

City of

ALBUQUERQUE

Office of Internal

Audit

STRATEGIC REVIEW
19-303

IMPROVING
TRANSPARENCY,
TRACKING, &
REPORTING OF 3/8
CENT MUNICIPAL
HOLD HARMLESS
GROSS RECEIPTS TAX

APRIL 25, 2019

STRATEGIC REVIEW REPORT
 IMPROVING TRANSPARENCY, TRACKING, AND REPORTING OF
 3/8 CENT MUNICIPAL HOLD HARMLESS GROSS RECEIPTS TAX
 REPORT NO. 19-303

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INTRODUCTION

In March 2019, the Office of Internal Audit (OIA) received a request from a City Councilor to conduct an independent review of the quarterly tracking and reporting process for the 3/8 Cent Municipal Hold Harmless Gross Receipts Tax (3/8 Cent GRT) pursuant to Resolution R-18-93.

Specifically, the Councilor requested that the review address and include:

1. A review of the process used to prepare the quarterly reports, and
2. Recommendations to the City Council for improving transparency, tracking, and reporting in accordance with R-18-93.

SCOPE

The work performed for this strategic review was limited to the identified objectives and was not an audit or an investigation in response to allegations of fraud, waste, or abuse. The City's Office of Inspector General is responsible for the investigation of possible fraud, waste, or abuse and would be notified if such events were identified.

EXECUTIVE SUMMARY

Currently, the quarterly reports submitted to the City Council by the Administration do not meet the reporting requirements as detailed in Resolution R-18-93, which requires the report to be submitted to City Council as an Executive Communication (EC) and contain the actual expenditures at the program level broken out by department and specific purpose. Rather, the reports were submitted directly to City Council via interoffice memo and the majority of the line items included in the report were reported as 1/12th of the estimated annual expenditures, not actual costs. The few remaining line items were reported using a budget comparison or change in budget, and were not actual costs.

The Department of Finance & Administrative Services (DFAS) has assumed the responsibility of tracking and reporting the 3/8 Cent GRT and has not engaged the recipient departments in the process.

Summary of Recommendations

OIA makes the following recommendations to the Administration and City Council for improving transparency and the tracking/reporting accuracy of the 3/8 Cent GRT in accordance with Resolution R-18-93.

- The Administration should submit quarterly reports to City Council as an EC as required by Resolution R-18-93 and should contain the actual expenditures at the program level broken out by department and specific purpose.
- Each of the City's recipient departments should help further identify the underlying purpose for the use of the funds and take an active and engaged responsibility in tracking actual expenses. This includes tracking all reallocation or redirection of funds from the approved use of funds.
- Each of the City's recipient departments should work with DFAS to establish a collaborative process for the quarterly reporting to City Council.

- DFAS should categorize any unspent 3/8 Cent GRT revenue, in addition to the 1/12th reserve totaling \$4.1 million, as committed on the June 30, 2019 financial statements in accordance with *Governmental Accounting Standards Board* Statement 54 (GASB 54).
- DFAS should clearly define the order of general spending policy for various classifications of funds in the financial statements, and
- The City should update and align its goals to include the various components now considered to be “Public Safety.”

OBJECTIVES

The objectives of the strategic review were to:

- Review and report on the process used to prepare the quarterly reports; and
- Make recommendations regarding the 3/8 Cent GRT to improve the:
 - Transparency,
 - Tracking, and
 - Reporting.

Information pertaining to the methodology used by OIA to complete the strategic review can be found in **Appendix A**.

BACKGROUND

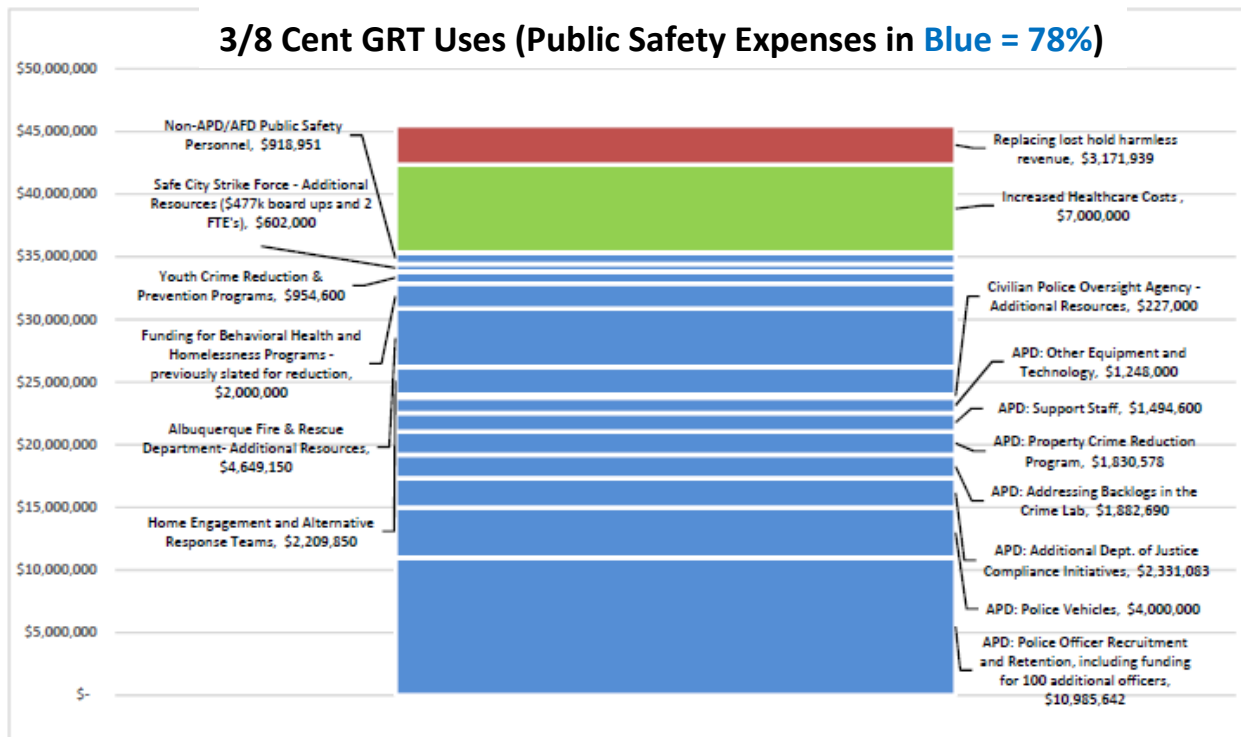
Overview of 3/8 Cent GRT

On March 8, 2018, the City Council approved Ordinance O-18-9 and adopted a 3/8 Cent GRT for the purpose of closing the General Fund revenue gap related to the State of New Mexico Hold Harmless phase-out. The new tax took effect July 1, 2018 and was expected to generate \$49.6 million by the close of Fiscal Year (FY) 2019.

It is the policy of the City to maintain a reserve of 8.33 percent or 1/12th of the budgeted expenditure level for the City’s General Fund. This reserve is to help protect against changes in the economy or unanticipated fiscal needs or emergencies. After taking into account the 1/12th reserve, approximately \$4.1 million, \$45.5 million of the 3/8 Cent GRT was available for appropriation.

The enabling legislation mandates that in FYs 2019 and 2020, no less than 60 percent of the tax receipts shall be used for the City’s Public Safety Budget Goal Priorities. As the City’s established Public Safety Budget Goal Priority does not expressly include behavioral health components, the legislation clarifies and declares behavioral health and substance abuse prevention and intervention programs to be a component of Public Safety services for the purposes of prioritizing the uses of the 3/8 Cent GRT revenues.

The City’s FY2019 Approved Budget contains a summary of the proposed uses for the 3/8 Cent GRT as well as a chart illustrating that 78 percent would be used for public safety, as shown below.



Source: City of Albuquerque FY19 Approved Budget

Quarterly Reporting Requirements

Resolution R-18-93 was approved by the Mayor on December 27, 2018 and established quarterly reporting requirements for the 3/8 Cent GRT revenue and expenditures.

Section 1 of the Resolution states:

The Administration is directed to compile and prepare Quarterly Reports on the status of the implementation of the three-eighths of one percent Municipal Hold Harmless Gross Receipts Tax. The quarterly reports shall include, but not be limited to the following information:

- (1) The amount of revenue collected from the tax, for that quarter, and in aggregate since the institution of the tax.
- (2) For the 60% Public Safety Requirement, a list of expenditures at the program level broken out by department, and specific purpose. The purpose will include but not be limited to, capital facilities and equipment, supplies, personnel, indirect overhead, public outreach and intergovernmental transfers.
- (3) For the 40% of revenues expended for general municipal purposes, a list of expenditures at the program level broken out by department, and specific purposes. The purpose will include, but not be limited to, capital facilities and equipment, supplies, personnel, indirect overhead, public outreach and intergovernmental transfers.

