## CITY of ALBUQUERQUE TWENTY FIFTH COUNCIL

COUNCIL BILL NO. <u>R-22-18</u> ENACTMENT NO.

SPONSORED BY: Louie E. Sanchez, Dan Lewis, Trudy E. Jones, Isaac Benton

1 RESOLUTION 2 CREATING A PILOT PROGRAM TO TEST AND REVIEW A PRIORITY-BASED 3 BUDGETING APPROACH IN THE DEVELOPMENT OF THE ANNUAL 4 OPERATING BUDGET

5 WHEREAS, Article IV, Section 10 (b) of the Charter specifies the 6 Albuquerque City Council shall review, amend, and approve all budgets of the 7 City and adopt policies, plans, programs, and legislation consistent with the 8 goals and objectives established by the Council; and

9 WHEREAS, Article VII, Section 6 of the Charter specifies the Albuquerque 10 City Council shall establish a procedure for formulation of the annual 11 operating budget by ordinance and adopted by the Council, after consultation 12 with the Mayor, consistent with the provisions of the City Charter; and

WHEREAS, Article VII, Section 1 of the Charter specifies the Mayor shall formulate the City's operating budget and the biennial capital improvement budget in consultation with the Council; and

WHEREAS, Chapter 2, Article 11, Section 7(B) of the City Code of Ordinances specifies a full program budget will be prepared for all city departments each year, and shall include the projected costs of each program; and

WHEREAS, the definition of a program is not clearly defined in the Code ofOrdinances; and

WHEREAS, a priority based budgeting approach could be a useful tool in
better identifying the true cost of providing a given city service or program;
and

25 WHEREAS, the current budget formulation process is incremental in that it 26 begins with prior year budgeted expenditures, adjusts for projected year-overyear cost increases, and adds any additional programs in the form of issue
 papers; and

3 WHEREAS, the City's current incremental budget process can have the 4 effect of limiting the Council's ability to fully evaluate spending decisions of 5 the past and determine whether they services they support are meeting the 6 needs of the community and supporting the Goals and Objectives of the City; 7 and

8 WHEREAS, the current approach also creates a significant cyclical 9 administrative burden for all City departments because of the information 10 needs necessary for a thorough review of the proposed budget in the spring 11 of each calendar year; and

12 WHEREAS, the Albuquerque City Council desires to make more data-13 informed decisions and to be good fiscal stewards of public funds, and is 14 therefore exploring new and innovative approaches to the formulation of the 15 annual operating budget; and

WHEREAS, priority-based budgeting is a method that provides information
to elected officials that is necessary for decision making by clearly defining
the full cost of detailed programs, allowing for the ranking/prioritization of
each program, and connecting programs with desired results; and

WHEREAS, a priority-based budgeting approach identifies the services that provide the highest value, continue to provide funding for them and in times of budget deficits, reduces services levels strategically and divests or potentially eliminates services that are identified as lower priorities; and

WHEREAS, a priority-based budgeting model can meaningfully engage citizens in the budgeting process and provide transparency on how funded programs make a meaningful difference in their lives by focusing on the results of a program or service the city provides; and

28 WHEREAS, priority-based budgeting is recognized as a best practice by 29 the International City/County Management Association (ICMA) and the 30 Government Finance Officers Association (GFOA); and

31 WHEREAS, priority-based budgeting has been implemented in over 300 32 municipalities across the United States, including City/County of Denver, City

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of Pittsburgh, City of Scottsdale, City of Tacoma, City of Boise, City/County of
 Los Angeles, and San Juan County, New Mexico; and

3 WHEREAS, the Albuquerque City Council desires to establish a pilot 4 program to test a priority-based budgeting approach with select departments 5 in the City; and

6 WHEREAS, The American Rescue Plan Act of 2021 supports program 7 evaluation, data, and outreach through technology infrastructure and 8 improvement expenditures to increase public access and delivery of programs 9 and services

10 BE IT RESOLVED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF11 ALBUQUERQUE:

Section 1. That the Administration is directed to establish a Priority-Based
Budgeting Pilot Program that will focus on Public Safety Departments, to
include Albuquerque Police Department, Albuquerque Fire Rescue,
Albuquerque Community Safety, Department of Animal Welfare, and the
Civilian Police Oversight Department.

Section 2. The Administration will work in collaboration with City Councilstaff to set up and administer the Pilot Program described in Section 1.

Section 3. The Pilot Program shall begin within 60 days after adoption of the Fiscal Year 2023 Operating Budget with plans to implement the approach with the Public Safety Departments for preparation of the Fiscal Year 2024 Operating Budget.

Section 4. City Council shall reserve Two Million Dollars from the American Rescue Plan Act of 2021 for purposes of this Pilot Program.

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