



TIMOTHY M. KELLER, MAYOR

CITY OF ALBUQUERQUE
OFFICE OF THE MAYOR/ CHIEF ADMINISTRATIVE OFFICE

INTEROFFICE MEMORANDUM

TO: CITY COUNCIL

FROM: TIMOTHY M. KELLER, MAYOR

SUBJECT: VETO OF C/S O-24-67: AMENDING CHAPTER 2, ARTICLE 11 OF THE CITY OF ALBUQUERQUE CODE OF ORDINANCES TO IMPROVE THE CITY'S BUDGET PROPOSAL PROCESSES AND STRENGTHEN OVERSIGHT AND ACCOUNTABILITY MEASURES.

DATE: DECEMBER 30, 2025

First, I want to recognize all of the staff who worked on this legislation over the past year. I fully understand the significant time, expertise, and dedication it takes for my Administration and Council staff to collaborate in good faith, work through complex issues, and ultimately reach a thoughtful compromise. That process reflects the best of public service and a shared commitment to delivering meaningful results.

However, during final passage, several adopted amendments unfortunately undermined much of the staff's work and raise concerns that I believe warrant careful consideration. A few examples are:

1. **Page 9, lines 26-27** – This language directs the Administration on how to formulate the proposed budget and likely conflicts with the City Charter.

2. **Page 18, lines 23–33, and Page 19, lines 1–20** – This language would require the Council to have direct and concurrent access to all “budget preparation, accounting, and fiscal analysis” databases, software, and financial systems. Providing direct and concurrent access to all such systems likely conflicts with the City Charter, which specifies that the Council shall have “access to all information relating to the formulation of the budget,” rather than access to broader operational information not directly related to budget formulation, such as accounting and fiscal analysis systems.

Rather than sending these concerns to the Intergovernmental Conference Committee, “ICC,” and potentially setting up future legal separation of powers disputes in the courts, I am vetoing this ordinance, but welcome the chance to work on the general Budget process together with the new Council in 2026. I view this moment as an opportunity. The foundation that was built through months of dialogue, analysis, and cooperation remains strong.

I respectfully ask that the City Council uphold my veto and together we establish a Conference Committee consistent with the City Charter and Chapter 2, Article 11 of the Code of Ordinances. I propose that the Conference Committee work collaboratively through each article of the Budget Ordinance, discussing and developing potential changes together. Through this process I am confident that we can reengage constructively, and continue working together to advance solutions that work for everyone.

CITY OF ALBUQUERQUE
CITY COUNCIL

INTEROFFICE MEMORANDUM

TO: Timothy M. Keller, Mayor

FROM: Isaac Padilla, Director of Council Services

YMM / For
IEP

SUBJECT: Transmittal of Legislation

Transmitted herewith is Bill No. C/S O-24-67 Amending Chapter 2, Article 11 Of The City Of Albuquerque Code Of Ordinances To Improve The City's Budget Proposal Processes And Strengthen Oversight And Accountability Measures (Peña), which was passed at the Council meeting of December 15, 2025, by a vote of 8 FOR AND 1 AGAINST.

For: Baca, Bassan, Champine, Grout, Lewis, Peña, Rogers, Sanchez
Against: Fiebelkorn

In accordance with the provisions of the City Charter, your action is respectfully requested.

CITY of ALBUQUERQUE

TWENTY SIXTH COUNCIL

COUNCIL BILL NO. C/S O-24-67 ENACTMENT NO. _____

SPONSORED BY: Klarissa J. Peña

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ORDINANCE

AMENDING CHAPTER 2, ARTICLE 11 OF THE CITY OF ALBUQUERQUE CODE OF ORDINANCES TO IMPROVE THE CITY'S BUDGET PROPOSAL PROCESSES AND STRENGTHEN OVERSIGHT AND ACCOUNTABILITY MEASURES.

