING TRANSFERS	EXPENDITURE	ENDING FUND BALANCE
601 Multi - Purpose Event Centre Fund	\$ 14,657	\$ 383,006	\$ (298,513)	\$ 84,493	\$ 14,657
610 MPEC Debt Service Fund	3,164,384	2,695,565	298,513	2,994,078	3,164,384
MPEC TOTAL	\$ 3,179,041	\$ 3,078,571	\$ -	\$ 3,078,571	\$ 3,179,041

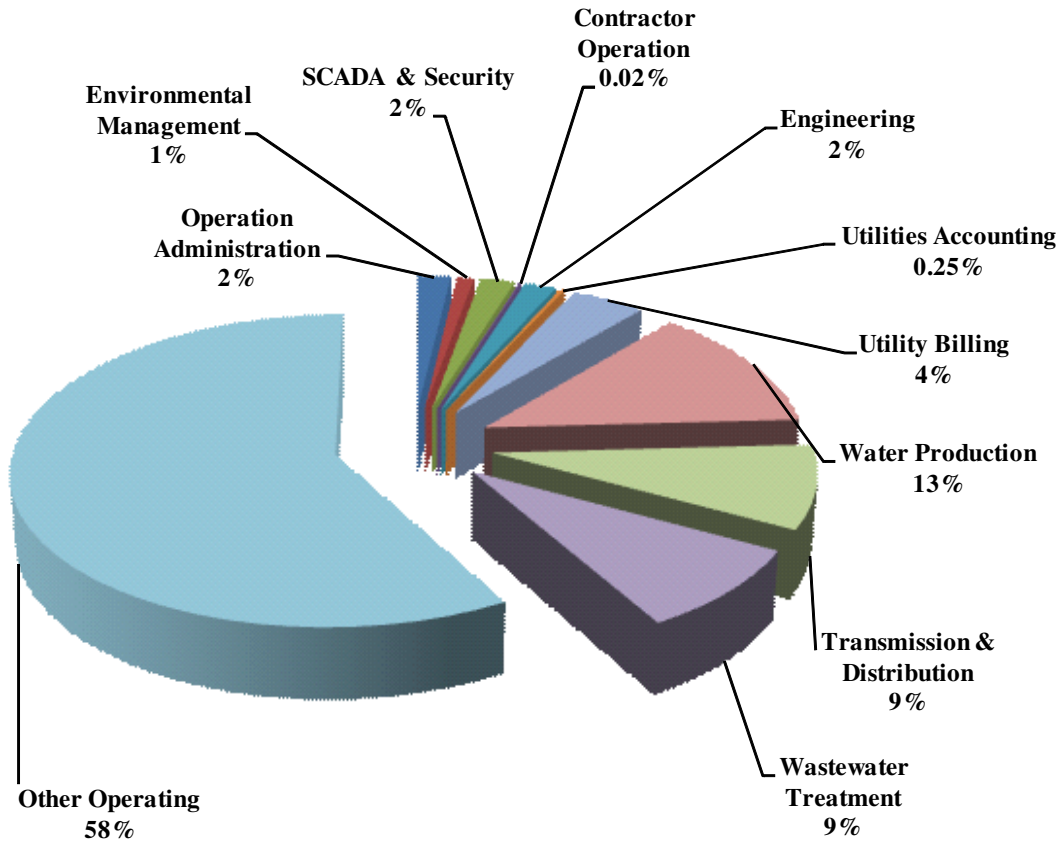
All Funds Total \$ 38,033,806 \$ 108,818,826 \$ - \$ 114,220,539 \$ 32,632,093

CITY OF RIO RANCHO

**Water and Wastewater Utility Fund Summary
7/1/11 TO 6/30/12**

	FY 2011 Actual	FY 2012 Adopted Budget	Percentage Change
Beginning Fund Balance	\$ 20,211,572	\$ 12,933,558	-36.01%
Revenues			
Water	\$ 18,749,078	\$ 18,875,820	0.68%
Wastewater	\$ 13,760,459	\$ 13,574,700	-1.35%
Impact Fees	\$ 581,191	\$ 345,665	-40.52%
State Appropriations & Grants	\$ 3,339,389	\$ -	N/A
Interest	\$ 32,530	\$ 27,775	-14.62%
Other Income	\$ 46,948	\$ 90,000	N/A
Total Revenues	<u>\$ 36,509,595</u>	<u>\$ 32,913,960</u>	-9.85%
Other Financing Sources			
Bond & Loan Proceeds	\$ 8,247,123	\$ -	N/A
Total Other	<u>\$ 8,247,123</u>	<u>\$ -</u>	N/A
Total	<u><u>\$ 64,968,290</u></u>	<u><u>\$ 45,847,518</u></u>	-29.43%
Expenditures			
Personal Services	\$ 1,838,632	\$ 1,793,373	-2.46%
Material and Services	\$ 18,177,259	\$ 18,161,308	-0.09%
Capital Outlay	\$ 14,953,833	\$ 2,357,722	-84.23%
Encumbrances & Projects	\$ 4,861,537	\$ -	N/A
Total Expenditures	<u>\$ 39,831,261</u>	<u>\$ 22,312,403</u>	-43.98%
Other Financing Uses			
Debt Service	\$ 11,718,616	\$ 11,919,129	1.71%
Total Other Financing Uses	<u>\$ 11,718,616</u>	<u>\$ 11,919,129</u>	1.71%
Ending Fund Balance - Unreserved	\$ 5,903,739	\$ 5,005,469	-15.22%
Ending Fund Balance - Debt Service	\$ 1,281,123	\$ 376,966	-70.58%
Ending Fund Balance - Debt Service Reserve	\$ 6,233,551	\$ 6,233,551	0.00%
Total EFB	<u>\$ 13,418,413</u>	<u>\$ 11,615,986</u>	-13.43%
Total	<u><u>\$ 64,968,290</u></u>	<u><u>\$ 45,847,518</u></u>	-29.43%

**FISCAL YEAR 2012
UTILITIES OPERATIONS FUND 501
COST CENTER EXPENDITURES**



Operation Administration	591,788
Environmental Management	307,863
SCADA & Security	617,864
Contractor Operation	28,114
Engineering	576,531
Utilities Accounting	87,009
Utility Billing	1,347,096
Water Production	4,093,985
Transmission & Distribution	2,774,185
Wastewater Treatment	2,784,838
Other Operating	<u>18,478,401</u>
	<u>31,687,674</u>