



# FY 2022 City Council Budget Briefing

June 2021



# Agenda

- Long-term financial sustainability
- FY 2022 Budget Highlights
- FY 2022 Revenue
- FY 2022 Expenses
- Capital Projects
- Budget Calendar



# COVID-19 Impact and Response – Year 3

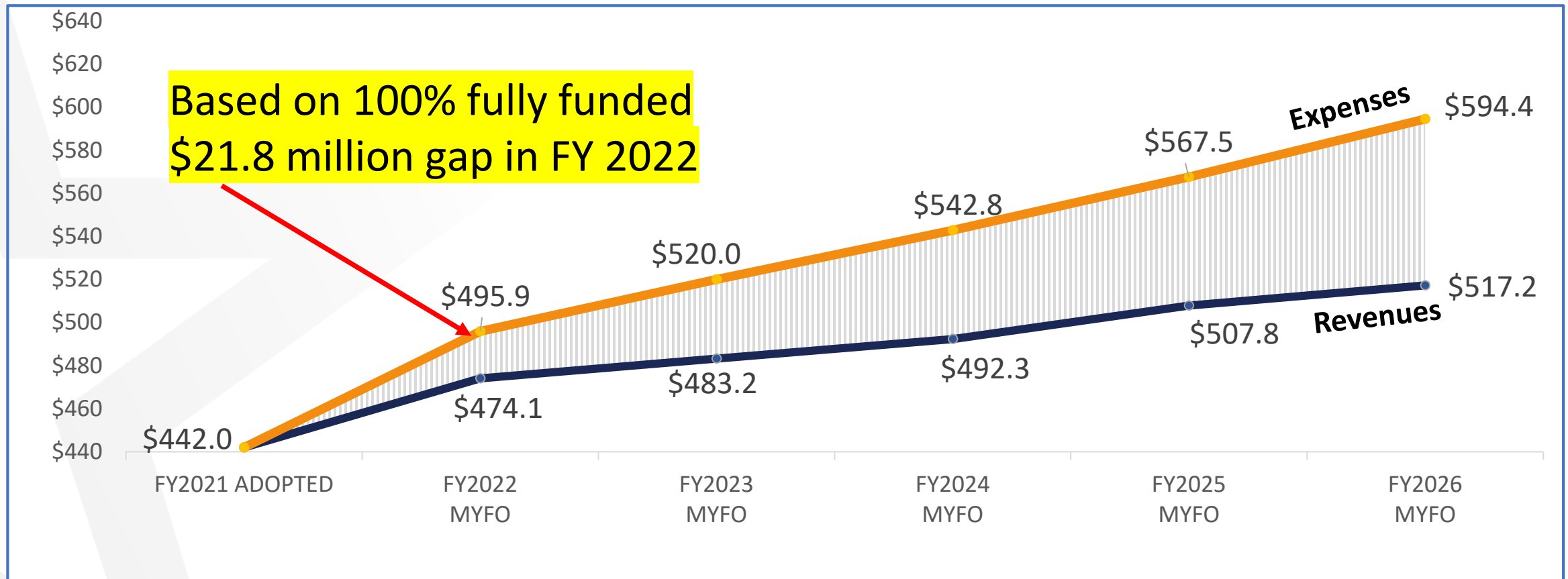
- FY 2020
  - Proactive adjustments in response to financial impacts
  - Utilized financial tools/resources created prior to COVID-19 to minimize impact
- FY 2021 (current year)
  - No tax rate increase
  - Adjustments included unfunded vacancies, deferred pay-go spending (streets and public safety capital), deferred opening new amenities and capital projects
- FY 2022 (begins Sep 1, 2021)
  - No tax rate increase for second year
  - Lower taxes for Over 65 and Disabled
  - Phased-in approach to restoring adjustments made in current year

# Budget Update Presentations

- Cost Drivers, Fixed Costs, Contractual Obligations
- State legislation impacting revenue
- Historical tax rate & budget challenges
- Financial Quarterly Reports
- Five-Year Forecast (FY 2022 – FY 2026)
- Quality of Life – phased-in services
- Strategies to minimize tax rate impact
- Capital Projects

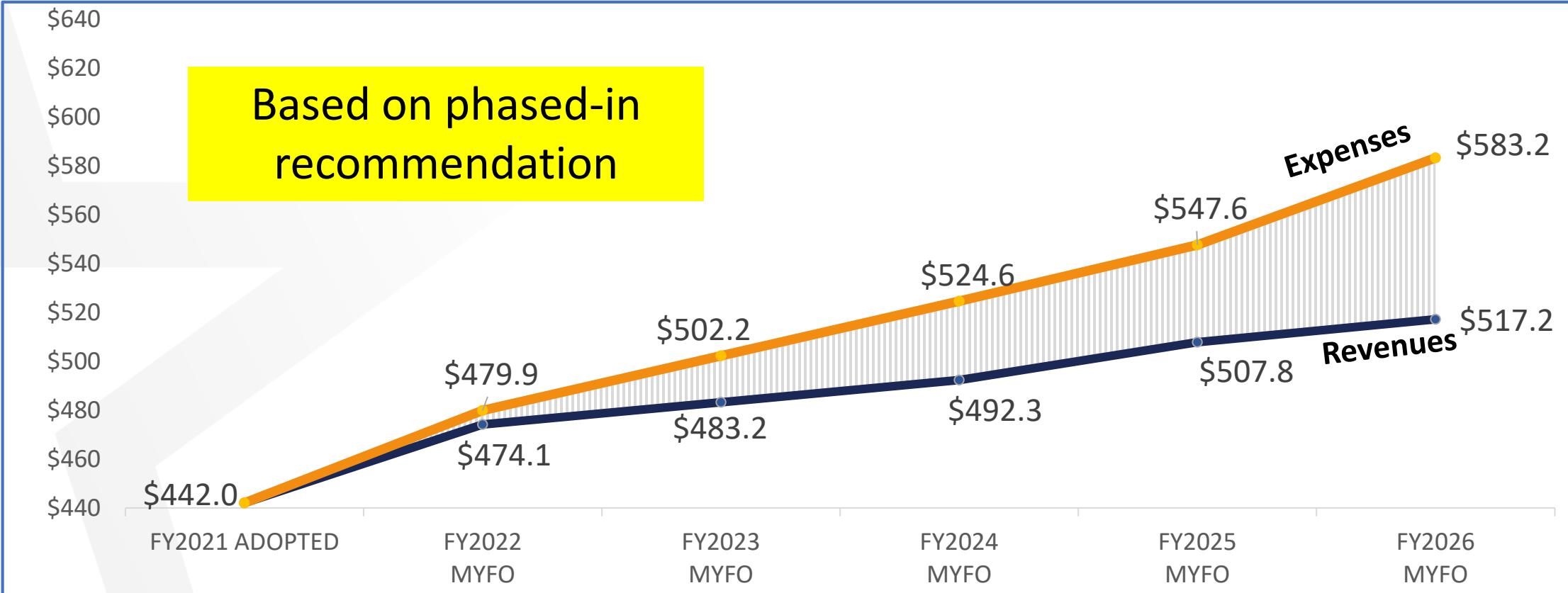
# General Fund Five-Year Outlook

## Presented February 15, 2021



# General Fund Five-Year Outlook

## Presented February 15, 2021





# Closing the Gap - Balancing the FY 2022 Budget



- Not financially feasible, nor recommended, to restore 100% to pre-COVID plus annual increases in contractual and committed obligations
- Instead we have been presenting/recommending
  - No tax rate increase for second consecutive year
  - Making priorities a priority and keeping our promises: public safety and streets
  - Phased-in restoration of FY 2021 adjustments (deferred pay-go, unfunded vacancies, parks museums, libraries, and zoo services)
  - Investing in the workforce - compensation, healthcare, training/professional development
  - Focusing on long-term financial sustainability



# Long-term Financial Sustainability

- Strategies to address future projected imbalances (costs rising faster than revenues)
- Increasing fund balance (reserves) and budget stabilization
- Utilizing debt refinancing opportunities to generate savings and minimize tax rate impact
- Achieving quality and performance excellence through organizational focus on continuous improvement
- Strategic usage of new Economic Development funding
- Create and implement a plan to address unfunded pension (police, fire, and City employees)





# FY 2022 Preliminary Budget Highlights

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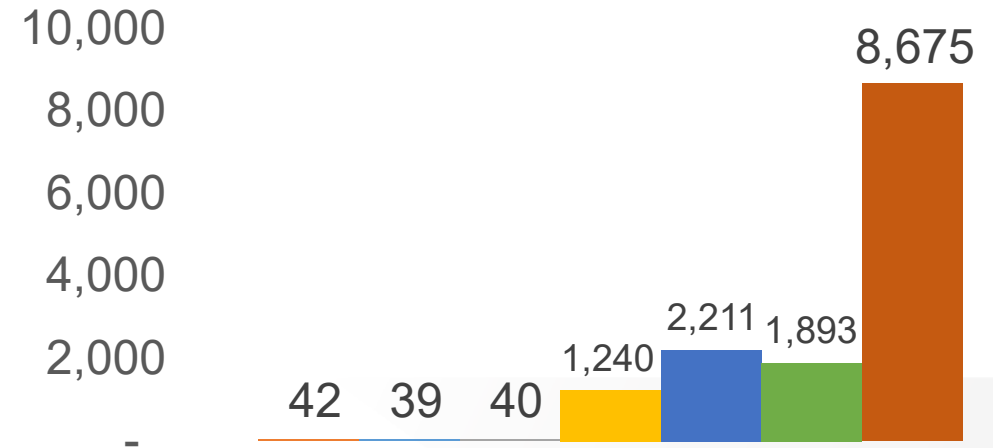
- Chime In! Results
- Public Safety
- Streets
- Quality of Life
- Community Health
- Workforce