WHEREAS, the City of Albuquerque seeks to enhance transparency, accountability, and efficiency in its budgeting process; and

WHEREAS, the City Charter assigns the responsibility of overseeing budgetary and financial operations to both the Mayor and the City Council, with the intent of ensuring consistency with the City's five-year goals and objectives; and

WHEREAS, Chapter 2, Article 11 of the City's Code of Ordinances outlines the processes and responsibilities for preparing and reviewing the City's operating budget, and regular updates are necessary to reflect best practices in public finance and governance; and

WHEREAS, the City of Albuquerque seeks to streamline and clarify the language of its budget ordinance, aligning it more closely with current practices and operational needs; and

WHEREAS, updating the ordinance to reflect contemporary budgeting standards and procedures will enhance efficiency and ensure the ordinance remains relevant and effective for the City's ongoing fiscal management.

BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF ALBUQUERQUE:

SECTION 1. Chapter 2, Article 11 of the City Code of Ordinances is amended as follows with all sections and subsections renumbered accordingly:

§ 2-11-1 INTENT.

(A) Article IV, Section 10(b) of the City Charter specifies that the Council shall establish and adopt five-year goals and one-year objectives for the City, which goals and objectives shall be reviewed and revised annually by the Council. Article IV, Section 10(d), Article V, Section 4(f), and Article VII, Section 1 of the Charter specify that the City operating budget should be formulated by the Mayor, in consultation with the Council and consistent with the goals and objectives of the City. The Charter indicates that other legislation and policies of the City are to be consistent with these goals and objectives as well. Article VII, Section 3 of the Charter requires the Mayor to propose the budget to the Council by April 1st each year and the Council to approve the budget as proposed or amend and approve it within sixty days after it is proposed by the Mayor.

(B) To implement these City Charter provisions, §§ 2-11-1 et seq. a process for adopting five-year goals and one-year objectives which will be valuable in themselves and also will be major factors in determining funding for City programs and improvements in the operating budget and the capital improvements budget.

(C) To adopt a goals and objectives process that encourages active citizen participation, that is linked to the budget process, and that encourages performance measurement.

§ 2-11-2 SHORT TITLE.

This article may be referred to as the City Operating Budget Ordinance.

§ 2-11-3 DEFINITIONS.

For the purpose of this article, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

COST OF LIVING ADJUSTMENT (COLA). A wage increase intended to counteract inflation based on Consumer Price Index-Urban.

DEPARTMENT. A primary administrative unit tasked with the management, implementation, and oversight of specific municipal functions, services, and programs.

ENCUMBRANCE. A commitment of appropriated funding for a future, specific expenditure associated with a purchase order or contract.

FISCAL YEAR. The City's 12-month budget and accounting period that begins on July 1st and ends on June 30th the following year.

(B) The Indicators Progress Commission (IPC), established under § 2-1-13 of the Albuquerque Code of Resolutions, is responsible for coordinating the review and analysis of community indicators and recommending revisions to the City's Five-Year Goals based on measurable progress.

(1) The IPC shall submit a written report, in the form of an Other Communication, to the City Council no later than January 31st of every even-numbered year. This report shall include:

(a) A biennial Goals Progress Report summarizing community conditions, trends, and performance outcomes in relation to the City's adopted Five-Year Goals;

(b) Any recommended revisions to the Five-Year Goals;

(c) A summary of public engagement, community perceptions, and relevant civic forums if conducted.

(2) The City Council shall schedule a presentation by the IPC during even-numbered years. This presentation will allow Councilors to receive the IPC's findings, ask questions, and consider recommendations before budget preparation is finalized.

(C) The City Council shall hold at least one public hearing, meeting as the Committee of the Whole, at which the public can propose objectives and comment on proposed or revised objectives respectively for the coming year.

(D) City Council shall annually adopt or revise and adopt one-year objectives with the intent of accomplishing short-term outcomes that are necessary to accomplish each of the five-year goals. One-year objectives should be reflected in the operating and capital budgets of the City.

