

CITY of ALBUQUERQUE

TWENTY-SECOND COUNCIL

COUNCIL BILL NO. R-17-186 ENACTMENT NO. _____

SPONSORED BY: Don Harris, by request

1 RESOLUTION

2 APPROPRIATING FUNDS FOR OPERATING THE GOVERNMENT OF THE CITY
3 OF ALBUQUERQUE FOR FISCAL YEAR 2018, BEGINNING JULY 1, 2017 AND
4 ENDING JUNE 30, 2018; ADJUSTING FISCAL YEAR 2017 APPROPRIATIONS;
5 AND APPROPRIATING CAPITAL FUNDS.

6 WHEREAS, the Charter of the City of Albuquerque requires the Mayor to
7 formulate the annual operating budget for the City of Albuquerque; and

8 WHEREAS, the Charter of the City of Albuquerque requires the Council to
9 approve or amend and approve the Mayor's budget; and

10 WHEREAS, appropriations for the operation of the City government must
11 be approved by the Council;

12 BE IT RESOLVED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF
13 ALBUQUERQUE:

14 Section 1. That the amount of \$45,534,000 is hereby reserved as the
15 Operating Reserve Fund for the City of Albuquerque for Fiscal Year 2018. This
16 amount includes an additional \$1,400,000 to build-up the operating reserve
17 above 1/12th in order to plan for future economic downturns and maintain
18 current bond ratings. In addition, the amount of \$840,000 is reserved for a
19 potential runoff election. In the event that the runoff is necessary, \$840,000 is
20 hereby unreserved and a contingent appropriation is made in the Office of the
21 City Clerk Program to pay for the runoff election. In the event that the runoff
22 election does not happen, \$840,000 is hereby unreserved and a contingent
23 appropriation is made in City Support, Transfer to Vehicle/Equipment
24 Replacement Fund (730), for vehicles.

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1 Section 2. The amount of \$510,000 which includes the 1/12th requirement is
 2 hereby reserved in the General Fund for a 1% increase to employees making
 3 less than \$30,000 annually.

4 Section 3. That the following amounts are hereby appropriated to the
 5 following programs for operating City government during Fiscal Year 2018:

6 **GENERAL FUND – 110**

7 **Animal Welfare Department**

8 Animal Care Center 11,067,000

9 **Chief Administrative Officer Department**

10 Chief Administrative Office 1,702,000

11 **City Support Functions**

12 Dues and Memberships 473,000

13 Early Retirement 6,800,000

14 **Joint Committee on Intergovernmental Legislative**

15 Relations 158,000

16 Open and Ethical Elections 529,000

17 **Transfer to Other Funds:**

18 Operating Grants Fund (265) 5,800,000

19 Sales Tax Refunding D/S Fund (405) 10,951,000

20 Vehicle/Equipment Replacement Fund (730) 300,000

21 **Civilian Police Oversight Agency**

22 Civilian Police Oversight Agency 860,000

23 **Council Services Department**

24 Council Services 3,937,000

25 **Cultural Services Department**

26 Biological Park 13,918,000

27 CIP Bio Park 385,000

28 CIP Library 67,000

29 Community Events 3,225,000

30 Explora 1,434,000

31 Museum 3,372,000

32 Museum-Balloon 1,158,000

33 Public Arts and Urban Enhancement 301,000

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1	Public Library	11,917,000
2	Strategic Support	1,628,000
3	Economic Development Department	
4	Convention Center	1,974,000
5	Economic Development	1,276,000
6	Economic Development Investment	211,000
7	International Trade	154,000
8	Environmental Health Department	
9	Consumer Health	1,306,000
10	Environmental Services	647,000
11	Strategic Support	696,000
12	Urban Biology	526,000
13	Family and Community Services Department	
14	Affordable Housing Contract	2,334,000
15	Community Recreation	8,405,000
16	Child Care Contracts	5,585,000
17	Emergency Shelter Contracts	1,633,000
18	Health and Human Services	3,516,000
19	Homeless Support Services	2,884,000
20	Mental Health Contracts	2,910,000
21	Public Education Partner	4,986,000
22	Strategic Support	1,235,000
23	Substance Abuse Contracts	3,720,000
24	Transitional Housing	167,000
25	Youth Gang Contracts	1,271,000
26	Finance and Administrative Department	
27	Accounting	3,798,000
28	Citizen Services	3,619,000
29	Financial Support Services	1,006,000
30	Office of Management and Budget	1,113,000
31	Purchasing	1,489,000
32	Strategic Support	405,000
33	Treasury	1,022,000

