

# CITY of ALBUQUERQUE

## TWENTY THIRD COUNCIL

COUNCIL BILL NO. R-19-211 ENACTMENT NO. \_\_\_\_\_

SPONSORED BY: Klarissa J. Peña, by request

1 RESOLUTION

2 ADJUSTING FISCAL YEAR 2019 APPROPRIATIONS FOR CERTAIN FUNDS AND  
3 PROGRAMS TO PROVIDE FOR ACTUAL EXPENDITURES AND ADJUSTING  
4 FISCAL YEAR 2020 OPERATING AND CAPITAL APPROPRIATIONS.

5 WHEREAS, expenditures in certain funds in Fiscal Year 2019 are projected  
6 to exceed appropriations; and

7 WHEREAS, fund balance or revenues are available to cover these over  
8 expenditures or adjustments; and

9 WHEREAS, adjustments are required for Fiscal Year 2020 appropriations;  
10 and

11 WHEREAS, appropriation adjustments for the operation of the City  
12 government must be approved by the Council.

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

15 Section 1. That the amount of \$67,000 is hereby reserved in the Operating  
16 Reserve Fund for the City of Albuquerque for Fiscal Year 2019.

17 Section 2. That the following amounts are hereby adjusted to certain  
18 programs from unreserved fund balance, working capital balance and/or  
19 additional revenues for Fiscal Year 2019:

20 GENERAL FUND – 110

21 Cultural Services

22 CIP Bio Park (527,000)

23 Fire Department

24 Fire Prevention 610,000

25 Municipal Development Department

26 Design Recovered Storm (471,000)

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1	Design Recovered CIP	(157,000)
2	Streets CIP	(620,000)
3	Street Services	950,000
4	Parks and Recreation Department	
5	CIP Funded Employees	(541,000)
6	Transit Department	
7	Transfer to Transit Operating Fund (661)	2,150,000
8	<u>HEART ORDINANCE FUND – 243</u>	
9	Animal Welfare Department	
10	Heart Companion Services	43,000
11	<u>OPERATING GRANTS FUND – 265</u>	
12	Cultural Services Department	
13	90th Anniversary Celebration for Kimo Theater	95,140
14	The above appropriation includes \$20,000 from the National Endowment for	
15	the Arts. The City match of \$61,562 and indirect overhead charges of \$13,578	
16	are available in the Transfer to Operating Grants Fund (265) program in the	
17	General Fund.	
18	Police	
19	Target Corporation	2,500
20	The above appropriation is for \$2,500 from Target Corporation.	
21	<u>SALES TAX REFUNDING DEBT SERVICE FUND - 405</u>	
22	City Support Functions	
23	Sales Tax Refunding Debt Service	32,000
24	<u>GENERAL OBLIGATION BOND DEBT SERVICE FUND - 415</u>	
25	City Support Functions	
26	General Obligation Bond Debt Service	147,000
27	<u>PARKING FACILITIES OPERATING FUND – 641</u>	
28	Municipal Development Department	
29	Parking Services	226,000
30	<u>TRANSIT OPERATING FUND – 661</u>	
31	Transit Department	
32	ABQ Ride	310,000
33	<u>GOLF OPERATING FUND – 681</u>	

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1 Parks and Recreation Department

2 Golf 100,000

3 STADIUM OPERATING FUND – 691

4 Municipal Development Department

5 Stadium Services 19,000

6 RISK MANAGEMENT FUND – 705

7 Finance and Administrative Services Department

8 WC/Tort and Other Claims 3,600,000

9 Human Resources Department

10 Employee Equity 115,000

11 FLEET MANAGEMENT FUND – 725

12 Finance and Administrative Services Department

13 Fleet Management 1,145,000

14 Section 3. The following appropriation adjustment is hereby made to the

15 Capital Program for Fiscal Year 2019 for interest earnings in FY/18 and FY/19 as

16 indicated below:

17 CAPITAL ACQUISITION FUND 305

18 <u>Department/Fund</u>	18 <u>Source</u>	18 <u>Amount</u>
19 Parks and Recreation Department		
20 Open Space Acquisition	Transfer from 850	387,056.16
21 The scope of the project is to acquire land designated for Major Public		
22 Open Space or for public easement or rights by the Albuquerque/Bernalillo		
23 County Comprehensive Plan or other adopted city plans, subject to the approval		
24 of the City Council upon recommendation by the Open Space Advisory Board.		
25 Section 4. That the amount of \$1,033,000 is hereby reserved in the		
26 Operating Reserve Fund for the City of Albuquerque for Fiscal Year 2020. That		
27 the amount of \$217,000 for the collapsing of J Series grade step is hereby		
28 unreserved. That the amount of \$1,192,000 which is comprised of \$1,100,000		
29 and \$92,000 for the required 1/12 <sup>th</sup> operating reserve, is hereby appropriated in		
30 the Office of the City Clerk Program to pay for the runoff election. Any unused		
31 appropriation will fall to available fund balance.		

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1       Section 5. That the following amounts are hereby adjusted to the following  
2 program strategies and funds from fund balance, working capital balance,  
3 and/or revenue for operating City government in Fiscal Year 2020:

4 **GENERAL FUND – 110**

5 **Animal Welfare Department**

6       Animal Welfare 97,000

7 **City Support Functions**

8       GRT Administration Fee 5,400,000

9       Winrock TIDD 394,000

10 **Council Services Department**

11       Council Services 500,000

12 **Economic Development Department**

13       Economic Development Investments 50,000

14 **Finance and Administrative Services Department**

15       Strategic Support 100,000

16 **Fire Department**

17       Emergency Response (576,000)

18 **Municipal Development**

19       City Buildings 2,223,000

20       Real Property 595,000

21 **Planning Department**

22       Urban Design and Development 75,000

23       Real Property (595,000)

24 **Police Department**

25       Administrative Support 150,000

26       Investigative Services 2,000,000

27       Professional Accountability 4,000,000

28 **Transit Department**

29       Transfer to Transit Operating Fund (661) (2,023,000)

30 **STATE FIRE FUND – 210**

31 **Fire Department**

32       State Fire Fund 191,000

33       Transfer to Fire Debt Service Fund (410) (191,000)

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1	<b><u>FIRE DEBT SERVICE FUND – 410</u></b>	
2	Fire Department	
3	Debt Service	(191,000)
4	<b><u>PARKING FACILITIES OPERATING FUND – 641</u></b>	
5	Municipal Development Department	
6	Parking Services	37,000
7	<b><u>REFUSE DISPOSAL OPERATING FUND – 651</u></b>	
8	Solid Waste Department	
9	Disposal	229,000
10	Transfer to Refuse Disposal Capital Fund	6,000,000
11	<b><u>TRANSIT OPERATING FUND – 661</u></b>	
12	Transit Department	
13	Strategic Support	(2,023,000)
14	<b><u>APARTMENTS OPERATING FUND – 671</u></b>	
15	Family and Community Services Department	
16	Apartments	(3,123,000)
17	Transfer to Other Funds:	
18	Apartments D/S Fund (675)	(815,000)
19	<b><u>APARTMENTS DEBT SERVICE FUND – 675</u></b>	
20	Family and Community Service Department	
21	Apartments Debt Service	(815,000)
22	Section 6. The following appropriation adjustment is hereby made to the	
23	Capital Program for Fiscal Year 2020 as indicated below:	
24	<b><u>REFUSE DISPOSAL CAPITAL FUND 653</u></b>	
25	<b><u>Department/Fund</u></b>	<b><u>Source</u></b>
26	Solid Waste Department	<b><u>Amount</u></b>
27	Refuse Facility	Transfer from 651
28		6,000,000
29	The scope of the project is to plan, design, renovate, rehabilitate, including	
30	but not limited to the purchase of land and building for a future transfer station.	
31		
32		

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# CITY OF ALBUQUERQUE

## Office of the Mayor

One Civic Plaza NW, Albuquerque, NM 87103

Timothy M. Keller, Mayor

### INTER-OFFICE MEMORANDUM

October 29, 2019

**TO:** Klarissa J. Pena, President, City Council

**FROM:** Timothy M. Keller, Mayor

**SUBJECT:** Resolution Adjusting Fiscal Year 2019 appropriations for Certain Funds and Programs to Provide for Actual Expenditures and Adjusting Fiscal Year 2020 Operating Appropriations

Attached is the annual mid-year clean-up legislation for certain operating funds. The bill contains two major sections. The Fiscal Year 2019 Section includes appropriation adjustments necessary to close-out 2019 prior to submission of the Comprehensive Annual Financial Report (CAFR) to the State. The Fiscal Year 2020 Section contains appropriation adjustments for the current year, some of which are technical in nature. In all cases, sufficient fund balance and revenue exists to cover any net increase in spending.