(E) Progress reports. The purpose of this phase is to have a mechanism for accountability and monitoring of the Goals and Objectives Process. It is intended that such progress reports will include performance measurements of the Goals and Objectives Process as well as the budget process.

(F) Objectives shall be established by resolution and submitted along with the Mayor's annual budget proposal.

(1) Departments must review and report, in the form of an Executive Communication (EC), on the progress of these objectives annually, ensuring alignment with the five-year goals, including shortfalls and corrective actions.

1 The EC, for the previous fiscal year, shall be submitted to the City Council by
2 September 1st of each year.

3 (2) On an annual basis, the City shall conduct a “Citizens’ Perception of
4 Conditions Survey” to poll the residents on the perception of City governmental
5 services and community conditions related to the Five-Year Goals.

6 (3) On an annual basis, during the month of October, City Administration
7 including key departmental staff and representatives of City Council shall meet to
8 review the five-year goals, community conditions, strategies, programs, and one-
9 year objectives.

10 (G) Staffing. Both the Mayor and City Council shall identify appropriate
11 staff to collaborate in the development and implementation of the Five-Year Goals
12 and One-Year Objectives Process.

13 (H) Measurable Indicators for Five-Year Goals and One-Year Objectives.

14 (1) All Five-Year Goals and One-Year Objectives adopted by the Council
15 shall include measurable indicators that allow for evaluation of progress toward
16 achieving the stated outcomes.

17 (2) These indicators shall consist of quantifiable data points, benchmarks,
18 or other documented measures that are directly related to the corresponding goal
19 or objective.

20 (3) The Administration shall report annually, as part of the required status
21 report described in § 2-11-5(3), on the results for each measurable indicator,
22 including current performance, year-over-year changes, and any documented
23 factors affecting progress.

24 (4) The indicators shall be developed collaboratively by the
25 Administration, Department Representatives, and Council Services during the
26 goals and objectives review process and included in all documents
27 accompanying the adoption or revision of Five-Year Goals and One-Year
28 Objectives.

29 (5) The measurable indicators adopted under this Section shall reference
30 and incorporate, when applicable, the community condition data and trend
31 information provided by the Indicators Progress Commission in its biennial
32 reports, consistent with the IPC’s existing duties and reporting schedule.

33 § 2-11-6 COUNCIL COMMITTEE OF THE WHOLE.

The Council shall meet as the Committee of the Whole, and hold at least three public hearings as needed for the following purposes:

(A) To review the Mayor's proposed operating budget and recommend final adoption of the operating budget.

(B) To review and recommend final adoption of the Five-Year Goals.

(C) To review and recommend final adoption of the One-Year Budget alternatives.

(D) To conduct reviews of City operations through departmental presentations. The Chair shall determine the format, subjects, and duration of the presentations. The presentations are in addition to the Mayor's budget submission and intended to ensure public accountability.

(E) STUDY SESSIONS. In addition to the program reviews described in this Section, the Committee of the Whole shall convene at least one mid-fiscal-year Study Session, at the call of the Chair, for the purpose of receiving informal operational briefings from Department Directors related to the upcoming fiscal year. Study Sessions shall be informational only, shall occur prior to the submission of the Mayor's draft proposed budget, and shall not constitute part of the formal budget review or adoption process required under this Article. Public comment shall not be taken during Study Sessions. Study Sessions are intended to provide Councilors with an opportunity to ask questions and receive information directly from Department Directors.

(1) The Chair shall determine the subject matter, and timing of all mid-fiscal year Study Sessions. Department Directors may be accompanied by appropriate staff to respond to Council questions.

**§ 2-11-7 PREPARATION OF CITY BUDGET; DEPARTMENTAL REQUESTS;
BUDGET PROPOSAL.**

(A) The Mayor shall prepare a proposed City operating budget for the next fiscal year taking into consideration the requests of the departments and the resources anticipated to be available to the City.