# Chime In! Results

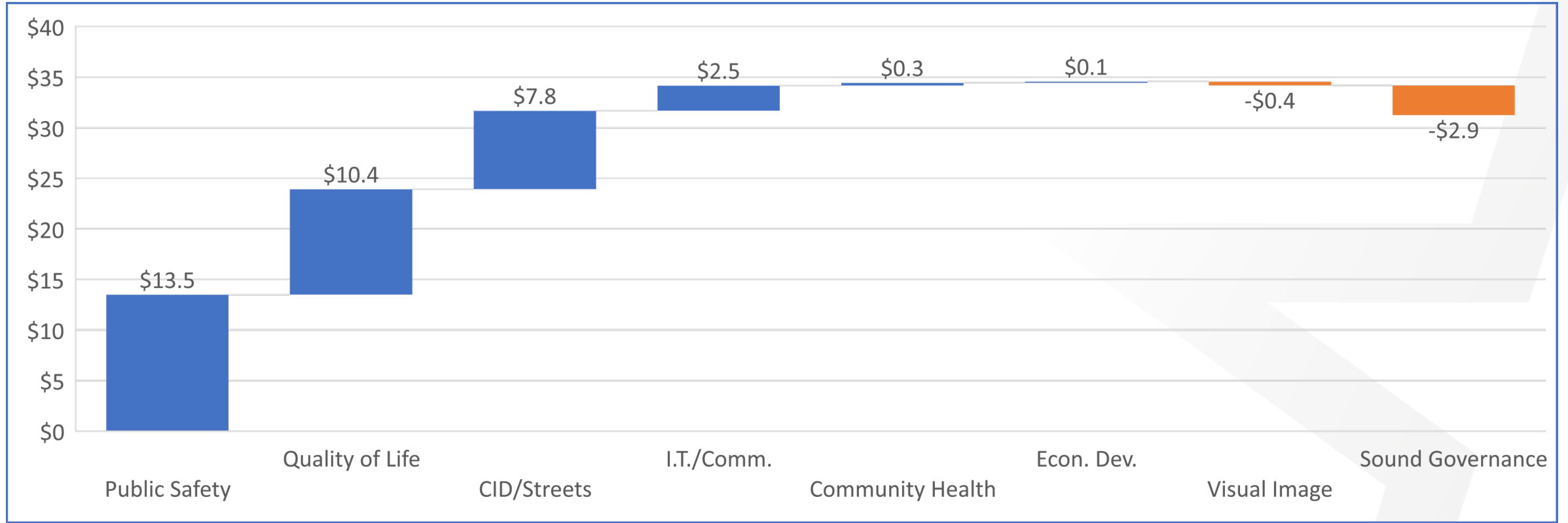
Top priorities identified:

- Streets
- Public Safety
- Community Health
- Quality of Life services:  
Cultural Programming & Parks



- 8,600+ COMMUNITY responses
- Despite 100% online survey, participation was the highest to date
- Media, social media, 311 App, Digital Signage, QR Code

# General Fund Increases by Strategic Goal



# Investing In Our Priorities

## Preliminary General Fund Expenses



Strategic Goal	FY 2020 BUDGET	FY 2021 BUDGET	FY 2022 PRELIMINARY	FY 2021 / FY 2022 \$ Variance	FY 2021 / FY 2022 % Variance
Economic Development.....	1,914,207	1,826,045	1,961,689	135,644	7.4%
Public Safety.....	269,925,210	277,071,145	290,553,847	13,482,702	4.9%
Visual Image.....	7,725,084	7,343,043	6,950,879	(392,163)	-5.3%
Quality of Life.....	55,442,603	42,734,506	53,171,357	10,436,851	24.4%
I.T. /Comm.....	19,858,231	18,953,219	21,442,986	2,489,767	13.1%
Sound Governance.....	44,213,129	44,768,429	41,827,543	(2,940,886)	-6.6%
Infrastructure.....	50,794,322	41,792,085	49,555,175	7,763,090	18.6%
Community Health.....	8,072,146	7,496,849	7,754,668	257,820	3.4%
<b>Total Expenditures.....</b>	<b>\$457,944,931</b>	<b>\$441,985,321</b>	<b>\$473,218,145</b>	<b>\$31,232,825</b>	<b>7.1%</b>

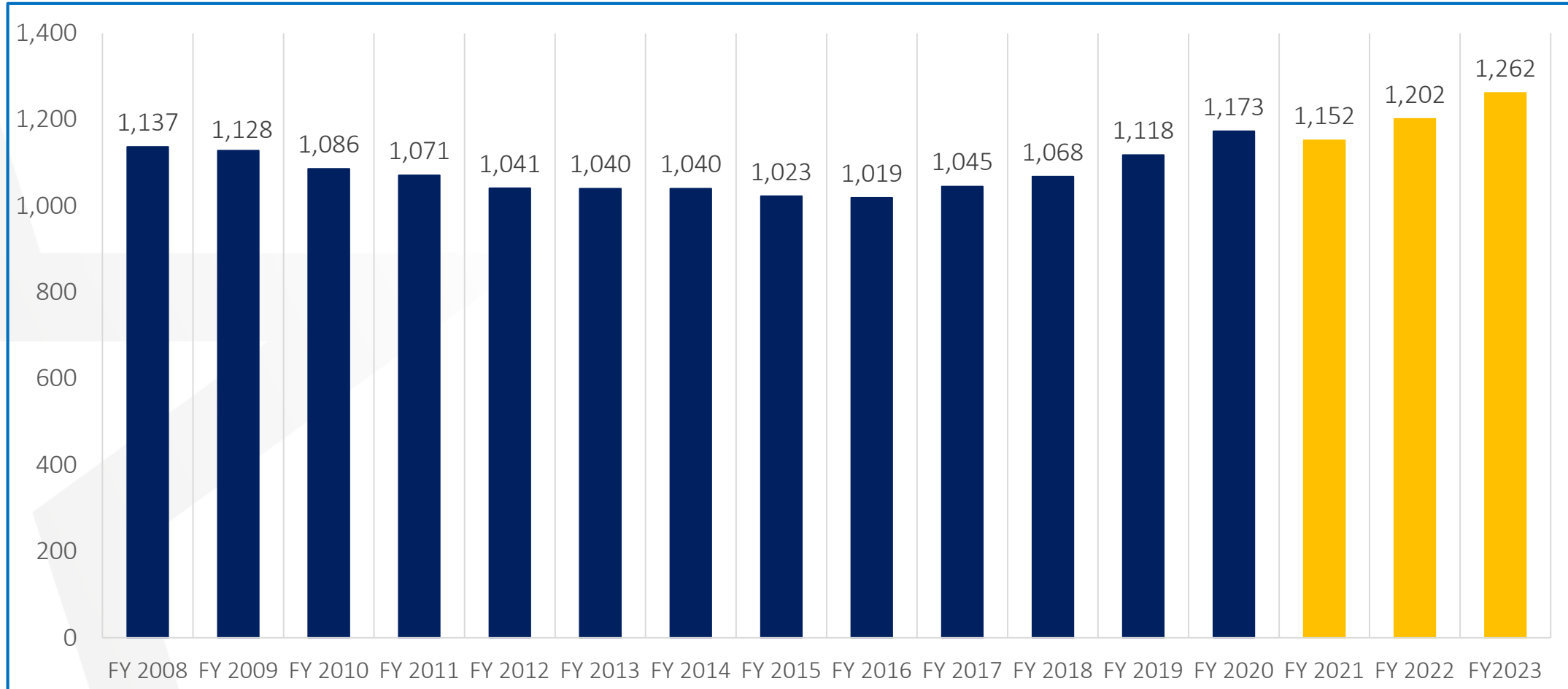
\*FY 2022 Preliminary Budget is subject to change during the budget process

# FY 2022 Budget Highlights – Public Safety



- Collective bargaining impacts for public safety
- Two police academies (only one budgeted in current year)
- Three fire academies (only one budgeted in current year)
- 911 communication staffing – 7 new positions
- \$1.2M increase for Crisis Intervention Team
- \$7.8M increase for Public Safety capital replacement (set-aside funds)
- \$404K increase for data storage for body cameras (City match for potential grants)

# Police Uniformed Staffing



Net 30 plan started in FY 2016 – net increase of 300 officers in 10 years. FY 2022 includes funding to stay on this plan

# FY 2022 Budget Highlights – Streets

- \$4.8M increase in residential street project funding (set-aside funds)
- \$500K increase for ADA on-demand request funding
- \$250K in Neighborhood Traffic Management Plan funding
- \$1.8M increase for Vision Zero – intersection safety



# FY 2022 Budget Highlights – Quality of Life



- \$10.7M increase for Quality of Life services and operating costs for new bond projects
- \$1.5M for sports complex facility maintenance;
- \$500K increase for an automated irrigation pilot project
- \$434K for Winterfest

# FY 2022 Budget Highlights - Quality of Life



**30 facilities have been re-opened and 6 new ones opened for first time:**

- 8 Recreation/Community Centers
- 10 Sprayparks/Splashpads
- 1 Sports Center
- 7 pools
- 7 Libraries
- 2 Museums
- Zoo

**FY 2022 Budget activates 32 more facilities:**

- 8 more Recreation Centers
  - 5 more aquatics facilities
  - 7 Library Branches
  - All Senior Centers
  - El Paso Museum of Archaeology
- Reactivation will depend on ability to staff in a challenging and competitive hiring environment and continued guidance from Department of Public Health

**7 facilities will remain closed due to upcoming renovations or continuity of emergency operations**

# FY 2022 Budget Highlights - Community Health



Continue to leverage federal, state and local dollars to address health needs for our community:

- \$154M from the American Rescue Plan Act to address COVID-19 response, negative economic impacts of COVID-19, and water/sewer infrastructure
- \$7.2M CDC grant awarded to address health equity for those vulnerable populations impacted by COVID-19
- \$1.2M Health and Human Services grant awarded to increase access to COVID-19 vaccinations, including education and outreach

# FY 2022 Budget Highlights - Workforce

- Compensation – minimum 1.5%
- Implementation of internal equity adjustments
- No healthcare cost increase for civilian employees
- Funding Shape-it-Up wellness program – up to \$1,800 annually
- Funding Health Savings Account - \$500 to \$1,000 annually (for Consumer Driven Healthcare Plan participants)

# FY 2022 Budget Highlights - Workforce



- Funding training and professional development
- Phased-in funding for vacant positions (previously unfunded)
- New incentives for difficult specialized positions that are difficult to recruit and retain
  - Commercial Drivers License Incentive
  - Centralized internal services – Governmental Accounting

A decorative image on the left side of the slide shows several tall, dark stems with clusters of bright red, pointed flowers. The background is a clear blue sky with a bright sun low on the horizon, creating a lens flare effect. In the distance, some buildings and streetlights are visible under the sunset sky.

