



CITY OF EL PASO

FY 2025

1st Quarter Financial Report

February 4, 2025

Agenda

- Budget Development Recap
- Summary
- Revenue Comparisons
- Expense Comparisons



Budget Development Focus on Multi-Year Outlook

Long-term planning

- Plan and prioritize financial resources to align with long-term goals and objectives

Stability & predictability

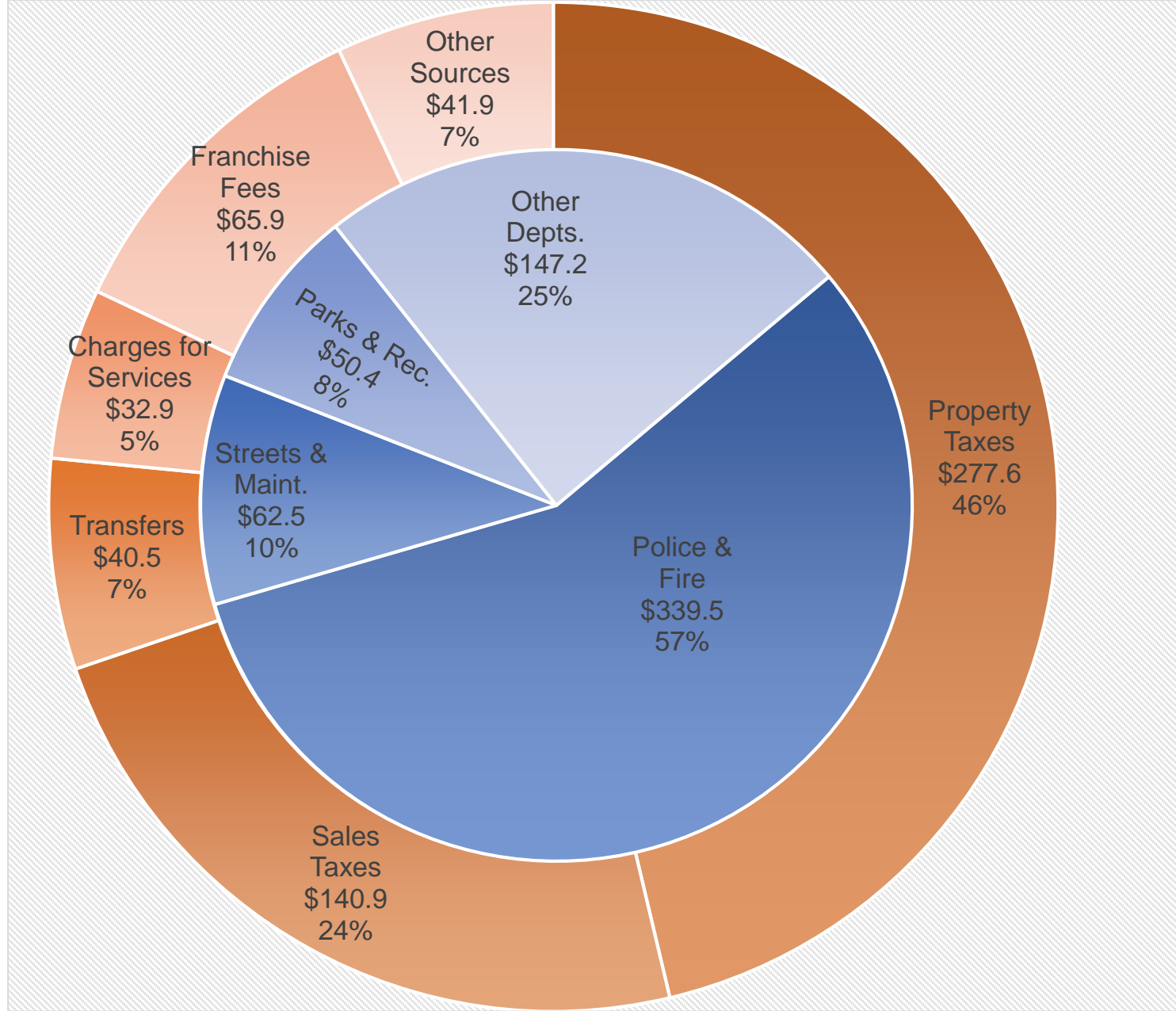
- Improves planning and decision-making

Improved financial management

- Identify potential fiscal challenges in advance and develop strategies to mitigate risk and maintain fiscal sustainability

Transparency & accountability

- Improve communication and engagement



FY 2025 General Fund Budget

Revenue – Where the \$ come from

Expenditures – Where the \$ go

FY 2025 Budget Challenges

Adopted August 20, 2024

- **Revenue** - Strong property valuation growth, however slowing sales tax growth
- Increase in **fixed costs** - Citywide election, appraisal services, water
- **Other significant cost increases** - Employee compensation, healthcare, new animal services facility, Information Technology contracts
- **Deferred investments** - need for increased investment in priorities

FY 2025 Budget Balancing Actions

Adopted August 20, 2024

- Revenue
 - Property tax revenue previously restricted for Tax Increment Fund zones, parking meter revenue previously restricted for Plaza Theater debt payment
 - Increase in property tax revenue for General Fund due to no debt issuance
 - State funding - *Local Governments Disproportionately Affected by Disabled Veterans*
 - Use of prior year savings and Pay-for-Futures fund balance

FY 2025 Budget Balancing Actions

Adopted August 20, 2024

- Vacancy Savings
 - Increased savings from vacancies by \$6.6 million from prior year (total of \$33 million)
- Employee Compensation
 - Civilian pay raises split September 2024 and March 2025, instead of full increase in September 2024
- Pay-Go Capital
 - Reduced annual pay-go by \$3 million for vehicles and facilities

FY 2025 Budget Highlights

Adopted August 20, 2024

- Public Safety
 - Multiple training academies, competitive compensation, opening of new facilities
- Streets
 - Annual pay-go for street resurfacing, intersection safety improvements, ADA on-demand requests, Neighborhood Traffic Management Program, vehicle and equipment replacement

FY 2025 Budget Highlights

Adopted August 20, 2024

- Quality of Life
 - Operating costs for new or improved amenities including La Nube, Mexican American Cultural Center, and all staffing required for re-opening of public libraries
- Workforce
 - Increase minimum wage to ~~\$14.11~~ \$15.75 per hour effective Feb. 23, \$1.00 per hour pay increase or minimum 2.5% increase, no healthcare cost increases passed on to employees

Long-Term Budget Challenges

Need for Increased Investment

- Streets - 50% of streets rank in the fair to very poor condition
- Facilities - 2/3rd of existing facilities (250+) are more than 30 years old
- Vehicles/equipment - 23% or 460 of light duty vehicles have surpassed their useful life
- Parks - 25 “D” rated and more reaching end of useful life
- No annual funding for City grant match (MPO and city-wide grant program)
- No annual funding for critical Information Technology capital replacement
- Unfunded pension liability

Annual Pay-Go Funding

Description	Budget	Annual Need
Police/Fire Capital	\$9,400,000	\$11,200,000
Vehicles/Heavy Equipment	\$3,600,000	\$8,500,000
Street Resurfacing	\$10,000,000	\$46,500,000
Parks Amenities	\$1,000,000	\$3,000,000
Facility Renovations	\$4,400,000	\$25,000,000
Grant Match	\$0	\$12,000,000
Information Technology Capital	\$0	\$4,000,000
Total	\$28,400,000	\$110,200,000

