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CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2025-__

INTRODUCED BY:

Councilor Carol Romero-Wirth

Councilor Jamie Cassutt

Councilor Pilar Faulkner

Mayor Alan Webber

RED – Amendment A – Councilors Carol Romero-Wirth and Michael Garcia

A RESOLUTION

**ADOPTING IMPROVEMENTS TO THE BUDGET PROCESS FOR THE FISCAL YEAR
2026-2027 ANNUAL OPERATING BUDGET.**

WHEREAS, Article V, Section 5.01 (M) of the City of Santa Fe’s (“City”) Charter requires that the Mayor “[w]ork with City personnel and prepares an annual budget and spending priority for review and approval by the finance committee and the governing body”; and

WHEREAS, Section 11-2.1(A) of the City’s Code requires that the operating budget to include the following elements:

- anticipated revenues by fund;
- planned expenditures by fund, department and category;
- planned cash transfers between funds;
- estimated beginning and ending cash balances;
- costs for personnel salaries and benefits by fund and department;
- general obligation and revenue bonded debt service; and

- 1 • Line-item detailed reports for all funds and detailed personnel schedules, which must
2 be prepared and be available upon request; and

3 **WHEREAS**, Section 11-2.1(B) of the City’s Code provides that the annual budget may
4 include the following components in a multi-year section of the budget:

- 5 • Schedules of lease purchase agreements;
6 • Capital outlay appropriations authorized for up to three years;
7 • Grant appropriations authorized for up to the term of the relevant grant;
8 • “Special” appropriations, which are limited-duration, non-capital appropriations,
9 authorized for up to three years;
10 • Reauthorizations of multi-year appropriations unexpended during the initial
11 appropriation term and deemed necessary; and
12 • Deauthorizations of prior-year(s), unexpended, multi-year appropriations; and

13 **WHEREAS**, Section 11-2.5 of the City Code requires that, prior to the mayor’s
14 recommendation of the annual budget to the governing body, the city manager shall direct all
15 departments to review all fees and charges assessed by that department; and

16 **WHEREAS**, the process used in fiscal years 2023, 2024, and 2025 to prepare the City’s
17 operating budget was not tied to long-range goals and one-year priorities adopted by the Governing
18 Body, and did not include a formal mechanism in advance of the Finance Committee and
19 Governing Body budget hearings for the Governing Body to develop an understanding and to
20 provide input into budget development, and focused on line expenditure items rather than service
21 levels and outcomes; and

22 **WHEREAS**, a “management system” that includes Governing Body goals and priorities
23 and Key Performance Indicators (“KPIs”) for department goals and objections should be used to
24 provide performance feedback for the Governing Body and for all City employees; and

25 **WHEREAS**, the City’s budget process should be performance-based and focused on

1 service levels and outcomes so that it is a key policy document for oversight of City services; and

2 **WHEREAS**, on July 28, 2025, the City’s Finance Director and the Mayor’s Senior
3 Advisor and Public Engagement Coordinator presented a schedule and process to the City’s
4 Finance Committee to integrate strategic planning, key indicators, and performance-based
5 budgeting into the City’s budgeting process for Fiscal Year 2026-2027; and

6 **WHEREAS**, the Governing Body wishes to adopt the proposed plan and schedule for
7 adopting Mayor and Governing Body goals and priorities; Departmental goals, objectives, and key
8 performance indicators; and performance-based budgeting that will provide a framework for the
9 Governing Body’s review and approval of the Mayor’s budget.

10 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
11 **CITY OF SANTA FE** that the City Manager shall work with staff to implement the following
12 schedule and process for preparation of the Fiscal Year 2026-2027 budget:

13 July - August 2025

- 14 • Meet with the Finance Committee to discuss reforms and adjustments to the City’s
15 budgeting process by adopting this Resolution.

16 October 2025

- 17 • Hold a Study Session with the Governing Body to discuss **setting** goals,
18 objectives, and key performance indicators for Fiscal Year **2026-2027 and the**
19 **budget process, generally, 2025-2026.**

20 December 2025

- 21 • Hold a **two-day** special meeting of the Governing Body during which Department
22 Directors present **the status of** Fiscal Year **2026-2027 2025-2026** goals,
23 objectives, key performance indicators, and progress **status** updates. Invite mayor-
24 elect and councilor-elects to the meeting.

25 January 2026

- Hold a town hall meeting to obtain feedback from residents and businesses about priorities for the coming year's budget (Fiscal Year 2026-2027).
- Hold a ~~half~~-day-long, special Governing Body meeting to set ~~long~~ mid-range goals and one-year priorities and discuss and clarify City governance, norms, and roles.
- Officially start the budget process for Fiscal Year 2026-2027.

Late January 2026

- Work with the Finance Department to provide best estimates for Fiscal Year 2026-2027 revenues and steady state expenditures.
- Work with the Mayor and Finance Department to provide departments directions for submitting their budget requests, including any proposed modifications to fees or charges.

February--March 2026

- Ensure that departments submit budget proposals, including goals, objectives, and key performance indicators, and any augmentation requests ~~or~~ for additional funding requests.
- ~~• Share the budget proposals with the Finance Committee.~~
- Take steps necessary to coordinate the Finance Department and other Departments preparing the Mayor's budget proposal for submission to the Finance Committee and Governing Body for consideration in April and May, respectively. These steps include coordinating meetings with the Mayor, City Manager and Finance Department with departments to discuss budget proposals and shape the proposed 2026-2027 budget.
- Provide the Governing Body with a report on the status of goals, objectives, and indicators for Fiscal Year 2025-2026.

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April - May 2026

- Hold joint hearings of the Finance Committee and the Governing Body to review departmental budget requests ~~and status updates on the Fiscal Year 2025-2026 goal achievement~~, including tradeoffs and choices made in the budget proposal development.
- Finance Committee recommends budget to the Governing Body.

May 2026

- The Governing Body adopts the Fiscal Year 2026-2027 annual budget.

June 2026

- The City submits its Fiscal Year 2026-2027 budget to the New Mexico Department of Finance and Administration for approval.

July 2026

- Ensure that departments present status updates on Fiscal Year 2025-2026 goals to the Governing Body.

PASSED, APPROVED, and ADOPTED this _____ day of _____, 2025.

ALAN WEBBER, MAYOR

ATTEST:

ANDRÉA SALAZAR, CITY CLERK

1 APPROVED AS TO FORM:

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4 ERIN K. McSHERRY, CITY ATTORNEY

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9 *Legislation/2025/Resolutions/FY26-27Budget Development Resolution*