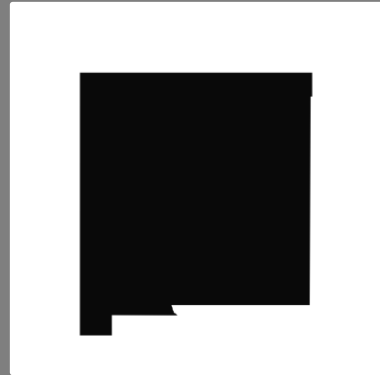


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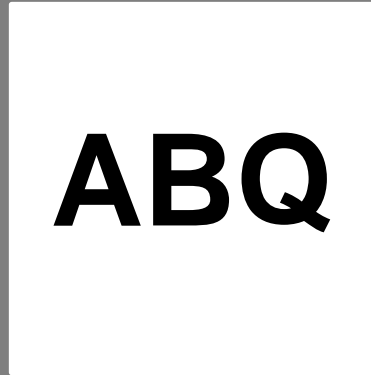
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# CITY OF ALBUQUERQUE BUDGET

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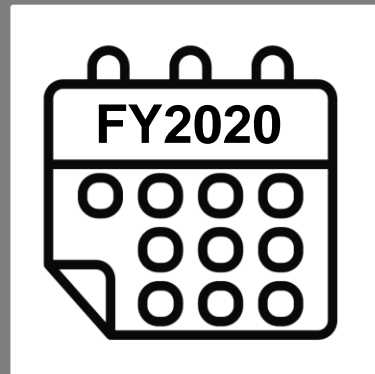
ECONOMIC OVERVIEW  
U.S. + NEW MEXICO



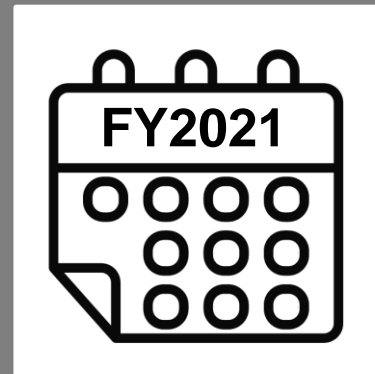
ECONOMIC OVERVIEW  
ALBUQUERQUE



CABQ BUDGET  
OVERVIEW



FY2020 ACTION PLAN



FY2021 ACTION PLAN



# ECONOMIC OVERVIEW UNITED STATES + NEW MEXICO

## NATIONAL INDICATORS

- US GDP is expected to decline 3.5% in the first quarter, 26.5% in the second quarter.
- Significant economic impact is expected throughout 2020 and into 2021.
- Unemployment is expected to exceed 10% in 2020; however, the rate could peak much higher.

## NEW MEXICO EMPLOYMENT

- Nearly 73,000 New Mexicans have filed for unemployment—equal to 8.7% of total employment.
- Filings after the third week pushed unemployment in New Mexico above the highest point of the 2008 recession.
- Data for Albuquerque is not available yet Albuquerque makes up 26% of the New Mexico population and jobs in Albuquerque account for 46% of all jobs in New Mexico.

# ABQ

# ECONOMIC OVERVIEW ALBUQUERQUE



## HARDEST HIT SECTORS

Sector	% GRT	% Employment	Projected March to April Impact	Projected Impact through August
Accommodation & Food Services	10%	10.3%	↓ 70%	↓ 50%
Arts, Entertainment & Recreation	1.0%	1.3%	↓ 90%	↓ 70%
Manufacturing	2.2%	4.3%	↓ 30%	↓ 20%
Retail & Wholesale Trade	28%	3.0%	↓ 50%	↓ 40%
“Other” services	8.2%	2.6%	↓ 40%	↓ 20%
<b>Total</b>	<b>49.4%</b>	<b>32.4%</b>	<b>↓ 49.5%*</b>	<b>↓ 38.4%*</b>