# FY 2022 Preliminary General Fund Revenue

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- Revenue by category
- Property tax information
- Sales tax information

# Preliminary General Fund Revenue



Category	FY 2020 BUDGET	FY 2021 BUDGET	FY 2022 PRELIMINARY	FY 2021 / FY 2022 \$ Variance	FY 2021 / FY 2022 % Variance
Property Taxes.....	214,383,503	226,894,834	232,916,636	6,021,802	2.7%
Sales Taxes.....	97,069,368	82,572,139	105,957,017	23,384,878	28.3%
Franchise Fees.....	52,718,813	45,465,495	49,750,000	4,284,505	9.4%
Charges for Services.....	33,691,955	31,428,624	28,651,083	(2,777,541)	-8.8%
Fines and Forfeitures.....	8,692,126	4,950,740	5,653,301	702,561	14.2%
Licenses and Permits.....	13,414,986	10,640,778	12,743,122	2,102,344	19.8%
Intergovernmental Revenues.....	984,329	984,329	1,168,809	184,480	18.7%
Interest.....	500,000	100,000	125,000	25,000	25.0%
Rents and Other.....	2,821,945	2,793,181	2,236,970	(556,211)	-19.9%
Other Sources (Uses).....	33,667,906	4,983,408	5,321,175	337,767	6.8%
Operating Transfers In.....	-	31,171,793	28,695,033	(2,476,760)	-7.9%
<b>Total Revenues.....</b>	<b>\$457,944,931</b>	<b>\$441,985,321</b>	<b>\$473,218,145</b>	<b>\$31,232,825</b>	<b>7.1%</b>

- Property taxes – assumes 4.3% increase in taxable values
- Sales taxes – assumes 2.5% increase over current year projection. Current year is up 7.9% through first six months.
- Franchise fees - to align with El Paso Electric and Telecom. actuals
- Charges for Services – decrease in Indirect Costs based on Maximus study
- Rents and Other – to align with Parks dept. facility rental revenue
- Other Sources – decrease due to one-time transfer in FY 2021 from bridges cash differential fund

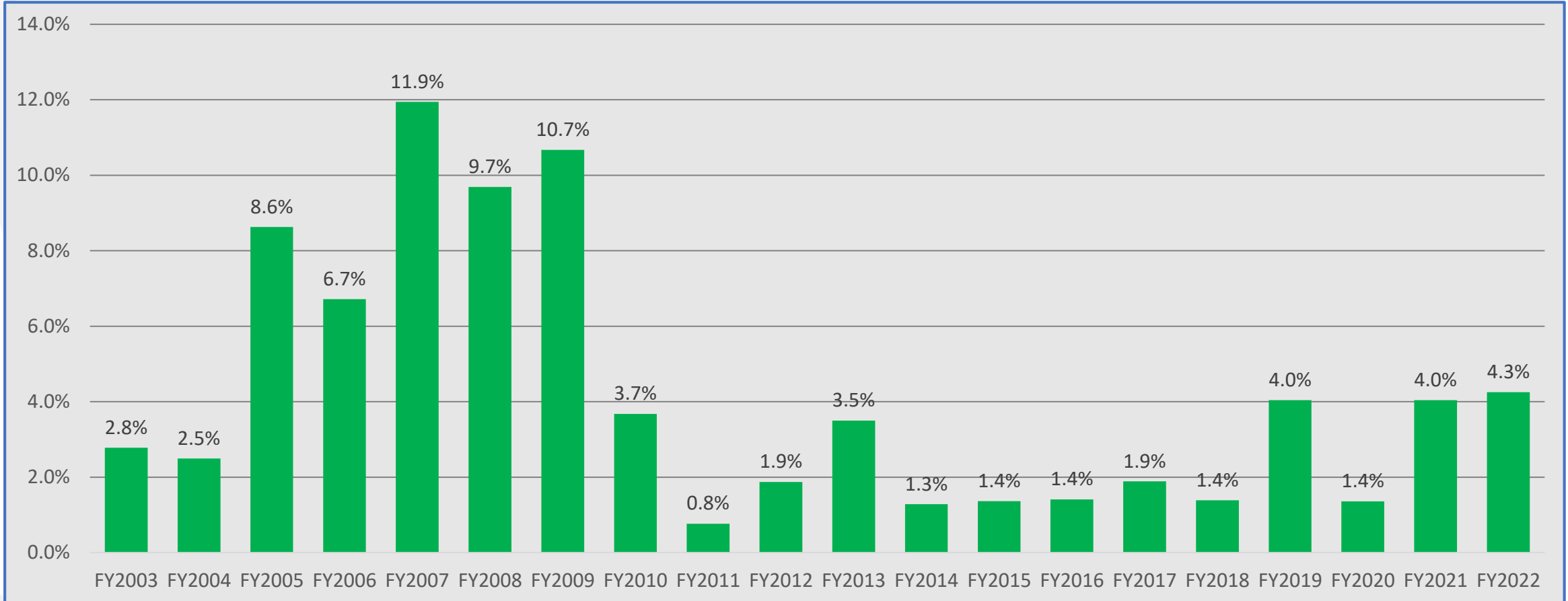




# FY 2022 Property Tax Revenue Factors

- Net taxable assessed values (certified #'s not received until July 25)
- No tax rate increase for second consecutive year
- Property tax reduction from exemptions (Over 65 and Disabled)
- Texas Property Tax Reform and Transparency Act of 2019 (3.5% cap)
- Capital projects and debt service requirement

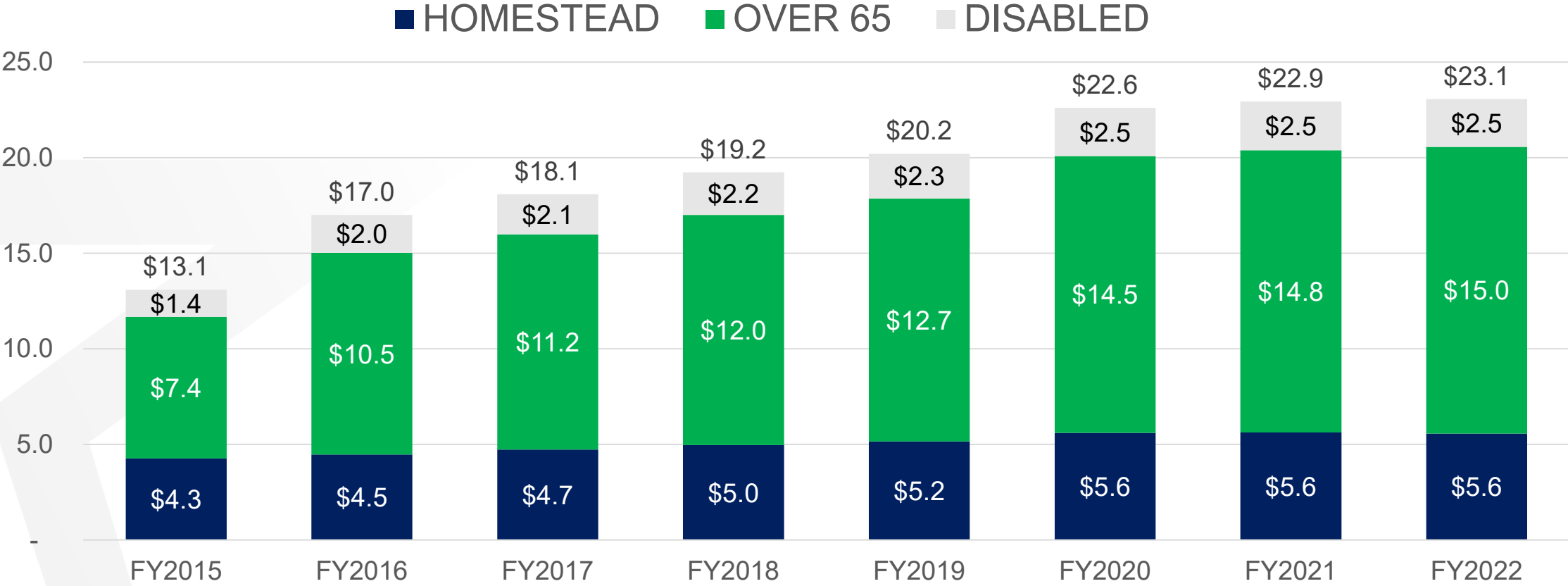
# Taxable Assessed Values



\*FY 2022 is estimated based on preliminary taxable values. Certified appraisal roll will be received July 25