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1	Fire Department	
2	Dispatch	4,781,000
3	Emergency Response	61,110,000
4	Fire Prevention	3,398,000
5	Headquarters	2,474,000
6	Logistics	1,423,000
7	Training	2,335,000
8	Human Resources Department	
9	B/C/J/Q Union Time	131,000
10	Personnel Services	2,506,000
11	Legal Department	
12	Legal Services	5,650,000
13	Mayor's Office	
14	Mayor's Office	940,000
15	Municipal Development Department	
16	City Buildings	8,754,000
17	Construction	1,508,000
18	Design Recovered CIP	4,172,000
19	Design Recovered Storm	2,084,000
20	Special Events Parking	19,000
21	Storm Drainage	2,652,000
22	Strategic Support	2,534,000
23	Streets	4,688,000
24	Street Services	13,969,000
25	Transfer to Other Funds:	
26	Gas Tax Road Fund (282)	204,000
27	City/County Facilities Fund (290)	2,282,000
28	Stadium Operations Fund (691)	198,000
29	Office of the City Clerk	
30	Administrative Hearing Office	393,000
31	Office of the City Clerk	1,913,000
32	Office of Inspector General	
33	Office of Inspector General	444,000

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1	Office of Internal Audit and Investigations	
2	Internal Audit	850,000
3	Parks and Recreation Department	
4	Aquatic Services	4,574,000
5	CIP Funded Employees	620,000
6	Open Space Management	4,021,000
7	Parks Management	17,599,000
8	Recreation	2,718,000
9	Strategic Support	1,067,000
10	Transfer to Other Funds:	
11	Capital Acquisition Fund (305)	100,000
12	Golf Operating Fund (681)	1,000,000
13	Planning Department	
14	Code Enforcement	3,803,000
15	One Stop Shop	6,906,000
16	Real Property	835,000
17	Strategic Support	1,997,000
18	Urban Design and Development	1,970,000
19	Transfer to Other Funds:	
20	Metro Redevelopment (275)	245,000
21	Police Department	
22	Administrative Support	16,318,000
23	Investigative Services	32,024,000
24	Neighborhood Policing	98,878,000
25	Off-Duty Police Overtime	1,800,000
26	Prisoner Transport	1,922,000
27	Professional Accountability	20,854,000
28	Senior Affairs Department	
29	Basic Services	248,000
30	Strategic Support	2,186,000
31	Well Being	4,846,000
32	Technology and Innovation Department	
33	Information Services	10,446,000

1	Data Management for APD	842,000
2	Transit Department	
3	Transfer to Transit Operating Fund (661)	22,505,000
4	<u>STATE FIRE FUND – 210</u>	
5	Fire Department	
6	State Fire Fund	3,235,000
7	Transfer to Other Funds:	
8	Fire Debt Service Fund (410)	102,000
9	<u>LODGERS' TAX FUND - 220</u>	
10	Finance and Administrative Services Department	
11	Lodgers' Promotion	5,191,000
12	Transfer to Other Funds:	
13	General Fund (110)	561,000
14	Sales Tax Refunding D/S Fund (405)	6,551,000
15	A contingent appropriation is hereby reserved in the amount of \$799,000 and	
16	shall be unreserved and appropriated to the Lodger's Promotion Program	
17	should contractual incentives be met or special events occur.	
18	<u>HOSPITALITY FEE FUND - 221</u>	
19	Finance and Administrative Services Department	
20	Lodgers' Promotion	1,016,000
21	Transfer to Other Funds:	
22	Sales Tax Refunding D/S Fund (405)	1,198,000
23	Capital Acquisition Fund (305)	75,000
24	A contingent appropriation is hereby reserved in the amount of \$257,000 and	
25	shall be unreserved and appropriated to the Hospitality Promotion Program	
26	should contractual incentives be met or special events occur.	
27	<u>CULTURE AND RECREATION PROJECTS FUND –225</u>	
28	Cultural Services Department	
29	Balloon Center Projects	3,000
30	Library Projects	4,000
31	Museum Projects	250,000
32	<u>ALBUQUERQUE BIOLOGICAL PARK PROJECTS FUND – 235</u>	

