

## Policy and Criteria

Every two years, the City Council adopts policies and criteria for the evaluation of capital projects to be included in the General Obligation Bond Program (G.O. Bond Program) and Decade Plan. On January 23, 2008, the City Council unanimously adopted Resolution 07-12; Enactment 2008-017 establishing policies and criteria for the 2009 Capital Program. A complete copy of this legislation is included in this document. Following is a summary of the provisions;

### **Underlying Policy Legislation**

The following adopted policies of the City of Albuquerque are cited in R-07-12:

- *Albuquerque / Bernalillo County Comprehensive Plan*
- City Council Bill F/S R-70; Enactment 91-1998: *Growth Policy Framework*
- City Council Bill R-01-344; Enactment 172-2001: *Centers & Corridors*
- City Council Bill F/S O-02-39; Enactment 34-2002 and Council Bill F/S R-02-111(A); Enactment 112-2002: *Planned Growth Strategy*
- City Council Bill F/S R-04-159; Enactment 117-2004: Policy Regarding Reduced Impact Fees
- City Council Bill F/S(3) O-06-8; Enactment O-2006-035: Affordable Housing

### **Funding Criteria**

Funding Criteria were established as guidelines. Initially the 2009 G.O. Bond Program capacity was estimated to be \$160 million. However, due to actions taken in conjunction with the FY09 Operating Budget approval process, City User Agencies were asked to plan and propose their capital program based on the revised bond capacity of \$152 million. When the assessed valuations were received in late summer, it was determined that the growth in property taxes would permit the City to raise the estimated capacity of the G.O. Bond Program back to the original \$160 million.

The resolution also mandates several projects and programs that are required to be included in the 2009 G.O. Bond Program. Please refer to Table 1 for a summary of funding allocations and recommendations, and for a summary of mandated projects.

### **Project Selection Criteria**

Specific project selection criteria were adopted in R-07-12 for each funding allocation category.

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## Funding Allocation Chart

Department / Division	Allocated (R-07-12)	Requested	Proposed '09
<b>Total Bond Program Capacity</b>	<b>\$152,000,000</b>		<b>\$160,000,000</b>
Streets Division of DMD	\$44,080,000	\$58,259,000	\$44,165,000
Storm Drainage Division of DMD	\$13,680,000	\$17,500,000	\$13,700,000
Park Design & Construction Division of DMD (Required Vehicle Set-Aside Goal)	\$7,600,000 -\$500,000 \$7,100,000	\$12,950,000	\$13,900,000
Parks & Recreation Department (Required Vehicle Set-Aside Goal)	\$9,120,000 -\$1,000,000 \$8,120,000	\$12,825,000	\$9,335,000
Public Safety	\$9,120,000	\$31,380,000	\$8,200,000
Police Department (Required Vehicle Set-Aside Goal)	\$5,700,000 -\$3,000,000 \$2,700,000	\$26,500,000	\$5,700,000
Fire Department	\$3,420,000	\$4,880,000	\$2,500,000
Transit	\$7,600,000	\$10,600,000	\$7,750,000
Community Facilities	\$50,280,000	\$115,595,000	\$52,350,000
Affordable Housing	\$10,000,000	\$10,000,000	\$10,000,000
Animal Welfare	\$1,500,000	\$2,500,000	\$1,500,000
Cultural Services	\$13,020,000	\$55,270,000	\$19,150,000
CIP, Facilities, and Parking Divisions of DMD	\$2,100,000	\$5,650,000	\$2,250,000
Environmental Health	\$3,900,000	\$4,020,000	\$1,700,000
Family & Community Services	\$5,700,000	\$9,900,000	\$5,500,000
Finance & Administrative Services / 3% Energy Conserv. <sup>1</sup>	\$7,360,000	\$12,805,000	\$8,400,000
Planning	\$3,500,000	\$5,000,000	\$3,350,000
Senior Affairs	\$3,200,000	\$10,450,000	\$500,000
<b>Sub-Total 2009 G.O. Bond Program</b>	<b>\$141,480,000</b>	<b>\$259,109,000</b>	<b>\$149,400,000</b>
Council-Neighborhood Set-Aside Program	\$9,000,000	\$9,000,000	\$9,000,000
1% for each Bond Purpose for Public Art	\$1,520,000	\$1,600,000	\$1,600,000
<b>Total 2009 G.O. Bond Program</b>	<b>\$152,000,000</b>	<b>\$269,709,000</b>	<b>\$160,000,000</b>
Note: 1. Reference F/S O-06-34 regarding 3% of the G.O. Bond Program for energy conservation and renewable energy projects.			