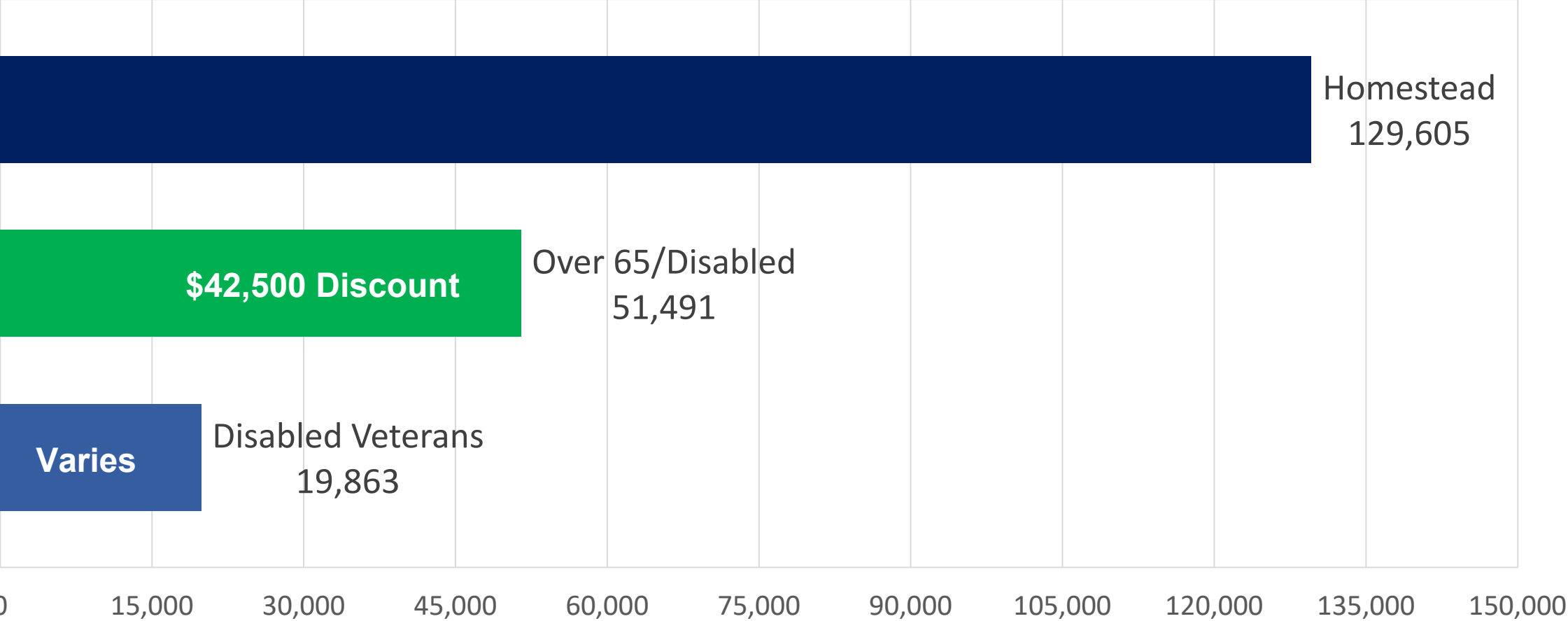
# City Property Tax Decrease (Exemptions)

(\$ in millions)

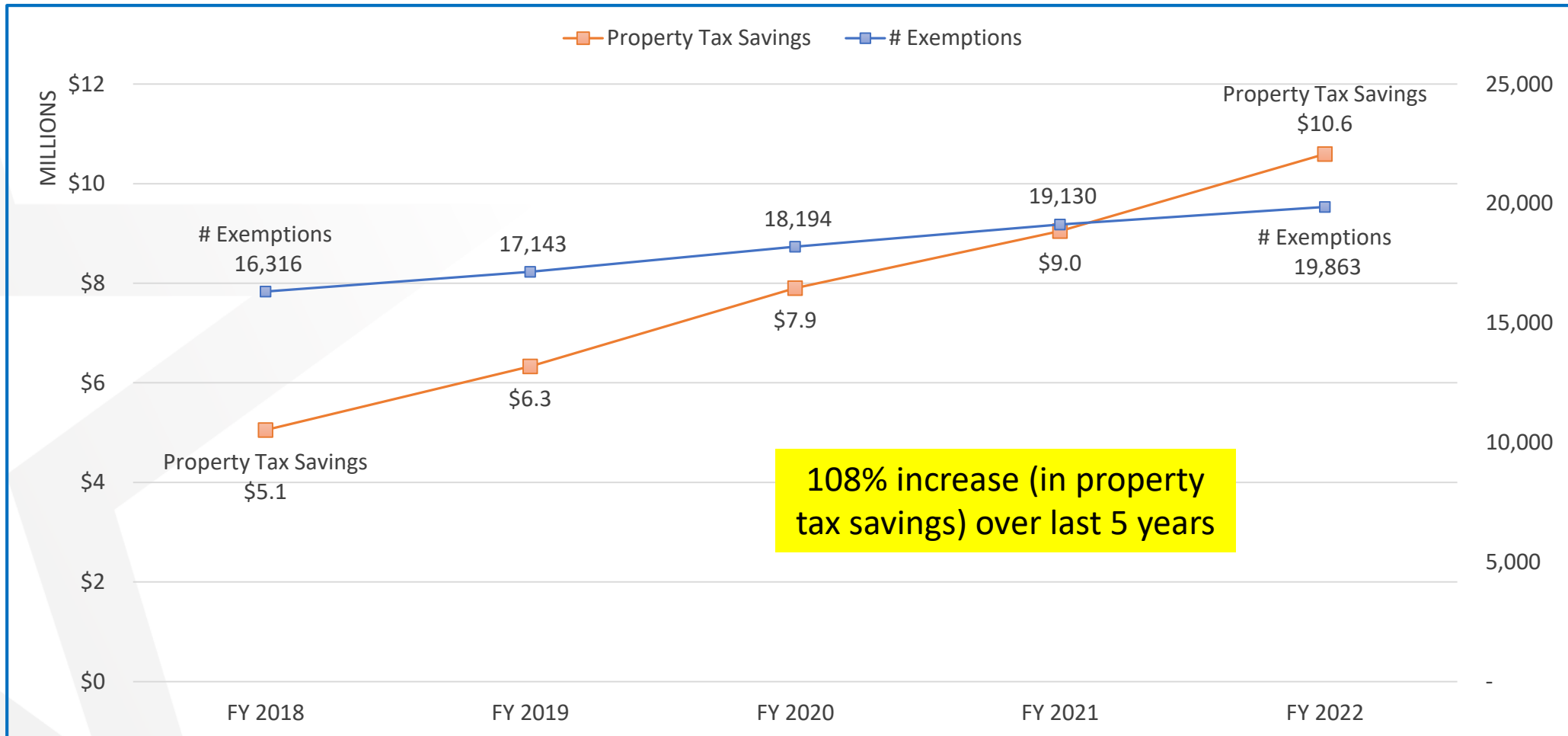


FY2022 includes an increase of \$2,500 for the Over 65 and Disabled Discount

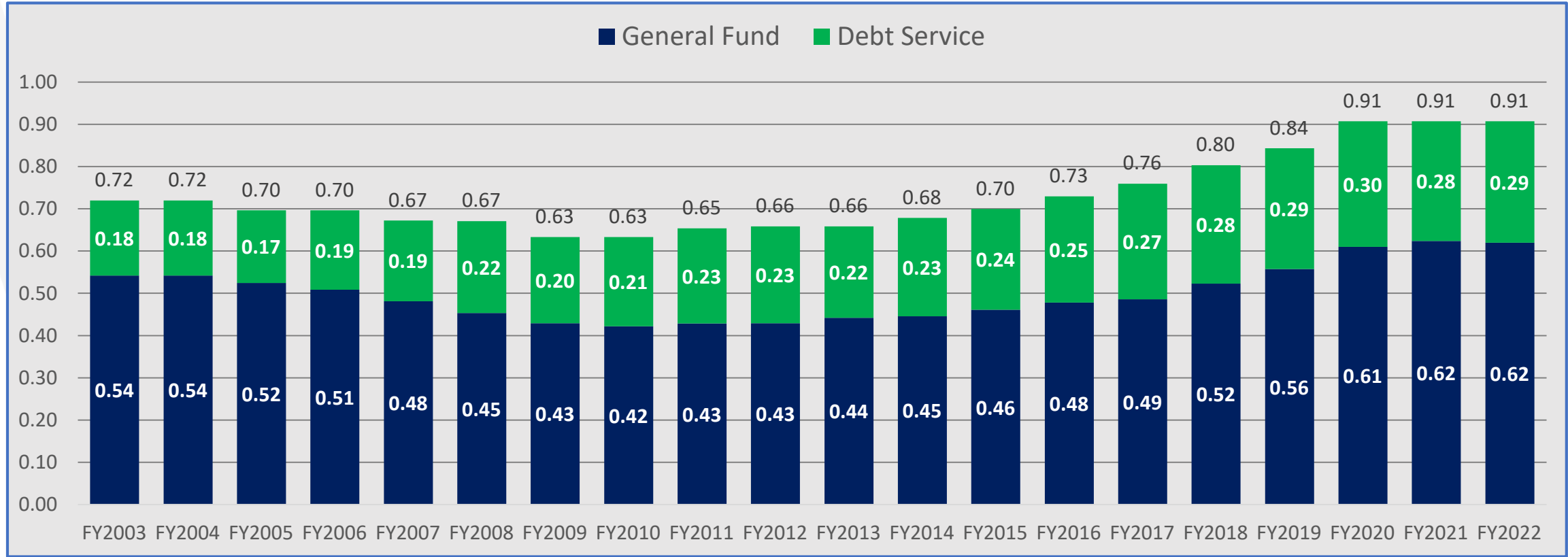
# City Property Tax Decrease (Exemptions)