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1	Cultural Services Department	
2	BioPark Projects	2,500,000
3	<u>CITY HOUSING FUND - 240</u>	
4	Family and Community Department	
5	City Housing	61,000
6	<u>AIR QUALITY FUND - 242</u>	
7	Environmental Health Department	
8	Operating Permits	1,597,000
9	Vehicle Pollution Management	1,315,000
10	Transfer to Other Funds:	
11	General Fund (110)	272,000
12	<u>HEART ORDINANCE FUND – 243</u>	
13	Animal Welfare Department	
14	Heart Companion Services	74,000
15	Transfer to Other Funds:	
16	General Fund (110)	5,000
17	<u>SENIOR SERVICES PROVIDER FUND – 250</u>	
18	Senior Affairs Department	
19	Senior Services Provider	6,929,000
20	CDBG Services	179,000
21	Transfer to Other Funds:	
22	General Fund (110)	344,000
23	<u>METROPOLITAN REDEVELOPMENT FUND – 275</u>	
24	Planning Department	
25	Property Management	230,000
26	Railyard Redevelopment	15,000
27	<u>LAW ENFORCEMENT PROTECTION PROJECTS FUND - 280</u>	
28	Police Department	
29	Crime Lab Project	70,000
30	DWI Ordinance Enforcement	8,000
31	Law Enforcement Protection Act	550,000
32	Law Enforcement Protection Act - Aviation	25,000
33	Transfer to Other Funds:	

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1	General Fund (110)	488,000
2	Sales Tax Refunding D/S Fund (405)	229,000
3	<u>GAS TAX ROAD FUND - 282</u>	
4	Municipal Development Department	
5	Street Services	5,566,000
6	Transfer to Other Funds:	
7	General Fund (110)	248,000
8	<u>CITY/COUNTY FACILITIES FUND – 290</u>	
9	Municipal Development Department	
10	City/County Building	3,177,000
11	Transfer to Other Funds:	
12	General Fund (110)	86,000
13	<u>SALES TAX REFUNDING DEBT SERVICE FUND - 405</u>	
14	City Support Functions	
15	Sales Tax Refunding Debt Service	20,155,000
16	<u>FIRE DEBT SERVICE FUND – 410</u>	
17	Fire Department	
18	Debt Service	102,000
19	<u>GENERAL OBLIGATION BOND DEBT SERVICE FUND - 415</u>	
20	City Support Functions	
21	General Obligation Bond Debt Service	74,082,000
22	<u>AVIATION OPERATING FUND – 611</u>	
23	Aviation Department	
24	Management & Professional Support	4,510,000
25	Operations, Maintenance and Security	28,786,000
26	Transfers to Other Funds:	
27	General Fund (110)	1,939,000
28	Airport Capital and Deferred Maintenance Fund (613)	18,000,000
29	Airport Revenue Bond D/S Fund (615)	10,141,000
30	<u>AIRPORT REVENUE BOND DEBT SERVICE FUND – 615</u>	
31	Aviation Department	
32	Debt Service	10,223,000
33	<u>PARKING FACILITIES OPERATING FUND – 641</u>	