\*GRT Weighted Average Percentage

# ABQ

# ECONOMIC OVERVIEW ALBUQUERQUE



## MORE STABLE SECTORS

Sector	% GRT	% Employment	Outlook
Construction	8.7%	6.2%	Stable but increasing pressures regarding worker health concerns, supply chain limitations, decreased demand
Health Care	8.3%	14.6%	Some declines due to decreases in elective and routine procedures
Information and Cultural Services	5.0%	1.7%	Increased internet/data use could moderate disruptions in motion picture production and local news outlets
Public Administration	0.0%	20.2%	Currently stable, but governments face steep revenue declines
Utilities	3.2%	0.3%	This sector reflects administration of utilities; declining revenues will negatively impact franchise fees
Food/Medical	7.8%	Mixed	Grocers report $\approx$ 160% to more than 200% increased sales at times
<b>Total</b>	<b>32.9%</b>	<b>43.0%</b>	



# CITY OF ALBUQUERQUE BUDGET OVERVIEW



## ESTIMATED FY2020 IMPACTS (in thousands)

	FY/20 Budget	FY/20 Estimated Impact	FY/20 Budget Estimate	% Change
GRT	426,681	↓ 25,782	400,899	↓ 6%
Property Tax	89,121		89,121	--
Franchise	26,408		26,408	--
Other	84,858	↓ 1,700	83,158	↓ 2.0%
<b>Total</b>	<b>627,068</b>	<b>↓ 27,482</b>	<b>599,586</b>	<b>↓ 4.4%</b>



# CITY OF ALBUQUERQUE BUDGET OVERVIEW

## CURRENT EMERGENCY SCENARIO FOR FY2021 BUDGET (in thousands)

	FY/20 Pre- COVID-19 Budget	FY/20 COVID-19 Budget Estimate	FY/21 Estimated Impact	FY/21 Budget Projection	% Change
GRT	426,681	400,899	(16,036)	384,863	↓ 4%
Property Tax	89,121	89,121	(4,456)	84,665	↓ 5%
Franchise	26,408	26,408	(792)	25,616	↓ 3%
Other	84,858	83,158	(3,000)	80,158	↓ 3.6%
<b>Total</b>	<b>627,068</b>	<b>599,586</b>	<b>(24,284)</b>	<b>575,302</b>	<b>↓ 4.1%</b>



# CITY OF ALBUQUERQUE

## BUDGET OVERVIEW

### FY2020 Expense Budget vs. Actual

As of April 8, 2020 – In thousands

FY/20 Budgeted Expense	\$	660,516
Actuals Expense to Date	\$	(447,493)
<b>Outstanding Budget Balance</b>	<b>\$</b>	<b>213,023</b>

### Current FY2020 Expense Estimation

In thousands

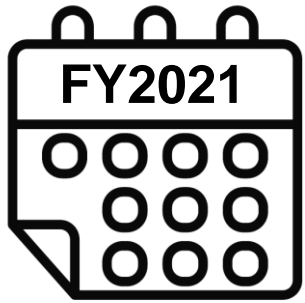
FY/20 Expense Budget	\$	660,516
Potential Department Savings	\$	(4,000)
Hiring Restriction April 9 – June 30, 2020	\$	(6,000)
<b>Current FY/20 Expense Estimation</b>	<b>\$</b>	<b>650,516</b>

### FY2020 Estimated Shortage

In thousands

Estimated Revenue Shortfall	\$	(27,482)
Estimated Expense Savings	\$	10,000
<b>Needed for FY/20</b>	<b>\$</b>	<b>(17,482)</b>
<b>1/12 Reserve Balance Available</b>	<b>\$</b>	<b>54,105</b>





# CITY OF ALBUQUERQUE

## FY2021 BUDGET ACTION PLAN



### IMPACT WITHOUT STATE OR FEDERAL AID

- Reduction of services, operations, and contracts
- Suspension of travel for entire year
- Furloughs
  - Duration would be based on the amount needed to balance the FY/21 budget after all other cost savings measures have been considered



# CITY OF ALBUQUERQUE BUDGET ACTION PLAN



## TAKING ACTION TO PREVENT LAYOFFS AND FURLOUGHS

- Cost savings
  - Identified in City departments - \$4 million
    - Supplies, repairs and maintenance, travel, training, personnel, fuel, etc. - \$2.8 million
    - Contractual and professional services - \$1.2 million
  - Hiring restrictions - \$6 million
- Fighting for loss of revenue replacement from Federal CARES Act
- Secured Federal funding to replace lost Transit and Aviation Department revenues
- Exploring responsible use of the City's General Fund Reserves

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