(B) For purposes of this Article, the term “proposed budget” shall be interpreted to mean the Mayor’s draft proposed budget, submitted to the City Council pursuant to Article VII, Section 3 of the City Charter. The draft proposed

Budget placement under this subsection shall not alter the employee's administrative assignment, supervisory chain, or functional deployment.

(4) Organizational Chart Requirements.

As part of the Mayor's annual budget proposal, the Mayor, through the Chief Administrative Officer, shall submit for each department a digital organizational chart showing:

(a) Standard departmental reporting lines; and

(b) Any direct reporting relationships to the Mayor or the Chief Administrative Officer for unclassified employees covered by paragraph (2). These charts shall clearly identify all employees covered by paragraph (2) including those who may not otherwise appear on standard departmental organizational charts.

(5) Updates to Reporting Structure Affecting Budget Presentation.

Whenever a change in direct reporting relationships results in a change to the budget presentation required under paragraph (3), the Administration shall transmit to the City Council an updated organizational chart reflecting such changes within ten (10) business days of the effective date of the change.

The updated chart shall clearly identify the revised reporting relationship and all affected unclassified employees.

(E) Appropriations for Regular Employee COLA and Wage Adjustments: COLA and wage adjustments shall be evaluated each year based on inflation measures, budget limits, compensation studies, and other City priorities, subject to negotiations. The Administration shall separate COLA adjustments from other types of wage adjustments.

(1) Each year, the Administration shall determine a COLA based on the Consumer Price Index Urban (CPIU) ended for the most recent calendar year. COLAs may be less than but shall not exceed the CPIU.

(2) If a proposed COLA is below the CPIU, the Administration shall explain why it does not fully cover the increase in cost of living.

(3) Any wage adjustment above the identified COLA amount shall be considered a wage increase.

1 (F) Amounts appropriated for COLA and wage adjustments are subject to
2 Union and Labor negotiations per City of Albuquerque Code of Ordinances § 3-2-
3 19.

4 (G) A separate program strategy shall be included for any Enterprise Fund
5 that receives general fund revenues. The program strategy shall include a
6 description of general fund revenue uses, and other funding sources as
7 applicable.

8 (H) The Mayor's operating budget proposal submitted to the Council shall
9 include:

10 (1) The Mayor's budget message;

11 (2) An annual appropriation resolution recommended by the Mayor;

12 (3) A comparable statement for the current fiscal year including
13 expenditures to date and anticipated expenditures to the end of that year, to
14 include:

15 (a) All proposed expenditures for all departments of City government;

16 (b) All interest and debt redemption charges;

17 (c) All anticipated revenues and other available resources by source and
18 amount;

19 (d) The proposed means of financing all proposed expenditures;

20 (e) Any fee or rate adjustment proposal for the upcoming fiscal year and
21 projected revenue for the following two fiscal years;

22 (f) The basis used to determine the wage adjustments for the fiscal year
23 shall be based on the Consumer Price Index Urban (CPIU), a compensation study,
24 and other relevant benchmarks chosen by the City.

25 (i) A breakdown of all wage adjustments that meet, fall below, or
26 exceed the COLA rate.

27 (ii) Justifications for any adjustments that do not meet the identified
28 COLA standard, including explanations for budget constraints or other
29 considerations as required.

30 (g) Descriptions of all programs, services, and activities to include
31 strategies, missions, customers, and key initiatives, as proposed in the Mayor's
32 Budget.

(h) Performance measures, as defined in § 2-11-3, associated with all programs, services, and activities.

§ 2-11-9 BUDGET PROPOSAL — PRINTING AND INDEXING.

Sufficient printed copies requested prior by City Council, of the budget proposal shall be prepared by City Administration to allow for distribution to members of the Council, City department heads, and other interested parties as may be deemed reasonable by the Chief Administrative Officer or their designee no later than three (3) calendar days after submission of the proposed budget.

§ 2-11-10 CONSIDERATION OF BUDGET PROPOSAL BY THE COUNCIL.