Budget Major Variances

FY 2024 Adopted		\$573.30
Police and Fire	\$14.8	
Civilian Compensation	\$6.8	
Animal Services	\$2.3	
Citywide Election (plus runoff)	\$2.2	
Appraisal Services (Appraisal District)	\$1.0	
Information Technology contracts	\$1.0	
Quality of Life Operating & Maint.	\$0.8	
Utilities (water)	\$0.4	
Reduction in Pay-Go funding	(\$3.0)	
Total	\$26.3	
FY 2025 Adopted		\$599.60

Department	Vacant		Average	FY 2025 Unfunded (Attrition)	Unfunded (Attrition)	Funded Vacancies
	FTE	Salary Base	Salary	Dollars	FTEs	FTEs
ANIMAL SERVICES	48.50	1,622,665	33,457	(1,265,213)	(37.82)	10.68
AVIATION	42.10	1,831,657	43,507	(376,481)	(8.65)	33.45
CAPITAL IMPROVEMENT DEPARTMENT	25.00	1,433,280	57,331	(600,669)	(10.48)	14.52
CITY ATTORNEY	10.00	707,685	70,769	(361,267)	(5.10)	4.90
CITY CLERK	2.00	66,355	33,177	(9,744)	(0.29)	1.71
CITY MANAGER	7.00	446,844	63,835	(316,168)	(4.95)	2.05
COMMUNITY AND HUMAN DEVELOPMENT	17.30	948,896	54,850	(486,339)	(8.87)	8.43
ECONOMIC DEVELOPMENT	7.00	373,140	53,306	(296,693)	(5.57)	1.43
ENVIRONMENTAL SERVICES	114.80	4,011,004	34,939	(2,022,457)	(57.89)	56.91
FIRE	159.50	7,392,444	46,348	(6,377,958)	(137.61)	21.89
HUMAN RESOURCES	12.50	627,510	50,201	(392,000)	(7.81)	4.69
INFORMATION TECHNOLOGY	16.00	902,390	56,399	(659,121)	(11.69)	4.31
INTERNAL AUDIT	1.00	58,700	58,700	(7,000)	(0.12)	0.88
INTERNATIONAL BRIDGES	9.50	367,348	38,668	(141,753)	(3.67)	5.83
LIBRARY	24.50	859,183	35,069	(234,652)	(6.69)	17.81
MAYOR AND COUNCIL	8.00	483,084	60,385	-	(2.58)	5.42
MUNICIPAL COURT	11.05	381,770	34,549	(155,839)	(4.51)	6.54
MUSEUM AND CULTURAL AFFAIRS	22.00	875,573	39,799	(518,753)	(13.03)	8.97
NONDEPARTMENTAL	7.00	365,090	52,156	(100,352)	(37.76)	(30.76)
NONDEPARTMENTAL - CITYWIDE	-	-	39,469	(1,969,623)	(49.90)	(49.90)
OFFICE OF THE COMPTROLLER	1.00	50,666	50,666	(63,336)	(1.25)	(0.25)
PARKS AND RECREATION	184.88	6,168,926	33,367	(2,439,654)	(73.12)	111.76
PLANNING AND INSPECTIONS	28.00	1,327,450	47,409	(869,380)	(18.34)	9.66
POLICE	211.00	6,756,459	32,021	(4,868,935)	(152.05)	58.95
PUBLIC HEALTH	111.75	4,795,798	42,915	(829,650)	(19.33)	92.42
PURCHASING AND STRATEGIC SOURCING	7.00	461,350	65,907	(220,187)	(3.34)	3.66
STREETS AND MAINTENANCE	125.00	4,904,735	39,238	(2,123,414)	(54.12)	70.88
SUN METRO	144.10	5,263,627	36,528	(4,719,926)	(129.22)	14.88
TAX	1.50	93,425	62,283	(17,232)	(0.28)	1.22
ZOO	21.75	906,131	41,661	(574,760)	(13.80)	7.95
Grand Total	1,380.73	\$ 54,483,184	\$ 39,460	\$ (33,018,559)	(836.77)	543.96

FY 2025 Attrition (Vacancy Savings) 61% of Total

*Vacancies As of June 2024

Department	FY 2025 General Fund Only						
	Adopted	Filled	Vacant	Average Salary	Attrition (Dollars)	Attrition FTE	Funded Vacancies
AVIATION	0.90	0.40	0.50	43,503	-	-	0.50
CAPITAL IMPROVEMENT DEPARTMENT	88.50	63.50	25.00	57,250	(656,993)	(11.48)	13.52
CITY ATTORNEY	49.00	39.00	10.00	70,769	(361,267)	(5.10)	4.90
CITY CLERK	8.00	8.00	-	33,178	(9,744)	(0.29)	(0.29)
CITY MANAGER	31.24	24.24	7.00	63,835	(316,168)	(4.95)	2.05
COMMUNITY AND HUMAN DEVELOPMENT	25.37	17.18	8.19	54,850	(188,189)	(3.43)	4.76
ECONOMIC DEVELOPMENT	23.50	20.50	3.00	53,306	(86,000)	(1.61)	1.39
ENVIRONMENTAL SERVICES	0.33	0.33	-	-	-	-	-
FIRE	1,122.95	1,005.95	117.00	56,178	(6,377,958)	(113.53)	3.47
HUMAN RESOURCES	39.13	34.13	5.00	50,201	(392,000)	(7.81)	(2.81)
INFORMATION TECHNOLOGY	92.75	76.75	16.00	60,837	(659,299)	(10.84)	5.16
INTERNAL AUDIT DEPARTMENT	8.00	7.00	1.00	58,700	(7,000)	(0.12)	0.88
LIBRARY	168.25	145.75	22.50	34,304	(234,652)	(6.84)	15.66
MAYOR AND COUNCIL	27.00	19.00	8.00	60,385	-	-	8.00
MUNICIPAL COURT	91.90	81.60	10.30	34,549	(155,839)	(4.51)	5.79
MUSEUM AND CULTURAL AFFAIRS	59.75	37.75	22.00	39,799	(518,753)	(13.03)	8.97
NON-DEPARTMENTAL	18.60	11.60	7.00	52,156	(100,352)	(1.92)	5.08
NON-DEPARTMENTAL (CITYWIDE)	-	-	-	39,469	(1,969,623)	(49.90)	(49.90)
OFFICE OF THE COMPTROLLER	36.95	35.95	1.00	50,666	(63,336)	(1.25)	(0.25)
PARKS AND RECREATION	569.87	390.00	179.87	33,434	(2,439,654)	(72.97)	106.90
PLANNING AND INSPECTIONS	127.00	101.00	26.00	47,409	(869,380)	(18.34)	7.66
POLICE	1,447.75	1,254.30	193.45	32,021	(4,798,900)	(149.87)	43.58
PUBLIC HEALTH	90.95	70.88	20.27	43,118	(829,650)	(19.24)	1.03
PURCHASING AND STRATEGIC SOURCING	28.00	21.00	7.00	65,907	(220,187)	(3.34)	3.66
STREETS AND MAINTENANCE	319.10	224.70	94.40	39,344	(1,709,294)	(43.44)	50.96
ZOO	147.50	124.75	22.75	41,369	(574,760)	(13.89)	8.86
Grand Total	4,622.29	3,815.06	807.23	46,790	(23,539,000)	(557.73)	249.50

FY 2025 General Fund Attrition (Vacancy Savings)

Revenue and Expenditures Year-to-Date Actuals

Current Year Revenue (Sep – Nov)

Overall revenue is up, \$3.9 million, or 4.4% compared to the same time last year, primarily driven by:

- Property tax collections is up \$1.8 million, or 10.6%
- City sales tax revenue is up \$101K, or 0.3%
- Franchise fee revenue is up \$1.2 million, or 8.4%
- Engineering reimbursements for capital projects is up \$608K

FY 2024 Summary (Sep – Nov)

Overall expenditures are up by \$6.1 million, or 5.5% compared to same time last year, primarily driven by:

- Personal services (salaries, benefits, and taxes) increase of \$1.5 million
- Information Technology citywide contracts increase of \$1.2 million
- Citywide election costs increase of \$770K
- Transfers out increase of \$2.0 million due primarily to animal services

General Fund Year-End Total Projection

	FY 2025 Budget	FY 2025 Actuals	FY 2025 Year-End Projection
Revenue	\$599,635,163	\$91,257,867	\$598,289,488
Expenses	\$599,635,163	\$118,415,099	\$598,289,488
Projected Surplus/(Deficit)			\$0

Revenue projection includes a use of \$4.6 million from fund balance (Adopted Budget approved \$7.2 million)

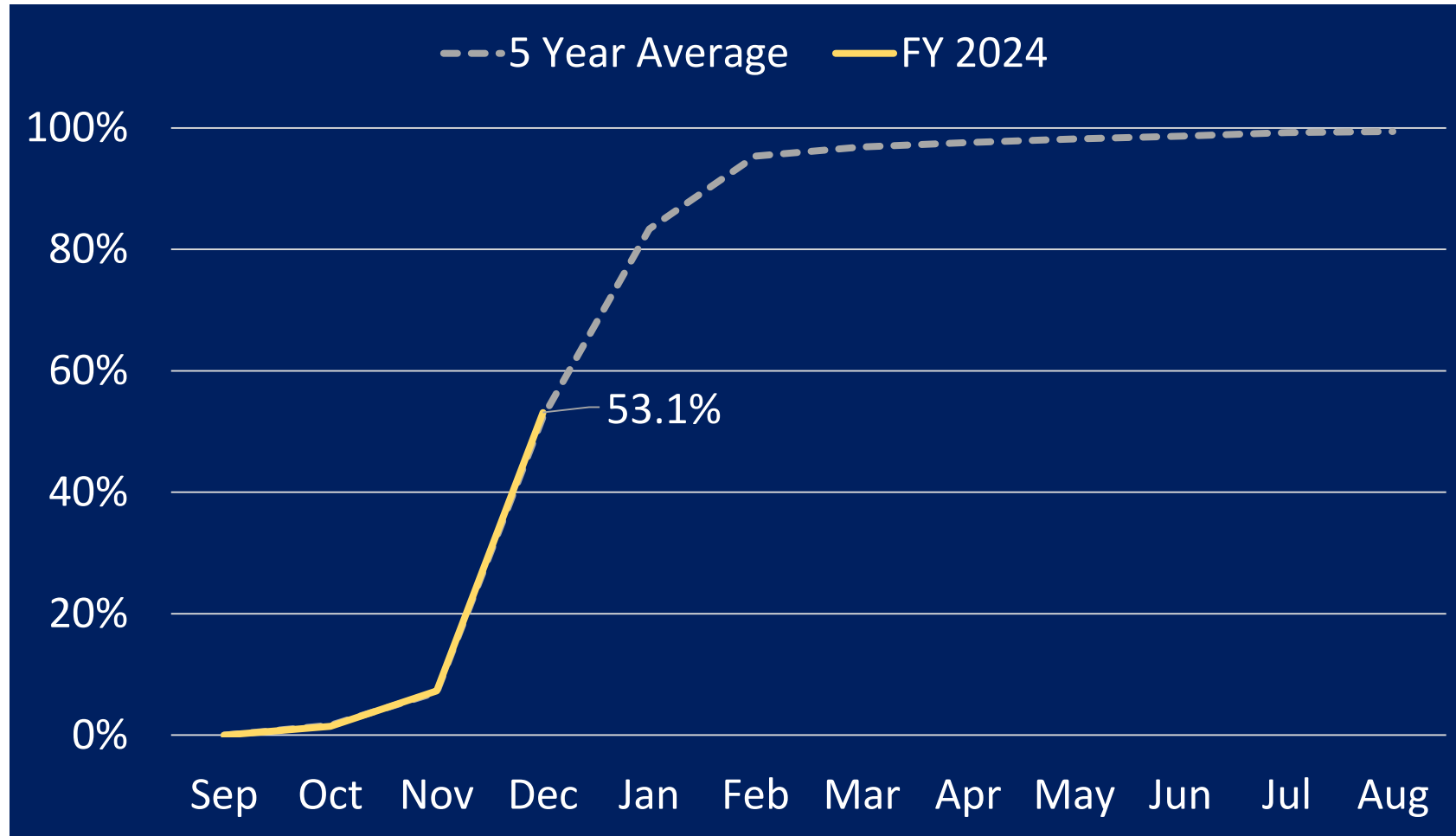
General Fund Revenue Year-To-Date Comparison

Category	FY 2025 Budget	FY 2025 Actuals (Sep-Nov)	FY 2025 % Total Collected	FY 2024 Actuals (Sep-Nov)	FY 2024 % Total Collected
Property Taxes.....	\$277,572,261	\$18,603,780	6.7%	\$16,820,393	6.3%
Sales Taxes.....	140,926,534	33,583,810	23.8%	33,085,496	24.1%
Franchise Fees.....	65,925,257	14,857,875	22.5%	13,701,731	23.2%
Charges For Services.....	32,879,851	8,026,893	24.4%	8,213,871	23.5%
Fines And Forfeitures.....	8,201,497	1,690,404	20.6%	1,734,551	24.5%
Licenses And Permits.....	12,352,877	3,246,338	26.3%	3,327,191	25.8%
Intergovernmental	3,135,548	342,027	10.9%	29,316	0.6%
Interest.....	2,500,000	12,643	0.5%	1,097,760	32.5%
Rents And Other.....	15,667,051	2,575,319	16.4%	1,758,370	12.2%
Operating Transfers In....	40,474,287	8,318,777	20.6%	7,631,980	21.7%
Total Revenue.....	\$599,635,163	\$91,257,867	15.2%	\$87,400,660	15.2%

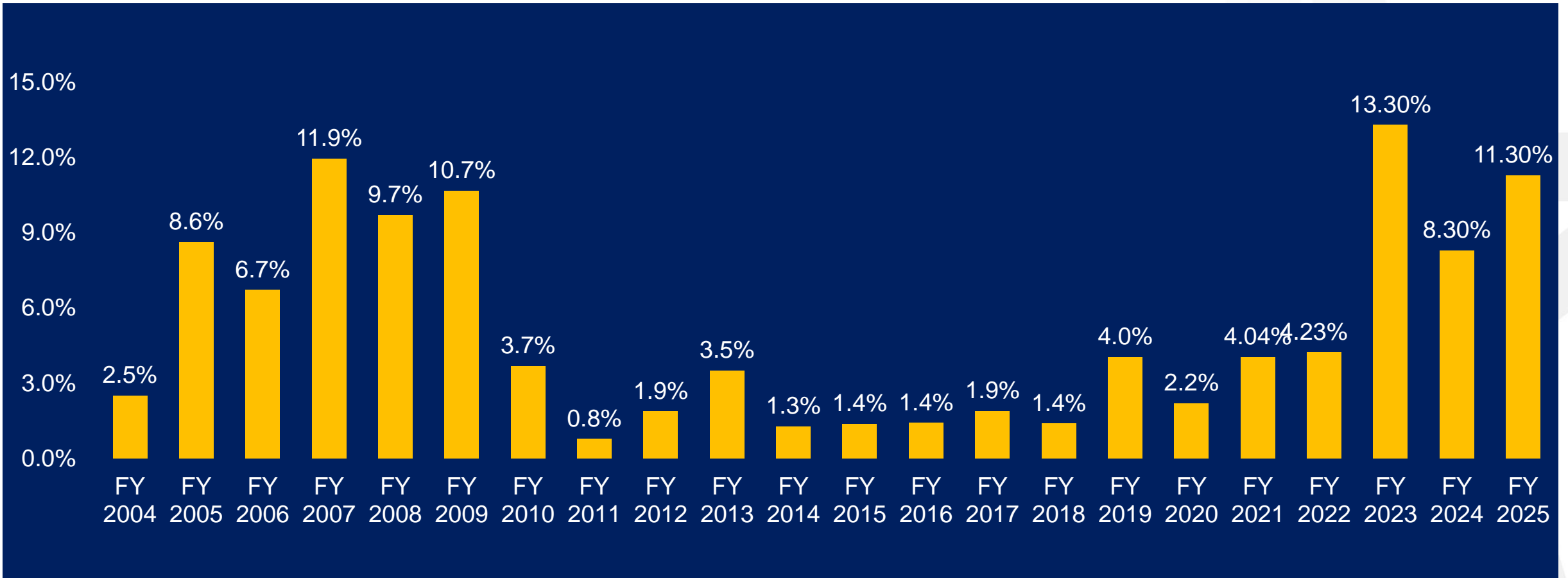
General Fund Revenue Year-End Projections