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1	Municipal Development Department	
2	Parking Services	3,508,000
3	Transfers to Other Funds:	
4	General Fund (110)	661,000
5	<u>REFUSE DISPOSAL OPERATING FUND – 651</u>	
6	Solid Waste Management Department	
7	Administrative Services	6,736,000
8	Clean City Section	10,503,000
9	Collections	23,145,000
10	Disposal	8,142,000
11	Maintenance - Support Services	5,131,000
12	Transfers to Other Funds:	
13	General Fund (110)	5,519,000
14	Refuse Disposal Capital Fund (653)	17,504,000
15	Refuse Disposal D/S Fund (655)	4,000,000
16	A contingent appropriation is made based upon the cost of fuel exceeding \$2.30	
17	per gallon during FY/18 in the Refuse Disposal Operating Fund (651). Fuel	
18	appropriations for Administrative Services, Clean City Section, Collections,	
19	Disposal, and Maintenance - Support Services program strategies will be	
20	increased up to the additional fuel surcharge revenue received at fiscal year-	
21	end.	
22	<u>REFUSE DISPOSAL DEBT SERVICE – 655</u>	
23	Solid Waste Management Department	
24	Debt Service	4,000,000
25	<u>TRANSIT OPERATING FUND – 661</u>	
26	Transit Department	
27	ABQ Ride	29,011,000
28	Facility Maintenance	2,493,000
29	Paratransit Services	5,999,000
30	Special Events	250,000
31	Strategic Support	5,575,000
32	Transfer to Other Funds:	
33	General Fund (110)	5,171,000

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1	Transit Grants Fund (663)	450,000
2	<u>APARTMENTS OPERATING FUND – 671</u>	
3	Family and Community Services Department	
4	Apartments	2,878,000
5	Transfer to Other Funds:	
6	Housing Fund (240)	61,000
7	Apartments D/S Fund (675)	672,000
8	<u>APARTMENTS DEBT SERVICE FUND – 675</u>	
9	Family and Community Service Department	
10	Apartments Debt Service	663,000
11	<u>GOLF OPERATING FUND – 681</u>	
12	Parks and Recreation Department	
13	Golf	4,503,000
14	Transfer to Other Funds:	
15	General Fund (110)	315,000
16	<u>BASEBALL STADIUM OPERATING FUND – 691</u>	
17	Municipal Development Department	
18	Stadium Operations	890,000
19	Transfer to Other Funds:	
20	General Fund (110)	92,000
21	Sports Stadium D/S Fund (695)	1,021,000
22	<u>BASEBALL STADIUM DEBT SERVICE FUND – 695</u>	
23	Municipal Development Department	
24	Stadium Debt Service	1,015,000
25	<u>RISK MANAGEMENT FUND – 705</u>	
26	Finance and Administrative Services Department	
27	Risk - Fund Administration	1,086,000
28	Risk - Safety Office	1,881,000
29	Risk - Tort and Other	1,629,000
30	Risk - Workers' Comp	2,055,000
31	WC/Tort and Other Claims	26,600,000
32	Transfers to Other Funds:	
33	General Fund (110)	664,000

1	Human Resources Department	
2	Unemployment Compensation	1,117,000
3	Employee Equity	222,000
4	<u>SUPPLIES INVENTORY MANAGEMENT FUND – 715</u>	
5	Finance and Administrative Services Department	
6	Materials Management	664,000
7	Transfers to Other Funds:	
8	General Fund (110)	236,000
9	<u>FLEET MANAGEMENT FUND - 725</u>	
10	Finance and Administrative Services Department	
11	Fleet Management	10,289,000
12	Transfer to Other Funds:	
13	General Fund (110)	515,000
14	<u>VEHICLE / EQUIPMENT REPLACEMENT FUND – 730</u>	
15	Finance and Administrative Services Department	
16	Computers	300,000
17	<u>EMPLOYEE INSURANCE FUND - 735</u>	
18	Human Resources Department	
19	Insurance and Administration	59,592,000
20	Transfer to Other Funds:	
21	General Fund (110)	60,000
22	<u>COMMUNICATIONS MANAGEMENT FUND – 745</u>	
23	Technology and Innovation Department	
24	City Communications	6,289,000
25	Transfer to Other Funds:	
26	Transfer to General Fund (110)	132,000
27	Sales Tax Refunding D/S Fund (405)	1,498,000
28	Section 4. That the following appropriations are hereby adjusted to the	
29	following programs from fund balance and/or revenue for operating City	
30	government in Fiscal Year 2017:	
31	<u>GENERAL FUND – 110</u>	
32	City Support Functions	
33	Transfer to Other Funds:	