# Disabled Veterans Property Tax Savings (Exemptions)

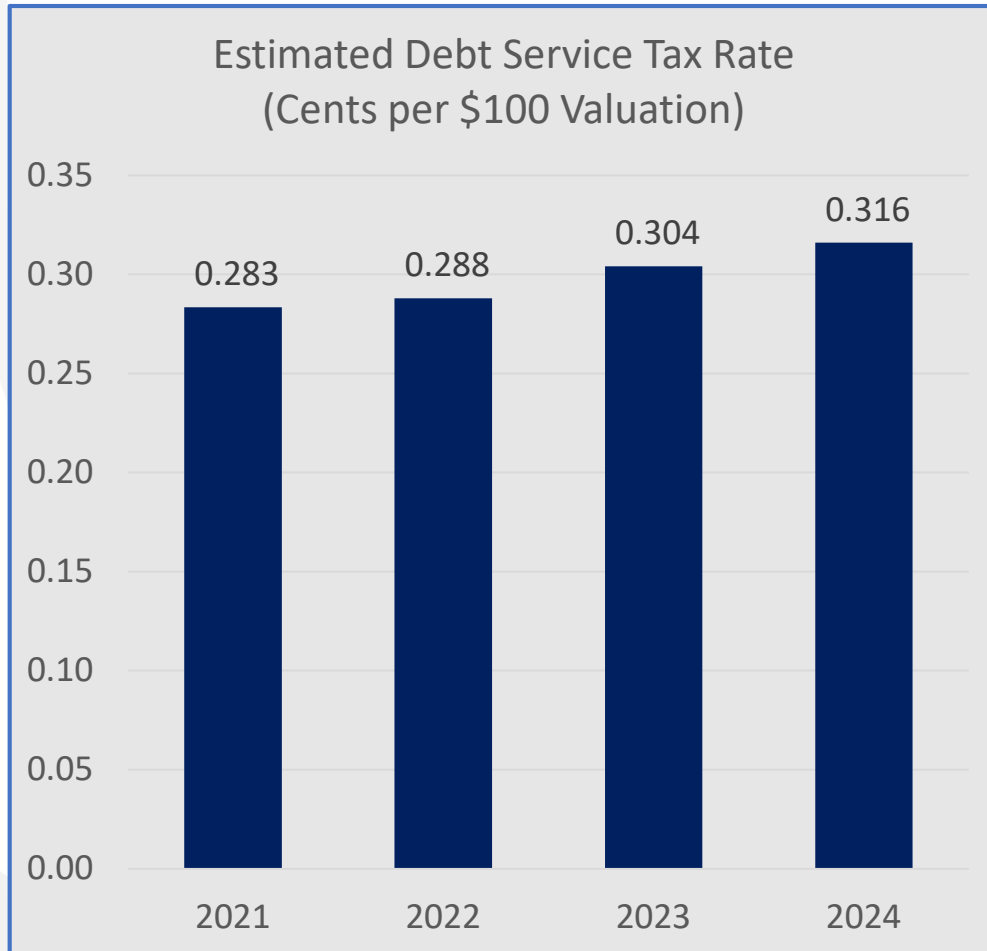


# Property Tax Rate



- \*FY 2022 property tax rate:
  - 1) estimated based on preliminary taxable values
  - 2) debt service rate includes a planned issuance for capital projects in 2022
  - 3) **debt service rate is well below maximum 40 cents per the policy**

# Debt Service Rate Capital Project Funding



- Future issuance assumptions
  - Estimated taxable assessed values
  - Future interest rates
  - Size (\$) of issuance to minimize impact on debt service property tax rate
  - Stay below maximum 40 cents on the debt service tax rate (per policy)
  - Does not include savings from potential future refinancing opportunities

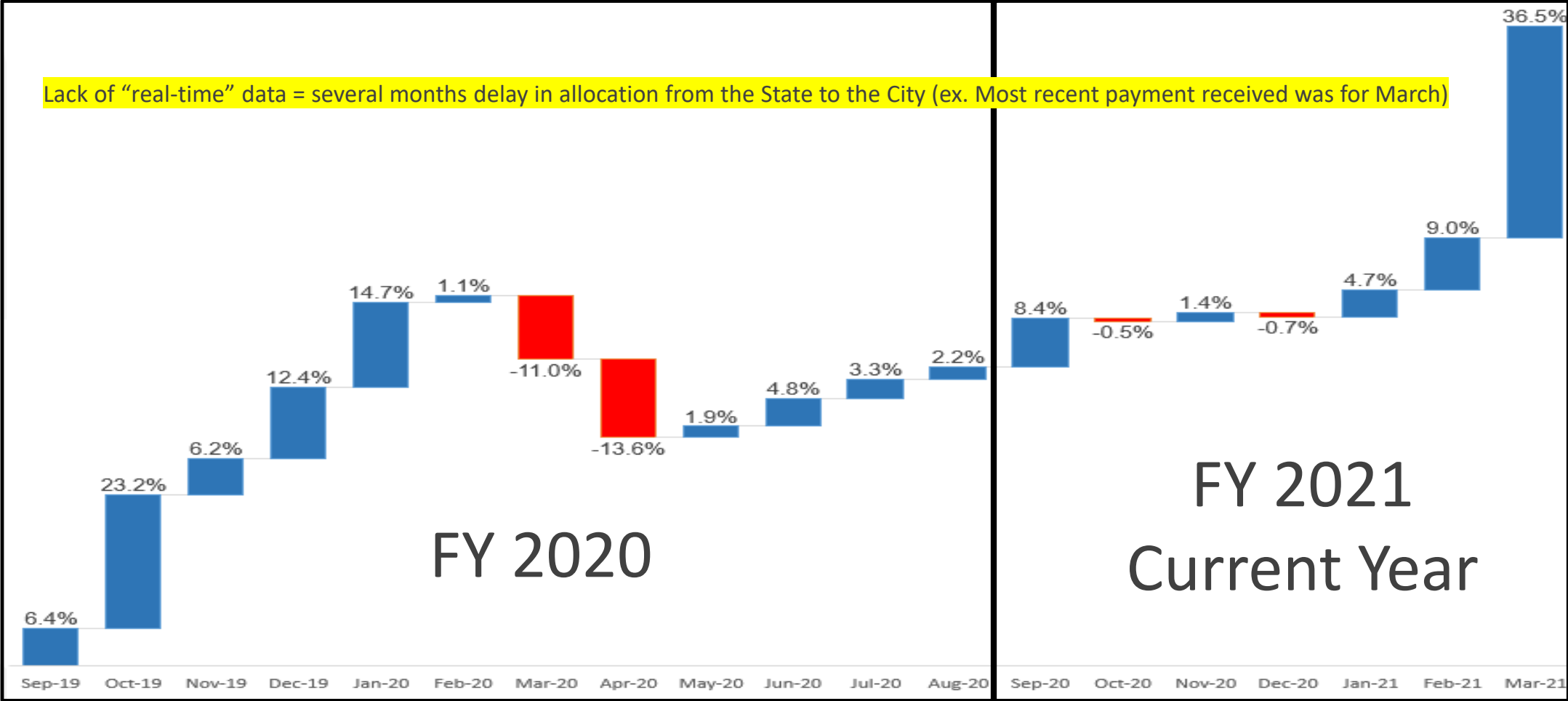


# Sales Tax

- Last summer's budget estimate was conservative due to uncertainty surrounding COVID-19 impact
  - Financial hardship (high unemployment)
  - “Stay at home” order and timing of business reopenings
  - Decrease in bridge traffic
- Two month lag in allocation from the State presented an additional challenge due to lack of “real-time” data

# Sales Tax Comparison

Lack of "real-time" data = several months delay in allocation from the State to the City (ex. Most recent payment received was for March)



# Sales Tax



MONTH	FY 2019	FY 2020	FY 2021	FY2020 - FY2021 \$ VARIANCE	FY2020 - FY2021 % VARIANCE
September	8,016,728	8,531,453	9,249,868	718,415	8.4%
October	6,654,004	8,196,972	8,151,893	(45,079)	-0.5%
November	7,534,722	8,000,613	8,114,935	114,322	1.4%
December	9,823,987	11,043,946	10,970,054	(73,892)	-0.7%
January	6,723,544	7,708,830	8,069,558	360,729	4.7%
February	6,907,203	6,985,854	7,616,442	630,588	9.0%
March	9,033,420	8,039,429	10,975,509	2,936,080	36.5%
April	7,727,934	6,680,305			
May	7,578,589	7,724,896			
June	8,495,973	8,907,540			
July	7,764,926	8,017,974			
August	7,591,264	7,759,741			
<b>Total</b>	<b>\$93,852,294</b>	<b>\$97,597,554</b>	<b>\$63,148,259</b>	<b>\$4,641,162</b>	<b>7.9%</b>



# FY 2022 Preliminary Budget Vision Block, Goal, Department

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- FY 2022 Preliminary Budget by Fund Source
- General Fund Budget Comparison
- Non-General Fund Budget Comparison
- Departmental Variance Commentary



# FY 2022 Preliminary General Fund Budget

## Vibrant Regional Economy

BUDGET BY VISION BLOCK		FY 2020 (Pre-COVID)	FY 2021 Budget	FY 2022 Budget	Variance
VIBRANT REGIONAL ECONOMY	ECONOMIC DEVELOPMENT	1,914,207	1,826,045	1,961,689	135,644
	<b>GOAL 1 TOTAL</b>	<b>1,914,207</b>	<b>1,826,045</b>	<b>1,961,689</b>	<b>135,644</b>
	PLANNING AND INSPECTIONS	7,725,084	7,343,043	6,950,879	(392,163)
	<b>GOAL 3 TOTAL</b>	<b>7,725,084</b>	<b>7,343,043</b>	<b>6,950,879</b>	<b>(392,163)</b>
	<b>VISION BLOCK TOTAL</b>	<b>9,639,291</b>	<b>9,169,088</b>	<b>8,912,569</b>	<b>(256,519)</b>

Variance Highlights:

- **Economic Development** due to compensation and equity adjustments, restoration of an unfunded position
- **Planning & Inspections** reduction is due to aligning with current staffing efficiencies