As of the second quarter ended December 31, 2018, the City had reportedly expended approximately \$21.2 million (46 percent) of the \$45.5 million estimated revenue from the 3/8 Cent GRT. A summary of reported spending is included as **Appendix B**.

Governmental Accounting Standards Board

The creation of a separate fund on the financial statements to report 3/8 Cent GRT is unnecessary; however, tracking of the 3/8 Cent GRT is essential to ensure compliance with Resolution R-18-93 and the *Governmental Accounting Standards Board* (GASB). According to GASB Statement No. 54, restricted funds include “amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,” while committed funds include “amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority.” As the uses for the 3/8 Cent GRT revenue were mandated by City Council, the funds would be “committed” rather than “restricted” per GASB 54.

According to the City’s FY2018 Comprehensive Annual Financial Report (CAFR) “Committed fund balance includes amounts that can be used for specific purposes pursuant to constraints imposed by City Council, the highest level of decision making authority in the City.” As 1/12th of the expected revenue was held in reserve, in accordance with GASB 54, the reserved \$4.1 million, and any remaining unspent 3/8 Cent GRT appropriations, should be reported as committed fund balance on the City’s June 30, 2019 financial statements.

GASB 54 also states that governments “are required to classify and report amounts in the appropriate fund balance classifications by applying their accounting policies that determine whether restricted, committed, assigned, and unassigned amounts are considered to have been spent.” The City appropriately discloses this information in its FY2018 CAFR, which states:

It is the City’s policy to consider restricted fund balance to have been depleted before using any components of unrestricted fund balance. Further, when the components of the unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.”

The City does not expressly disclose in the financial statements and annual budget its spending order at the expense and expenditure level; and although not a requirement, such clarification may be beneficial. The City of Rio Rancho, for example, clarifies the order of its general spending in its financial statements, which state, “When an expenditure or expense is incurred for purposes for which both restricted and unrestricted resources are available, the City’s policy is to use restricted resources first, then unrestricted resources in order of committed then assigned as needed.”

Recipient Department Information

In an effort to provide the most beneficial information, OIA conducted interviews with, or gathered information from, key employees from DFAS as well as the three main recipient departments identified in the City’s quarterly reports – Albuquerque Police Department (APD), Albuquerque Fire Rescue (AFR), and the Department of Family & Community Services (DFCS). The departments confirmed that they had not been involved in the quarterly reporting process, but assisted OIA in identifying departmental funding, and recommended that OIA review the

departmental Issue Papers from the FY2019 proposed budget for additional information relative to the purpose for which the funds had been committed.

Using the related Issue Papers, OIA was able to breakdown many of the 16 line items on the quarterly reports into smaller spending categories by purpose. This process also helped identify additional departments that were not listed on the quarterly reports, but had received related funding. A more detailed breakdown of the quarterly report is included as **Appendix C**.

By reviewing the spending categories and underlying purposes, the 16 originally reported line items can be sorted into the following seven general purpose areas:

1. New Personnel Positions,
2. Purchases (Services/Equipment),
3. Personnel Salary Increases,
4. Transfers,
5. Insurance,
6. Replace Non-Recurring Funding, and
7. Other.

General Purpose Spending Categories

No.	Purpose of the Gross Receipts Tax	Budgeted Amount
1	New Personnel Positions	\$ 7,359,583
2	Purchases (Services/Equipment)	8,072,800
3	Personnel Salary Increases	5,784,050
4	Transfers	827,224
5	Insurance	6,475,000
6	Replace Non-Recurring Funding	7,174,769
7	Other	9,812,657
Total Expenditures		\$ 45,506,083

Source: Summary (Appendix C)

Each of the general categories, one through five above, has the ability to be tracked. However, additional research and information is needed from the recipient departments making up Categories six (Replace Non-Recurring Funding) and seven (Other) to identify how funds will be used and subsequently tracked. Possible tracking and reporting methodologies are listed below for categories one through five.

1. New Personnel Positions

Each department that received funding for new personnel positions should be able to track new positions and identify new employee labor costs by generating labor distribution reports.

For example: To track new positions, AFR identified the new personnel position numbers and also established a new program within which to track costs of its new personnel, which total \$870 thousand through December 31, 2018. Establishing a new program may

not be feasible for some departments, so they may need to consider an alternative means of tracking that facilitates their reporting.

2. Purchases (Services/Equipment)

Purchases (services/equipment) can be tracked as vendors and invoices can be separately identified, summarized, and reported, or a separate project can be used for capital outlays like vehicle purchases.

For example: APD has contracted with two vendors to help address the backlog in the crime lab. By generating a query by vendor, actual payments to the vendors through December 31, 2018 total \$702 thousand. APD also transferred funding for vehicles to a designated project number within the Capital Acquisition Fund. By generating a query by fund and filtering by project number, actual vehicle purchases through December 31, 2018 total \$1.8 million.

3. Personnel Salary Increases

Departmental personnel salary increases can be tracked by generating quarterly labor distribution reports and deducting labor costs for new personnel positions then applying a simple salary increase factor.

For example: AFR generated labor distribution reports for the first six months of FY2019 and deducted the new employee labor costs. By applying a 6.1 percent salary increase factor (calculated percentage of FY2018 base salaries plus 3/8 Cent GRT to total) AFR's salary increases can be calculated. Actual AFR salary increases through December 31, 2018 total \$2.3 million.

4. Transfers

Amounts can be identified when transferred, and the receiving fund should identify additional details when and how the funds are spent.

5. Increase in Insurance

Actual insurance costs can be compared to prior year costs and the net increase reported as applied proportionately to the benefiting department.

Transparency – Reporting Public Safety

The City has identified Public Safety as one of its top priorities – Goal 2 in the annual budget. As reported in an FY2019 budget-related press release, Mayor Keller stated “We are focused on tackling crime from all sides and working with communities to make our neighborhoods and businesses safer.” The press release also states that “attacking Albuquerque’s crime epidemic must also include efforts to address behavioral and mental health, homelessness, jobs and the economy, and opportunities for children” and highlights the additional areas of proposed 3/8 Cent GRT spending.

By expanding the definition of “Public Safety” to include a wide array of components, the transparency and reporting consistency of Public Safety related spending has been impacted. For example, the Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual General Fund in the City’s FY2018 CAFR only includes two departments as Public

Safety, while the City's budgetary Goal 2 includes six departments as Public Safety, and the 3/8 Cent GRT includes eight departments, as illustrated in the table below.

**Presentation of Departments
with Funding Tied to Public Safety**

Department	FY2018 CAFR	Approved Budget Goals	3/8 Cent GRT
Police	✓	✓	✓
Fire	✓	✓	✓
Animal Welfare	--	✓	--
Civilian Police Oversight Agency	--	✓	✓
Family & Community Services	--	✓	✓
Technology & Innovation	--	✓	--
Municipal Development	--	--	✓
Transit	--	--	✓
Cultural Services	--	--	✓
Parks & Recreation	--	--	✓

Source: FY2018 CAFR and FY2019 Approved Budget

Expanding the definition of “Public Safety” impacts and complicates the transparency captured and reported in the City's goals and CAFR. As detailed on page 4 of this report, 78 percent of the proposed 3/8 Cent GRT spending, approximately \$35.1 million, is considered Public Safety, while only \$28.1 million can be clearly identified by the change in the approved budget to the City's Goal 2, as shown below.

FYs 2018 & 2019 Comparison of City Goals

Appropriations by Goal (\$000's)			
	FY2018	FY2019	Change
GOAL 1: Human & Family Development	\$125,758	\$132,409	\$ (6,651)
GOAL 2: Public Safety	274,594	302,667	(28,073)
GOAL 3: Public Infrastructure	194,110	192,120	1,990
GOAL 4: Sustainable Community Development	16,857	20,354	(3,497)
GOAL 5: Environmental Protection	147,219	139,181	8,038
GOAL 6: Economic Vitality	13,731	14,757	(1,026)
GOAL 7: Community & Cultural Engagement	14,358	14,861	(503)
GOAL 8: Governmental Excellence & Effectiveness	170,101	181,361	(11,260)
Total Budgeted Expenses	\$956,728	\$997,710	(\$40,982)

*Source: Comparison using information from City of Albuquerque FYs 2018 & 2019 Approved Budget
(Excerpt included as Appendix G)*

As a result, some expenditures are considered “Public Safety” for 3/8 Cent GRT reporting purposes, but are not considered as such for the City's Goal reporting purposes, the resulting appearance is that less funding is allocated to the Public Safety Goal than originally reported.