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1	Capital Acquisition Fund (305)	1,500,000
2	Sales Tax Refunding D/S Fund (405)	(1,500,000)
3	Cultural Services Department	
4	Community Events	245,000
5	Museum	262,000
6	Museum-Balloon	53,000
7	Public Library	61,000
8	Family and Community Services Department	
9	Homeless Support Services	115,000
10	Substance Abuse Contracts	(115,000)
11	Parks and Recreation Department	
12	Transfer to Other Funds:	
13	Golf Operating Fund (681)	550,000
14	The following fund is hereby established to account for contributions and	
15	donations earmarked for specific purposes within the Culture and Recreation	
16	Department: Culture and Recreation Projects Fund 225.	
17	<u>CULTURE AND RECREATION PROJECTS FUND –225</u>	
18	Cultural Services Department	
19	Transfer to the General Fund (110)	1,078,000
20	<u>CITY HOUSING FUND – 240</u>	
21	Family and Community Services Department	
22	Monarch Apartments	(127,000)
23	<u>SALES TAX REFUNDING DEBT SERVICE FUND - 405</u>	
24	City Support Functions	
25	Sales Tax Refunding Debt Service	(15,505,000)
26	<u>GENERAL OBLIGATION BOND DEBT SERVICE FUND - 415</u>	
27	City Support Functions	
28	General Obligation Bond Debt Service	(54,914,000)
29	<u>AIRPORT REVENUE BOND DEBT SERVICE FUND – 615</u>	
30	Aviation Department	
31	Debt Service	(9,894,000)
32	<u>APARTMENTS DEBT SERVICE FUND – 675</u>	
33	Family and Community Service Department	

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1	Apartments Debt Service	(554,000)
2	<u>BASEBALL STADIUM DEBT SERVICE FUND – 695</u>	
3	Municipal Development Department	
4	Stadium Debt Service	(867,000)
5	<u>FLEET MANAGEMENT FUND - 725</u>	
6	Finance and Administrative Services Department	
7	Fleet Management	21,000
8	<u>COMMUNICATIONS MANAGEMENT FUND – 745</u>	
9	Technology and Innovation Department	
10	City Communications	156,000

11 Section 5. That the following appropriations are hereby made to the Capital
12 Program to the specific funds and projects as indicated below for Fiscal Year
13 2018:

14	<u>Department/Fund</u>	<u>Source</u>	<u>Amount</u>
15	<u>Finance and Administrative/Fund 305</u>		
16	Convention Center Improvements	Transfer from Fund 221	75,000
17	<u>Parks & Recreation/Fund 305</u>		
18	Park Development/Parks	Transfer from Fund 110	100,000
19	<u>Solid Waste/Fund 653</u>		
20	Refuse Equipment	Transfer from Fund 651	7,600,000
21	Landfill Equipment/Refurbishment	Transfer from Fund 651	1,500,000
22	Automated Collection System	Transfer from Fund 651	600,000
23	Disposal Facilities	Transfer from Fund 651	5,140,000
24	Refuse Facility	Transfer from Fund 651	400,000
25	Recycling Carts	Transfer from Fund 651	400,000
26	Computer Equipment	Transfer from Fund 651	400,000
27	Alternative Landfill	Transfer from Fund 651	217,000
28	Landfill Environmental Remediation	Transfer from Fund 651	1,247,000

29 Section 6. That the following appropriations are hereby made to the Capital
30 Program to the specific funds and projects as indicated below for Fiscal Year
31 2017:

32	<u>Parks & Recreation/Fund 305</u>		
33	Los Altos Golf Course/Parks	Transfer from Fund 110	1,500,000