Table 1

## Policy and Criteria

### Minimize Operating Budget Impact

In order to minimize the impact of capital projects on the operating budget, to emphasize the preservation of existing assets, and to correct critical deficiencies, the criteria resolution establishes that approximately 90% of the 09 General Obligation Bond Program be restricted to rehabilitation and deficiency correction projects. For this cycle, approximate 96% of the G.O. Bond Program is associated with rehabilitation and deficiency correction projects.

#### Rehabilitation and Deficiency Analysis <sup>1</sup>

Funding Allocation Category	Recommended Funding	Rehabilitation	Percent of Total	Deficiency	Percent of Total	Total % R & D
Community Facilities	\$37,550,000	\$20,720,000	55.18%	\$13,275,000	35.35%	90.53%
DMD/Park Design	\$13,900,000	\$1,250,000	8.99%	\$12,020,000	86.47%	95.47%
Parks & Recreation	\$9,335,000	\$7,813,500	83.70%	\$1,521,500	16.30%	100.00%
DMD/Storm	\$13,700,000	\$3,950,000	28.83%	\$9,600,000	70.07%	98.91%
DMD/Streets	\$42,565,000	\$29,951,500	70.37%	\$11,813,500	27.75%	98.12%
Public Safety	\$8,200,000	\$5,000,000	60.98%	\$3,200,000	39.02%	100.00%
ABQ Ride/Transit	\$7,750,000	\$4,325,000	55.81%	\$3,325,000	42.90%	98.71%
<b>TOTAL</b>	<b>\$133,000,000</b>	<b>\$73,010,000</b>	<b>54.89%</b>	<b>\$54,755,000</b>	<b>41.17%</b>	<b>96.06%</b>

Note <sup>1</sup>: Totals do not include: Council-Neighborhood Set-Aside Program; Affordable Housing Program; 3% for Energy Conservation; 1% for Growth Related Impact Fees; or, 1% for Public Art

Table 2

### Project Categorization

As part of the planning process, it is required that projects be categorized as: growth, rehabilitation, deficiency, mandate or improvements. These categories are defined as follows:

- Growth: New facilities, component additions, or system upgrades that provide service or capacity for new customers (defined as customers not currently using the system); or that restore needed reserves previously used to support new users.

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- **Rehabilitation:** Projects that extend the service life of an existing facility or system, or that restore original performance or capacity by rehabilitating or replacing system components.
- **Deficiency:** Projects that correct inadequate service, provide system backup capability, or minimize downtime or loss of service ability.
- **Improvements:** Projects that enhance the efficiency or customer satisfaction of an existing system that are not covered in the above categories, including costs to conduct special studies directly related to the implementation of the capital program.
- **Mandate:** Projects that are required in order to comply with regulation(s) of federal, state, or local jurisdictions.

### **Project Area**

A boundary based on the water line extension policy contained in Council Bill R-390, has been established. Projects outside that boundary may not be funded by the capital program.

### **High Medium and Low Priority Projects**

All projects proposed for the 2009 G.O. bond cycle are required to be rated by a staff committee using the criteria provided in R-07-12. The ratings shall be divided into high, medium and low priority, and no more than ten percent (10%) of value of the Mayor's proposed G.O. Bond Program may be ranked in the low category. For the 2009 G.O. Bond Program, 4.8% of the program funds are ranked low.