Transparency – Flow of Sources and Uses

As all financial and budgetary documents of the City are intertwined, any changes, whether direct or indirect, affect other financial reporting areas and documents, which complicates the overall flow of transparency.

The impact of such changes can be demonstrated by comparing the FY2018 and FY2019 sources of revenue from the City’s Approved Budgets. As shown in the table below, the 3/8 Cent GRT revenue was projected to generate \$49.6 million. However, because of changes in other taxes, the overall net increase to inclusive GRT is \$48.6 million – a difference of \$1.0 million. Furthermore, because of changes in other revenue sources, the net funding available for inclusive General Fund appropriation decreases to \$41 million.

FYs 2018 & 2019 Comparison of General Fund Revenue				FYs 2018 & 2019 Comparison of Revenue Sources			
General Fund Revenue Estimates	FY18	FY19	Change	Where the money comes from:			
	Approved Budget	Approved Budget		Combined Revenues by Source (\$000's)			
Gross Receipts Tax	\$ 82,650	\$ 82,492	\$ 158	Gross Receipts Tax	FY2018 \$338,202	FY2019 \$386,792	Change \$(48,590)
GRT-Penalties And Interest	1,135	1,013	122	Property Tax	154,027	155,229	(1,202)
GRT-Infrastructure	10,331	10,311	20	Other Taxes	42,050	43,759	(1,709)
GRT-Public Safety	40,318	40,222	96	Intergovernmental	54,380	55,678	(1,298)
GRT- Hold Harmless .375% -	-	49,643	(49,643)	Enterprise	147,102	148,955	(1,853)
State-GRT 1.00%	163,677	163,733	(56)	Interfund & Fund Balance	157,544	144,536	13,008
State-GRT .225%	36,827	36,840	(13)	Charges & Permits	48,554	47,219	1,335
GRT-State--Penalty and Interest	1,247	1,112	135	Miscellaneous	14,869	15,542	(673)
Municipal Share Comp Tax	2,017	1,426	591	Total Revenue	\$956,728	\$997,710	\$(40,982)
Total GRT	\$ 338,202	\$ 386,792	\$ (48,590)				

Source: Comparison using information from City of Albuquerque FYs 2018 & 2019 Approved Budget (Excerpts included as Appendices G and H)

As all GRT is inclusively included as the General Fund revenue, when appropriated without expressly identifying the allocated amount of 3/8 Cent GRT revenue to the recipient departments on the budget documents, transparency of the funding is lost. For example, of the \$28.1 million increase to Public Safety Goal 2, from FY2018 to FY2019, the increase in overall funding to APD totals \$20.6 million over the prior year approved budget, as shown below.

FYs 2018 & 2019 Comparison of City Goals				FYs 2018 & 2019 Comparison of Public Safety Goal 2			
Where the money goes:				Appropriations by Goal (\$000's)			
GOAL	FY2018	FY2019	Change	GOAL	FY18	FY19	Change
GOAL 1: Human & Family Development	\$125,758	\$132,409	\$ (6,651)	2 - Public Safety	Approved Budget \$11,105	Approved Budget \$11,547	Change \$ (442)
GOAL 2: Public Safety	274,594	302,667	(28,073)	AW-Animal Welfare Department	860	1,087	(227)
GOAL 3: Public Infrastructure	194,110	192,120	1,990	CP-Civilian Police OS Dept	80,024	86,928	(6,904)
GOAL 4: Sustainable Community Development	16,857	20,354	(3,497)	FC-Family Community Svcs Dept	5,244	5,148	96
GOAL 5: Environmental Protection	147,219	139,181	8,038	TI-Technology and Innovation	842	816	26
GOAL 6: Economic Vitality	13,731	14,757	(1,026)	PD-Police Department	176,519	197,141	(20,622)
GOAL 7: Community & Cultural Engagement	14,358	14,861	(503)	Sub Total	\$ 274,594	\$ 302,667	\$(28,073)
GOAL 8: Governmental Excellence & Effectiveness	170,101	181,361	(11,260)				
Total Budgeted Expenses	\$956,728	\$997,710	\$(40,982)				

Source: Comparison using information from City of Albuquerque FYs 2018 & 2019 Approved Budget (Excerpts included as Appendices F & G)

Although the statement of “Combined Appropriation by Fund Group and Department” included in the City’s FY2019 approved budget provides a breakdown of each department’s funding, it does not identify the various underlying General Fund sources. Without a General Fund breakdown, it is unclear what amount of APD’s \$20.6 million increase is attributable to the 3/8 Cent GRT.

To clearly identify APD’s 3/8 Cent GRT funding, OIA expanded the statement of “Combined Appropriation by Fund Group and Department” to include the various funding sources contained in General Fund revenue. The expanded statements for four of the recipient departments are included as **Appendix D**.

To demonstrate, APD’s total appropriations increased by \$20.6 million, and by identifying the underlying sources of revenues, there was no change in Quarter Cent funding, an increase of \$23.8 million in 3/8 Cent GRT, and a decrease of \$5.5 million in general operational funds, as illustrated below.

**Proposed Expanded Reporting for the Statement
of Combined Appropriation by Fund Group and Department
APD Comparison FYs 2018 & 2019**

Albuquerque Police Department												
	General Fund				Sub-Total	Special Revenue	Special Revenue	Debt Service	Enterprise Funds	Combined Total	Interfund Eliminations	Total
	General Fund	Quarter Cent	3/8 Cent GRT			Funds in General Appropriations	Funds Not in General					
FY2019	\$150.2	14.9	23.8	188.8	1.3	7.9	0.0	0.0	198.1	(1.0)	\$197.1	
FY2018	155.7	14.9	0.0	170.6	1.4	5.4	0.0	0.0	177.4	(0.9)	176.6	
Difference	(\$5.5)	0.0	23.8	18.2	(0.1)	2.5	0.0	0.0	20.7	(0.1)	\$20.6	

Source: FY2019 Approved Budget, FY2019 Budget Call information

The above proposed expanded breakout would provide more transparency to readers on how sources of funds are appropriated to departments. The “Combined Appropriation by Fund Group” currently only shows the General Fund Total for FYs 2018 and 2019 of \$170.6 million and \$188.8 million, respectively, as shown in **Appendix E**.

RESULTS

The results presented are based on information obtained through interviews with City personnel and related parties, a review of budget and financial documents, and supporting documentation pertaining to the City’s financial reporting system.

Quarterly Review Process

Resolution R-18-93 establishes the quarterly reporting process for the 3/8 Cent GRT. The Resolution directs the City Administration to:

- Compile and prepare Quarterly Reports on the status of the implementation of the 3/8 Cent GRT. The report shall include:
 - The amount of revenue collected for that quarter and in aggregate since the institution of the tax;
 - For the 60 percent Public Safety Requirement:
 - A list of expenditures at the program level broken out by department and specific purpose.
 - For the 40 percent general municipal purposes:
 - A list of expenditures at the program level broken out by department and specific purpose.
- Provide the respective quarterly reports to the City Council through EC.

DFAS has currently assumed the responsibility of tracking and reporting the uses of the 3/8 Cent GRT. The individual recipient departments of the funding have not been involved in the reporting process. Without recipient departmental participation, tracking actual expenditures may be overly cumbersome and time-consuming for DFAS.

The first quarterly report, for the period ended September 30, 2018 (**Appendix I**), includes the actual revenue collected for the quarter, as required, and includes a calculated percentage of the two reporting categories (Public Safety and general municipal purposes). The report does not, however, report actual expenses, but reports the majority of categories as 1/12th of the estimated annual expenditures per month.

The second quarterly report, for the period ended December 31, 2018 (**Appendix J**), also includes the actual revenue collected for the quarter and includes a calculated percentage of the two reporting categories (Public Safety and general municipal purposes). As with the first report, the second quarterly report does not include actual expenses, but rather reports the majority of line items as 1/12th of the estimated annual expenditures per month.

Recommendations

OIA presents the following recommendations to City Council for improving transparency, tracking, and reporting of the 3/8 GRT in accordance with Resolution R-18-93.



Transparency

Transparency in government is important and vital and is affected when information presented differs from the information that was requested. To improve transparency, OIA recommends that the City:

1. Report the actual expenditures contained in each of the spending categories, by purpose, as required by R-18-93, rather than 1/12th of the proposed annual spending. The City can establish a new department or prepare spreadsheets to track spending;
2. Update and align its goals to include the various components now considered to be “Public Safety;” and
3. Expand reporting within the Statement of Combined Appropriations by Fund and Department to identify the sources of committed funds included within the General Fund balance at the department level.

