

CITY OF ALBUQUERQUE
GENERAL FUND REVENUES, EXPENDITURES AND FUND BALANCES
LAST TEN FISCAL YEARS
(In thousands of dollars)

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
Revenues				
Taxes	\$ 65,802	\$ 68,525	\$ 85,102	\$ 86,393
Licenses and permits	4,396	5,222	6,179	7,463
Intergovernmental	95,946	100,603	108,584	108,389
Charges for services	31,782	31,299	30,747	33,301
Fines and forfeits	393	282	186	227
Interest	1,248	1,004	1,354	1,879
Miscellaneous	522	454	420	598
Other transfers in	<u>4,090</u>	<u>3,579</u>	<u>2,600</u>	<u>2,898</u>
Total revenues and other sources	204,179	210,968	235,172	241,148
Beginning fund balance	<u>11,644</u>	<u>12,227</u>	<u>18,870</u>	<u>41,466</u>
Total resources	<u>215,823</u>	<u>223,195</u>	<u>254,042</u>	<u>282,614</u>
Expenditures				
General government	33,287	32,873	31,450	35,672
Public safety	75,670	76,580	78,881	85,256
Cultural and recreation	31,326	30,206	31,955	35,562
Public works	20,871	18,642	16,749	18,319
Highways and streets	11,428	12,313	12,941	13,333
Health	4,918	4,711	4,985	5,812
Human services	6,669	6,908	7,181	8,418
Other transfers out	<u>19,427</u>	<u>22,091</u>	<u>28,434</u>	<u>30,921</u>
Total expenditures and other uses	<u>203,596</u>	<u>204,324</u>	<u>212,576</u>	<u>233,293</u>
Fund balance	12,227	18,871	41,466	49,321
Adjustments to fund balance				
Reserved fund balance	(12,164)	(13,057)	(12,668)	(15,550)
Residual equity transfer	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Ending unreserved fund balance	<u>\$ 63</u>	<u>\$ 5,814</u>	<u>\$ 28,798</u>	<u>\$ 33,771</u>

<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
\$ 93,180	\$ 99,105	\$ 105,634	\$ 113,542	\$ 113,608	\$ 116,855
7,207	7,873	7,454	7,556	8,136	8,011
117,363	124,625	129,058	132,410	135,383	135,501
33,970	34,920	37,294	37,162	35,758	35,539
252	227	8	35	31	41
2,488	2,437	2,910	3,279	2,088	1,883
318	536	536	1,115	868	785
<u>2,609</u>	<u>2,916</u>	<u>2,971</u>	<u>5,914</u>	<u>1,371</u>	<u>1,468</u>
257,387	272,639	285,865	301,013	297,243	300,083
<u>49,321</u>	<u>41,437</u>	<u>47,710</u>	<u>46,840</u>	<u>44,695</u>	<u>44,142</u>
<u>306,708</u>	<u>314,076</u>	<u>333,575</u>	<u>347,853</u>	<u>341,938</u>	<u>344,225</u>
38,084	41,153	40,732	42,605	42,081	43,979
93,301	97,840	103,593	110,161	111,039	116,909
39,406	41,766	47,582	47,801	47,466	46,791
15,989	15,232	15,641	15,739	14,842	14,425
12,170	13,381	13,765	14,011	13,947	9,520
6,385	6,451	6,635	6,059	5,796	5,774
10,117	11,975	15,945	18,180	18,523	22,104
<u>49,819</u>	<u>38,568</u>	<u>42,842</u>	<u>48,602</u>	<u>44,147</u>	<u>41,320</u>
<u>265,271</u>	<u>266,366</u>	<u>286,735</u>	<u>303,158</u>	<u>297,841</u>	<u>300,822</u>
41,437	47,710	46,840	44,695	44,097	43,403
(18,123)	(23,499)	(19,143)	(20,129)	(19,476)	(18,949)
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<u>\$ 23,314</u>	<u>\$ 24,211</u>	<u>\$ 27,697</u>	<u>\$ 24,566</u>	<u>\$ 24,666</u>	<u>\$ 24,454</u>

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Revenues

The increase in taxes for 1993 was due to a \$2.0 million one time mill levy of property taxes for the General Fund by City Council with a corresponding decrease in the Debt Service Fund. The increase was also due to an \$8.0 million increase in Governmental Gross Receipts Tax resulting from an increase in economic activity.

The increase in taxes and intergovernmental revenue in 1994 was due to increased gross receipt tax revenue caused by an increase in economic activity in fiscal year 1994. The increase in economic activity is also reflected in licenses and permits due to the increase in permits related to building and other construction activity in fiscal year 1994.

The substantial increase in taxes and intergovernmental revenues from 1993 to 1995 is due to the implementation of GASB Statement 22, which caused a change in the method of recording taxpayer assessed revenues from cash basis to a modified accrual basis. This required an accrual of July receipts thus causing a large increase in revenues. It also required restatement of prior years of which the City restated back to 1993.

The \$220,000 decrease in fines and forfeits was due to the police parking fines revenue being moved to the Parking Fund in the fiscal year 1997 budget.

