



Legislation Text

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CITY of ALBUQUERQUE
TWENTY FOURTH COUNCIL

COUNCIL BILL NO. O-21-50 ENACTMENT NO. _____

SPONSORED BY: Pat Davis & Isaac Benton

ORDINANCE

Amending Chapter 2, Article 11, Of The Revised Ordinances Of Albuquerque, The "City Budget Ordinance" Relating To The Preparation And Adoption Of The Annual Operating Budget Of The City (Davis, Benton)

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

SECTION 1. Chapter 2, Article 11, et seq., ROA 1994 is hereby amended as follows:

"ARTICLE 11: CITY BUDGET

§ 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 1 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 goals and objectives is necessary for 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 DEFINITIONS.

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

AMEND. Amend includes complete review or substitution.

FIVE-YEAR GOALS. A concise statement that summarizes a set of related results or outcomes as defined by desired community or customer conditions. A goal can be a description of what Albuquerque would be like if the goal were achieved. It is achievable and lends itself to measurement. A goal represents a long-term purpose and direction that addresses the big picture. A goal is broad, but not vague. Goal measurement is based on tracking the changes in specific desired conditions.

LINE-ITEM AUTHORITY. Line-item Authority refers to the budget appropriation level approved by the Council, and includes the Department Program appropriation dollar amount and any designations, conditions or requirements placed on its use.

MID-YEAR CLEANUP. Mid-year cleanups are comprehensive amending appropriation proposals submitted by the Mayor to Council for review and approval that include any adjustments necessary record recommended financial audit adjustments, appropriation of additional revenues received, and adjustments required to re-appropriate unused funds for other needed purposes within a fiscal year.

ONE-YEAR OBJECTIVES. Objectives are specific steps taken by the City for achieving goals. For the most part, objectives should be tangible products rather than the activities that produce the products. Objectives are the results of explicit strategies to achieve the goals. An objective describes in specific and measurable terms the results a program is expected to achieve toward a certain goal. Each objective should be attainable within a specified period of time, preferably within a fiscal year or two consecutive fiscal years.

OPERATING EXPENDITURES. Operating expenditures are all expenditures, other than Personnel Expenditures, necessary for the administration and maintenance of Departments and Programs.

PERFORMANCE MEASUREMENT. Performance measurement is a systematic approach to quantify and analyze activities to determine the amount of service delivered and/or work performed, as well as how effective, efficient, and responsive services are and what impact they have on the community and customer. Goal Progress Indicators quantify the progress made towards achieving goals.

PERSONNEL EXPENDITURES. Personnel Expenditures are expenditures related to the salaries and benefits of City employees, including overtime pay.

VISION. A short description of the future which is sought for the community.

§ 2-11-3 FISCAL YEAR.

The fiscal year of the city begins on July 1 of each calendar year and ends on June 30 of the following calendar year.

§ 2-11-4 PROCESS AND SEQUENCE FOR ESTABLISHING GOALS AND OBJECTIVES.

(A) Criteria for selection. . The five-year goals address improving the physical characteristics of the City, guiding the City's growth and meeting human needs. The Albuquerque Progress Report and the City/County Comprehensive Plan are guiding documents for developing the five year goals. . The Mayor and City Council will collaborate to establish the five-year goals. The City Council staff shall direct the goals and objectives review, formulation, and adoption process consistent with the City Charter, however, these tasks may be delegated to the Mayor's staff.

(B) Process to develop community perceptions/ expectations. The purpose of this phase is to obtain citizen involvement in setting long-term direction in the vision and goals process.

(1) A goals forum to present progress reports, revisit the vision, and review/develop goals shall be held every four years. The outcome of the goals forum shall be utilized as input into the revision of the vision, five-year goals, and other City plans and policies, as they are developed or revised.

(2) A report shall be produced and presented to the Mayor and City Council within three months of the goals forum. This report shall recommend a vision and goals.

(3) This process shall be facilitated by the Office of Management and Budget and shall include the Indicators Progress Commission, Environmental Planning Commission and other City commissions which influence or track important community and customer conditions.

(C) Process to develop and adopt five-year goals. The purpose of this phase is to

review the vision and goals, recommend revisions reflecting community consensus and conditions, and act on these recommendations.

(1) Every four years, the Mayor and City Council shall review the goals forum report, conduct a public hearing, and adopt a vision and goals within six months of the goals forum.

(D) Process to determine one-year objectives. The purpose of this phase is to establish measurable objectives to carry out the five-year goals by integrating such objectives into the annual City budget.

(1) The City Council and the Mayor shall develop annual objectives consistent with the operating needs of the City. These objectives may have up to a two year implementation cycle.

(2) 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.

(3) The City Council shall annually adopt or revise and adopt objectives aimed to accomplish each of the goals and objectives to be reflected in the operating and capital budgets of the city.