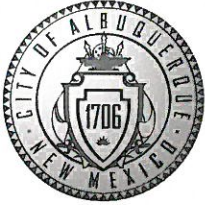
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1 **Scope: To be used for any costs associated with repairing or replacing the**
2 **existing water well at Los Altos Golf Course.**

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City of Albuquerque

Office of the Mayor

Richard J. Berry, Mayor

Interoffice Memorandum

April 1, 2017

To: Isaac Benton, President, City Council

From: Richard J. Berry, Mayor *JB*

Subject: FY/18 PROPOSED OPERATING BUDGET

I am pleased to present to you the Proposed Operating Budget for the fiscal year beginning July 1, 2017. This is my final budget since taking office in December 2009. Let me begin by expressing that it has been my great honor and privilege to serve as Mayor of this great City for the past eight years. Albuquerque is blessed with extraordinary people, a beautiful landscape and a sense of community and place that is unmatched. Working with the City Council, we have navigated the most difficult recession since the Great Depression. We have built up reserves and made the tough decisions that needed to be made. There is no doubt we will leave our City's finances better than we found them and on solid ground moving forward, and we have done this without raising taxes on the citizens of Albuquerque over the past eight years. There is reason for optimism. The Albuquerque economy continues to show strength with February reflecting the 40th consecutive month of positive job growth. Since 2012, Albuquerque has added 17,000 jobs and the forecast shows 25,000 more jobs will be added over the next five years. We are now adding jobs at a faster pace than a number of our peer cities and are right on national job growth rates. After reaching a recession low in 2011, housing prices in the metro have steadily increased, with the average price reaching a seven-year high in 2016. Median incomes are up and the poverty rate is down.

The overall proposed budget is \$955.3 million, \$529.6 million of which is General Fund. The budget is structurally balanced without raising taxes and contains only modest cost increases balanced against conservative revenue estimates. In fact, when adjusted for inflation, the FY/18 budget is still much lower than the budget I inherited in FY/10; meaning, we have managed to keep the growth in cost of city government lower than inflation – without compromising service delivery. The growth in this budget is largely driven by efforts to ensure public safety in our community. In the Police Department alone, nearly \$7 million is added in expectation of graduating more cadets, reducing property crime, and tackling a backlog of DNA testing on sexual assault kits. The proposal also includes additional operating costs for the opening of the Regional Baseball Complex and new exhibits at the BioPark. Highlights from the Fiscal Year 2018 Proposed Budget include:

- A pay raise equivalent to 1% for over 900 employees making under \$30,000 annually;
- Continued funding for 1,000 Police Officers at APD;
- Funding for 12 new positions and associated operating costs at the Albuquerque BioPark needed to open the new Otter and Penguin exhibits as well as to maintain zoological accreditation through the AZA;
- \$563 thousand for special events that highlight and celebrate our rich culture and diversity;

- \$280 thousand for continued efforts in the area of economic development and job creation;
- Continued funding in Animal Welfare for the Trap Neuter Release Program and Animal Behavior Specialists;
- Recurring funding for nationally acclaimed programs including Albuquerque Heading Home, Running Start for Careers, Homework Diner, International Baccalaureate at APS, and the Esperanza Bike Shop;
- Funding for new positions and operating dollars for the expansion of Pat Hurley and Dennis Chavez Community Centers;
- New positions in Family and Community Services to help manage social service contracts and conduct more community outreach;
- \$360 thousand for the continuation of the Downtown Clean and Safe Program;
- Operating costs to open the new Westside Regional Baseball Complex built with bond proceeds;
- \$1.2 million for personnel and other costs of our new Property Crime Reduction Program;
- \$1 million to fund our plan to address the testing of the backlog of sexual assault kits;
- Expanded funding for nationally recognized panhandling initiative “There’s a Better Way;”
- A new position in the Inspector General Office to conduct cyber investigations;
- A new position in Senior Affairs to begin preparation of hosting the National Senior Games in 2019;
- \$633 thousand reserved in Lodgers and Hospitality Funds for costs of hosting the National Senior Games and the thousands of senior athletes that will visit our city; and
- Additional General Fund reserves now totaling \$1.4 million beyond the required 1/12th of appropriations.