Category	FY 2025 Budget	FY 2025 Actuals (Sep-Nov)	FY 2024 Year-End Projection	Projected Over/(Under) Budget
Property Taxes.....	\$277,572,261	\$18,603,780	\$279,231,930	\$1,659,669
Sales Taxes.....	140,926,534	33,583,810	140,294,413	(\$632,121)
Franchise Fees.....	65,925,257	14,857,875	61,594,988	(\$4,330,269)
Charges For Services.....	32,879,851	8,026,893	33,397,491	\$517,640
Fines And Forfeitures.....	8,201,497	1,690,404	8,194,385	(\$7,112)
Licenses And Permits.....	12,352,877	3,246,338	12,613,285	\$260,408
Intergovernmental	3,135,548	342,027	3,540,898	\$405,350
Interest.....	2,500,000	12,643	3,751,166	\$1,251,166
Rents And Other.....	15,667,051	2,575,319	15,865,134	\$198,083
Operating Transfers In....	40,474,287	8,318,777	39,805,798	(\$668,489)
Total Revenue.....	\$599,635,163	\$91,257,867	\$598,289,488	(\$1,345,675)

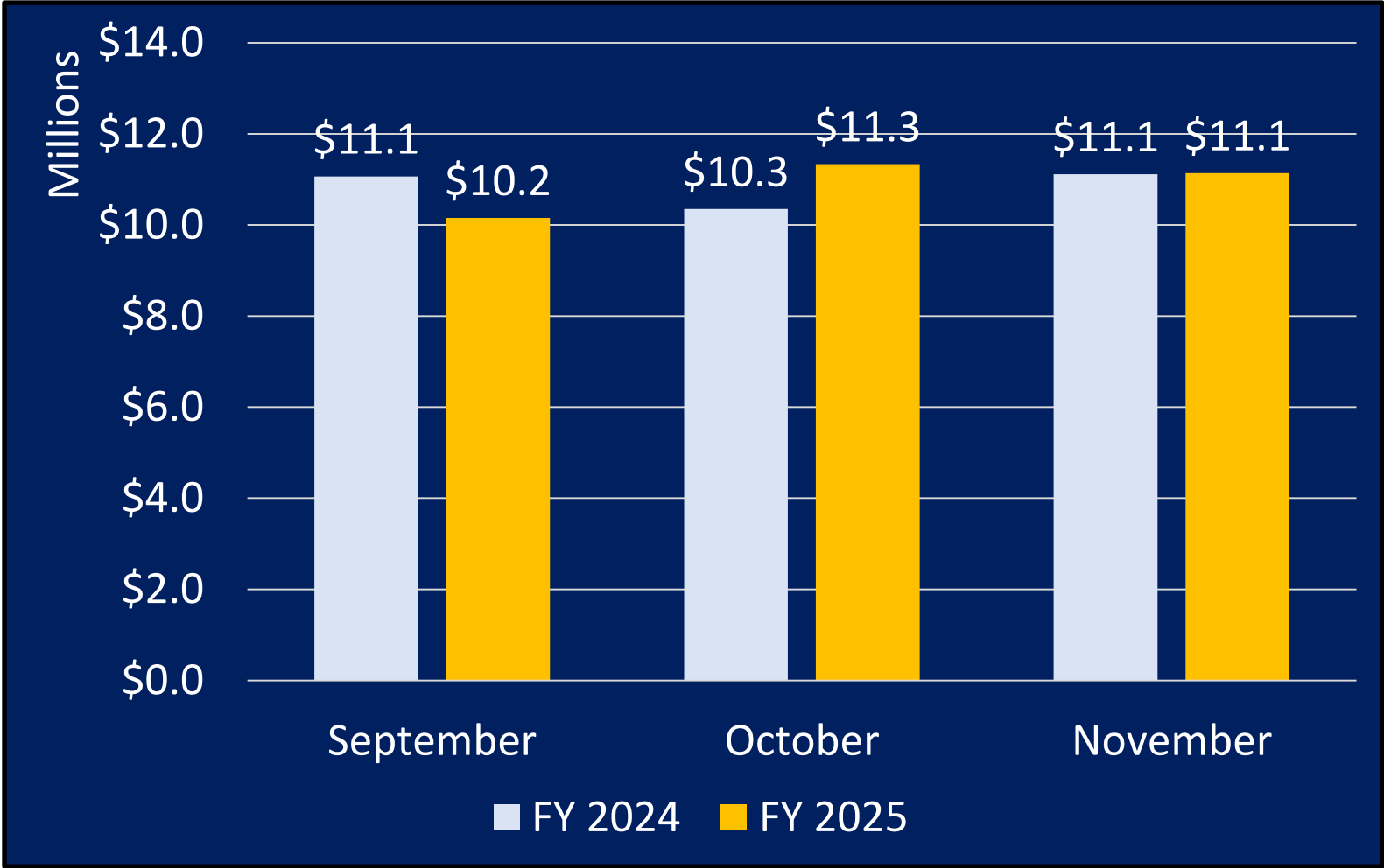
Property Tax Collection %



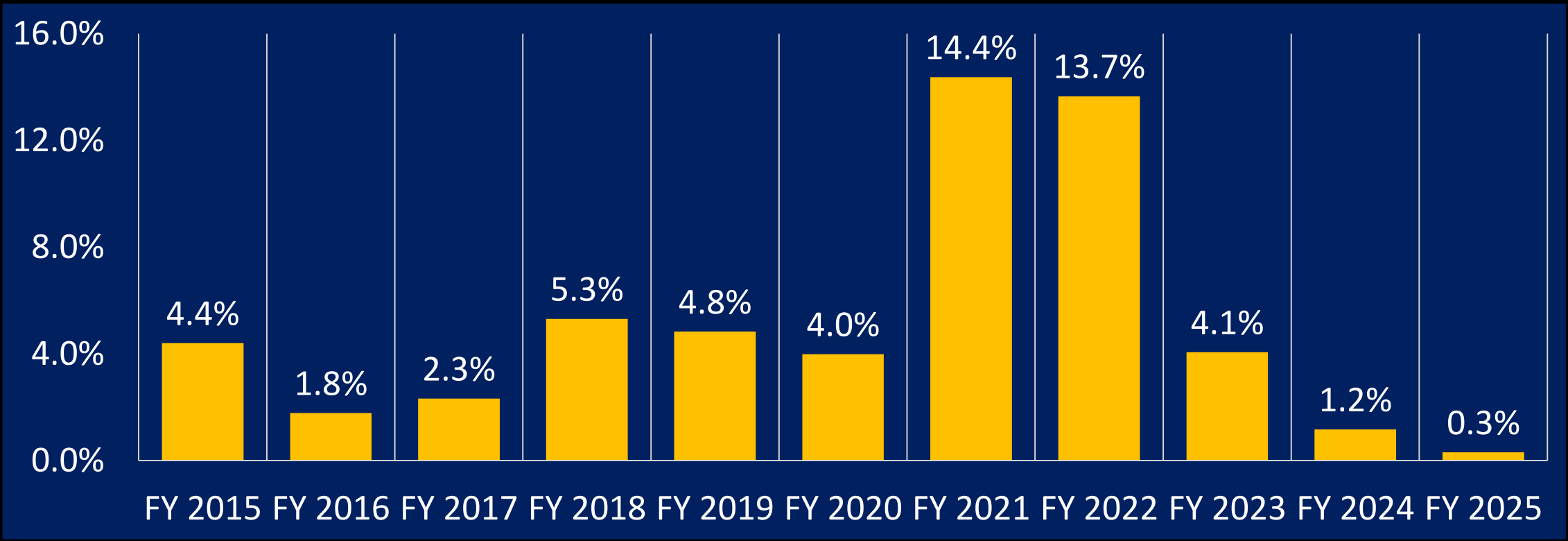
Property Valuation Growth



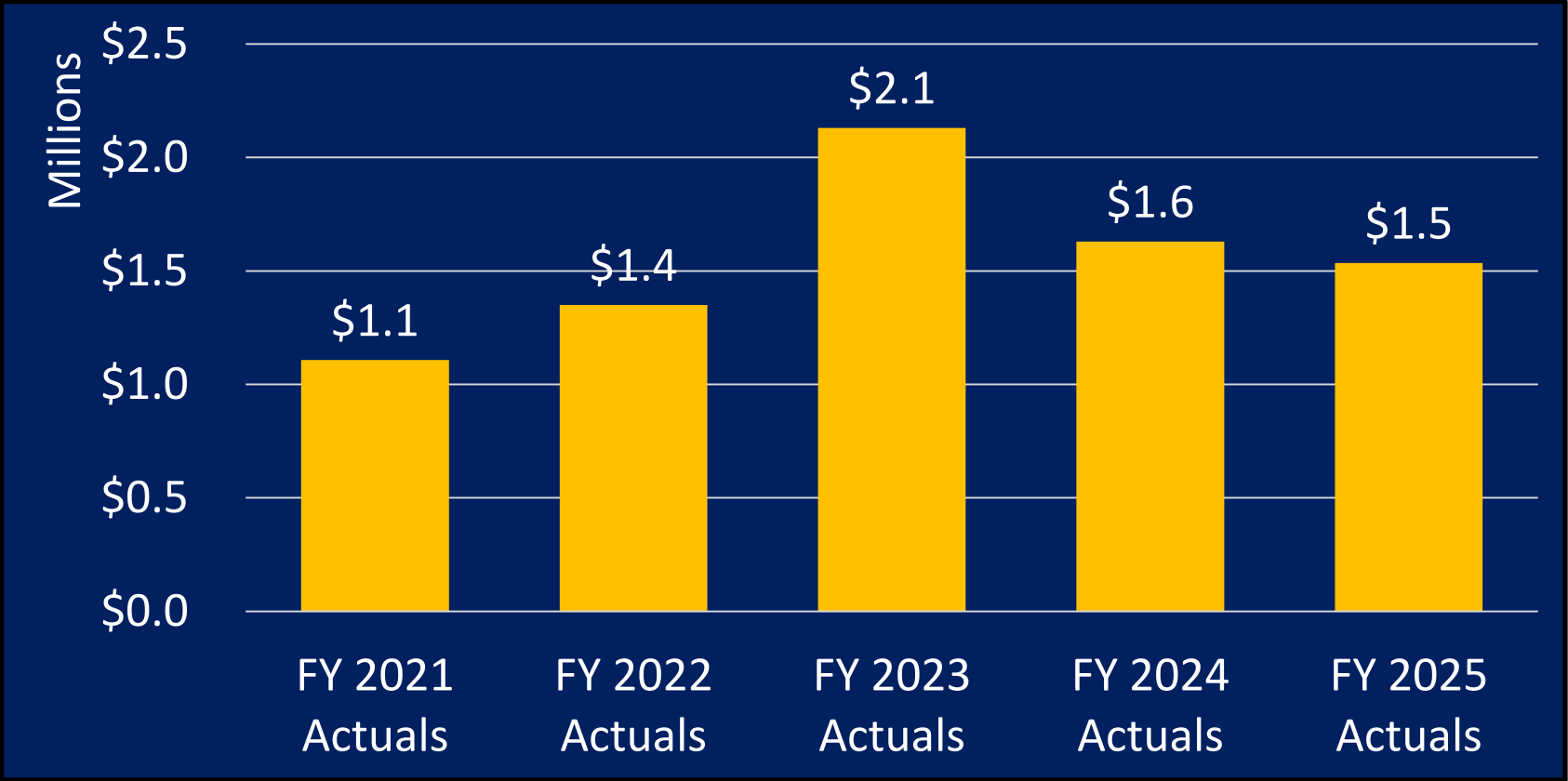
City Sales Tax Collections



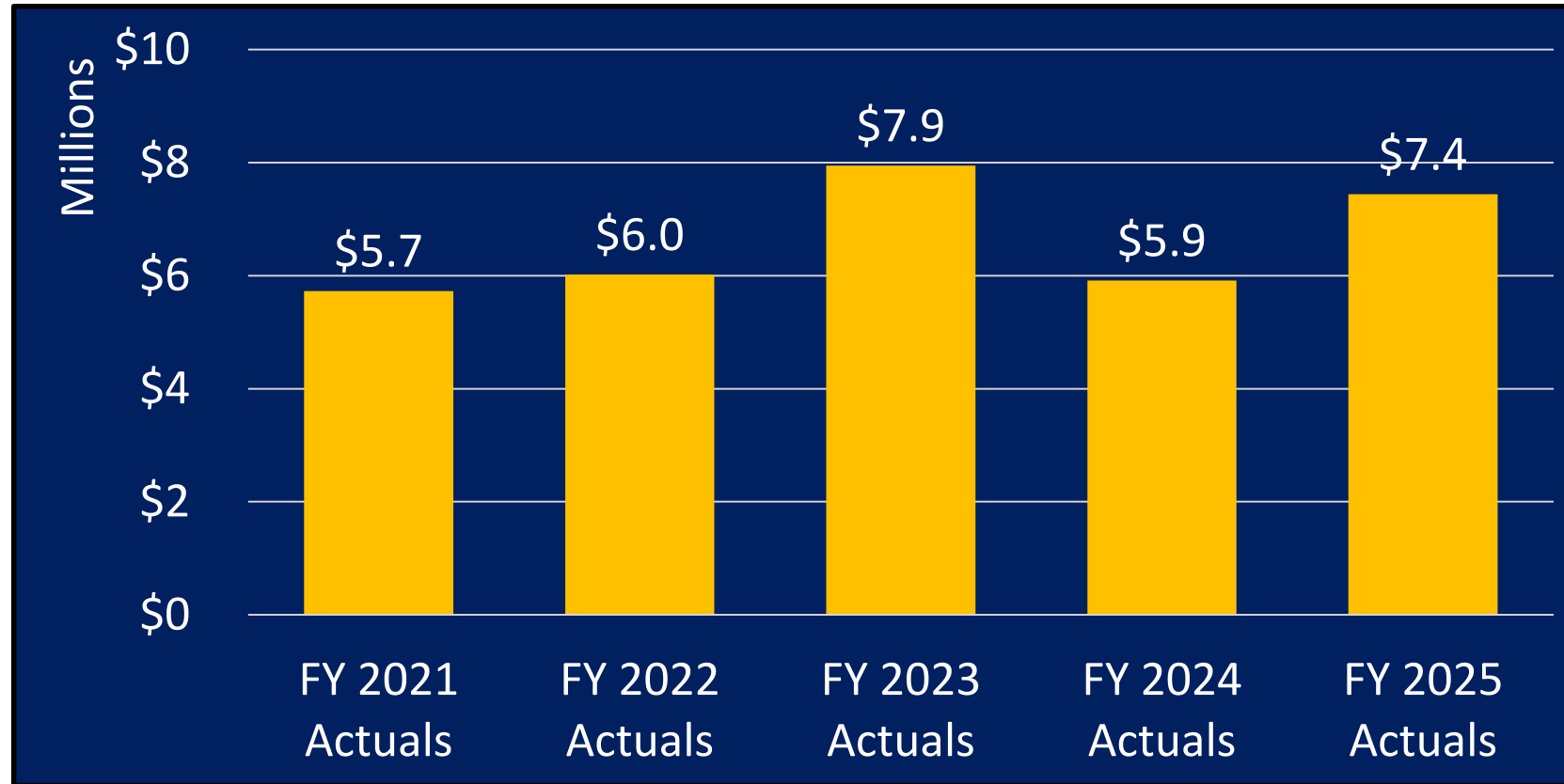
City Sales Tax Growth