Tracking

To be fully transparent and improve tracking of the 3/8 Cent GRT expenditures, OIA recommends that the City:

1. Require each of the City’s recipient departments to identify, in more specific detail, the use of funding by purpose and take an active and engaged responsibility in tracking actual expenses;

2. Establish a process to project spending through the fourth quarter and consider if there is a need to redirect committed funds in accordance with City Ordinance §2-11-16, ROA 1994 Transfer of Funds and Expenditure Authority within Budget. Documentation should be maintained to support redirection of funds, and the department involved should continue to track the funds for the new purpose; and
3. Record the \$4.1 million reserve (1/12th of funding) and any unspent 3/8 Cent GRT revenue as Committed Fund Balance on the City's FY2019 financial statements.

Reporting

Reporting is most effective when the information is presented in a direct and simple format, such as **Appendix C**. To improve reporting, OIA recommends that the City:

1. Submit the quarterly report as an EC to City Council, as required by R-18-93;
2. Require each of the City's recipient departments to work with DFAS to establish a collaborative process for the quarterly reporting to City Council; and
3. Specify the order of general spending in the CAFR and Approved Budget, to clarify the order in which funds are to be spent.

CONCLUSION

Opportunities for improved transparency, tracking, and reporting pertaining to the 3/8 Cent GRT exist within the City of Albuquerque. The information contained in this report is presented as an independent review of the City's tracking and reporting processes and is designed to offer recommendations to related issues. Collaboration between DFAS and the recipient departments is needed and would evenly distribute the responsibilities and improve tracking and reporting accuracy.

We greatly appreciate the cooperation and participation of DFAS and the various recipient departments involved during this review. Their active participation and openness to recommendations demonstrates their dedication and commitment to the citizens of Albuquerque.

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Appendix A**METHODOLOGY**

To complete this strategic review, OIA performed the following:

- Reviewed the two quarterly reports submitted to the City Council for the periods ended September 30, 2018 and December 31, 2018;
- Compared the information presented against the reporting requirements of Resolution R-18-93;
- Interviewed key personnel from DFAS;
- Interviewed key personnel from the main recipient departments;
- Researched and reviewed FY2019 budgetary documentation of recipient departments;
- Broke-out the reported budgeted categories of spending into more specific spending categories by purpose;
- Considered transparency relative to how the allocation of 3/8 Cent GRT revenues and uses of revenues are currently disclosed in the City's CAFR and Approved Budget.
 - Traced 3/8 Cent GRT revenue through the FY2019 Approved Budget;
 - Reviewed the various components of general fund revenues and expenditures for "Public Safety" as reported in the FY2018 CAFR Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual for the General Fund and throughout the FY2019 Approved Budget; and
- Prepared a final report summarizing results.

Appendix B

**Summary of Reported 3/8 Cent GRT
Through the 2nd Quarter Ended
December 31, 2018**

Revenues		Description	Estimated FY2019 Annual Revenue/ Expenditures	Revenue / Expenditures Reported Thru 12/31/2018	Percent of Estimate
New Tax		Gross Receipts Tax Hold Harmless - 411608 Received	\$ 45,500,000	\$ 18,020,366	40%
Expenditures					
Item	Dept	Purpose of the Gross Receipts Tax			
1	APD	APD: Police Officer Recruitment and Retention, including funding for 100 additional officers	\$ 10,985,642	\$ 6,462,778	59%
2	APD	APD: Police Vehicles	4,000,000	1,999,998	50%
3	APD	APD: Additional Dept. of Justice Compliance Initiatives	2,331,083	1,165,542	50%
4	APD	APD: Addressing Backlogs in the Crime Lab	1,882,690	941,345	50%
5	APD	APD: Property Crime Reduction Program	1,830,578	562,345	31%
6	APD	APD: Support Staff	1,494,600	747,300	50%
7	APD	APD: Other Equipment and Technology	1,248,000	436,077	35%
8	CPOA	Civilian Police Oversight Agency - Additional Resources	227,000	113,500	50%
9	FIRE	Home Engagement and Alternative Response Teams (HEART)	2,209,850	240,065	11%
10	FIRE	Albuquerque Fire & Rescue Department- Additional Resources	4,649,150	2,446,391	53%
11	DFCS	Funding for Behavioral Health and Homelessness Programs - previously slated for reduction	2,000,000	1,000,000	50%
12	DFCS	Youth Crime Reduction & Prevention Programs	954,600	477,300	50%
13	PLANNING	Safe City Strike Force - Additional Resources (\$477k board ups and 2 FTE's)	602,000	247,000	41%
14	DMD, TRANSIT, APD, AWD	Non-APD/AFD Public Safety Personnel	918,951	459,476	50%
15	HR	Increased Healthcare Costs	7,000,000	2,266,250	32%
16	Lost GF Revenue	Replacing lost hold harmless revenue	3,171,939	1,585,970	50%
Total Expenditures			\$45,506,083	\$ 21,151,336	46%

Source: Second Quarter 3/8 Cent GRT report

Appendix C

**Proposed Reporting Format with
Detailed Breakdown of the 3/8 Cent GRT
Spending Categories**

Item No.	Dept	Purpose of the Gross Receipts Tax	Budgeted Expenditures	Quarterly Actual Expenditures	Category
1	APD	APD: Police Officer Recruitment and, funding for 40 new officers	\$1,900,000		NP
1	APD	APD: Police Officer Recruitment and Retention, funding for 60 existing officers to replace lost funding	5,400,000		RF
1	APD	APD: Police Officer Recruitment and Retention, Salary Increase and Other	3,685,642		O
2	APD	Dept ID 519100 Vehicle Replacement (Funds Transferring to CIP Project 7555150)	4,000,000		P
3	APD	Dept. ID 5116101 CASA Appropriation	1,774,769		RF
3	APD	Dept. ID 5116101 Internal Affairs & CIRT 4 Positions	234,246		NP
3	APD	Dept. ID 5116101 CASA 5 Additional Positions	322,068		NP
4	APD	Dept ID 5129000 DNA Sexual Assault Kit Backlog	1,500,000		P
4	APD	Dept ID 5129000 1 DNA Analyst	107,893		NP
4	APD	Dept ID 5129000 3 Latent Examiners	274,797		NP
5	APD	Dept ID 5129000 PSAII 22 positions	1,242,904		NP
5	APD	Dept ID 5129000 PSAII Supervisor 3 positions	185,743		NP
5	APD	Dept ID 5128000 3 Bait Car Equipment Technicians	177,034		NP
5	APD	Dept ID 5113000 account 522000 Equipment	116,739		P
5	APD	Dept ID 5121000 account 521400 Telephone	8,158		P
5	APD	Dept ID 5121000 account 594031 Vehicle maintenance	50,000		P
5	APD	Dept ID 5121000 account 594041 Fuel	50,000		P
6	APD	911 Certified \$1 salary increase	221,112		SI
6	APD	Dept ID 5112100 Paralegals 9 positions	415,600		P
6	APD	Dept ID 5119100 Telecommunications 4 Positions	242,174		NP
6	APD	Dept ID 5119100 Telecommunications Shift Managers 2 Positions	139,995		NP
6	APD	Transfer 110 to 280	200,000		T
6	APD	Dept ID 511000 PTU 4 Positions	275,719		NP
7	APD	Dept. ID 5139100 IT Licensing & Maintenance Contracts	630,000		P
7	APD	Dept. ID 5139100 DTI 3 year plan projects	618,000		P
8	CPOA	Salary Forecast Adjustments	24,861		SI
8	CPOA	Telephone Expense	901		P
8	CPOA	Transfers to RISK	201,238		T

Item No.	Dept	Purpose of the Gross Receipts Tax	Budgeted Expenditures	Quarterly Actual Expenditures	Category
9	FIRE	Emergency Response 2700004 Community EMS Image Trend	13,000		P
9	FIRE	Training 27000006 CPR Cards	64,840		P
9	FIRE	Emergency Response 2700004 / Logistics 2700007 EMS - EMS/BLS Rescue Implementation 19 positions	2,132,010		NP
10	FIRE	2.5% Wage Adjustments	1,320,000		SI
10	FIRE	Telephone Expense	129,038		P
10	FIRE	Salary Forecast Adjustments	2,774,126		SI
10	FIRE	Transfers	425,986		T
11	DFCS	Funding for Behavioral Health and Homelessness Programs - previously slated for reduction	2,000,000		O
12	DFCS	Youth Crime Reduction & Prevention Programs	360,000		O
12	DFCS	Youth Crime Reduction & Prevention Programs	194,600		O
12	PRD	Youth Crime Reduction & Prevention Programs	200,000		O
12	CSD	Youth Crime Reduction & Prevention Programs	200,000		O
13	PLANNING	Code Enforcement Specialist Positions 4919000	125,000		NP
13	PLANNING	Increased board-up cost 4919000	101,524		P
13	PLANNING	Safe City Strike Force board Ups and Demos 4919000	300,000		P
13	PLANNING	Vacant & Abandoned Bldgs - Land Bank Implem 4919001	75,000		P
13	PLANNING	Other Unidentified net increase	476		O
14	DMD, APD, AWD	Non-APD/AFD Public Safety Personnel	918,951		SI
15	HR	Medical Insurance Increase	6,356,000		I
15	HR	Vision Insurance Adjustment	7,000		I
15	HR	Basic Life Increase	112,000		I
15	HR	Other Unidentified net increase may be related to proposed 1% salary adjustment	525,000		SI
16	Lost GF Revenue	Replacing lost hold harmless revenue	3,171,939		O
Total Expenditures			\$45,506,083		