(A) After receiving the budget proposal from the Mayor, the Council shall schedule at least three public hearings regarding its adoption, as the Committee of the Whole. As a result of its deliberations and the information gathered at the public hearings, the Council may amend the budget proposal at any time prior to May 31st. If the Council fails to approve a budget within that time limit, the budget proposal as submitted by the Mayor is deemed approved.

(B) The Mayor or their representative shall be present at all public hearings on the budget proposal and fee or rate adjustment proposals. The Chief Administrative Officer, or their representative, shall be available to the Council at its request during any of its deliberations on the budget proposal.

(C) The Mayor's administration shall prepare to answer all questions posed by the Council regarding the budget, providing complete and accurate information, during the public hearings. If the Administration is unable to provide an answer during the hearings, they shall commit to delivering the requested information in writing within three (3) business days of the hearing in which the question was proposed. The Administration's responses shall be documented and made available to Council Services.

§ 2-11-11 CONFERENCE COMMITTEE ON THE BUDGET.

(A) Per Article VII: Section 6 of the City Charter, a Conference Committee on the Budget shall meet to help resolve any disagreements between the Mayor and the Council concerning the City budget. The Conference Committee on the Budget shall consist of six members, three of whom shall be designated by the Mayor and three of whom shall be designated by the Council.

meeting, the City Council shall take action on the resolution. If the City Council does not approve an amended version at the second meeting, the resolution as originally submitted by the Administration shall be deemed approved, and the encumbrances therein shall be reappropriated for the subsequent fiscal year.

**§ 2-11-13 BUDGET AMENDMENTS DURING FISCAL YEAR OUTSIDE
ADOPTION OF ANNUAL BUDGET.**

(A) Upon its own initiative or upon a recommendation by the Mayor, the Council may amend the budget during the fiscal year to which it applies. No amendment to the budget shall result in total authorized expenditures that exceed resources to be available for the fiscal year to which the budget is applicable.

(B) The Mayor shall propose expenditure adjustments to the City's operating budget whenever it is determined, after the adoption of the annual budget, that projected revenues are insufficient to cover appropriated expenditures, or that additional revenues have become available. These proposals shall be submitted to the Council through a Mid-year Cleanup or other appropriating resolution.

(C) The Mid-year Cleanup report shall be introduced to the Council in November accompanied by a mid-year appropriation resolution for programs projected to be overspent, where expenditure controls cannot bring spending within the limits of administrative authority. Prior to transmitting any mid-year budget adjustment requests to the City Council, the Administration shall brief Council Services on the adjustment, including revenue assumptions, fund balance impacts, and justification for each change. All mid-year adjustment requests shall be accompanied by detailed documentation of revenue assumptions, expenditures exceeding budgeted amounts per department, whether the adjustment is recurring or one-time, and shall include a General Fund table.

**§ 2-11-14 TRANSFER OF FUNDS AND EXPENDITURE AUTHORITY WITHIN
BUDGET.**

(A) During the fiscal year, the Mayor is authorized to transfer funds or change expenditure appropriations within and among line-item authority, as established by the annual appropriation resolution and other approved appropriations for operating purposes, if the transfer or change does not result in

1 the increase or decrease in that line-item expenditure authority in excess of the
2 cumulative amount of \$500,000 or 5% of the line-item authority, whichever is
3 lower.

4 (B) No actions are authorized which would result in exceeding the total
5 expenditures authorized in the operating budget for the City government as a
6 whole. Actions taken by the Mayor under division (A) of this section shall be
7 reported in detail, in the form of an Executive Communication, to the City Council
8 within ten days of the approval of transfer or change by the Mayor or their
9 designated representative. The City Administration is required to submit a
10 quarterly report to the City Council on all transfers of funds within the line-item
11 authority.

12 (C) The transfer of funds or changes in expenditure authority in the
13 operation budget, other than those authorized by division (A) of this section, may
14 be made only by amendment of the budget by the City Council under § 2-11-13.
15 No new program not already authorized in the budget shall be implemented by
16 actions authorized under division (A) of this section, nor shall any existing
17 program authorized in the budget be terminated by such actions.

