

# County of Bernalillo

State of New Mexico

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July 1, 2008



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### Honorable Board of Bernalillo County Commissioners:

I am pleased to present the Fiscal Year 2009 and 2010 biennial budget, which supports County government's efforts to improve the quality of life for residents, make local government more effective and efficient, and protect the interests of its citizens. The programs and services made available through this biennial budget plan provide the foundation for the County's service delivery systems, its financial future, and the quality of life for its citizens. This plan balances revenues and expenditures for each year of the biennium and conforms to State of New Mexico Department of Finance and Administration (DFA) requirements.

Many changes are reflected in this edition of the budget book. First you will note that we have included a comprehensive section on the financial picture of Bernalillo County including current budget estimates and historical trends for our major sources of funding—property taxes and gross receipts taxes. Second, due to changes in the budgetary structure of the County made due to our new financial software package, budgetary levels are reported at the department level instead of the individual program level. Third, you will notice that departmental program summaries include a goal statement that provides the management vision for the five functional areas of County government. My hope is that these changes will make this document more informative and user-friendly to internal users as well as the general public.

## ECONOMIC OUTLOOK

Our budget deliberations cannot take place without regarding the overall economy. The national economic picture simply cannot be ignored—as a country we face uncertain economic times ahead. The subprime mortgage crisis continues to play out in the financial markets. Numerous publications report that a growing number of economists believe the nation is currently in a recession. A primary measure of economic health is gross domestic product, which grew at a seasonally adjusted rate of 0.9

percent in the first quarter of 2008 after seeing 0.6 percent growth in the fourth quarter of 2007. Oil prices remain at record high levels and consumer spending is predicted to slide until recent Federal Reserve actions take hold and the full effect of taxpayer federal economic stimulus checks is felt. National employment growth has declined for five consecutive months (Jan. through May 2008) and experienced modest year over year growth of 0.4 percent in May but

predicted to remain below the 1.1 percent average growth of 2007.

Forecasts by the University of New Mexico's Bureau of Business and Economic Research suggest the New Mexico economy will experience slow growth over the next few years, but will avoid a recession. Nonfarm employment growth began declining in 2006 and is further slowed to 0.4 percent in the first quarter of 2008 with annual growth thereafter of roughly 1.5 percent in 2009 and beyond. The unemployment rate, 3.3 percent in the first quarter of 2008, is expected to remain below 4.0 percent through 2009. Personal income growth is expected to grow by 4.5 percent at most.

Projections for the Albuquerque MSA include an employment growth slowdown to 0.2 and 0.3 percent through the next two quarters with 1 to 2 percent growth possible thereafter. This downturn is largely in the construction and manufacturing sectors. Personal income growth is anticipated to remain near 5 percent annually with unemployment hovering near 4 percent.

The FY 09 general fund budget of \$203,382,647 represents a 2.2 percent decrease from FY 08 budget levels, while the FY 10 budget is estimated to increase by a modest 2.7 percent to \$208,940,143, which returns budget levels to the FY 08 level while still maintaining service levels. Other significant changes for FY 09 include elimination of financial support for the Metropolitan Detention Center by the City of Albuquerque. Property taxes continue to be a stable and growing revenue source for County government and it is estimated to increase by 3.3% in FY 09 and 4% by FY 10. Gross receipts taxes have fluctuated in recent times and are expected to grow only 1% in FY 09 and rebound to 3% in FY 10.

This uncertain economic outlook calls for prudent financial measures. Peering through this economic lens required many difficult decisions be made in keeping with the County's duty to be a good steward of the public funds with which we are entrusted.

## TECHNOLOGY

FY 09 begins a new chapter in Bernalillo County's continuing efforts to improve the effectiveness and efficiency of our government. This fiscal year signals the culmination of three years of planning, developing and implementing a new Enterprise Resource Planning (ERP) software system as we complete phase one of the implementation. Bernalillo County officially began its use on July 7, 2008.

The ERP solution will dramatically change the way the County does business by consolidating four disparate general ledgers, and creating new systems for budgetary controls, accounts payable and receivable processes, grants management, funds and treasury management, cashiering, purchasing, fixed assets and inventory, accounting, project and plant maintenance. Phase two of the project began in July 2008 with planning for an updated budget preparation system to be implemented by the end of FY 09.

The support of the Board during this process, including the allocation of funding and authorization for the necessary staffing to

complete this task, has been instrumental in the success of this undertaking. The numerous staff involved in the planning, design, training and implementation are commended for their efforts.