The increase in tax revenue for 1998 is due to a settlement with U.S. West Communications for \$2.8 million. As a result of the settlement, the franchise taxes paid by U.S. West Communications increased by approximately \$300,000 each per quarter. Another \$1.4 million is attributed to the unexpected strength of the City's economy during 1998.

The decrease in fines and forfeits for 1999 is a result of a change in policy by the Environmental Health Department. This change allows violators a probationary period to correct problems related to violations. As a result, many violators took advantage of this option to avoid paying a fine by correcting the violations over a specified period of time that was negotiated by contract with the Environmental Health Department.

The approximate \$1.0 million decrease in interest revenue for 1999 is due to two factors. First, approximately \$600,000 of the decrease was due to the insurance program being moved out of the General Fund to the Employee Insurance Fund in FY-99. Second, the other \$400,000 of the decrease was due to the application of Governmental Accounting Standards Board Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" which requires that unrealized gains or losses on investments be recognized as an adjustment to interest income.

In 1999, the reduction of the operating transfers in was due to the reduction of the transfer from the Quality Of Life Fund by \$1.4 million and from the Vehicle and Equipment Replacement Fund by approximately \$3.2 million.

In 2000, the increase in tax revenues was primarily due to a one time receipt of \$2.3 million in gross receipts tax revenues as a result of the State of New Mexico's tax amnesty program.

In 2000, the decrease in interest income is due to reduced interest rates and to an increase in the unrealized loss on investments at fiscal year end over the prior year.

Expenditures

The decrease in expenditures for public works in 1993 was primarily due to the one third decrease in personnel in the CIP Funded employees program from 95 positions to 65.

The increase in expenditures for public safety in 1993 was due to a \$1.1 million increase in police which includes the cost of a new cadet class and pay increase.

The increase in general government in 1994 is due to many employees taking advantage of the new retirement plan passed in July 1994.

The increase in public safety in 1994 is due to an increase of officers and the start up costs associated with them and the fire cadet class is now being funded through this program. The increase in culture and recreation is due to major increases in the management changes to the program.

The increase in public safety in 1995 is due to an increase of seventy-five police officers and the new community based police program. There was also a major increase in the off duty police program due to the increased precaution taken by local businesses to prevent crime.

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The increase in operating transfers out in 1995 was largely due to a one-time transfer of \$7.0 million dollars to the Capital Projects Fund for the community based police mini substation.

The increase in highways and streets in 1996 was due to a million-dollar increase in the Risk Management charges for workers compensation and tort and other liability. A major program was also moved from public works.

The increase in human services in 1996 was due to a \$1.3 million increase in contractual services, an increase in Risk Management costs for tort and other liability claims of \$250,000, and a new child development site at the Carlos Ray Elementary School.

The decrease in the operating transfers out in 1996 was largely due to the one time transfer of \$7.0 million in 1995 to the capital projects with no such transfer occurring in 1996.

The increase in culture and recreation in 1997 was due to the opening of the Albuquerque aquarium and botanical gardens in December of 1996. This represented about \$2.5 million in expenditures. CIP projects increased dramatically in 1997 representing another \$1.5 million increase. Community and youth recreation programs also increased by \$1 million due to increased focus on family and youth programs.

The increase in human services in 1997 is due to a \$3.5 million increase in contractual services to cover the continuation of programs no longer funded by federal or state grants, plus several new programs such as the high school initiative and detoxification center were added for \$1 million.

The growth in 1998 expenditures for public safety for 1998 was due primarily to increased costs of fire and police personnel. Fire personnel costs rose approximately \$2 million due to salary increases. The impact of salary increases for police was approximately \$4.5 million due to a ten percent increase in 1997 and a five percent increase in 1998. The full impact of the increases was reflected in 1998.

The increase in human service expenditure in 1998 was due to two factors. There was a \$1.1 million increase in contractual services due to twenty new service contracts, which accounted for approximately \$600,000 and a high school initiative program that accounted for the other \$500,000. The second factor was the construction of two new childcare centers that constituted \$106,000 in operating costs and a one-time capital outlay cost of \$356,000.

The \$4.4 million decrease in highways and streets is due to the creation of the Gas Tax Road Fund in 2000. The expenditures related to street maintenance are now expended in the new fund.

The \$1.9 million increase in General Government is due to the transfer of the Capital Implementation Program, with \$1.6 million in expenditures, from Culture and Recreation and with increases in personnel costs resulting from a reclassification study of employee compensation.

The \$5.9 million increase in Public Safety is due to increased costs for 1) maintenance and fuel for fire and police vehicles, 2) additional overtime for police personnel, 3) a new communication center for handling emergency calls, and 4) two new fire stations going operational during the fiscal year.

The \$3.6 million increase in Human Services is due to the transfer of the Playground and Latch-Key programs from Culture and Recreations and for increased contract services.

The \$2.8 million decrease in Other transfers out is for reduced transfers of 1) \$1.6 million for the Vehicle and Equipment Replacement Fund, 2) \$1.7 million for the Sales Tax Refunding Debt Service Fund, and 3) \$1.0 million for the Transit Fund. Those reductions were offset by an increase of the transfer to the Corrections and Detention Fund of \$1.4 million.