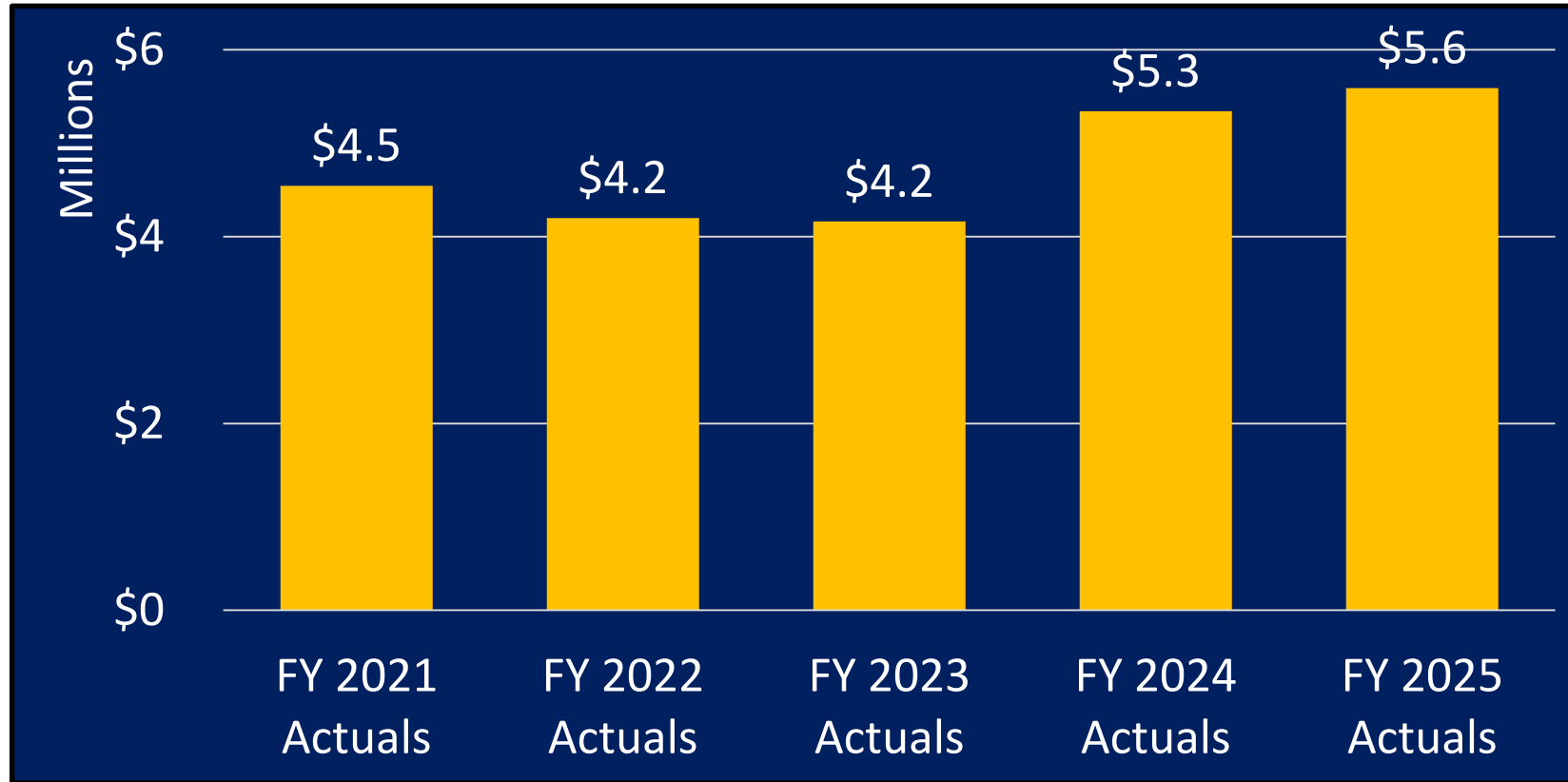
Texas Gas Franchise Fee



EP Electric Franchise Fee

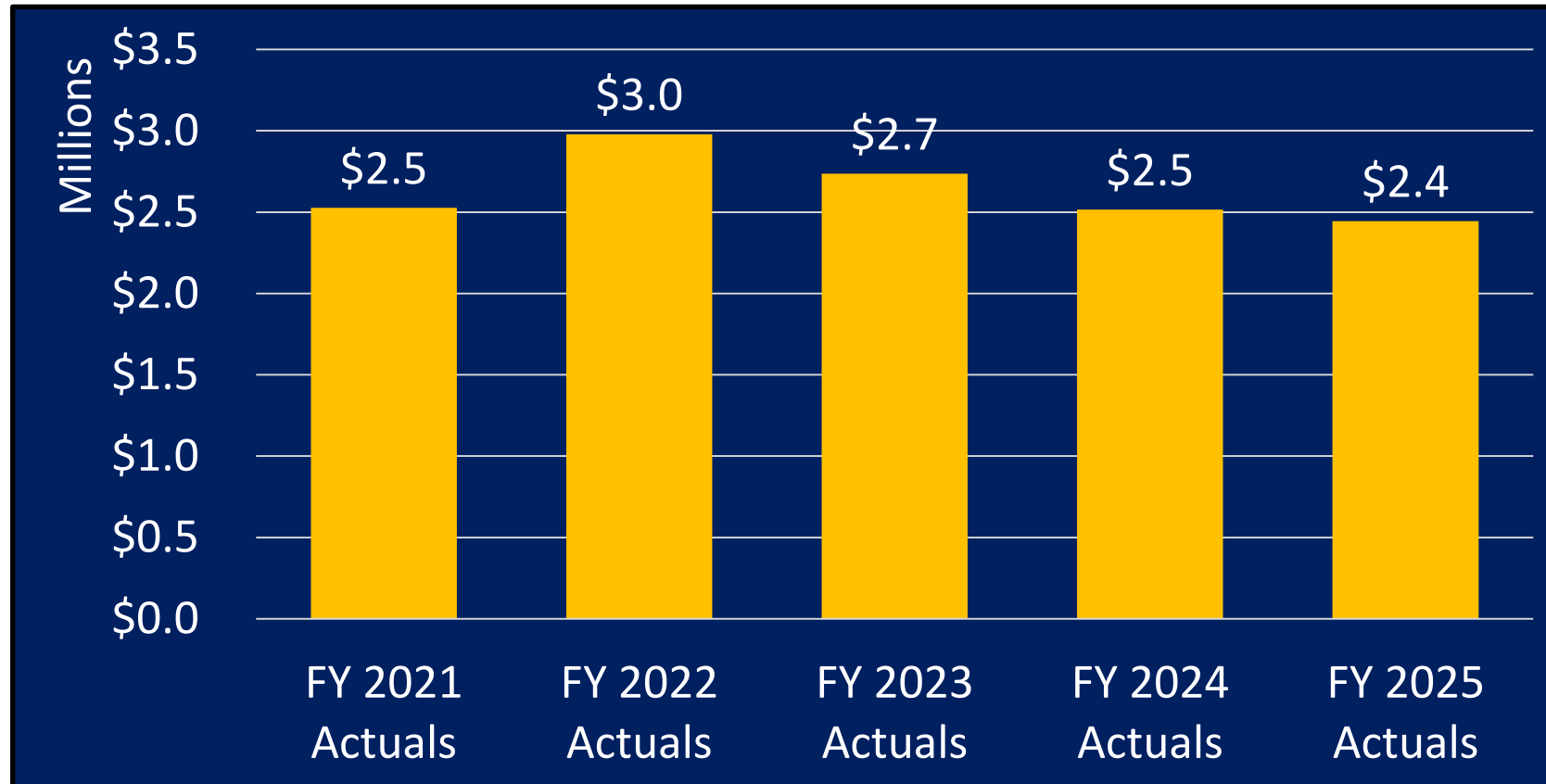


EP Water Franchise Fee

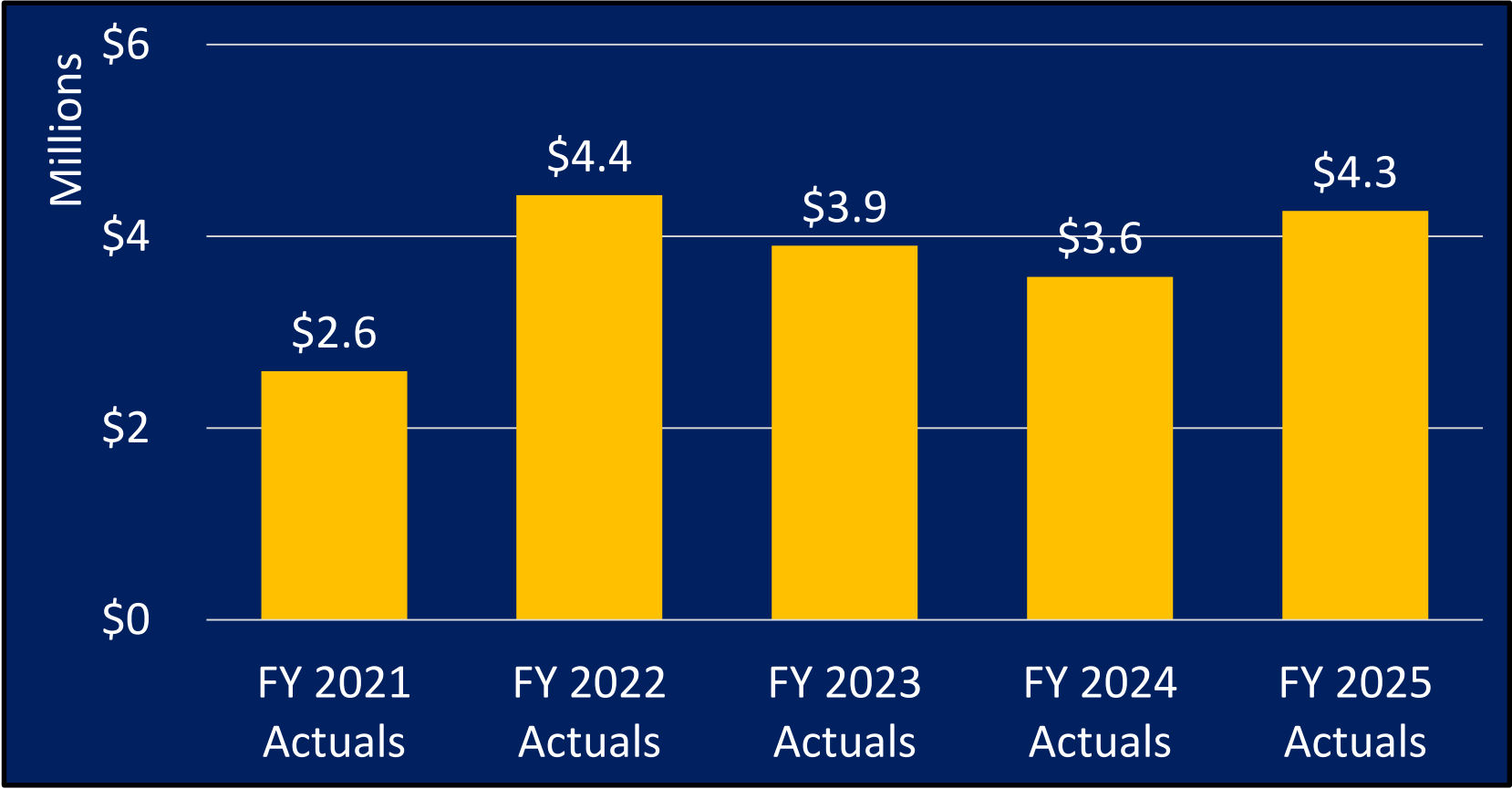


Licenses and Permits

Planning & Inspections Dept



Bridges Transfer to General Fund



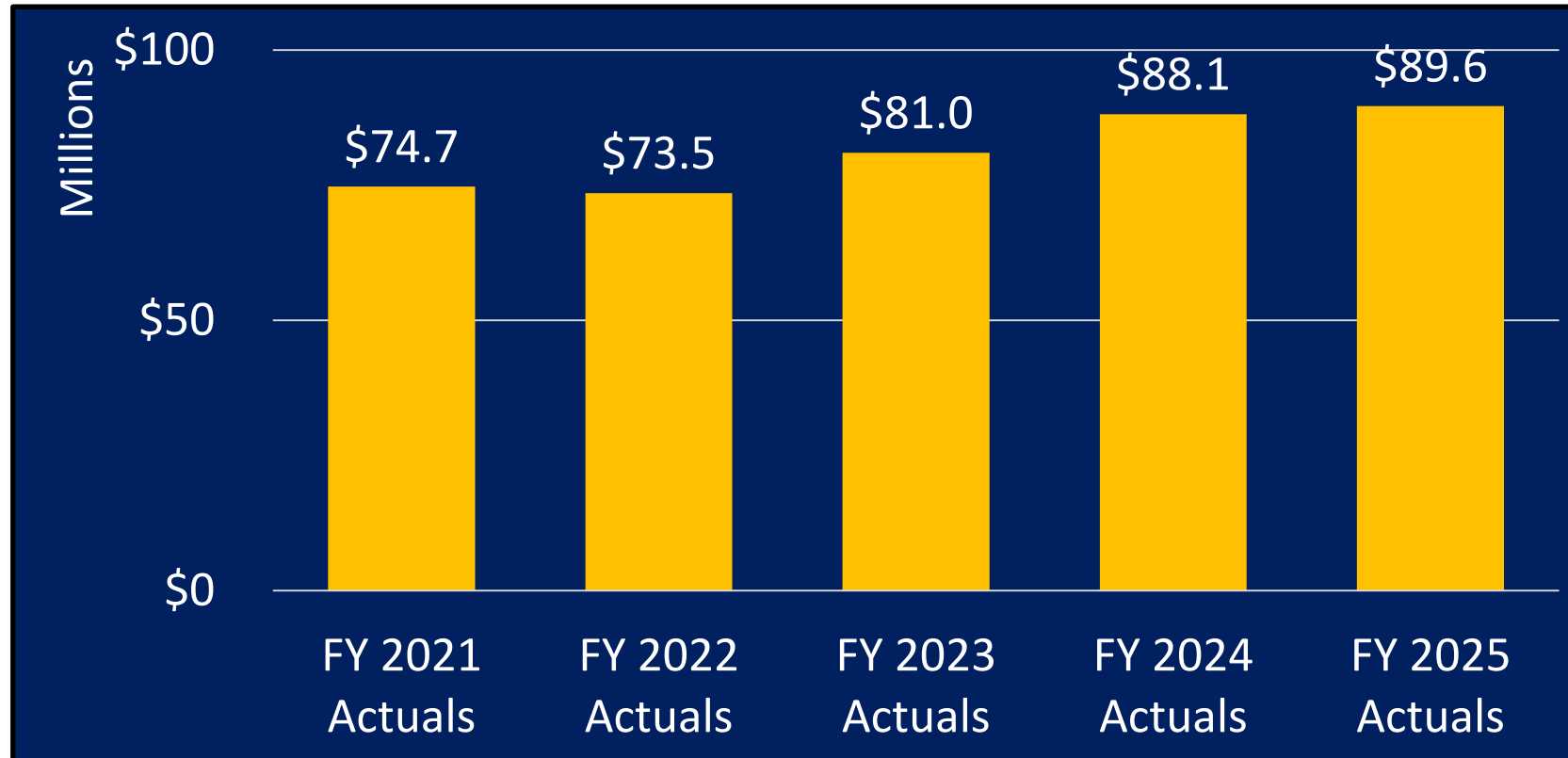
General Fund Expenses Year-To-Date Comparison

