

The Rio Rancho Tea Party

Volume 7



January 2015

Water Rate Freeze Gets the Big Chill

If you weren't paying close attention, you probably missed the shot across the bow made by Senator Craig Brandt at the recent Capital Outlay Forum. The meaning was clear – If Rio Rancho freezes the water rate increases, don't expect any state funds for water infrastructure. Does he think even though we have the second highest water rates in the state, Rio Rancho residents aren't paying their fair share? Let's take a closer look at those pesky details surrounding our water rates and infrastructure improvement.

First, let's turn to the Red Oak Study done in 2012. This study made certain assumptions:

Assumption 1: Water usage per household account would stay the same.

The city's water usage has decreased by 25% since 2012. Peak demand decreased from 88% to less than 50% peak demand this year. This is significant because it gives more time to address the city's water problems. This reduction in demand equates to less expenses in pumping and treat-

ing water. This doesn't even include the likely benefit we'll see from the estimated 2500 leaking service lines that will have been replaced by next summer.

Assumption 2: The City would build a capital reserve equal to 1% of assets.

The Study's projected goal was to have \$3 million in capital reserve by 2017; we have already reached \$4 million. It further recommended to have \$2.09 million a year toward the water rights fund; the city is already ahead at \$2.7 million a year. The Study also said the city should have \$48 million total revenue by 2017; it is currently already at \$45.2 million, not including miscellaneous revenue that adds up to another \$1.9 million.

Assumption 3: The City would add \$45 million in debt for capital projects.

The Study anticipated the City would borrow this amount in debt to help fund capital projects. However, the current \$25 million loan for reuse still has an available balance of over \$11 million to cover direct injection

and reuse projects. The City has reduced the debt by \$16 million in the last two years. The utilities ending fund balance is also at a robust \$11 million.

So given the above, why are we not seeing more projects? The simple answer is red-tape and regulations. Government moves at a snail's pace. With projects getting completed at this rate, is it reasonable to give citizens some relief, even if only for a couple of years? Keep in mind that the utilities fund is completely separate from the general fund (which is having serious trouble this year).

We all know that once bureaucrats have their hands in our pockets, it's hard for them to let go. And if the Tax Collectors 4 (Brandt, Harper, Lewis and Pacheco) start issuing ultimatums; what is next? Will they hold hostage any support for public safety and road projects if our city doesn't increase sales or property taxes? Guess we don't have enough skin in the game to suit them.

January 6, 2015
Meeting

School Board Election
Candidate Ramon Montano

Water Rate Freeze
Councilor Chuck Wilkins

State Initiatives Radar
Voter ID
Drivers Licenses for Illegals
School Fees

UNSANCTIONED!

Is it the Zombie Apocalypse? OK – Maybe not, but the general weirdness ongoing at city hall has us

wondering. Here are some reasons we contemplate the question:

The word "unsanctioned" has been used by some Governing Body members and has appeared in several

Unsanctioned! continued

recent editorials in reference to Councilor Wilkins' Unit 10 working group. The use of this word in such a context should give us all pause. While there is no rule prohibiting the formation or use of a working group, characterizing it as "unsanctioned" infers it is unauthorized and/or illegitimate. This unfortunate mischaracterization will support future false accusations against Governing Body members that dare to engage with constituents outside of the new city staff managed special committee system. For example, Councilor Robinson did not go through the special committee system or seek an official pre-approval to work on her proposed changes to the city ordinance allowing dogs in all city parks. Since this work is "unsanctioned" should we infer she's "going rogue"?

While the new Governing Body flounders through its first year, we need to look past

the new special committee system propaganda. Do we want leaders who work hard for their constituents and are willing to stick their necks out to find solutions; or do we want people who submit to "sanctioned" special committee and/or staff recommendations? Some new councilors, who for years railed against the recommendations of city staff, are now telling the public we should always trust staff because they are "the experts". As individuals, we like most of the city staffers we have come to know; but we're also smart enough to understand that they have their own ideas and agendas for governing the city. They are not the enemy, but they are sometimes an opponent of the people that were actually elected to govern; It remains prudent for elected Governing Body members to verify and question what they are told by staff.

During the city budget meetings held in May and June, the new Governing Body ignored two Councilors' predictions and warnings about staff's overly optimistic economic projections. They accepted staff's recommendations and now we see a shortfall in GRT (recurring) revenue.

What does the future hold? Well, the intentional misuse of that word "unsanctioned" probably provides us with a clue to what's ahead. As the new Governing Body members struggle to find their own voice, expect more propaganda than real progress, more zombie-like group think than real leadership, and more time wasted on finding ways to control the Governing Body minority. And we wonder... who is really doing the sanctioning?

Budget Ballistics

Counting on Windfalls?

The budget approved last summer by the new Governing Body is already showing signs of distress. The Governing Body accepted staff's recommendations based on 4.7% growth in GRT. Now mid-year numbers show an estimated shortage in GRT revenue of about \$1.3 million this year. If not for several recent fortuitous one-time shots to prop up the budget, they would have to follow through with the City Manager's request last month for 3% cuts in every department. But we're not off the merry-go-round yet; staff projected an even greater 7.9% growth for next year's revenue, even though the past 4 years have shown proven growth around 3%. It is sensible to plan the budget based on predictable 3% growth until we see consistent data to support higher projections. One-time revenue should cover one-time expenses. Stable recurring revenue should cover the cost of recurring expenses such as payroll, which accounts for about 78% of the city's budget. It's nice to give employees a well-deserved raise; however, it wouldn't be very nice to have to take it away in the form of future furloughs. Over-spending based on over-predicting revenue is not a sound fiscal practice, and can easily lead to tax increases and cuts later on.

CORE VALUES

Our commitment to seeking truth and accountability is the hallmark of the Rio Rancho Tea Party.

We are dedicated to constitutional freedoms, free markets, limited government and fiscal responsibility.

RRTP Executive Board

The RRTP is non-partisan & takes no official stand on social issues. We unite on our core values.

January Meeting Raffle:

O'Reilly Book Gift Basket

Includes Killing Kennedy, Killing Patton, and a sweet surprise!

\$1/ticket or \$5/6 tickets

Subject to change—Must be present to enter