This legislation adjusts Fiscal Year 2019 program appropriations for certain funds where expenditures exceeded budgeted amounts. In most cases, sufficient fund balance and revenues exist to cover the adjustments; however, in the case of the Fire, Municipal Development, and Transit, an appropriation from the General Fund is needed to cover over-expenditures. A detailed description of each item is attached. Given the tight timeline, we respectfully request a "hold over" of this bill for approval by the full Council on December 2, 2019.

This legislation also includes a Fiscal Year 2020 section adjusting certain program appropriations by using available fund balance and additional revenues anticipated this fiscal year. This legislation appropriates approximately \$12.4 million in the General Fund for current year adjustments in a number of programs. A detailed description of each item is attached.

Office of Management and Budget staff is available to review this material with you at your convenience.

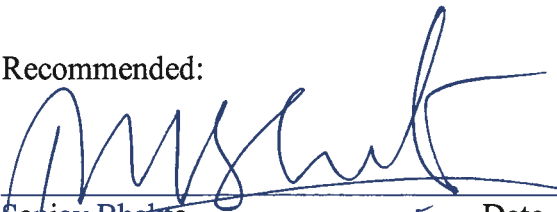
**Resolution Adjusting Fiscal Year 2019 appropriations for Certain Funds and Programs to  
Provide for Actual Expenditures and Adjusting Fiscal Year 2020 Operating  
Appropriations**

Approved:

  
\_\_\_\_\_  
Sarita Nair  
Chief Administrative Officer

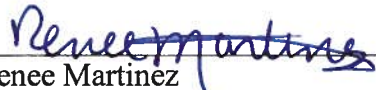
10/18/19  
\_\_\_\_\_  
Date

Recommended:

  
\_\_\_\_\_  
Sanjay Bhakta  
Chief Financial Officer

11/18/19  
\_\_\_\_\_  
Date

Recommended:

  
\_\_\_\_\_  
Renee Martinez  
Director, Finance and Administrative Services

11/8/19  
\_\_\_\_\_  
Date

## **Cover Analysis**

### **1. What is it?**

Resolution Adjusting Fiscal Year 2019 appropriations for Certain Funds and Programs to Provide for Actual Expenditures and Adjusting Fiscal Year 2020 Operating Appropriations.

### **2. What will this piece of legislation do?**

This legislation adjusts Fiscal Year 2019 program appropriations for certain funds where expenditures exceeded budgeted amounts.

### **3. Why is this project needed?**

The Fiscal Year 2019 Section includes appropriation adjustments necessary to close-out 2019 prior to submission of the Comprehensive Annual Financial Report (CAFR) to the State. If this resolution is not passed, a finding for the over-expenditures may occur.

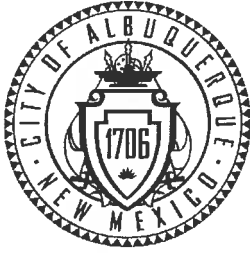
### **4. How much will it cost and what is the funding source?**

The increase appropriations in Fiscal Year 2019 is offset by reversions and increased revenue. For Fiscal Year 2020, this legislation appropriates approximately \$12.4 million in the General Fund for current year adjustments in a number of programs. The offset is prior year reversions and new revenue.

### **5. Is there a revenue source associated with this Plan? If so, what level of income is projected?**

In all cases, sufficient fund balance and revenue exists to cover any net increase in spending.





# **CITY OF ALBUQUERQUE**

## **Department of Finance and Administrative Services**

Mayor Timothy M. Keller

### **DESCRIPTION OF ADJUSTMENTS TO APPROPRIATIONS INCLUDED IN THE 2019 YEAR END CLEAN-UP RESOLUTION**

#### **SECTION 2 - FISCAL YEAR 2019 YEAR END CLEAN-UP**

##### **GENERAL FUND – 110**

###### **Cultural Services**

Adjust CIP Recovered program to actual spending to accurately reflect overall GF reversions. CIP recovered program expenditures are offset by revenue from capital project funds.

