



City of Las Cruces

City Council Action and Executive Summary

23-067

Type of Action:

☒ Resolution

☐ Ordinance

☐ TIDD Resolution

District: ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☒ N/A

1st Reading: Adopted: December 5, 2022

Drafter: Leeann DeMouche Department: Financial Services

Program: Administration Line of Business: Administration

Title: **A RESOLUTION AMENDING THE FY2023 BUDGET FOR ENVIRONMENTAL SERVICE FEES COLLECTED FOR PLASTIC SINGLE-USE CARRYOUT BAGS.**

TYPE OF ACTION: ☒ Administrative ☐ Legislative ☐ Quasi-Judicial

PURPOSE(S) OF ACTION:

To amend the FY2023 Budget.

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

On August 16, 2021, the City of Las Cruces ("City") adopted Ordinance 2984 limiting the use of plastic single-use carryout bags in certain retail operations.

The ordinance began January 1, 2022, stating that "for every paper grocery bag provided by a retail establishment, an environmental service fee of (10 cents) shall be charged to the customer for each paper grocery bag provided. Fifty percent (50%) of the environmental service fee collected by a retail establishment shall be retained for administrative costs incurred by the collection and reporting of the environmental service fee to the city. The remainder of the environmental service fee collected shall be transmitted to the City of Las Cruces. The city shall dedicate the environmental service fees "towards promoting the ordinance, purchasing reusable bags for the public, and public education regarding sustainability."

During FY2022, it was unknown how much, per fiscal year, revenue would be collected from the plastic single-use carryout bags environmental service fee. Staff agreed that the revenue received would be placed in the general fund. For FY2022, a total of \$47,979 was received (6 months) from various retailers and it is estimated for FY2023 that a total of \$200,000.00 in revenues from the retailers could be received.

After discussing with staff, it was agreed upon that these funds should be placed in a special revenue fund. A special revenue fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The specific revenues may be initially received in another fund and subsequently distributed to a special revenue fund. Funds already collected in the general fund will be transferred to the special revenue fund established for this ordinance.

SUPPORT INFORMATION:

[Exhibit "A" Fund Summary](#)

PLAN(S):

None

COMMITTEE/BOARD REVIEW:

None

DOES THIS AMEND THE BUDGET?:

☒ Yes

☐ No

BUDGET / FISCAL IMPACT:

BUDGETED AMOUNT: 0

AVAILABLE AMOUNT: 0

EXPENDITURE AMOUNT: 0

Funding Source(s):

Overall Budget Impact:

Transfer funds from General Fund and establish budget for new special revenue fund

Does this action amend the Capital Improvement Plan (CIP)?

☐ Yes

☒ No

Does this action align with Elevate Las Cruces?

☐ Yes

☒ No

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will approve the Resolution and amend the FY2023 budget.
2. Vote "No"; this will not approve the Resolution and will require direction from City Council.
3. Vote to "Amend"; City Council may amend proposed terms presented in the Resolution.
4. Vote to "Table"; this will postpone the Resolution and require direction from City Council.

REFERENCE INFORMATION:

Ordinance 2984

RESOLUTION 23-067

A RESOLUTION AMENDING THE FY2023 BUDGET FOR ENVIRONMENTAL SERVICE FEES COLLECTED FOR PLASTIC SINGLE-USE CARRYOUT BAGS.

The City Council is informed that:

WHEREAS, on August 16, 2021, the City of Las Cruces ("City") adopted Ordinance 2984 limiting the use of plastic single-use carryout bags in certain retail operations; and

WHEREAS, Ordinance 2984 began January 1, 2022, stating that for every paper grocery bag provided by a retail establishment, an environmental service fee of (10 cents) shall be charged to the customer for each paper grocery bag provided; and

WHEREAS, fifty percent (50%) of the environmental service fee collected by a retail establishment shall be retained for administrative costs incurred by the collection and reporting of the environmental service fee to the city and the remainder of the environmental service fee collected shall be transmitted to the city of Las Cruces; and

WHEREAS, the city shall dedicate the environmental service fees towards promoting the ordinance, purchasing reusable bags for the public, and public education regarding sustainability; and

WHEREAS, the city will establish a Special Revenue Fund that will be used to budget and collect revenue and expenditures established for this Ordinance.