Source: FY2019 Departmental Issue Papers and FY2019 Approved Budget

NP – New Personnel Positions
 RF – Replace Non-Recurring Funding
 SI – Personnel Salary Increase
 O – Other

P – Purchases (Services/Equipment)
 T – Transfers
 I - Insurance

Appendix D

**Proposed Expanded Reporting for the
Statement of Combined Appropriations by Fund Group and Department**

Albuquerque Police Department												
	General Fund				Sub-Total	Special Revenue Funds in General Appropriations	Special Revenue Funds Not in General	Debt Service	Enterprise Funds	Combined Total	Interfund Eliminations	Total
	General Fund	Quarter Cent	3/8 Cent GRT									
FY2019	\$150.2	14.9	23.8	188.8	1.3	7.9	0.0	0.0	198.1	(1.0)	\$197.1	
FY2018	155.7	14.9	0.0	170.6	1.4	5.4	0.0	0.0	177.4	(0.9)	176.6	
Difference	(\$5.5)	0.0	23.8	18.2	(0.1)	2.5	0.0	0.0	20.7	(0.1)	\$20.6	

Albuquerque Fire Rescue												
	General Fund				Sub-Total	Special Revenue Funds in General Appropriations	Special Revenue Funds Not in General	Debt Service	Enterprise Funds	Combined Total	Interfund Eliminations	Total
	General Fund	Quarter Cent	3/8 Cent GRT									
FY2019	\$63.8	12.6	6.9	83.3	2.4	1.3	0.1	0.0	87.1	(0.2)	\$86.9	
FY2018	63.9	12.7	0	76.5	3.3	0.2	0.1	0.0	80.1	(0.1)	80.0	
Difference	(\$0.0)	0.0	6.9	6.8	(0.9)	1.0	0.0	0.0	6.9	(0.0)	\$6.9	

Department of Family & Community Services												
	General Fund				Sub-Total	Special Revenue Funds in General Appropriations	Special Revenue Funds Not in General	Debt Service	Enterprise Funds	Combined Total	Interfund Eliminations	Total
	General Fund	Quarter Cent	3/8 Cent GRT									
FY2019	\$28.8	9.7	2.5	40.9	0.0	27.4	0.0	4.6	72.9	(1.3)	\$71.6	
FY2018	29.5	9.7	0	39.2	0.0	27.4	0.0	4.3	70.9	(0.9)	70.0	
Difference	(\$0.7)	0.0	2.5	1.7	0.0	(0.1)	0.0	0.3	2.0	(0.4)	\$1.6	

Civilian Police Oversight Agency												
	General Fund				Sub-Total	Special Revenue Funds in General Appropriations	Special Revenue Funds Not in General	Debt Service	Enterprise Funds	Combined Total	Interfund Eliminations	Total
	General Fund	Quarter Cent	3/8 Cent GRT									
FY2019	\$0.9	N/A	0.2	1.1	0.0	0.0	0.0	0.0	1.1	0.0	\$1.1	
FY2018	0.9	N/A	0	0.9	0.0	0.0	0.0	0.0	0.9	0.0	0.9	
Difference	\$0.0	N/A	0.2	0.2	0.0	0.0	0.0	0.0	0.2	0.0	\$0.2	
Cumulative Difference	(\$6.2)	N/A	33.3	27.0	(1.0)	3.5	0.0	0.3	29.9	(0.6)	\$29.3	

Source: FY2019 Approved Budget, FY2019 Budget Call information

Appendix E

FY2018 Combined Appropriations by Fund Group and Department

COMBINED APPROPRIATIONS BY FUND GROUP AND DEPARTMENT, APPROVED BUDGET FY18
(\$000's)

	TOTAL	INTERFUND ELIMINATION	COMBINED TOTAL	GENERAL FUND	SPECIAL REV FUNDS IN GENERAL APPROPRIATIONS	SPECIAL REV FUNDS NOT IN GENERAL APPROPRIATIONS	DEBT SERVICE FUNDS	ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
AW-Animal Welfare Department	11,105	(5)	11,110	11,031	79	0	0	0	0
AV-Aviation Department	61,582	(12,290)	73,872	0	0	0	0	73,872	0
CA-Chief Administrative Office	1,702	0	1,702	1,702	0	0	0	0	0
CI-City Support Department	102,182	(17,280)	119,462	25,225	0	0	94,237	0	0
CP-Civilian Police OS Dept	860	0	860	860	0	0	0	0	0
CL-Council Services	3,884	0	3,884	3,884	0	0	0	0	0
CS-Cultural Services Dept	40,548	(3)	40,551	37,719	2,757	75	0	0	0
ED-Economic Development Dept	3,922	0	3,922	3,922	0	0	0	0	0
EH-Environmental Health Dept	7,857	(428)	8,285	3,175	3,184	1,926	0	0	0
FC-Family Community Svcs Dept	70,039	(862)	70,901	39,186	0	27,441	0	4,274	0
FA-Finance and Admin Svc Dept	63,238	(9,725)	72,963	12,452	14,892	0	0	0	45,619
FD-Fire Department	80,024	(111)	80,135	76,470	3,337	226	102	0	0
HR-Human Resources Department	63,535	(60)	63,595	2,604	0	0	0	0	60,991
LG-Legal Department	5,850	0	5,850	5,850	0	0	0	0	0
MA-Mayor's Office Department	916	0	916	916	0	0	0	0	0
MD-Municipal Development Dept	53,785	(4,792)	58,577	42,313	9,077	0	0	7,187	0
IA-Internal Audit Department	850	0	850	850	0	0	0	0	0
IG-Office of Inspector GenDept	345	0	345	345	0	0	0	0	0
OC-Office of the City Clerk DP	2,306	0	2,306	2,306	0	0	0	0	0
PR-Parks and Recreation Dept	35,631	(1,144)	36,775	31,957	0	0	0	4,818	0
PL-Planning Department	15,689	0	15,689	15,689	0	0	0	0	0
PD-Police Department	176,519	(852)	177,371	170,559	1,370	5,442	0	0	0
SA-Senior Affairs Department	15,362	(423)	15,785	7,365	7,452	968	0	0	0
SW-Solid Waste Department	75,230	(9,523)	84,753	0	0	73	0	84,680	0
TI-Technology and Innovation	17,577	(1,630)	19,207	11,288	0	0	0	0	7,919
TR-Transit	46,190	(27,719)	73,909	22,505	0	2,455	0	48,949	0
Totals	956,728	(86,847)	1,043,575	530,173	42,148	38,606	94,339	223,780	114,529
Enterprise Interfund Debt Service	0	15,894	(15,894)	0	0	0	0	(15,894)	0
Grand Total	956,728	(70,953)	1,027,681	530,173	42,148	38,606	94,339	207,886	114,529

Source: FY2018 Approved Budget

Appendix E (Continued)

FY2019 Combined Appropriations by Fund Group and Department

COMBINED APPROPRIATIONS BY FUND GROUP AND DEPARTMENT, APPROVED BUDGET FY/19
(\$000's)