18 § 2-11-15 APPLICATION FOR FEDERAL AND STATE GRANTS; BUDGETING
19 FEDERAL FUNDS.

20 (A) Any application or proposal for a grant with a matching requirement
21 shall be submitted to the City Council in the form of an Executive Communication
22 for review and approval at the same time as the submittal of such application or
23 proposal to any grantor. Executive Communications shall include an interoffice
24 memorandum and a copy of the executive summary of the grant application or a
25 copy of the grant application. The total City obligation shall be included in the
26 interoffice memorandum. A fiscal impact analysis is not required to be submitted
27 with the Executive Communication for a grant application.

28 (1) The Council may approve, take no action, reject the proposed
29 agreement, or recommend revisions thereof with or without conditioning
30 approval on the adoption of such revisions.

31 (2) If the Council rejects the application, the application shall be
32 withdrawn by the Department that submitted the application.

(C) Council Services staff shall have, at all times, concurrent and direct access to all financial data, budgetary models, and analytical tools utilized by the Administration for budget development, monitoring, and reporting. This access shall include, but is not limited to, formulas, spreadsheets, software applications, and system modules used to calculate revenues, expenditures, and fund balances.

(1) The General Fund Balance formula and any other financial calculation methodologies employed by the Budget Office or the Department of Finance and Administrative Services shall be continuously available to Council Services staff in the same format and level of detail as maintained by the Administration. Such access shall not depend upon an administrative request or approval but shall exist as a standing entitlement under this Section.

(D) The rights and access granted under this Section apply year-round and are not limited to the annual budget cycle. They extend to all proposed, current, and historical fiscal data, ensuring parity between the legislative and executive branches in understanding and managing the City's financial condition.

(E) The Administration and the Council shall act in good faith to maintain secure, professional, and timely access to financial systems and data. Both branches shall ensure the integrity and confidentiality of data consistent with City records retention policies.

SECTION 2. COMPILATION. SECTION 1 of this Ordinance shall amend, be incorporated in, and made part of the Revised Ordinances of Albuquerque, New Mexico, 1994.

SECTION 3. SEVERABILITY. If any section, paragraph, sentence, clause, word or phrase of this Ordinance is for any reason held to be invalid or unenforceable by any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this Ordinance. The Council hereby declares that it would have passed this Ordinance and each section, paragraph, sentence, clause, word or phrase thereof irrespective of any provision being declared unconstitutional or otherwise invalid.

SECTION 4. EFFECTIVE DATE AND IMPLEMENTATION SCHEDULE. This Ordinance shall take effect on July 1, 2026, and shall be implemented during Fiscal Year 2027. All administrative and reporting requirements established

herein shall be fully in effect by the start of the Fiscal Year 2028 budget process, when the Mayor's proposed budget is transmitted to the Council on or before April 1, 2027.

No later than December 15, 2026, the Administration shall submit to the City Council a Mid-Year Compliance Report in the form of an Executive Communication accompanied by a public presentation. The report shall:

(A) Identify which provisions of this Ordinance have been implemented to date;

(B) Describe any sections pending implementation, including expected completion dates; and

(C) Outline any administrative or procedural adjustments necessary to achieve full compliance prior to the Fiscal Year 2028 budget submission.

1 PASSED AND ADOPTED THIS 15th DAY OF December, 2025
2 BY A VOTE OF: 8 FOR 1 AGAINST.

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4 For: Baca, Bassan, Champine, Grout, Lewis, Peña, Rogers, Sanchez

5 Against: Fiebelkorn

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10 Brook Bassan, President
11 City Council
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15 APPROVED THIS 30 DAY OF December, 2025

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18 Bill No. C/S O-24-67

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20 **VETO**

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22 _____
23 Timothy M. Keller, Mayor
24 City of Albuquerque

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26 ATTEST:

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29 Ethan Watson, City Clerk
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