###### **Fire**

The increased appropriation of \$610,000 is to cover departmental expenditure overage in operating expense.

###### **Municipal Development**

Adjust CIP Recovered programs to actual spending to accurately reflect overall GF reversions. CIP recovered program expenditures are offset by revenue from capital project funds.

The appropriation of \$950 thousand is for the Street Services program which overspent by \$2.3 million due to costs associated with electricity and related contractual obligations. Overall department savings offset so that the budget is not overspent at the Department level.

###### **Parks and Recreation**

Adjust CIP Recovered programs to actual spending to accurately reflect overall GF reversions. CIP recovered program expenditures are offset by revenue from capital project funds.

###### **Transit**

Transfer to Transit Operating Fund (661) is increased by \$2,150,000 to cover a shortfall in Transit's Working Capital. The fund had revenue shortfalls in overall passenger related revenues and expense overruns in overtime, repairs and maintenance and fuel.

#### **HEART ORDINANCE FUND – 243**

##### **Animal Welfare**

The increased appropriation of \$43 thousand is due to higher than anticipated revenue collected in the Heart Fund. By ordinance, 60% of revenue from sales of pet licenses must go to the Heart Fund to be used on spay and neuter expenses for pets owned by low income residents

#### **OPERATING GRANTS FUND – 265**

##### **Various**

Appropriations for grants received in FY/19.

#### **SALES TAX REFUNDING DEBT SERVICE FUND – 405**

##### **City Support Functions**

Additional fiscal agent fees are covered by other miscellaneous revenue in the amount of \$32 thousand.

#### **GENERAL OBLIGATION BOND DEBT SERVICE FUND – 415**

##### **City Support Functions**

Additional fiscal agent fees are covered by excess property tax revenue in the amount of \$147 thousand.

#### **PARKING FACILITIES OPERATING FUND – 641**

##### **Municipal Development**

The increased appropriations of \$226 thousand are needed to cover overage in operating expenses. This is offset with increased revenue.

#### **TRANSIT OPERATING FUND – 661**

##### **Transit**

The increased appropriation in the amount of \$310 thousand is needed to cover expense overruns associated with overtime, repairs and maintenance and fuel. The fund requires a subsidy transfer from the General Fund.

#### **GOLF OPERATING FUND – 681**

##### **Parks and Recreation**

An increased appropriation is needed in the amount of \$100 thousand to cover an overage in operating expenses. The fund has sufficient working capital balance to cover the overage.

#### **STADIUM OPERATING FUND – 691**

##### **Municipal Development**

An increased appropriations of \$19 thousand is needed to cover an overage in operating expenses. This is offset with increased revenue.

### **RISK MANAGEMENT FUND – 705**

#### **Finance and Administrative Services**

An increased appropriations is needed in the amount of \$3.6 million to cover expenditures for claims settled in FY/19.

#### **Human Resources**

An increased appropriations of \$115 thousand is needed to cover an overage in personnel expenses.

### **FLEET MANAGEMENT FUND – 725**

#### **Finance and Administrative Services**

An increased appropriation in the amount of \$1.1 million is needed for the over-expenditure for fuel costs and outside vehicle maintenance. This is covered by revenue recovered through monthly billings.

## **SECTION 3: CAPITAL ACQUISITION FUND 305**

### **CAPITAL ACQUISITION FUND 305**

This is needed to appropriate interest earnings from the Open Space Trust Fund 850 to Capital Fund 305 for the acquisition of land designated for Major Public Open Space or for public easement or rights by the Albuquerque/Bernalillo Comprehensive Plan. Annual interest earnings in FY/18 was \$128,545.24 and in FY/19 was \$258,510.92.

## **SECTION 4: FISCAL YEAR 2020 OPERATING RESERVES**

### **GENERAL FUND – 110**

The following operating reserves are increased by \$1 million to maintain the 1/12 reserve for General Fund appropriations. Unreserve \$217 thousand for J-Series wage adjustment. The appropriation of \$1.2 million is for the runoff election. The amount identified is a net increase based on an estimate provided by Bernalillo County Clerk.

