




**Date:** May 7, 2026  
**To:** Governing Body  
**From:** Andrea Phillips, Interim Finance Director   
Andy Hopkins, Budget Office  
**Via:** Brian Moya, Interim City Manager  
**RE:** Fiscal Year 2026-2027 Budget – Governing Body Adoption

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## **EXECUTIVE SUMMARY:**

On behalf of the Mayor, the Finance Department requests approval of the Fiscal Year 2026-2027 Operating Budget.

## **BACKGROUND:**

The proposed Fiscal Year 2026-2027 (“FY27”) “All Funds” operating expenditures budget of \$521.1 million reflects an increase of \$40.6 million, or 8.4%, when compared to the Fiscal Year 2026 original budget. The proposed FY27 General Fund expenditures budget totals \$176.6 million, an increase of \$15.5 million, or 9.6%, from the FY26 original budget. These increases are primarily attributable to employee salary increases recommended by the Classification & Compensation Study (of which the final phase will be reflected for the full year in FY27), and to increases in the personnel budget equivalent to a 2.5% increase in salaries and salary-dependent benefits for all City employees (for union employees, the final distribution of these amounts will be subject to bargaining unit negotiations).

The attached packet includes the Proposed FY27 Budget Book, which incorporates the FY27 Organizational Chart and the budget summaries by department, fund, and category for the Proposed FY27 Budget.

After the Governing Body’s approval, the Finance Department will forward the Resolution and Operating Budget to the New Mexico Department of Finance and Administration/Local Government Division for its approval as required.

## **ATTACHMENTS:**

Resolution  
Fiscal Impact Report  
Memo Attachment – Budget Book