


From: Christine Rivera crivera@lascruces.gov 
Subject: FW: Pivoting to a New Budget Sustainable Approach
Date: December 3, 2025 at 8:15 AM
To: Lissa Herrera liherrera@lascruces.gov

Here's the email and memo for that IPRA request.

Christine Rivera, CMC

City Clerk

Main: 575-541-2115 / TTY 711

crivera@lascruces.gov



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From: Ikani Taumoepeau <itaumoepeau@lascruces.gov>
Sent: Tuesday, November 18, 2025 10:24 AM
Cc: Lesley Doyle <ldoyle@lascruces.gov>; Christine Rivera <crivera@lascruces.gov>; Annette Granado <agranado@lascruces.gov>; Brad Douglas <bdouglas@lascruces.gov>; Mandy Leatherwood <mleatherwood@lascruces.gov>
Subject: Pivoting to a New Budget Sustainable Approach

Good Morning Mayor Enriquez, Mayor Pro Tem Bencomo, and City Councilors,

I wanted to provide you with a brief update regarding our ongoing review of the current fiscal year budget.

After a comprehensive assessment, the Finance Director, Budget Team and I have identified a more fiscally conservative approach that will allow us to create a more sustainable budget for the coming years, ensuring it remains balanced while keeping our current staffing and operational commitments.

These adjustments are proactive and intended to position the City for continued stability as we navigate rising demands and evolving service expectations.

To reiterate, these changes will be implemented **without** impacting current staffing (NO Layoffs).

We will bring a budget amendment to Council in the coming months when the last fiscal year's audit is completed.

We will be prepared to walk you through the recommended changes, their impacts, and our long-term outlook at your convenience.

Respectfully,
Ikani Taumoepeau

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To: Las Cruces City Council

From: Lesley Doyle, Finance Director

Date: November 18, 2025

Subject: Notification of Adjustments to FY26 GENERAL FUND Budgeted Amounts

This memo serves to notify the City Council of planned adjustments to the Fiscal Year 2026 budgeted amounts.

Upon a closer review of our financial trajectory, it was confirmed that the General Fund beginning balance was overstated. While revenues have increased by \$17.2 million (11%) since FY23, expenditures have increased by \$18.8M (14%) and transfers \$10.7M (40%) have grown at a significantly faster rate than expected:

- **Salaries** have increased by \$20.6 million (25%)
- **Operating expenses** have risen by \$12.7 million (39%)
- **Capital expenses** have decreased by \$14.5 million (-83%). This decrease is primarily due to a required change in accounting method.
- **Transfers Out** have increased by \$10.7 million (40%)

To address these imbalances and ensure long-term fiscal sustainability, we will be implementing the following measures for the remainder of FY26:

- **Hiring and Reclassification Freeze:** Effective immediately, all positions will be subject to a hiring and reclassification freeze. An evaluation of vacancies, with the goal to reduce position redundancy, will be conducted to sustain long-term budget sufficiency.
- **Travel Restrictions:** Effective January 1, travel will be limited to only that which is necessary to maintain required professional certifications.
- **Reduction in Temporary Services:** Effective January 1, use of temporary staffing services will be scaled back to cover critical operational functions only.
- **Reduction in Transfers:** Explore reducing non-debt related transfers (which make up 62% of total transfers) by using alternative funding sources, including utilizing available balances in other funds, to lessen the impact on the General Fund while maintaining the same level of service.

These actions are intended to preserve core municipal services while aligning expenditures with available resources. These changes will be implemented without impacting current staffing. We will bring a budget amendment to Council in the coming months when last fiscal year's audit is completed. We will continue to monitor our financial position in order to provide transparency and accountability.

I am available to provide further details or respond to any questions.

Ikani Taumoepeau

City Manager / City Manager's Office

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Memo to City Council_budget
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