

FOR IMMEDIATE RELEASE:

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Bernalillo Town Council approves interim municipal budget with reductions in pay and furlough days.

On Tuesday, Mayor Jack Torres and the Town Council approved the interim 2011 fiscal year budget to be submitted to the State of New Mexico by June 1st. The approved budget includes a 3% reduction in pay for all employees and twelve furlough days for the year, effective July 1, 2010. Over all, the operating budget was decreased by 14.7%. The total budget increased by .2% from Fiscal Year 2010 in order to account for debt payments.

Since taking office in early March, Mayor Torres has focused on the fiscal position of the Town and on the preparation of this budget. "It has been a daunting task", he said on Wednesday after meeting with Department Heads and Division Directors to explain the cuts. "I came into office having heard that the Town was fiscally sound and that revenues were at an all time high. Unfortunately, that was not completely true and now we must make an unbudgeted debt service payment of \$1,636,569.00 on June 1st".

While relatively recent commercial development, including Wal-Mart, has increased revenue by 5.06% much of the gross receipts tax have been pledged for bond issue payments creating a debt service of 14.8% of the overall budget, a debt service that was not budgeted for in previous years. Other factors that necessitated the reductions in the personnel budget include the apparent use of federal funds earmarked for debt service being spent in the General Fund for operating expenses. Permit fee accounts established by ordinance were also closed and the revenue used for operating. Significant uncollected utility revenue on delinquent water and sewer accounts is also a contributing factor to the Town's current financial situation, as are a number of minimum fee accounts resulting from broken and unreadable meters. Additionally, a billing increase due to a Waste Management trash collection hike was never passed along to customers resulting in the Town subsidizing the cost.

According to Mayor Torres, the Town is now concentrating on cutting operating expenses, collecting delinquent utility payments, and restructuring the Town's debt service. "The reality of our fiscal situation cannot be ignored. I appreciate the hard work and cooperation of staff and our Town Council to deal with this extremely challenging situation. Working together we have developed a lean budget that will allow us to continue to serve our citizens. This budget will also bring the Town back to living within our means".