In addition to the ERP implementation, over the past few years the County has focused on streamlining processes and integrating technology into various County business processes. Applicants for County employment have never had an easier time applying through the online application system maintained by our Human Resources Department. In fact, over 98 percent of the over 17,000 applications submitted annually to the county are received electronically—a number that has grown by 42% in the past year.

Through this system applicants can apply, human resource staff can screen and hiring managers can review screened applications online. The employee self-service online program allows employees to review personal and employee data such as contact information, leave balances, end of year tax forms and paystubs, to name a few.

Electronic integration of employee identification badges into the system enables seamless production or replacement of identification badges. Coupled with the recently developed

online training calendar and upcoming online performance review processes, the County has made it even easier for employees, prospective employees and managers to access and utilize important information.

## CAPITAL IMPROVEMENTS PLAN

Bernalillo County must continually evaluate and update its plan for capital projects. Best practices dictate a five-year window to plan for new capital projects that are needed for effective and efficient delivery of services. The County will be going to the voters in November 2008 with a bond package of roughly \$20 million in projects

that will enable the County to continue to improve its capital inventory and make our roads, parks and structures safe for employees and the general public. Part of the County's internal rating criteria includes analyzing the impact of operating costs of new capital projects to ensure operating resources are available as projects are completed.

## GOALS AND PERFORMANCE MEASURES

Another addition to this budget document is the incorporation of goal statements centered on the five functional areas identified by the Governmental Accounting Standards Board. Those five goal areas include: General Government, Public Works, Public Safety, Culture and Recreation, and Health and Welfare.

Finance Division staff will be working with all County departments over the course of this biennial budget to further define department-

level goals and to identify outcome measures and their data sources to further develop a performance measurement system that provides meaningful data to the County and the public about Bernalillo County progress toward meeting our goals and advancing desired community conditions. Additionally, new supervisors will be trained in identifying performance measures through the County's new supervisory training program. The goal statements are listed below.

### Goal Statements

#### **General Government Goal:**

County government will strive to:

- Provide timely and accurate information to the public;
- Ensure that properties are appropriately valued and taxes efficiently collected;
- Conduct fair and accurate elections;
- Hire and retain a high quality workforce;
- Provide for the needs of County government through effective budgeting, accounting and procurement of needed goods.

#### **Public Works Goal**

Bernalillo County will provide residents with safe, efficient well maintained County infrastructure and transportation networks.

#### **Public Safety Goal**

A safe community for Bernalillo County residents.

#### **Culture and Recreation Goal**

Opportunities for recreation, environmental and cultural awareness are available to Bernalillo County residents.

## Health and Welfare Goal

Bernalillo County residents live in a healthy, well-planned environment and have access to affordable housing opportunities.

### STAFFING LEVEL CHANGES

To enable Bernalillo County to accomplish its goals and meet the needs of the community while also being fiscally prudent, the following new positions have been authorized:

- Animal Control Officer – 1 FTE to ensure sufficient staffing in east mountain areas.
- Pilot for the Sheriff's Air Unit – 1 FTE to allow more flight time for air support unit and enhance public safety.
- Storm Drain Maintainer at Public Works – 1 FTE to ensure safe roadways.
- Tax Increment District Project Coordinator in the Finance Division (funded by TIDD

applicants) – 1 FTE to analyze and facilitate tax increment district applications.

- Case Manager – 2 FTE in the Substance Abuse Programs Department (grant funded) to provide case management for at-risk populations.

In addition, eighteen (18) existing temporary positions were approved to be converted to permanent positions. Because these temporary positions were already filled, no additional budgetary resources will be required to convert these positions from temporary to permanent.

### FY 2009-2010 BUDGET HIGHLIGHTS

This budget letter is intended to highlight some of the more significant program changes and policy issues addressed in the budget. The sections of the budget document that follow provide more detailed information about the County's organizational structure, its goals and objectives, and operating budget for each department.

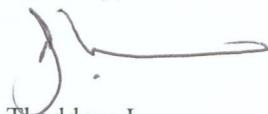
Bernalillo County, along with other local governments, are being asked to meet the demand for better services to more customers with fewer resources - all the while providing timely and effective service to constituents. Accountability, speed to action, customer satisfaction, and performance measurements are critical operational considerations. Bernalillo County remains firm in its commitment to meet

the challenge of the public's expectations of improved quality of life, convenient service delivery and improved performance.

The adopted budget is the culmination of the diligent efforts of many people. The deputy county managers, department directors and County staff members who participated in the planning and execution of the budget deserve a sincere "thank you" for their time and assistance with this well-received effort.

Finally, a note of thanks goes to the County Commission for their leadership on the many critical issues the County is facing and for the time and effort they devoted to the budget process.

Sincerely,



Thaddeus Lucero  
County Manager