



Agenda Item Number: 2009-5-8D

BERNALILLO COUNTY BOARD OF COUNTY COMMISSIONERS

Meeting Date: May 26, 2009

Department: County Manager **Contact:** Thaddeus Lucero, County Manager
Dan Mayfield, Deputy County Manager Finance
Tom Zdunek, Deputy County Manager, Public Works
John Dantis, Deputy County Manager, Public Safety
Julie Baca, Deputy County Manager, Community Services
Teresa Byrd, Budget Director

TITLE: Fiscal Year 2009-2010 Budget

ACTION: Motion to:

1. Approve Financial Resolution **FR -2009**, re-affirming Financial Resolution # 45-2008, - the Bernalillo County Fiscal Year 2010 Budget as originally adopted on May 29, 2008, in the amount of \$354,240,879;
2. Approve Financial Resolution **FR -2009**, budgeting Fiscal Year 2010 Special Revenue Fund Appropriations for Health Care Gross Receipts Taxes in the amount of \$10,000,000, New Grant Appropriations in the amount of \$13,356,156, and Department of Substance Abuse Grant Adjustments totaling \$505,833;
3. Approve Financial Resolution **FR -2009**, budgeting Debt Service Fund Appropriations for the Series 2008A Fund in the amount of \$1,688,000;
4. Convert twenty-two (22) term positions to full-time permanent status;
5. Create an Economic Development Section to report directly to the County Manager and transfer two (2) vacant positions and existing staff to this Section, and
6. Create two (2) FTE positions; one (1) Code Compliance Officer in Zoning and one (1) Behavior Management Specialist in JDYSC;

SUMMARY:

The resolutions presented for the Board's consideration grants approval to budget recurring revenues, operating expenditures, projected life-to-date balances forward, debt service and reserve requirements, cash transfers, and fund closeouts. Approval of the resolutions will permit the County to expend funds during Department of Finance and Administration (DFA) review of the budget.

Motion #1 – Re-affirm the FY2010 Budget

The Bernalillo County Board of Commissioners originally approved the FY 2010 Budget, via FR #45-2008, on May 29, 2008 (Attachment #1). DFA, Local Government Division (LGD) requires an annual submittal of budgets by local public bodies no later than June 1st of each year. In

compliance with LGD and Section 6-6-2 NMSA 1978, approval will reaffirm the original budget, totaling \$354,240,879. (Attachment #2)

Recent indicators suggest economic recovery and growth is expected to remain weak for the rest of this calendar year. In an effort to remain conservative, while providing reasonable forecasts, it is recommended that no increases to revenue and/or expenditures occur at this time.

The next steps in the budget process after DFA's review will occur in the fall of 2009 and include:

1. Approve the 2009 Mill Levy
2. Approve DFA's recommended and mandated changes to the budget
3. Approve the addition of carryover and "clean-up" items from the 6/20/09 closing
4. Adjust revenues according to the most recent economic forecasts

Motion #2 - Budgeting Special Revenue Fund Appropriations

Special Revenue Funds are used to account for various federal, state, and other grant funding sources received by the County. The grants are legally restricted to expenditure for specific purposes as agreed to between the County and funding sources as enumerated in the grant agreement/contract. Budget amounts for Special Revenue Funds are individual project budgets authorized by the County Commission for the entire length of the project. Any remaining balances for projects will automatically "roll" over into FY10. Increases to the Health Care GRT Fund (12003) and Grant Fund (12901) are recommended in the amount of \$23,861,989 (Attachment #3).

- The 2009 Legislature approved the extension of the Health Care Gross Receipts Tax. Health Care Tax FY2010 revenue projections total \$10,000,000.
- New FY2010 grant appropriations total \$13,861,989 (Attachment #4) as follows:
 - Public Safety funding for Sheriff, JDYSC, Fire, and Department of Substance Abuse Program grants in the amount of \$3,855,681
 - Public Works Technical Services funding from NMDOT for Eubank Blvd totaling \$8,331,275 and Alameda Trail funding totaling \$245,000
 - Solid Waste Department Beautification Grant Trail funding in the amount of \$11,200
 - Community Services, Community Health Council and Parks & Recreation grants in the amount of \$613,000
 - Miscellaneous small grant fund in the amount of \$300,000
 - Department of Substance Abuse Program Grant Adjustments in the amount of \$505,833

Motion #3 – Budgeting Debt Service Fund Appropriations

Along with the required budget submittal, Bernalillo County is required to submit amortization schedule(s) for all long-term debt entered into after June 30, 2008. The debt service payment for the Series 2008A Bond in FY 10 is \$1,688,000. Interest income for this bond will be enough to cover the debt service payment for this fund. It is necessary to budget interest income and the debt service payment for this bond (Attachment # 5).

Motion #4 – Convert Twenty-One (22) Term Positions to Full-Time Regular Status

Conversion of term positions to permanent status is recommended. The term positions have been employed by Bernalillo County for the past few years due to on-going work requirements of MDC, growth at MATS and ERP functionality enhancements. The on-going commitment of effort is important to the County and the department mission.