(E) Timing. In sufficient time for consideration in the formulation of the Mayor's proposed budget and, in any case, prior to December 31 of each year, the Mayor shall submit to the City Council a summary of existing goals and objectives for revisions. The purpose of this phase is to enable the Mayor and City Council to integrate the five-year goals and one-year objectives into the City's budgeting process.

(1) By September 1 of each year, a status report on the prior year's one-year objectives will be presented to the Mayor and City Council. Each year a status report on the current one-year objectives will be prepared and presented by the Mayor to the City Council.

(2) At least every two years, a progress report shall be generated. This report will provide measurements of desired community conditions related to the goals data through a review of census data, locally generated socioeconomic data, citizen survey information, goal progress indicators, and other information indicating the current situation and progress towards the goals to date.

(3) The Indicators Progress Commission shall have the lead responsibility to facilitate the production of this report for presentation to the Mayor and City Council every two

years and to the goals forum participants every four years.

(4) On an annual basis, during the month of September, City Administration including key departmental staff and City Council shall meet to review the five-year goals, community conditions, strategies, programs, and one-year objectives.

§ 2-11-5 COUNCIL COMMITTEE OF THE WHOLE.

The City Council shall meet as a Committee of the Whole as needed to hold public hearings for the following purposes:

(A) Review and adopt one- year budget objectives.

(B) Conduct program reviews of city operations or departments. The subjects of these Council reviews shall be determined by the Chairperson of the Committee of the Whole, the Council President, and other members of the Council.

(C) Review, amend and adopt the mid-year cleanup adjustments to the annual operating budget.

(D) Review quarterly revenue and expenditure reports, preliminary year end reports, summary financial and management reports, revenue forecasts, and reports on the status of the current year budget, as provided by the Office of Management and Budget.

(E) Review the Mayor's proposed annual operating budget, and amend and adopt a final operating budget.

§ 2-11-6 PREPARATION OF CITY BUDGET; DEPARTMENTAL REQUESTS; BUDGET PROPOSAL.

(A) The Mayor shall prepare a proposed city operating budget from the departmental requests, taking into consideration the requests of the departments, and the resources anticipated to be available to the city for the fiscal year for which the budget is prepared.

(B) Each year, the Mayor, or the Mayor's appointed representative, shall hold budget hearings with each City Department, to discuss the preparation of the budget for the next fiscal year. The Mayor, or the Mayor's appointed representative, shall include City Council staff in these hearings.

(C) During the preparation of the proposed Operating Budget, the Mayor shall furnish any requested information on departmental requests to the staff of the City Council and shall cooperate with City Council staff so that it may monitor the budget process and prepare preliminary analyses and other information for the City Council.

(D) The Mayor shall propose an operating budget to the Council no later than April 1

of each year.

§ 2-11-7 BUDGET CONTENTS AND FORMAT.

(A) A full-program budget will be prepared for all city departments each year. The program budget shall clearly identify each program that is proposed to be implemented or continued in the ensuing fiscal year and shall include the projected costs of each program separated by personnel and operating expenditures.

(B) The budget proposal shall not propose expenditures in excess of resources anticipated to be available to the city for the fiscal year for which the budget is proposed. If new programs are proposed, a detailed recommendation and justification of the program shall be provided which must include the estimated annual costs of the program and the source of revenues and other resources for financing the program. All new programs must be identified as such in the budget proposal.

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

- (1) The Mayor's budget message;
- (2) An annual appropriation resolution recommended by the Mayor;
- (3) A complete statement of the non-capital project financial operation of the city for the fiscal year last completed;
- (4) A comparable statement for the current fiscal year including expenditures to date and anticipated expenditures to the end of that year;
- (5) A financial plan in comparable form for the fiscal year commencing on July 1 of the year in which the budget proposal is submitted, to include:
 - (a) All proposed expenditures for personnel and operating costs of all departments of city government;
 - (b) All interest and debt redemption charges;
 - (c) All anticipated revenues and other available resources by source and amount;
 - (d) The proposed means of financing all proposed expenditures.
 - (e) Descriptions of all programs, services, and activities to include strategies, missions, customers, key initiatives, and desired results, organized by Five Year Goal, that are proposed in the Mayor's Budget;
 - (f) Performance measures, associated with all programs, services, and activities;

(g) All proposed expenditures for personnel and operating costs of all programs, services, and activities, organized alphabetically by Fund and Program Strategy.

(6) Any fee or rate adjustment proposal for the upcoming fiscal year and projected revenue requirements for the following two fiscal years.

(7) Department reorganization plans with an annual budgetary impact in excess of \$1,000,000 or 5% of the line-item authority, whichever is lower. The report shall provide justification for the reorganization which contains its rationale, financial and service benefits, the method for determining these benefits, a work plan for the newly reorganized unit, and an organization chart of the affected department or departments showing the results of the proposed reorganization. The Mayor also shall specify the affected positions and appropriations.