NOW, THEREFORE, Be it Resolved by the Governing Body of the City of Las Cruces:

(I)

THAT the City amends the FY2023 Budget as shown in Exhibit "A", attached hereto and made part of this Resolution.

(II)

THAT City staff is hereby authorized to do all deeds as necessary in the accomplishment of the herein above.

DONE AND APPROVED this 05 day of December 2022

APPROVED

Mayor

ATTEST:

City Clerk

Moved by: Tessa Abeyta

Seconded by: Becky Corran

AYES Kasandra Gandara, Ken Miyagishima, Yvonne Flores, Johana Bencomo, Becki Graham,
Becky Corran, Tessa Abeyta

NAYS

CITY OF LAS CRUCES
BUDGET ADJUSTMENT REQUEST
BUDGET FISCAL YEAR 2022-23

Exhibit "A"

	1000 GENERAL FUND			
	2022-23			
	Original Budget	Amended Budget	Req. Adjustment	Adjusted Budget
RESOURCES				
Beginning Balance	\$ 50,734,183	50,734,183	0	50,734,183
Revenues				
Municipal Gross Receipts Tax	47,475,528	47,475,528	0	47,475,528
Public Safety Gross Receipts Tax	4,263,256	4,263,256	0	4,263,256
Hold Harmless Replacement GRT	0	0	0	0
State-Shared Gross Receipts Tax	42,196,909	42,196,909	0	42,196,909
Environmental Gross Receipts Tax	2,131,627	2,131,627	0	2,131,627
County Environmental Gross Receipts Tax	0	0	0	0
Internet Sales Gross Receipts Tax	0	0	0	0
Gasoline Tax	0	0	0	0
Cannabis Excise Tax	500,000	500,000	0	500,000
Lodgers Tax	0	0	0	0
Property Taxes	12,648,613	12,648,613	0	12,648,613
Payment In Lieu of Property Tax	842,304	842,304	0	842,304
Franchise Fees	2,771,546	2,771,546	0	2,771,546
Payment In Lieu of Franchise Fees	1,200,000	1,200,000	0	1,200,000
Licenses, Fees & Permits	3,089,711	3,089,711	0	3,089,711
Convention Center Fee	0	0	0	0
Auto License - State Shared	0	0	0	0
Fines & Forfeitures	321,800	321,800	0	321,800
Charges For Services	2,622,941	2,622,941	0	2,622,941
Natural Gas Sales - Commodity	0	0	0	0
Motor Pool Maintenances Charges	0	0	0	0
Fuel Charges	0	0	0	0
Intergovernmental	2,681,000	2,681,000	0	2,681,000
Investment Income	100,000	100,000	0	100,000
Miscellaneous Revenues	90,060	90,060	0	90,060
Federal Grants	0	0	0	0
State Grants	0	0	0	0
Local Grants	0	0	0	0
Debt Service	0	0	0	0
Total Revenues	122,935,295	122,935,295	0	122,935,295
TOTAL RESOURCES	\$ 173,669,478	173,669,478	0	173,669,478
Expenditures				
General Government	5,332,858	6,498,658	0	6,498,658
Legislative	599,338	699,338	0	699,338
Municipal Court	1,643,979	1,728,979	0	1,728,979
Chief Administrative Officer	2,184,078	1,360,632	0	1,360,632
City Manager	2,514,654	4,389,428	0	4,389,428
Legal	3,400,663	3,400,663	0	3,400,663
Las Cruces Police Department	27,537,727	27,574,310	0	27,574,310
Las Cruces Fire Department	19,484,637	20,288,111	0	20,288,111
Utilities	0	0	0	0
Economic Development	5,130,498	5,279,481	0	5,279,481
Internal Audit	0	0	0	0
Assistant City Manager-400	5,719,983	5,889,683	0	5,889,683
Human Resources	2,076,550	2,278,880	0	2,278,880
Financial Services	6,278,149	6,310,149	0	6,310,149
Information Technology	6,130,713	6,130,713	0	6,130,713
Fleet	0	0	0	0
Assistant City Manger-500	0	0	0	0
Parks & Recreation	17,674,006	18,034,109	0	18,034,109
Community Development	5,781,600	4,987,587	0	4,987,587
Quality of Life	8,313,229	8,391,242	0	8,391,242
Public Works	10,285,620	10,285,620	0	10,285,620
Legislative Reserve	0	0	0	0
Total Expenditures	\$ 130,088,282	133,527,583	0	133,527,583
Other Resources				
Operating Transfers In	9,302,703	6,915,798	0	6,915,798
Operating Transfers Out	(19,039,540)	(20,159,929)	(136,538)	(20,296,467)
Total Other Resources	\$ (9,736,837)	(13,244,131)	(136,538)	(13,380,669)
Accrual Adjustments	0	0	0	0
ENDING BALANCE	\$ 33,844,359	26,897,764	(136,538)	26,761,226
Required Reserve:				
State Required 1/12th	10,840,691	11,127,299	0	11,127,299
Local CLC 1/12th	10,840,691	11,127,299	0	11,127,299
AVAILABLE BALANCE	\$ 12,162,977	4,643,166	(136,538)	4,506,628