	TOTAL	INTERFUND ELIMINATION	COMBINED TOTAL	GENERAL FUND	SPECIAL REV FUNDS IN GENERAL APPROPRIATIONS	SPECIAL REV FUNDS NOT IN GENERAL APPROPRIATIONS	DEBT SERVICE FUNDS	ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
AW-Animal Welfare Department	11,547	(5)	11,552	11,473	79	0	0	0	0
AV-Aviation Department	65,919	(4,909)	70,828	0	0	0	0	70,828	0
CA-Chief Administrative Office	1,812	0	1,812	1,812	0	0	0	0	0
City Support Department	96,176	(20,481)	116,657	28,214	0	0	88,443	0	0
CP-Civilian Police OS Dept	1,087	0	1,087	1,087	0	0	0	0	0
CL-Council Services	4,213	0	4,213	4,213	0	0	0	0	0
CS-Cultural Services Dept	42,446	(3)	42,449	39,601	2,774	74	0	0	0
ED-Economic Development Dept	4,460	0	4,460	4,460	0	0	0	0	0
EH-Environmental Health Dept	7,996	(467)	8,463	3,153	3,368	1,942	0	0	0
FC-Family Community Svcs Dept	71,615	(1,264)	72,879	40,881	0	27,378	0	4,620	0
FA-Finance and Admin Svc Dept	61,008	(11,462)	72,470	9,446	16,776	0	0	0	46,248
FD-Fire Department	86,928	(152)	87,080	83,329	2,378	1,271	102	0	0
HR-Human Resources Department	70,274	(84)	70,358	2,776	0	0	0	0	67,582
LG-Legal Department	6,213	0	6,213	6,213	0	0	0	0	0
MA-Mayor's Office Department	977	0	977	977	0	0	0	0	0
MD-Municipal Development Dept	54,832	(5,738)	60,570	43,833	9,459	0	0	7,278	0
IA-Internal Audit Department	948	0	948	948	0	0	0	0	0
IG-Office of Inspector GenDept	375	0	375	375	0	0	0	0	0
CC-Office of the City Clerk DP	1,519	0	1,519	1,519	0	0	0	0	0
PR-Parks and Recreation Dept	38,818	(1,541)	40,359	35,210	0	131	0	5,018	0
PL-Planning Department	17,348	0	17,348	17,348	0	0	0	0	0
PD-Police Department	197,141	(982)	198,123	188,856	1,320	7,947	0	0	0
SA-Senior Affairs Department	18,299	(764)	19,063	10,396	7,696	971	0	0	0
SW-Solid Waste Department	66,364	(5,409)	71,773	0	0	76	0	71,697	0
TI-Technology and Innovation	22,493	(1,674)	24,167	15,197	0	0	0	0	8,970
TR-Transit	46,902	(31,081)	77,983	25,402	0	815	0	51,766	0
Totals	997,710	(86,016)	1,083,726	576,719	43,850	40,605	88,545	211,207	122,800
Enterprise Interfund Debt Service	0	4,459	(4,459)	0	0	0	0	(4,459)	0
Grand Total	997,710	(81,557)	1,079,267	576,719	43,850	40,605	88,545	206,748	122,800

Source: FY2019 Approved Budget

Appendix F

FY18 APPROVED BUDGET BY GOAL, DEPARTMENT AND FUND
(\$000's)

	% of Total	General Fund	Special Funds Included In General Approp Act	Special Funds Not Included In General Approp Act	Debt Service Funds	Enterprise Funds	Internal Service Funds	Interfund Elimination	Total
1 - Human and Family Development									
CS-Cultural Services Dept		12,214	0	0	0	0	0	0	12,214
FC-Family Community Svcs Dept		33,942	0	27,441	0	4,274	0	(862)	64,795
SA-Senior Affairs Department		7,365	7,452	968	0	0	0	(423)	15,362
PR-Parks and Recreation Dept		27,155	0	0	0	4,818	0	(1,144)	30,829
EH-Environmental Health Dept		1,832	726	0	0	0	0	0	2,558
Sub Total	13.1	82,508	8,178	28,409	0	9,092	0	(2,429)	125,758
2 - Public Safety									
AW-Animal Welfare Department		11,031	79	0	0	0	0	(5)	11,105
CP-Civilian Police OS Dept		860	0	0	0	0	0	0	860
FD-Fire Department		76,470	3,337	226	102	0	0	(111)	80,024
FC-Family Community Svcs Dept		5,244	0	0	0	0	0	0	5,244
TI-Technology and Innovation		842	0	0	0	0	0	0	842
PD-Police Department		170,559	1,370	5,442	0	0	0	(852)	176,519
Sub Total	28.7	265,006	4,786	5,668	102	0	0	(968)	274,594
3 - Public Infrastructure									
AV-Aviation Department		0	0	0	0	73,872	0	(12,290)	61,582
MD-Municipal Development Dept		30,937	5,814	0	0	1,997	0	(742)	38,006
CI-City Support Department		11,465	0	0	94,237	0	0	(11,180)	94,522
Sub Total	20.3	42,402	5,814	0	94,237	75,869	0	(24,212)	194,110
4 - Sustainable Community Development									
MD-Municipal Development Dept		448	0	0	0	0	0	0	448
PR-Parks and Recreation Dept		720	0	0	0	0	0	0	720
PL-Planning Department		15,689	0	0	0	0	0	0	15,689
Sub Total	1.8	16,857	0	0	0	0	0	0	16,857
5 - Environmental Protection									
CS-Cultural Services Dept		13,918	2,500	0	0	0	0	0	16,418
PR-Parks and Recreation Dept		4,082	0	0	0	0	0	0	4,082
SW-Solid Waste Department		0	0	73	0	84,680	0	(9,523)	75,230
EH-Environmental Health Dept		1,343	2,458	1,926	0	0	0	(428)	5,299
TR-Transit		22,505	0	2,455	0	48,949	0	(27,719)	46,190
Sub Total	15.4	41,848	4,958	4,454	0	133,629	0	(37,670)	147,219
6 - Economic Vitality									
ED-Economic Development Dept		3,922	0	0	0	0	0	0	3,922
MD-Municipal Development Dept		19	0	0	0	5,190	0	(1,682)	3,527
FA-Finance and Admin Svc Dept		0	14,592	0	0	0	0	(8,310)	6,282
Sub Total	1.4	3,941	14,592	0	0	5,190	0	(9,992)	13,731
7 - Community and Cultural Engagement									
CC-Office of the City Clerk DP		1,913	0	0	0	0	0	0	1,913
CS-Cultural Services Dept		11,587	257	75	0	0	0	(3)	11,916
CI-City Support Department		529	0	0	0	0	0	0	529
Sub Total	1.5	14,029	257	75	0	0	0	(3)	14,358
8 - Government Excellence and Effectiveness									
CC-Office of the City Clerk DP		393	0	0	0	0	0	0	393
CL-Council Services		3,884	0	0	0	0	0	0	3,884
MD-Municipal Development Dept		10,909	3,263	0	0	0	0	(2,368)	11,804
FA-Finance and Admin Svc Dept		12,452	300	0	0	0	45,619	(1,415)	56,956
LG-Legal Department		5,850	0	0	0	0	0	0	5,850
TI-Technology and Innovation		10,446	0	0	0	0	7,919	(1,630)	16,735
MA-Mayor's Office Department		916	0	0	0	0	0	0	916
CA-Chief Administrative Office		1,702	0	0	0	0	0	0	1,702
IA-Internal Audit Department		850	0	0	0	0	0	0	850
IG-Office of Inspector GenDept		345	0	0	0	0	0	0	345
HR-Human Resources Department		2,604	0	0	0	0	60,991	(60)	63,535
CI-City Support Department		13,231	0	0	0	0	0	(6,100)	7,131
Sub Total	17.8	63,582	3,563	0	0	0	114,529	(11,573)	170,101
Grand Total	100.0	530,173	42,148	38,806	94,339	223,780	114,529	(86,847)	956,728

Source: City of Albuquerque FY2018 Approved Budget

Appendix F (Continued)

FY/19 Approved Budget by Goal, Department, and Fund Type
(\$000's)