# FY 2022 Preliminary General Fund Budget

## Safe & Beautiful Neighborhoods

BUDGET BY VISION BLOCK		FY 2020 (Pre-COVID)	FY 2021 Budget	FY 2022 Budget	Variance
SAFE AND BEAUTIFUL NEIGHBORHOODS	FIRE	117,833,287	119,240,343	123,215,321	3,974,978
	MUNICIPAL COURT	5,208,475	5,193,888	5,346,895	153,008
	POLICE	146,883,449	152,636,914	161,991,630	9,354,717
	<b>GOAL 2 TOTAL</b>	<b>269,925,210</b>	<b>277,071,145</b>	<b>290,553,847</b>	<b>13,482,702</b>
	CAPITAL IMPROVEMENT	7,820,987	6,128,199	6,915,552	787,353
	STREETS AND MAINTENANCE	42,973,335	35,663,886	42,639,623	6,975,737
	<b>GOAL 7 TOTAL</b>	<b>50,794,322</b>	<b>41,792,085</b>	<b>49,555,175</b>	<b>7,763,090</b>
	COMMUNITY AND HUMAN DEVELOPMENT	1,203,222	911,708	945,421	33,713
	PUBLIC HEALTH	6,868,925	6,585,140	6,809,247	224,107
	<b>GOAL 8 TOTAL</b>	<b>8,072,146</b>	<b>7,496,849</b>	<b>7,754,668</b>	<b>257,820</b>
<b>VISION BLOCK TOTAL</b>		<b>328,791,678</b>	<b>326,360,078</b>	<b>347,863,690</b>	<b>21,503,612</b>

Variance Highlights:

- **Fire** includes collective bargaining obligations, 3 academies and 7 public safety communicators for a PD Channel and \$5.3M in capital replacement
- **Municipal Court** includes compensation increases and restoration of unfunded positions
- **Police** includes collective bargaining obligations, 2 academies, crisis intervention team and vehicle replacement funding of \$2.5M
- **Capital Improvement** includes compensation increase and restoration of unfunded positions for the public safety capital projects
- **Streets & Maintenance** includes \$4.8M for residential street resurfacing, \$500K for ADA on-demand, \$1.8M for Vision Zero
- **Community Development** includes compensation increase and restoration of an unfunded position
- **Public Health** includes compensation and healthcare increase



# FY 2022 Preliminary General Fund Budget Exceptional Recreational, Cultural, & Educational Opportunities

BUDGET BY VISION BLOCK		FY 2020 (Pre-COVID)	FY 2021 Budget	FY 2022 Budget	Variance
EXCEPTIONAL RECREATIONAL, CULTURAL AND EDUCATIONAL	LIBRARY	9,974,698	8,994,799	9,021,338	26,540
	MUSEUM AND CULTURAL AFFAIRS	3,258,108	2,393,440	3,327,737	934,297
	PARKS AND RECREATION	36,733,609	26,115,835	35,558,487	9,442,651
	ZOO	5,476,188	5,230,432	5,521,712	291,281
	<b>GOAL 4 TOTAL</b>	<b>55,442,603</b>	<b>42,734,506</b>	<b>53,429,275</b>	<b>10,694,768</b>
	<b>VISION BLOCK TOTAL</b>	<b>55,442,603</b>	<b>42,734,506</b>	<b>53,429,275</b>	<b>10,694,768</b>

Variance Highlights:

- **Library** increase is due to compensation increases
- **Museums** includes \$472K for the Children’s Museum Stipend, compensation increases and restoration of unfunded positions
- **Parks** includes general fund portion of the waterparks, Sports Complex maintenance, additional Parkland Management crews, increase in water and restoration of unfunded vacancies.
- **Zoo** includes compensation increases and restoration of unfunded vacancies





# FY 2022 Preliminary General Fund Budget

## High Performing Government

BUDGET BY VISION BLOCK		FY 2020 (Pre-COVID)	FY 2021 Budget	FY 2022 Budget	Variance
HIGH PERFORMING GOVERNMENT	INFORMATION TECHNOLOGY	19,858,231	18,953,219	21,442,986	2,489,767
	<b>GOAL 5 TOTAL</b>	<b>19,858,231</b>	<b>18,953,219</b>	<b>21,442,986</b>	<b>2,489,767</b>
	CITY ATTORNEY	4,325,277	3,845,153	4,593,071	747,918
	CITY CLERK	947,838	1,293,756	778,110	(515,646)
	CITY MANAGER/AUDIT/BUDGET/PIO/PERF.OFFICE	3,691,939	3,684,302	3,785,324	101,022
	HUMAN RESOURCES	2,404,678	2,184,186	2,577,080	392,895
	MAYOR AND COUNCIL	1,340,551	1,592,657	1,669,697	77,039
	NONDEPARTMENTAL	26,907,642	27,922,585	23,452,826	(4,469,759)
	OFFICE OF THE COMPTROLLER	2,881,384	2,711,287	2,969,707	258,419
	PURCHASING	1,713,819	1,534,502	1,743,811	209,309
	<b>GOAL 6 TOTAL</b>	<b>44,213,129</b>	<b>44,768,429</b>	<b>41,569,626</b>	<b>(3,198,803)</b>
	<b>VISION BLOCK TOTAL</b>	<b>64,071,360</b>	<b>63,721,648</b>	<b>63,012,612</b>	<b>(709,036)</b>

Variance Highlights:

- **IT** includes software licenses and maintenances
- **City Attorney** due to compensation increases and restoration of unfunded positions
- **City Clerk** reduction is due to removal of election funding
- **City Manager** includes restoration of unfunded vacancy in Performance Office and citywide compensation increases for civilian employees

Variance Highlights:

- **HR** centralized training transferred from ESD and Performance Office
- **Mayor/Council** includes compensation increases
- **Non-Departmental** reduction of \$2.8M for the budget stabilization fund and one-time credit in outside legal counsel
- **Comptroller** includes compensation increases and incentive for centralized services
- **Purchasing** includes compensation increases and restoration of unfunded positions



# FY 2022 Preliminary Non-General Fund Budget

## Vibrant Regional Economy

BUDGET BY VISION BLOCK		FY 2020 (Pre-COVID)	FY 2021 Budget	FY 2022 Budget	Variance
VIBRANT REGIONAL ECONOMY	AVIATION	64,047,890	52,093,848	54,710,596	2,616,748
	DESTINATION EL PASO	17,462,121	13,185,415	19,474,944	6,289,529
	ECONOMIC DEVELOPMENT	18,886,783	14,043,408	26,062,421	12,019,013
	INTERNATIONAL BRIDGES	24,078,203	23,770,246	21,850,856	(1,919,390)
	<b>GOAL 1 TOTAL</b>	<b>124,474,997</b>	<b>103,092,918</b>	<b>122,098,817</b>	<b>19,005,899</b>
	PLANNING AND INSPECTIONS	-	-	1,019,567	1,019,567
	<b>GOAL 3 TOTAL</b>	<b>-</b>	<b>-</b>	<b>1,019,567</b>	<b>1,019,567</b>
	<b>VISION BLOCK TOTAL</b>	<b>124,474,997</b>	<b>103,092,918</b>	<b>123,118,384</b>	<b>20,025,466</b>

Variance Highlights:

- **Aviation** includes increase of indirect cost, capital equipment and uniform personnel costs
- **Destination El Paso** includes increase of \$3.4M for waterparks and increase in overall operations
- **Economic Development** includes \$5.3M for Texas Economic Development Fund, State Sales Tax Rebate, TIRZ, El Paso Electric Impact and Auxiliary Fund
- **International Bridges** reduction is due to a one-time transfer in FY 2021
- **Planning & Inspections** includes the transfer of Property Maintenance and Zoning from ESD



# FY 2022 Preliminary Non-General Fund Budget

## Safe & Beautiful Neighborhoods

BUDGET BY VISION BLOCK		FY 2020 (Pre-COVID)	FY 2021 Budget	FY 2022 Budget	Variance
SAFE AND BEAUTIFUL NEIGHBORHOODS	FIRE	5,975,536	2,792,652	7,872,653	5,080,001
	MUNICIPAL COURT	965,241	655,389	686,264	30,874
	POLICE	10,724,268	12,792,015	15,033,557	2,241,542
	<b>GOAL 2 TOTAL</b>	<b>17,665,045</b>	<b>16,240,057</b>	<b>23,592,474</b>	<b>7,352,417</b>
	CAPITAL IMPROVEMENT DEPARTMENT	1,581,289	80,443	78,724	(1,718)
	STREETS AND MAINTENANCE	32,034,142	26,240,655	32,512,790	6,272,134
	SUN METRO	72,105,151	70,938,230	73,978,151	3,039,921
	<b>GOAL 7 TOTAL</b>	<b>105,720,582</b>	<b>97,259,328</b>	<b>106,569,665</b>	<b>9,310,337</b>
	ANIMAL SERVICES	9,370,129	8,859,029	9,024,999	165,971
	COMMUNITY AND HUMAN DEVELOPMENT	12,421,447	12,799,122	12,787,098	(12,024)
	ENVIRONMENTAL SERVICES	98,907,000	86,192,081	92,663,246	6,471,165
	PUBLIC HEALTH	10,202,788	11,053,483	11,053,537	53
	<b>GOAL 8 TOTAL</b>	<b>130,901,363</b>	<b>118,903,715</b>	<b>125,528,880</b>	<b>6,625,165</b>
	<b>VISION BLOCK TOTAL</b>	<b>254,286,990</b>	<b>232,403,100</b>	<b>255,691,019</b>	<b>23,287,919</b>

Variance Highlights:

- **Fire** includes \$2.7M in vehicle replacement funding and \$2.4M in portable radio replacement; elimination of funding for Medicare Waiver Immunization program
- **Police** includes \$2.5 for vehicle replacement funding and removal of indirect costs for Code Enforcement
- **Streets & Maintenance** includes \$4.8M for residential street resurfacing and \$500K for ADA on-demand
- **Sun Metro** includes increase for capital replacement of 12 buses
- **Animal Services** increase is due to compensation increases and unfunded vacancies
- **Environmental Services** is due to the complete renovation of Doniphan Citizen Collection Site improvements, compensation increases and staffing increases