CITY OF LAS CRUCES
BUDGET ADJUSTMENT REQUEST
BUDGET FISCAL YEAR 2022-23

Exhibit "A"

	2805 ENVIRONMENTAL PROTECTION			
	2022-23			
	Original Budget	Amended Budget	Req. Adjustment	Adjusted Budget
RESOURCES				
Beginning Balance	\$ 0	0	0	0
Revenues				
Municipal Gross Receipts Tax	0	0	0	0
Public Safety Gross Receipts Tax	0	0	0	0
Hold Harmless Replacement GRT	0	0	0	0
State-Shared Gross Receipts Tax	0	0	0	0
Environmental Gross Receipts Tax	0	0	0	0
County Environmental Gross Receipts Tax	0	0	0	0
Internet Sales Gross Receipts Tax	0	0	0	0
Gasoline Tax	0	0	0	0
Cannabis Excise Tax	0	0	0	0
Lodgers Tax	0	0	0	0
Property Taxes	0	0	0	0
Payment In Lieu of Property Tax	0	0	0	0
Franchise Fees	0	0	0	0
Payment In Lieu of Franchise Fees	0	0	0	0
Licenses, Fees & Permits	0	0	0	0
Convention Center Fee	0	0	0	0
Auto License - State Shared	0	0	0	0
Fines & Forfeitures	0	0	0	0
Charges For Services	0	0	200,000	200,000
Natural Gas Sales - Commodity	0	0	0	0
Motor Pool Maintenances Charges	0	0	0	0
Fuel Charges	0	0	0	0
Intergovernmental	0	0	0	0
Investment Income	0	0	0	0
Miscellaneous Revenues	0	0	0	0
Federal Grants	0	0	0	0
State Grants	0	0	0	0
Local Grants	0	0	0	0
Debt Service	0	0	0	0
Total Revenues	0	0	200,000	200,000
TOTAL RESOURCES	\$ 0	0	200,000	200,000
Expenditures				
General Government	0	0	0	0
Legislative	0	0	0	0
Municipal Court	0	0	0	0
Chief Administrative Officer	0	0	0	0
City Manager	0	0	0	0
Legal	0	0	0	0
Las Cruces Police Department	0	0	0	0
Las Cruces Fire Department	0	0	0	0
Utilities	0	0	0	0
Economic Development	0	0	0	0
Internal Audit	0	0	0	0
Assistant City Manager-400	0	0	247,000	247,000
Human Resources	0	0	0	0
Financial Services	0	0	0	0
Information Technology	0	0	0	0
Fleet	0	0	0	0
Assistant City Manger-500	0	0	0	0
Parks & Recreation	0	0	0	0
Community Development	0	0	0	0
Quality of Life	0	0	0	0
Public Works	0	0	0	0
Legislative Reserve	0	0	0	0
Total Expenditures	\$ 0	0	247,000	247,000
Other Resources				
Operating Transfers In	0	0	136,538	136,538
Operating Transfers Out	0	0	0	0
Total Other Resources	\$ 0	0	136,538	136,538
Accrual Adjustments	0	0	0	0
ENDING BALANCE	\$ 0	0	89,538	89,538