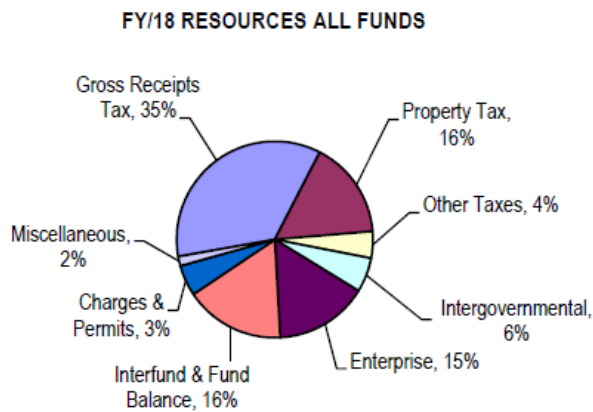
	% of Total	General Fund	Special Funds Included In General Approp Act	Special Funds Not Included In General Approp Act	Debt Service Funds	Enterprise Funds	Internal Service Funds	Interfund Elimination	Total
1 - Human and Family Development									
CS-Cultural Services Dept		12,620	0	0	0	0	0	0	12,620
FC-Family Community Svcs Dept		35,733	0	27,378	0	4,620	0	(1,264)	66,467
SA-Senior Affairs Department		10,396	7,696	971	0	0	0	(764)	18,299
PR-Parks and Recreation Dept		28,832	0	131	0	5,018	0	(1,541)	32,440
EH-Environmental Health Dept		1,811	772	0	0	0	0	0	2,583
Sub Total	13.3	89,392	8,468	28,480	0	9,638	0	(3,569)	132,409
2 - Public Safety									
AW-Animal Welfare Department		11,473	79	0	0	0	0	(5)	11,547
CP-Civilian Police OS Dept		1,087	0	0	0	0	0	0	1,087
FD-Fire Department		83,329	2,378	1,271	102	0	0	(152)	86,928
FC-Family Community Svcs Dept		5,148	0	0	0	0	0	0	5,148
TI-Technology and Innovation		816	0	0	0	0	0	0	816
PD-Police Department		188,856	1,320	7,947	0	0	0	(982)	197,141
Sub Total	30.3	290,709	3,777	9,218	102	0	0	(1,139)	302,667
3 - Public Infrastructure									
AV-Aviation Department		0	0	0	0	70,828	0	(4,909)	65,919
MD-Municipal Development Dept		31,460	6,156	0	0	1,960	0	(1,818)	37,758
City Support Department		13,481	0	0	88,443	0	0	(13,481)	88,443
Sub Total	19.3	44,941	6,156	0	88,443	72,788	0	(20,208)	192,120
4 - Sustainable Community Development									
MD-Municipal Development Dept		475	0	0	0	0	0	0	475
PR-Parks and Recreation Dept		2,531	0	0	0	0	0	0	2,531
PL-Planning Department		17,348	0	0	0	0	0	0	17,348
Sub Total	2.0	20,354	0	0	0	0	0	0	20,354
5 - Environmental Protection									
CS-Cultural Services Dept		14,155	2,500	0	0	0	0	0	16,655
PR-Parks and Recreation Dept		3,847	0	0	0	0	0	0	3,847
SW-Solid Waste Department		0	0	76	0	71,697	0	(5,409)	66,364
EH-Environmental Health Dept		1,342	2,596	1,942	0	0	0	(467)	5,413
TR-Transit		25,402	0	815	0	51,766	0	(31,081)	46,902
Sub Total	14.0	44,746	5,096	2,833	0	123,463	0	(36,957)	139,181
6 - Economic Vitality									
ED-Economic Development Dept		4,460	0	0	0	0	0	0	4,460
MD-Municipal Development Dept		19	0	0	0	5,318	0	(1,624)	3,713
FA-Finance and Admin Svc Dept		0	16,276	0	0	0	0	(9,692)	6,584
Sub Total	1.5	4,479	16,276	0	0	5,318	0	(11,316)	14,757
7 - Community and Cultural Engagement									
CC-Office of the City Clerk DP		1,115	0	0	0	0	0	0	1,115
CS-Cultural Services Dept		12,826	274	74	0	0	0	(3)	13,171
City Support Department		575	0	0	0	0	0	0	575
Sub Total	1.5	14,516	274	74	0	0	0	(3)	14,861
8 - Government Excellence and Effectiveness									
CC-Office of the City Clerk DP		404	0	0	0	0	0	0	404
CL-Council Services		4,213	0	0	0	0	0	0	4,213
MD-Municipal Development Dept		11,879	3,303	0	0	0	0	(2,296)	12,886
FA-Finance and Admin Svc Dept		9,446	500	0	0	0	46,248	(1,770)	54,424
LG-Legal Department		6,213	0	0	0	0	0	0	6,213
TI-Technology and Innovation		14,381	0	0	0	0	8,970	(1,674)	21,677
MA-Mayor's Office Department		977	0	0	0	0	0	0	977
CA-Chief Administrative Office		1,812	0	0	0	0	0	0	1,812
IA-Internal Audit Department		948	0	0	0	0	0	0	948
IG-Office of Inspector GenDept		375	0	0	0	0	0	0	375
HR-Human Resources Department		2,776	0	0	0	0	67,582	(84)	70,274
City Support Department		14,158	0	0	0	0	0	(7,000)	7,158
Sub Total	18.2	67,582	3,803	0	0	0	122,800	(12,824)	181,361
Grand Total	100.0	576,719	43,850	40,805	88,545	211,207	122,800	(86,016)	997,710

Source: City of Albuquerque FY2019 Approved Budget

Appendix G

FY2018 Summary of Combined Revenues by Source & Appropriations by Goal

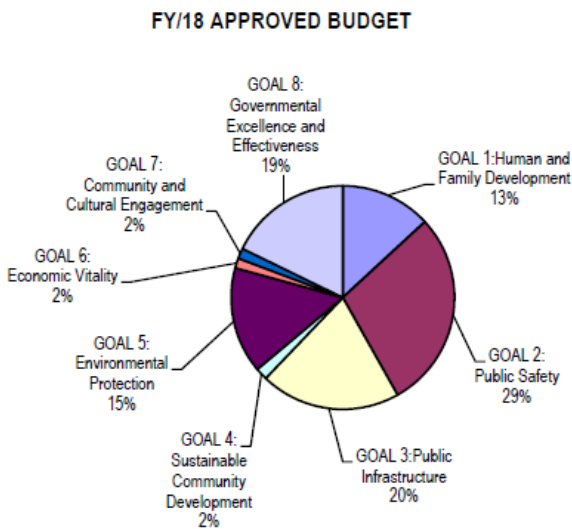
Where the money comes from:



Combined Revenues by Source
((\$000's))

Source	Amount (\$000's)
Gross Receipts Tax	\$ 338,202
Property Tax	\$ 154,027
Other Taxes	\$ 42,050
Intergovernmental	\$ 54,380
Enterprise	\$ 147,102
Interfund, Fund Balance/Adjustments	\$ 157,544
Charges & Permits	\$ 48,554
Miscellaneous	\$ 14,869
Total Revenue	\$ 956,728

And, where the money goes:



Appropriations by Goal
((\$000's))

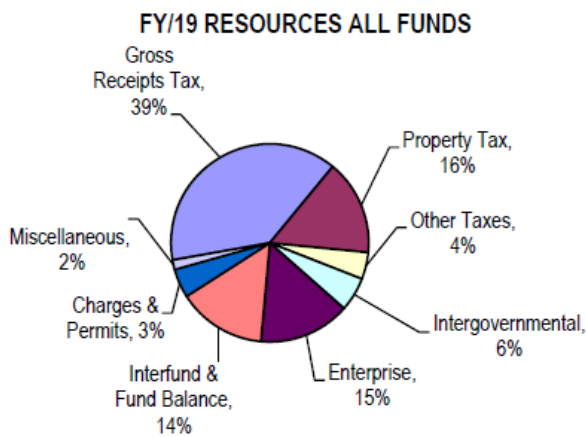
Goal	Amount (\$000's)
GOAL 1: Human & Family Development	\$ 125,758
GOAL 2: Public Safety	\$ 274,594
GOAL 3: Public Infrastructure	\$ 194,110
GOAL 4: Sustainable Community Development	\$ 16,857
GOAL 5: Environmental Protection	\$ 147,219
GOAL 6: Economic Vitality	\$ 13,731
GOAL 7: Community & Cultural Engagement	\$ 14,358
GOAL 8: Governmental Excellence & Effectiveness	\$ 170,101
Total Appropriations	\$ 956,728

Source: City of Albuquerque FY2018 Approved Budget

Appendix G (Continued)

**FY2019 Summary of Combined Revenues by Source
& Appropriations by Goal**

Where the money comes from:

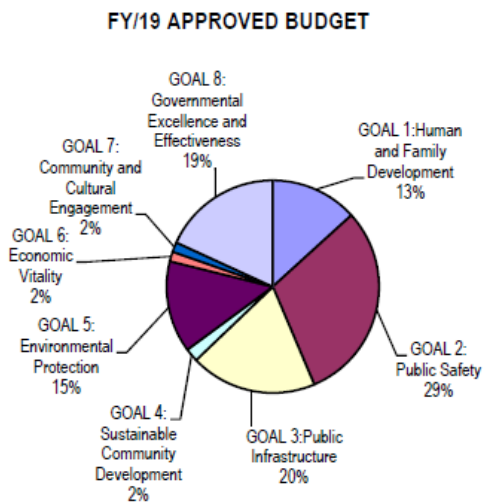


Combined Revenues by Source

(\$000's)

Gross Receipts Tax	\$ 386,792
Property Tax	\$ 155,229
Other Taxes	\$ 43,759
Intergovernmental	\$ 55,678
Enterprise	\$ 148,955
Interfund & Fund Balance	\$ 144,536
Charges & Permits	\$ 47,219
Miscellaneous	\$ 15,542
Total Revenue	\$ 997,710