§ 2-11-8 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 31. 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 the Mayor's representative shall be present at all public hearings on the budget proposal and fee or rate adjustment proposals. The Chief Administrative Officer, or the Chief Administrative Officer's representative, shall be available to the Council at its request during any of its deliberations on the budget proposal.

§ 2-11-9 APPROVAL CONSTITUTES PROPOSAL AS BUDGET; EXPENDITURES MUST BE AUTHORIZED.

(A) The annual operating budget appropriation resolution, as approved, in addition to other approved appropriations for operating purposes shall constitute the city's operating budget for the ensuing fiscal year. The city shall not expend any public funds, except for capital project expenditures, special assessment district expenditures, and trust and agency fund expenditures, unless the expenditure is authorized in the budget and is made or encumbered in the fiscal year covered by the budget.

(B) The amount encumbered but not expended at the end of this fiscal year is appropriated to the subsequent fiscal year without further action by the Council. A report of the amounts and individual purchase orders will be reported to the Council by December 1 of each year.

§ 2-11-10 BUDGET MODIFICATIONS IN FISCAL YEAR OUTSIDE ADOPTION OF ANNUAL BUDGET.

(A) The Mayor shall be responsible for identifying and proposing expenditure adjustments and revenue enhancements to the operating budget of the city when it is determined, in the period between adoption of the annual operating budget [i.e., the fiscal year], that city revenues are not expected to equal city expenditures; or that additional revenues become available for appropriation. These proposals shall be submitted to the Council in the form of mid-year cleanup or other appropriating resolutions.

(B) Any redirection or reclassification of appropriations into sequestered or reserved budget categories by the Mayor shall be considered a transfer of funds between budget line-items, and shall be subject to the approval of the Council.

(C) 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 be made without a public hearing prior to the meeting at which action is taken on the proposed amendment. 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.

§ 2-11-11 TRANSFER OF FUNDS AND EXPENDITURE LINE-ITEM AUTHORITY WITHIN BUDGET.

(A) (1) During the fiscal year, the Mayor is authorized to transfer funds or change Operating Expenditures 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 the increase or decrease in that line-item expenditure authority in excess of the cumulative amount of \$500,000 or 5% of the line-item authority, whichever is lower. Such transfers shall be reported to the Council within 60 days of action, either by Executive Communication or by inclusion in subsequent proposed mid-year cleanup legislation.

(2) Transfers or use of Personnel Expenditure appropriations for Operating Expenditures among line-item authority by the Mayor is strictly prohibited. The Office of Management and Budget shall ensure there are systemic controls in place to ensure Personnel and Operating expenditures are properly segregated for reporting and monitoring purposes. The Mayor shall submit any proposed Personnel Expenditure changes to the Council for approval.

(3) No actions are authorized which would result in exceeding the total expenditures authorized in the operating budget for the city government as a whole. Actions

taken by the Mayor under this division (A) shall be reported in detail to the City Council within ten days of the approval of transfer or change by the Mayor or the Mayor's designated representative.

§ 2-11-12 APPLICATION FOR FEDERAL AND STATE GRANTS; BUDGETING FEDERAL FUNDS.

(A) Any application or proposal for a federal or state grant shall be submitted to the City Council for review, approval and appropriation.

(B) If, after Council approval of the application, conditions are added to the grant award which have not been approved by the Council and which have major financial or policy implications for the city, the final grant agreement shall be submitted to the Council for approval.

(C) The Mayor is authorized to expend, without further authorization from the City Council, any federal or state funds awarded as a result of a federal or state grant application if such grant does not require the city's commitment of funds or resources which were approved by the City Council to be increased by more than 10%, and if the goals, objectives and proposed programs included in the application approved by the Council have not changed. If such changes occur, and the Mayor desires to accept the grant, the grant application shall be resubmitted to the City Council.

(D) The Mayor, upon receiving notification that the city has been awarded a federal or state grant, shall report the details of the grant awards to the City Council by April 1 of each year.

§ 2-11-13 FINANCIAL AND MANAGEMENT REPORTS.

(A) The Office of Management and Budget shall report to City Council, through the Committee of the Whole, summary financial and management status reports of all operating funds to the City Council on a quarterly basis. These reports shall include:

- (1) Current annual revenue estimates for each fund;
- (2) Brief analysis explaining revenue trends for each fund;
- (3) A midyear programmatic review of each program and department and the progress made year- to-date in achieving its goals and objectives.

(B) Reports shall be received by the Council on a timely basis according to the following schedule:

- (1) The preliminary year-end report shall be received for introduction at the first City Council meeting in October following the close of the fiscal year;
- (2) The final year-end report shall be received for introduction at the first City

Council meeting in December.”

SECTION 2. SEVERABILITY CLAUSE. If any section, paragraph, 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 3. COMPILATION. The amendments set forth in Section 1 above shall amend, be incorporated in and made part of the Revised Ordinances of Albuquerque, New Mexico, 1994.

SECTION 4. EFFECTIVE DATE. This ordinance shall take effect five days after publication by title and general summary.