# FY 2022 Preliminary Non-General Fund Budget Exceptional Recreational, Cultural, & Educational Opportunities

BUDGET BY VISION BLOCK		FY 2020 (Pre-COVID)	FY 2021 Budget	FY 2022 Budget	Variance
EXCEPTIONAL RECREATIONAL, CULTURAL AND EDUCATIONAL	LIBRARY	245,000	213,103	142,875	(70,228)
	MUSEUM AND CULTURAL AFFAIRS	2,066,257	1,334,709	1,264,104	(70,605)
	PARKS AND RECREATION	2,058,185	1,993,200	2,205,000	211,800
	ZOO	2,733,659	2,261,246	2,273,562	12,315
	<b>GOAL 4 TOTAL</b>	<b>7,103,101</b>	<b>5,802,258</b>	<b>5,885,541</b>	<b>83,282</b>
	<b>VISION BLOCK TOTAL</b>	<b>7,103,101</b>	<b>5,802,258</b>	<b>5,885,541</b>	<b>83,282</b>

Variance Highlights:

- **Library** reduction is to align the Passport program with actuals
- **Museums** reduction due the Art Museum store closure and increase in HOT programming
- **Parks** due to park mowing and litter control contracts (environmental fee)
- **Zoo** includes increase for compensation increases



# FY 2022 Preliminary Non-General Fund Budget

## High Performing Government

BUDGET BY VISION BLOCK		FY 2020 (Pre-COVID)	FY 2021 Budget	FY 2022 Budget	Variance
HIGH PERFORMING GOVERNMENT	CITY ATTORNEY	74,752	72,425	80,280	7,855
	HUMAN RESOURCES	66,635,047	67,912,919	67,939,133	26,215
	MAYOR AND COUNCIL	80,000	80,000	80,000	0
	NONDEPARTMENTAL	133,902,827	131,079,228	138,527,372	7,448,144
	OFFICE OF THE COMPTROLLER	115,000	70,000	71,789	1,789
	TAX	2,225,267	2,176,237	2,330,540	154,303
	<b>GOAL 6 TOTAL</b>	<b>203,032,893</b>	<b>201,390,809</b>	<b>209,029,114</b>	<b>7,638,305</b>
	<b>VISION BLOCK TOTAL</b>	<b>203,032,893</b>	<b>201,390,809</b>	<b>209,029,114</b>	<b>7,638,305</b>

Variance Highlights:

- **Non-Departmental** increase of debt service payments (includes planned 2022 issuance) and increase TIRZ transfers
- **Tax** includes compensation increases and restoration of unfunded vacancies

# Capital Projects

- Series 2021 (CO & GO Update)
- 2019 Public Safety Bond
- 2017 – 2020 Capital Plans



# Capital Projects – Remaining Authorization

CIP	Issued (inc. 2021 Series)	Remaining Authorization	% Remaining To Be Issued	Total
2012 Street CIP	203,280,409	0	0%	203,280,409
2017 CIP	61,000,000	10,500,000	14.7%	71,500,000
2018 CIP	65,000,000	26,267,148	28.8%	91,267,148
2019 CIP	52,000,000	60,080,000	53.6%	112,080,000
2020 CIP	15,000,000	31,026,015	67.4%	46,026,015
2019 Public Safety	83,297,200	329,825,450	79.8%	413,122,650
2012 Quality of Life	344,794,364	128,455,636	27.1%	473,250,000
<b>Total</b>	<b>\$824,371,973</b>	<b>\$586,154,249</b>	<b>41.6%</b>	<b>\$1,410,526,222</b>



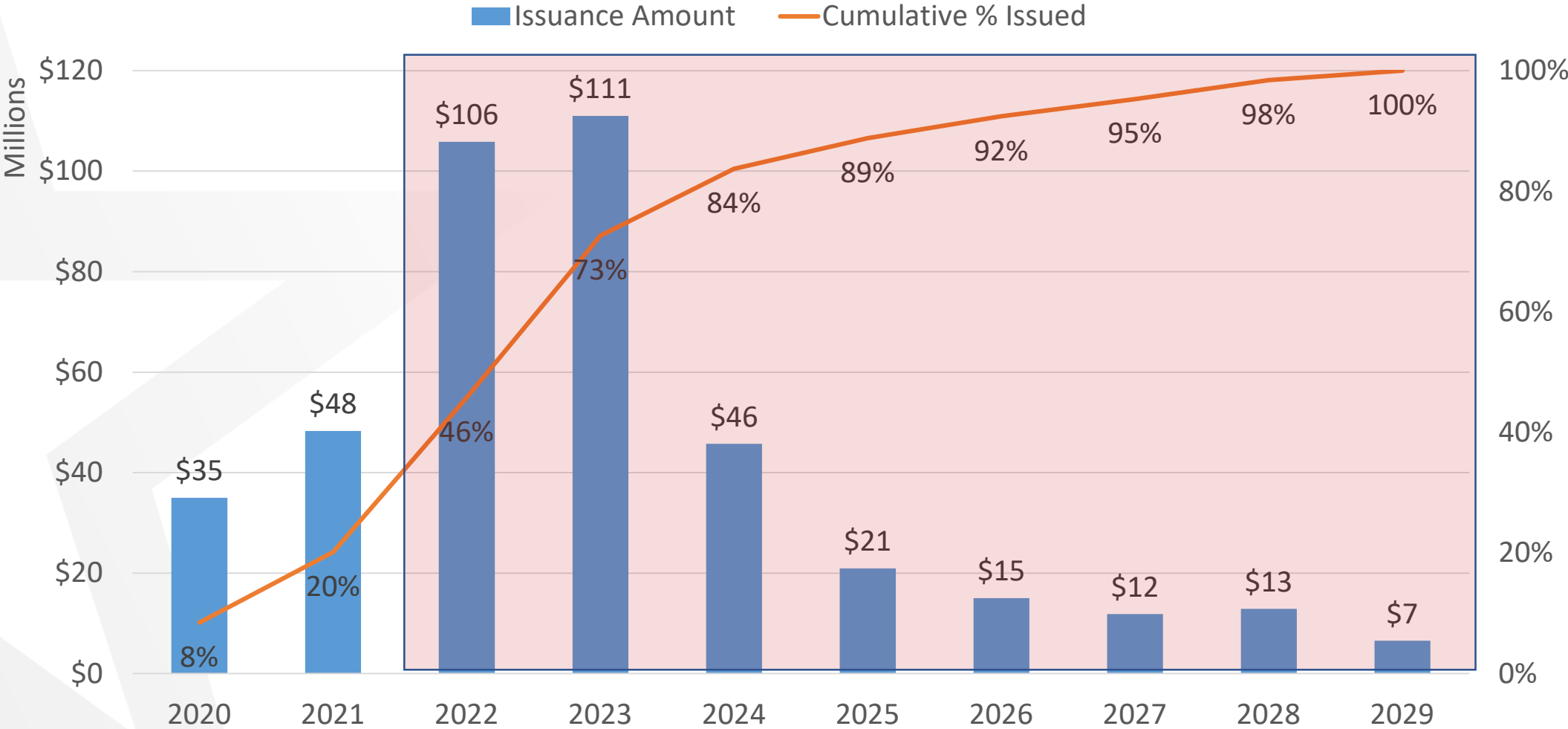
# FY 2022 Planned Capital Funding

- Interest rates are still low
- Gets projects back on track (Any additional deferment will increase project costs)
- Series 2022 Bond ordinances to be brought forward as part of budget process
- Issuance amount will be structured based on property value growth (to minimize impact to overall tax rate)

CIP	Preliminary Amount
2017 CIP	\$10.5 million
2018 CIP	\$26.3 million
2019 CIP	\$23.4 million
2020 CIP	\$15.0 million
2019 Public Safety Bond	\$105.8 million
Total	\$181.0 million

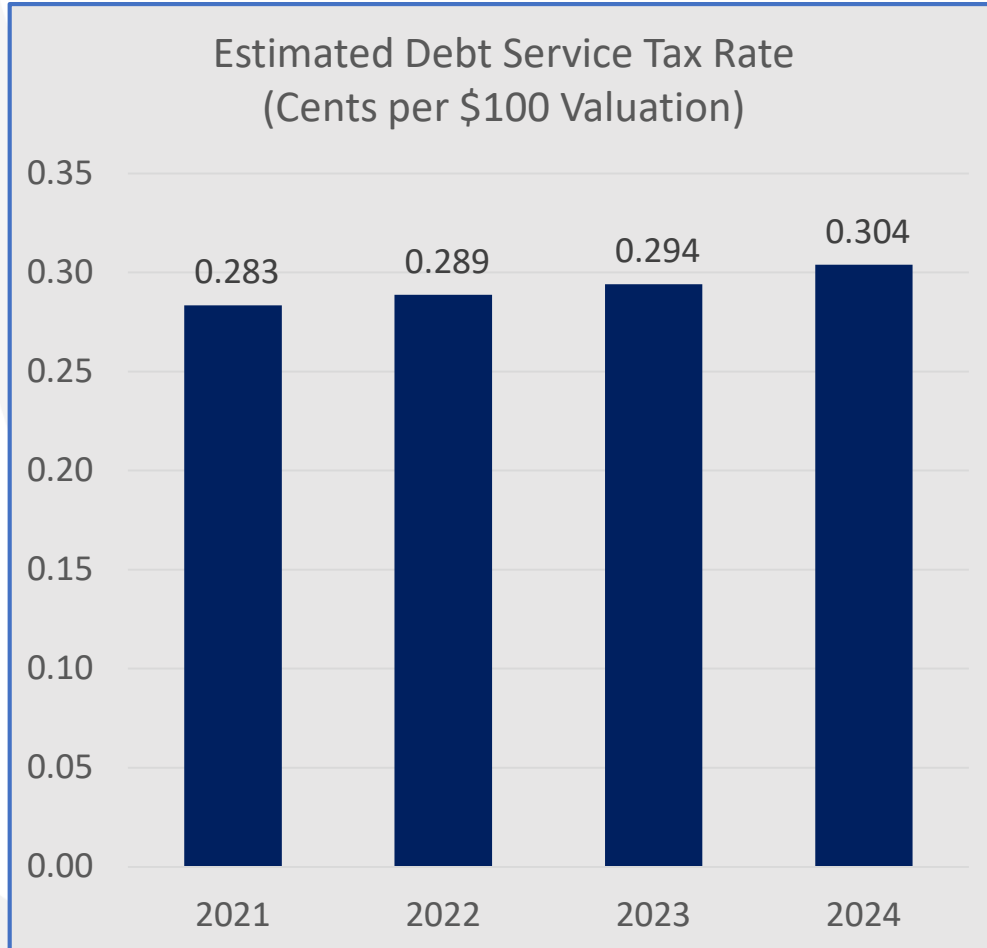


# 2019 Public Safety Bond Rollout - \$413.1M



# Financial Sustainability Planning

## Debt Service Tax Rate Outlook



- Recent refinancing savings of \$11.4 million equates to 3.2 pennies on the tax rate (savings structured to provide savings over five years)
- Future issuance assumptions
  - Estimated taxable assessed values
  - Future interest rates
  - Size (\$) of issuance to minimize impact on debt service property tax rate
  - Stay below maximum 40 cents on the debt service tax rate (per policy)
  - Does not include savings from potential future refinancing opportunities