And, where the money goes:



Appropriations by Goal

(\$000's)

GOAL 1: Human & Family Development	\$ 132,409
GOAL 2: Public Safety	\$ 302,667
GOAL 3: Public Infrastructure	\$ 192,120
GOAL 4: Sustainable Community Development	\$ 20,354
GOAL 5: Environmental Protection	\$ 139,181
GOAL 6: Economic Vitality	\$ 14,757
GOAL 7: Community & Cultural Engagement	\$ 14,861
GOAL 8: Governmental Excellence & Effectiveness	\$ 181,361
Total Appropriations	\$ 997,710

Source: City of Albuquerque FY2019 Approved Budget

Appendix H

General Fund Revenue Estimates
(\$000's)

	FY17	FY18	FY18	FY18	FY19	FY19
	Audited	Approved	Five-Year	Estimated	Five-Year	Approved
	Actual	Budget	Forecast	Actual	Forecast	Budget
Gross Receipts Tax	79,817	82,650	80,753	80,753	82,492	82,492
GRT-Penalties And Interest	945	1,135	992	992	1,013	1,013
GRT-Infrastructure	9,523	10,331	10,094	10,094	10,311	10,311
GRT-Public Safety	38,720	40,318	39,373	39,373	40,221	40,222
GRT- Hold Harmless .375%	-	0	0	0	-	49,643
State-GRT 1.00%	157,641	163,677	160,281	160,281	163,733	163,733
State-GRT .225%	35,450	36,827	36,063	36,063	36,840	36,840
GRT-State--Penalty and Interest	1,089	1,247	1,089	1,089	1,112	1,112
Municipal Share Comp Tax	1,269	2,017	1,396	1,396	1,426	1,426
Total GRT	324,456	338,202	330,041	330,041	337,148	386,792

Source: City of Albuquerque FY2019 Approved Budget

Appendix I

**First Quarterly 3/8 Cent GRT Report
For the Quarter Ended September 30, 2018**

		Estimated FY/19	July	August	September	Total for the
		Revenue/Expenditure				Quarter
New Tax Revenue	Gross Receipts Tax Hold Harmless - 411608 Revenue Received	(49,643,000)	0	(143,448.40)	(4,362,763.80)	(4,506,212)
Department	Purpose of the Gross Receipts Tax					
APD	APD: Police Officer Recruitment and Retention, including funding for 100 additional officers	\$ 10,985,642	8,653,666	9,183,422	8,851,152	0
	<i>Increase in APD Wages and Fringes from baseline</i>		177,496	707,251	374,982	1,259,729
APD	APD: Police Vehicles	\$ 4,000,000	333,333	333,333	333,333	999,999
APD	APD: Additional Dept. of Justice Compliance Initiatives	\$ 2,331,083	87,653	122,038	84,392	294,083
APD	APD: Addressing Backlogs in the Crime Lab	\$ 1,882,690	729,022	651,490	601,572	1,982,083
	<i>Increase in expenditures from baseline</i>		89,240	11,708	(38,210)	62,738
APD	APD: Property Crime Reduction Program	\$ 1,830,578	84,230	88,399	89,113	261,742
APD	APD: Support Staff	\$ 1,494,600	124,550		124,550	249,100
APD	APD: Other Equipment and Technology	\$ 1,248,000	104,000	104,000	104,000	312,000
CPDA	Civilian Police Oversight Agency - Additional Resources	\$ 227,000	18,917	18,917	18,917	56,750
FIRE	Home Engagement and Alternative Response Teams (HEART)	\$ 2,209,850	JE to be completed by Fire			264,197
FIRE	Albuquerque Fire & Rescue Department- Additional Resources	\$ 4,649,150	387,429	387,429	387,429	1,162,288
FCS	Funding for Behavioral Health and Forensic Care Programs - previously slated for reduction	\$ 2,000,000	100,000	100,000	100,000	300,000
FCS	Youth Crime Reduction & Prevention Programs	\$ 954,600	79,550	79,550	79,550	238,650
PLANNING	Safe City Strike Force - Additional Resources (\$477k board ups and 2 FTE's)	\$ 602,000	39,750	39,750	39,750	119,250
DMD, TRANSIT, APD, AWD	Non-APD/AFD Public Safety Personnel	\$ 918,951	76,579	76,579	76,579	229,738
HR	Increased Healthcare Costs	\$ 7,000,000	583,333	583,333	583,333	1,750,000
	Replacing lost hold harmless revenue	\$ 3,171,939	264,328	264,328	264,328	792,985
		\$ 45,506,083				\$ 10,535,332
	Use of total for Public Safety		78%			76%

Source: First Quarterly 3/8 Cent GRT Report

Appendix J

**Second Quarterly 3/8 Cent GRT Report
For the Quarter Ended December 31, 2018**

City of Albuquerque, NM
Report on Gross Receipts Tax Hold Harmless - 411608
For the Quarter Ending December 31, 2018 Fiscal Year 2019

			Estimated Annual Revenue/Expenditure	Baseline Expenditures Average/Mo	Month					Total for FY2019 Qtr 2	
					July	August	September	October	November		December
Revenues											
	New Tax	Gross Receipts Tax Hold Harmless - 411608 Received	45,500,000		0	(143,448)	(4,362,764)	(4,570,310)	(4,343,550)	(4,600,293)	(18,020,366)
Expenditures											
Item No.	Department	Purpose of the Gross Receipts Tax									
1	APD	APD: Police Officer Recruitment and Retention, including funding for <i>Increase in APD Wages and Fringes from baseline</i>	\$ 10,985,642	8,476,170	8,653,666	9,183,422	9,561,552	9,835,244	9,987,213	10,098,704	0
				915,470	177,496	707,251	1,085,382	1,359,074	1,511,043	1,622,534	6,462,778
2	APD	APD: Police Vehicles	\$ 4,000,000	333,333	333,333	333,333	333,333	333,333	333,333	333,333	1,999,998
3	APD	APD: Additional Dept. of Justice Compliance Initiatives	\$ 2,331,083	194,257	194,257	194,257	194,257	194,257	194,257	194,257	1,165,542
4	APD	APD: Addressing Backlogs in the Crime Lab	\$ 1,882,690	156,891	156,891	156,891	156,891	156,891	156,891	156,891	941,345
5	APD	APD: Property Crime Reduction Program	\$ 1,830,578	93,724	93,724	93,724	93,724	93,724	93,724	93,724	562,345
6	APD	APD: Support Staff	\$ 1,494,600	124,550	124,550	124,550	124,550	124,550	124,550	124,550	747,300
7	APD	APD: Other Equipment and Technology	\$ 1,248,000	72,679	72,679	72,679	72,679	72,679	72,679	72,679	436,077
8	CPOA	Civilian Police Oversight Agency - Additional Resources	\$ 227,000	18,917	18,917	18,917	18,917	18,917	18,917	18,917	113,500
9	FIRE	Home Engagement and Alternative Response Teams (HEART)	\$ 2,209,850	40,011	40,011	40,011	40,011	40,011	40,011	40,011	240,065
10	FIRE	Albuquerque Fire & Rescue Department- Additional Resources	\$ 4,649,150	6,041,437	289,441	404,028	229,431	345,852	612,351	565,279	2,446,391
11	FCS	Funding for Behavioral Health and Homelessness Programs - previous	\$ 2,000,000	166,667	166,667	166,667	166,667	166,667	166,667	166,667	1,000,000
12	FCS	Youth Crime Reduction & Prevention Programs	\$ 954,600	79,550	79,550	79,550	79,550	79,550	79,550	79,550	477,300
13	PLANNING DMD, TRANSIT,	Safe City Strike Force - Additional Resources (\$477k board ups and 2	\$ 602,000	41,167	41,167	41,167	41,167	41,167	41,167	41,167	247,000
14	APD, AWD	Non-APD/AFD Public Safety Personnel	\$ 918,951	76,579	76,579	76,579	76,579	76,579	76,579	76,579	459,476
15	HR	Increased Healthcare Costs	\$ 7,000,000	377,708	377,708	377,708	377,708	377,708	377,708	377,708	2,266,250
16	Lost Revenue GF	Replacing lost hold harmless revenue	\$ 3,171,939	264,328	264,328	264,328	264,328	264,328	264,328	264,328	1,585,970
Total Expenditures			\$ 45,506,083								\$ 21,151,336
Total Tax			49,643,000								
After 1/12th			45,506,083								
Budgeted Public Safety Expenditures			35,334,144								17,299,116
% of 3-8 cent tax expenditures			78%								81.8%

Source: Second Quarterly 3/8 Cent GRT Report