- No additional funding is required. Funding is included in the base budget. Approval of classifying positions from Term to Full Time Regular requires County Commission approval (Attachment # 6).

Motion #5 – Create an Economic Development Section to Report Directly to the County Manager and approve the Transfer of two (2) Vacant Positions and Existing Staff to This Section

As certain areas of Bernalillo County continue to experience the effects of economic disinvestments every attempt is made to meet the needs of residents by providing sustainable economic development, jobs, livable wages, and employment opportunities. As a result the following is requested:

- A reorganization of existing staff and the addition of two (2) Financial Administrators resulting in a staffing level of seven (7) will be necessary to adequately establish this Section (Organizational Chart Attachment #7).

Motion #6 – Create two (2) Full Time Permanent Positions; One (1) Code Compliance Officer in Zoning and One (1) Behavior Management Specialist in JDYSC

- A position is requested for Zoning - A Code Compliance Officer. The department has experienced considerable work load increases over the past several fiscal years. In order to keep up with these demands, an additional Code Compliance Officer is needed. The total annual salary and benefit requirement for this position is \$55,868.
- A position is requested for JDYCS – A Behavior Management Specialist would be assigned to the medical billing and will generate additional revenues. Revenue and expenditures will be adjusted by \$40,628; this amount represents total annual salary and benefit requirements for this position.

ATTACHMENTS:

1. Financial Resolution 45-2008.
2. Financial Resolution **FR -2009** re-affirming the County of Bernalillo Fiscal Year 2010 appropriations totaling \$354,240,879.
3. Financial Resolution **FR -2009** budgeting Special Revenue Fund Appropriations for Health Care Gross Receipts Taxes for Fiscal Year 10 in the amount of \$10,000,000, New Fiscal Year 10 Grant Appropriations in the amount of \$13,356,156, and Department of Substance Abuse Grant Adjustments for FY10, totaling \$505,833.
4. Special Revenue Grant Listing Appropriations
5. Financial Resolution **FR -2009** Budgeting Debt Service Fund Appropriations for the Series 2008A Fund in the amount of \$1,688,000.
6. FY10 Conversions and Position Requests.
7. Economic Development Section Organizational Chart.

FISCAL IMPACT

The FY 2010 budget was originally approved on May 29, 2009, as part of the FY09 and FY10 Biennial Budget. The FY2010 budget presented for the Board's consideration complies with Bernalillo County's constitutional responsibilities and other budgetary requirements.

STAFF ANALYSIS SUMMARY

COUNTY MANAGER

2009-2010 is the second year of Bernalillo County's Biennial Budget. Therefore the only action that the Department of Finance and Administration requires is to ratify the original budget resolution confirming the same base budget. Budget detail appears in the 2008-10 Biennial Budget book. The remaining resolutions add grants, reorganize one department and change the status of 22 employees. The next agenda item will be presented in the fall to re-appropriate funding for carryover projects, re-evaluate revenues and make any other adjustments based upon the County Commission's Budget priorities. TL 05/14/09

LEGAL

The proposed actions are within the Board's authority and are consistent with applicable law. JSL 5/15/09

DEPUTY COUNTY MANAGER FOR COMMUNITY SERVICES

No increases to revenue or expenditures are reflected in the 2009-2010 budget. Departments have cooperated by eliminating expansion requests and creatively utilizing existing resources to continue operations. I recommend Board approval. JMB 05/15/09

DEPUTY COUNTY MANAGER FOR FINANCE

The current state of the economy does not provide a bright outlook for revenue increases through FY '10. When the biennial budget was prepared very conservative revenue estimates were used because the economy was beginning to falter. Economists are now forecasting an economic recovery beginning in the fall of 2009. By the time the FY '09 budget is closed additional economic data should have been received.

This is the 2nd year of the two-year budget. Not spending time re-creating a new budget for FY '10 has allowed the Finance Division to spend a lot of time monitoring '09 revenues and expenses to ensure that budgets do not exceed authorization and that revenues from all sources are adequate to continue operations without adjusting the budget downward due to the economy. DM 05/15/09

DEPUTY COUNTY MANAGER FOR PUBLIC SAFETY

The bi-annual budget initiative for Bernalillo County has been an extremely positive and efficient process. This process also requires Bernalillo County staff to engage in forward thinking relative to department goals and budget forecasting. This agenda item contains all the necessary FY10 adjustments needed by the Public Safety Division. I recommend approval of this item. JDantis 05/15/09

DEPUTY COUNTY MANAGER FOR PUBLIC WORKS

Respective divisions and departments have demonstrated responsible fiscal management and will continue to manage effectively in the second half of the biennial budget year. I recommend approval. TZ 05/14/2009

Budget The Biennial Budget meets all state requirements and is submitted for approval. The final adjustments will incorporate carryovers, final life to date balances, any modifications resulting from the County's June 30, 2009 fiscal account closing, and adjustments recommended by DFA. A resolution with these adjustments will be presented to the Board at a later date. Teresa Byrd, Budget Director 04/30/09