



City of Albuquerque

City of Albuquerque
Government Center
One Civic Plaza
Albuquerque, NM 87102

Legislation Text

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Mayor Timothy M. Keller

INTER-OFFICE MEMORANDUM

February 27, 2023

TO: Pat Davis, President, City Council

FROM: Timothy M. Keller, Mayor

SUBJECT: ..title

Submission Of The Five-Year Forecast FY2023 To FY2027

Attached please find the City of Albuquerque Five-Year Forecast. The Five-Year Forecast estimates future revenues and expenditures for the General Fund and subsidized funds for the current fiscal year, and for fiscal years 2024 through 2027. The purpose of the report is to provide a planning analysis that identifies key trends in revenues and expenditures and information about the financial challenges and opportunities anticipated over the next few years.

As with previous Five-Year Forecasts, the forecast broadly includes potential expenditures but does not reflect expenditure levels that will be presented in the upcoming budget. Similar to previous years, this does forecast unmet deficits for the out-years of the City. This trend continues as result of expanding City needs, historical increases in wages, especially for public safety and more importantly going forward, inflation. This year's forecasted expenditures are particularly impacted by across the board cost inflation, medical and retirement increases. Lastly, expenditures going forward include recurring cost increases made this year pursuant to our requirements with respect to gender pay equity.

With respect to revenues and city income, this forecast shows a leveling off of expected recurring tax revenues. Compared to the last two years, this revenue forecast represents our expectations for the baseline scenario, which excludes any significant one time and supplementary funds, that have been included in the previous two

years' revenues. Accordingly, FY23 and FY22 revenues were enhanced by significant non-recurring funding from a variety of sources, such as settlements and COVID related funds, outlined in this report.

My Administration is committed to presenting a balanced budget and will continue to comply with relevant budget law. Based on this forecast, the forecasted deficit can be adequately addressed through prudent program reviews and reductions; and will still allow for modest increased investment in some priority operations.

Preliminary estimates of revenues to date indicate that the City should expect modest revenue growth through the end of the forecast. Final estimates will be reported to the Council through the Committee of the Whole process as stated. I look forward to working with the Council as we prioritize resources and create a balanced operating budget for Fiscal Year 2024.

EXECUTIVE COMMUNICATION FOR THE SUBMISSION OF THE FIVE-YEAR FORECAST

Approved:

Lawrence Rael	Date
Chief Administrative Officer	

Recommended:

Sanjay Bhakta	Date
Chief Financial Officer	

Recommended:

Stephanie Yara	Date
DFAS - Director	

Recommended:

Lawrence L. Davis	Date
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DFAS - Budget Officer