## **SECTION 5: FISCAL YEAR 2020 APPROPRIATIONS INCLUDED IN THE RESOLUTION**

### **GENERAL FUND – 110**

The following increased appropriations within the General Fund (110) are covered by a combination of uncommitted fund balance (carry-forward) from FY/19, reduced appropriations in other programs in FY/20, or revised revenue estimates for FY/20.

#### **Animal Welfare**

The appropriation of \$97 thousand is for the negotiated J-Series pay increase.

**City Support**

The appropriation of \$5.4 million is to correctly record the State Administrative Fee for managing the City's Gross Receipts revenue. This was previously recorded as a reduction in revenue. Revenue will increase by the same amount to offset the cost. Funding for \$394 thousand is to forward a one-time payment for the Winrock TIDD.

**Council Services**

The appropriation of \$500 thousand is for one-time supplemental funding for Veteran support services; funding for District specific capital needs including Public Safety, Streets and Storm Drainage projects; funding for District specific economic/market studies; supplemental funding for MainStreet programs to fulfill State requirements; funding for studies and surveys related to proposed Council legislation, and supplemental funding for District specific non-profit partner support.

**Economic Development**

The appropriation of \$50 thousand one-time for InnovateABQ.

**Finance and Administrative Services**

One-time funding in the amount of \$100 thousand is to cover the contractual costs associated with the 2020 Census.

**Fire**

Funding is reduced by a net of \$576 thousand. AFR will not receive projected revenue of an estimated \$1.065 million for the Cost Recovery Fee due to legislated change in the fee structure. Recurring overtime funding of \$479 thousand was inadvertently not carried forward from FY/19 to FY/20 budget. This also includes a donation of \$10 thousand from Weck's for supplies.

**Municipal Development**

The appropriation of \$2.2 million includes the reorganization of Transit Security to be funded and managed by DMD as well as funding for the negotiated J-Series pay increase. A mid-year reorganization of Real Property from Planning for a total of \$595 thousand.

**Planning**

The appropriation of \$20 thousand is for a City Lab project, \$55 thousand to provide financial support for MRA, and a reduction of \$595 thousand to reorganize Real Property from Planning to Municipal Development mid-year.

**Police**

The appropriation of \$150 thousand is offset by miscellaneous revenue received to purchase a driving simulator. One-time funds of \$2 million is for the Real Time Crime Center for 'smart' safety and security data and technology. The appropriation of \$4 million is to utilize one-time revenue to restore funding for Risk Recovery and stabilize the Risk Fund in FY/20.

**Transit**

Reduce the General Fund subsidy by \$2 million to Transit for the reorganization of Transit Security to DMD.

**STATE FIRE FUND – 210****Fire**

The appropriation for the transfer to debt earmarked for a fleet building is being reallocated to vehicle maintenance. The final debt service schedules indicate the initial interest payment will not be due until FY/21.

**FIRE DEBT SERVICE FUND – 410****Fire**

Reverse the debt service for the fleet building of \$191 thousand. The final debt service schedules indicate the initial interest payment will not be due until FY/21.

**PARKING FACILITIES OPERATING FUND – 641****Municipal Development**

The appropriation of \$37 thousand is for the negotiated J-Series pay increase.

**REFUSE DISPOSAL OPERATING FUND – 651****Solid Waste**

The appropriation of \$229 thousand is to restore funding for Montessa Park Convenience Center, originally slated for reduction in the FY/20 Budget. Funding of \$6 million is transferred to capital for a future transfer station site, with the ability to purchase land and/or building.

**TRANSIT OPERATING FUND - 661****Transit**

Reduce funding by \$2 million for the reorganization of Transit Security to DMD.

**APARTMENTS OPERATING FUND – 671 and DEBT SERVICE FUND - 675****Family and Community Services**

Delete appropriations for both Funds beginning in FY/20 moving forward. The City properties operation is managed by Monarch and actual operating and debt service payments are paid directly through the vendor. As a result, there is no mechanism to adequately record daily transactions in these funds. The City does receive financial statements from Monarch for the CAFR and will continue to show the financial statements, including income statements, balance sheet and cash flow statements including long term debt. The debt will continue to be reported in the notes section of the CAFR.

**SECTION 6: CAPITAL ACQUISITION FUND 305****REFUSE DISPOSAL CAPITAL FUND 653**

This is needed to appropriate funds for a future transfer station site, with the ability to purchase land and/or building.