# Budget Calendar

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- Public Hearings
- Special Council Meetings
- Budget/Tax Rate Adoption





# Budget Calendar

- **Late May** – City receives 2<sup>nd</sup> updated preliminary tax roll from CAD
- **June 8** – Presentation and recommendation on Over 65/Disabled exemptions
- **June 22** – Presentation and recommendation on Over 65/Disabled exemptions
- **July 6-8** – Budget Work Sessions
- **July 25** – Receive Certified Tax Roll from Central Appraisal District
- **July 29** – Present Certified Tax Roll and Ordinance Introducing Tax Rate
- **August 10** – Public Hearing on Tax Rate
- **August 24** – Adopt FY 2022 Budget and Tax Rate

## MISSION



Deliver exceptional services to support a high quality of life and place for our community

## VISION



Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government



## VALUES

Integrity, **R**espect, **E**xcellence,  
**A**ccountability, **P**eople



# FY 2022 Preliminary Budget By Fund Type

## Vibrant Regional Economy

BUDGET BY SOURCE OF FUNDS		GENERAL GOVERNMENT	COMMUNITY DEVELOPMENT BLOCK GRANTS	DEBT SERVICE	CAPITAL PROJECTS	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	ALL FUNDS
VIBRANT REGIONAL ECONOMY	AVIATION	-	-	-	-	-	54,710,596	-	54,710,596
	DESTINATION EL PASO	-	-	-	3,059,145	16,415,799	-	-	19,474,944
	ECONOMIC DEVELOPMENT	1,961,689	-	-	-	26,062,421	-	-	28,024,110
	INTERNATIONAL BRIDGES	-	-	-	-	-	21,850,856	-	21,850,856
	<b>GOAL 1 TOTAL</b>	<b>1,961,689</b>	<b>-</b>	<b>-</b>	<b>3,059,145</b>	<b>42,478,220</b>	<b>76,561,452</b>	<b>-</b>	<b>124,060,506</b>
	PLANNING AND INSPECTIONS	6,950,879	-	-	-	1,019,567	-	-	7,970,447
	<b>GOAL 3 TOTAL</b>	<b>6,950,879</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,019,567</b>	<b>-</b>	<b>-</b>	<b>7,970,447</b>
		<b>8,912,569</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,059,145</b>	<b>43,497,787</b>	<b>76,561,452</b>	<b>-</b>



# FY 2022 Preliminary Budget By Fund Type

## Safe & Beautiful Neighborhoods

BUDGET BY SOURCE OF FUNDS		GENERAL GOVERNMENT	COMMUNITY DEVELOPMENT BLOCK GRANTS	DEBT SERVICE	CAPITAL PROJECTS	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	ALL FUNDS
SAFE AND BEAUTIFUL NEIGHBORHOODS	FIRE	123,215,321	-	-	5,300,000	2,572,653	-	-	131,087,974
	MUNICIPAL COURT	5,346,895	-	-	-	686,264	-	-	6,033,159
	POLICE	161,991,630	-	-	2,500,000	12,533,557	-	-	177,025,187
	<b>GOAL 2 TOTAL</b>	<b>290,553,847</b>	<b>-</b>	<b>-</b>	<b>7,800,000</b>	<b>15,792,474</b>	<b>-</b>	<b>-</b>	<b>314,146,321</b>
	CAPITAL IMPROVEMENT	6,915,552	-	-	-	78,724	-	-	6,994,276
	STREETS AND MAINTENANCE	42,639,623	-	-	500,000	14,499,180	-	17,513,610	75,152,413
	SUN METRO	-	-	-	-	-	73,978,151	-	73,978,151
	<b>GOAL 7 TOTAL</b>	<b>49,555,175</b>	<b>-</b>	<b>-</b>	<b>500,000</b>	<b>14,577,904</b>	<b>73,978,151</b>	<b>17,513,610</b>	<b>156,124,840</b>
	ANIMAL SERVICES	-	-	-	-	9,024,999	-	-	9,024,999
	COMMUNITY AND HUMAN DEVELOPMENT	945,421	12,302,668	-	-	484,430	-	-	13,732,520
	ENVIRONMENTAL SERVICES	-	-	-	-	3,808,911	88,854,335	-	92,663,246
	PUBLIC HEALTH	6,809,247	-	-	-	11,053,537	-	-	17,862,784
	<b>GOAL 8 TOTAL</b>	<b>7,754,668</b>	<b>12,302,668</b>	<b>-</b>	<b>-</b>	<b>24,371,877</b>	<b>88,854,335</b>	<b>-</b>	<b>133,283,549</b>
		<b>347,863,690</b>	<b>12,302,668</b>	<b>-</b>	<b>8,300,000</b>	<b>54,742,255</b>	<b>162,832,486</b>	<b>17,513,610</b>	<b>603,554,709</b>



# FY 2022 Preliminary Budget by Fund Type

## Exceptional Recreational, Cultural, & Educational Opportunities

BUDGET BY SOURCE OF FUNDS		GENERAL GOVERNMENT	COMMUNITY DEVELOPMENT BLOCK GRANTS	DEBT SERVICE	CAPITAL PROJECTS	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	ALL FUNDS
EXCEPTIONAL RECREATIONAL, CULTURAL AND EDUCATIONAL OPPORTUNITIES	LIBRARY	9,021,338	-	-	-	142,875	-	-	9,164,214
	MUSEUM AND CULTURAL AFFAIRS	3,327,737	-	-	-	1,264,104	-	-	4,591,841
	PARKS AND RECREATION	35,558,487	60,000	-	-	2,145,000	-	-	37,763,487
	ZOO	5,521,712	-	-	-	2,273,562	-	-	7,795,274
	<b>GOAL 4 TOTAL</b>	<b>53,429,275</b>	<b>60,000</b>	<b>-</b>	<b>-</b>	<b>5,825,541</b>	<b>-</b>	<b>-</b>	<b>59,314,815</b>
		<b>53,429,275</b>	<b>60,000</b>	<b>-</b>	<b>-</b>	<b>5,825,541</b>	<b>-</b>	<b>-</b>	<b>59,314,815</b>





# FY 2022 Preliminary Budget By Fund Type

## High Performing Government

BUDGET BY SOURCE OF FUNDS		GENERAL GOVERNMENT	COMMUNITY DEVELOPMENT BLOCK GRANTS	DEBT SERVICE	CAPITAL PROJECTS	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	ALL FUNDS
HIGH PERFORMING GOVERNMENT	INFORMATION TECHNOLOGY	21,442,986	-	-	-	-	-	-	21,442,986
	<b>GOAL 5 TOTAL</b>	<b>21,442,986</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,442,986</b>
	CITY ATTORNEY	4,593,071	60,280	-	-	20,000	-	-	4,673,351
	CITY CLERK	778,110	-	-	-	-	-	-	778,110
	CITY MANAGER	3,785,324	-	-	-	-	-	-	3,785,324
	HUMAN RESOURCES	2,577,080	-	-	-	-	-	67,939,133	70,516,214
	MAYOR AND COUNCIL	1,669,697	-	-	-	80,000	-	-	1,749,697
	NONDEPARTMENTAL	23,452,826	-	116,230,091	-	22,297,280	-	-	161,980,198
	OFFICE OF THE COMPTROLLER	2,969,707	-	-	71,789	-	-	-	3,041,496
	PURCHASING AND STRATEGIC SOURCING	1,743,811	-	-	-	-	-	-	1,743,811
	TAX	-	-	-	-	-	2,330,540	-	2,330,540
	<b>GOAL 6 TOTAL</b>	<b>41,569,626</b>	<b>60,280</b>	<b>116,230,091</b>	<b>71,789</b>	<b>22,397,280</b>	<b>2,330,540</b>	<b>67,939,133</b>	<b>250,598,740</b>
		<b>63,012,612</b>	<b>60,280</b>	<b>116,230,091</b>	<b>71,789</b>	<b>22,397,280</b>	<b>2,330,540</b>	<b>67,939,133</b>	<b>272,041,726</b>



# Property Tax Scenarios – Phase In vs. 100% Funded

	FY2022 PRELIMINARY	100% FUNDED \$22M Increase
O&M Rate	0.619095	0.677764
Debt Rate	0.288206	0.288206
Total Rate	0.907301	0.965970
No New Revenue Rate O&M (based on Preliminary Values)	0.622158	0.622158
Above or (Below) No New Revenue Rate	(0.49%)	8.94%
Change over FY2021 Adopted	0.000000	0.058669

\*The 8.94% is well above the Voter Approval rate of 3.5% over the No New Revenue Rate.