Public Safety has been a top priority throughout my administration. FY/18 is no exception. This budget includes \$1.2 million for full-year funding for the new Property Crime Reduction Program. With the Council’s help, seed funding was provided for the program to begin mid-year in FY/17. The program includes 17 civilian positions in APD that will respond to non-emergency, Priority 3, calls dealing with property crimes, vandalism, and burglaries where the perpetrator is no longer on the scene. These employees will take reports and aid in investigations in an effort to reduce the number of property crimes in our community and free up sworn police officers to respond to higher priority emergency calls. This budget also includes \$1 million in General Fund monies to continue our work in addressing a backlog of sexual assault kits awaiting testing and to ensure our Crime Lab has sufficient staff to handle the ongoing volume of kits processed in the future. In addition, we have applied for a \$3 million grant from the USDOJ Bureau of Justice Assistance and have issued a \$4 million request for proposal in order to utilize external resources to address the backlog.

This budget includes the equivalent of a 1% pay raise held in reserve for all employees making under \$30,000 per year as well as a 2% pay raise for Transit Drivers - not yet accepted by the union but carried over from the prior year. I am hopeful that funding for a 1% pay raise for the remaining employees will materialize once an agreement is reached between Amazon and the State regarding how to distribute tax revenue from internet sales. Should an agreement be reached prior to the final adoption of this budget, I hope to work with the Council to allocate additional funds toward pay increases for all city employees.

This budget also includes an opportunity that has been requested by our seniors for improved amenities, social gatherings and dances at our local senior centers. Senior Affairs has requested very minor fee increases to be used for enhanced services. If approved by City Council, annual membership fees at centers

will go up from about \$1.10 to \$1.70 per month to help cover the costs of providing improved breakfast and lunch to the ever growing number of seniors eating at our centers. Dance entrance fees will be raised from \$2.50 to \$3.00 per dance in order to hire quality bands so our seniors can continue enjoying this fun physical activity.

When I took office eight years ago we began several efforts aimed at making local government more efficient. We have achieved this by reducing recurring costs and by allocating more resources to previously neglected central services like accounting and technology that have resulted in more timely submissions of our audited financial statements, fewer audit findings, and improved accuracy and accessibility of data needed by management to make informed decisions for taxpayers. Higher General Fund reserves have long been a recommendation from financial advisors and bond rating agencies. In response, I instituted an administrative instruction to add \$200 thousand per year to our base reserves bringing the total now to \$1.4 million. For the City, these efforts have resulted in high bond ratings - Aa1, AAA, and AA+ from Moodys, S&P, and Fitch, respectively - stating the city has a stable outlook and strong financial management. For the taxpayer, this translates to lower interest rates when we borrow, more access to federal grant dollars, and more prudent decisions from our managers. In general, it means we have a much more efficient and productive local government that is better equipped to serve the people of Albuquerque. We continue to reap the benefits of these efforts and my hope is to leave a legacy of savings for the next mayor.

For the third year in a row, we have managed to negotiate flat costs from our provider of medical services to employees. This is almost unheard of in government. We have done this by working closely with our medical provider in developing a 5-year wellness strategy for city employees focusing on better nutrition, increased physical activity, and smoking cessation, all with the goal of lowering our biggest medical cost drivers. We provide a mobile health clinic that includes a clinical support team to help employees with chronic conditions better manage their disease. I want to thank city employees for taking a proactive approach to their health and wellness through these initiatives. Increased employee wellness has also contributed to improved productivity which in turn saves taxpayer resources while providing high quality services.

We live in a great city that is worth investment in our people and our place. Investments in public safety, quality of life, transportation and infrastructure, youth and senior initiatives and a strong organization with dedicated employees all pay dividends to those we serve. This budget does all of this, in fiscally responsible and innovative ways.

I appreciate the hard work of all my department directors and staff in preparing this Fiscal Year 2018 budget. I also appreciate our City Councilors and their staff and look forward to working together as we finalize this budget on behalf of the people we serve.