Category	FY 2025 Budget	FY 2025 Actuals (Sep-Nov)	FY 2025 % Total Expensed	FY 2024 Actuals (Sep-Nov)	FY 2024 % Total Expensed
Personal Services	\$428,675,038	\$89,613,607	20.9%	\$88,099,447	21.5%
Contractual Services.....	60,188,910	12,611,317	21.0%	10,787,490	20.7%
Materials & Supplies.....	30,696,189	3,941,034	12.8%	4,420,237	16.9%
Operating.....	31,837,937	7,011,711	22.0%	5,668,079	17.8%
Non-Operating.....	1,927,834	338,832	17.6%	478,735	36.8%
Intergovernmental.....	1,665,542	237,950	14.3%	156,425	11.5%
Transfers.....	43,374,577	4,592,278	10.6%	2,605,047	5.5%
Capital.....	1,269,137	68,369	5.4%	69,107	3.4%
Total Expenditures.....	\$599,635,163	\$118,415,099	19.7%	\$112,284,566	19.7%

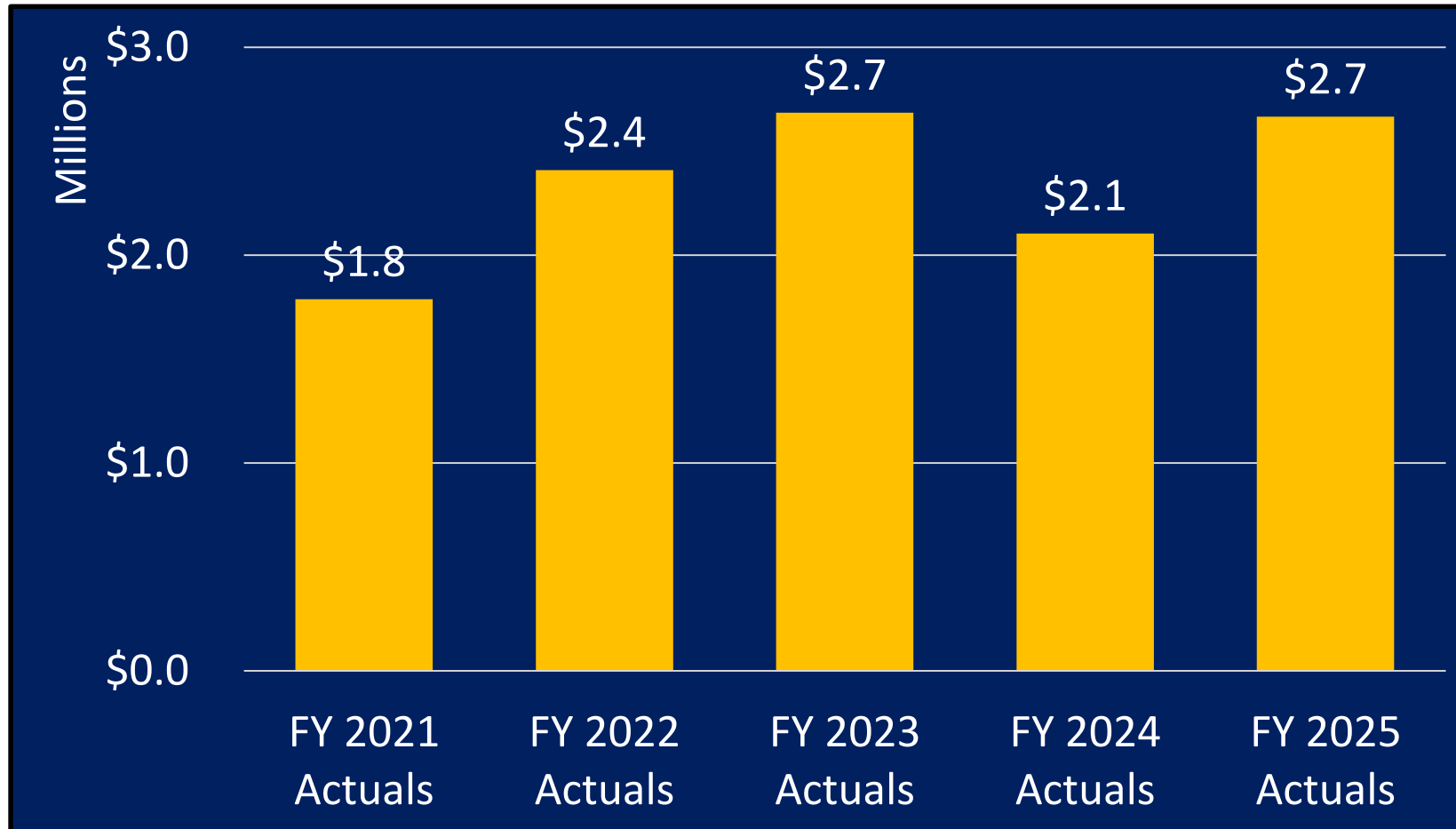
General Fund Expenses Year-End Projections

Category	FY 2025 Budget	FY 2025 Actuals (Sep-Nov)	FY 2024 Year-End Projection	Projected (Over)/Under Budget
Personal Services	\$428,675,038	\$89,613,607	\$427,319,688	\$1,355,350
Contractual Services.....	60,188,910	12,611,317	60,012,199	176,711
Materials & Supplies.....	30,696,189	3,941,034	29,173,267	1,522,922
Operating.....	31,837,937	7,011,711	34,106,472	(2,268,535)
Non-Operating.....	1,927,834	338,832	1,449,371	478,463
Intergovernmental.....	1,665,542	237,950	1,484,754	180,788
Transfers.....	43,374,577	4,592,278	43,376,766	(2,189)
Capital.....	1,269,137	68,369	1,366,973	(97,836)
Total Expenditures.....	\$599,635,163	\$118,415,099	\$598,289,490	\$1,345,673

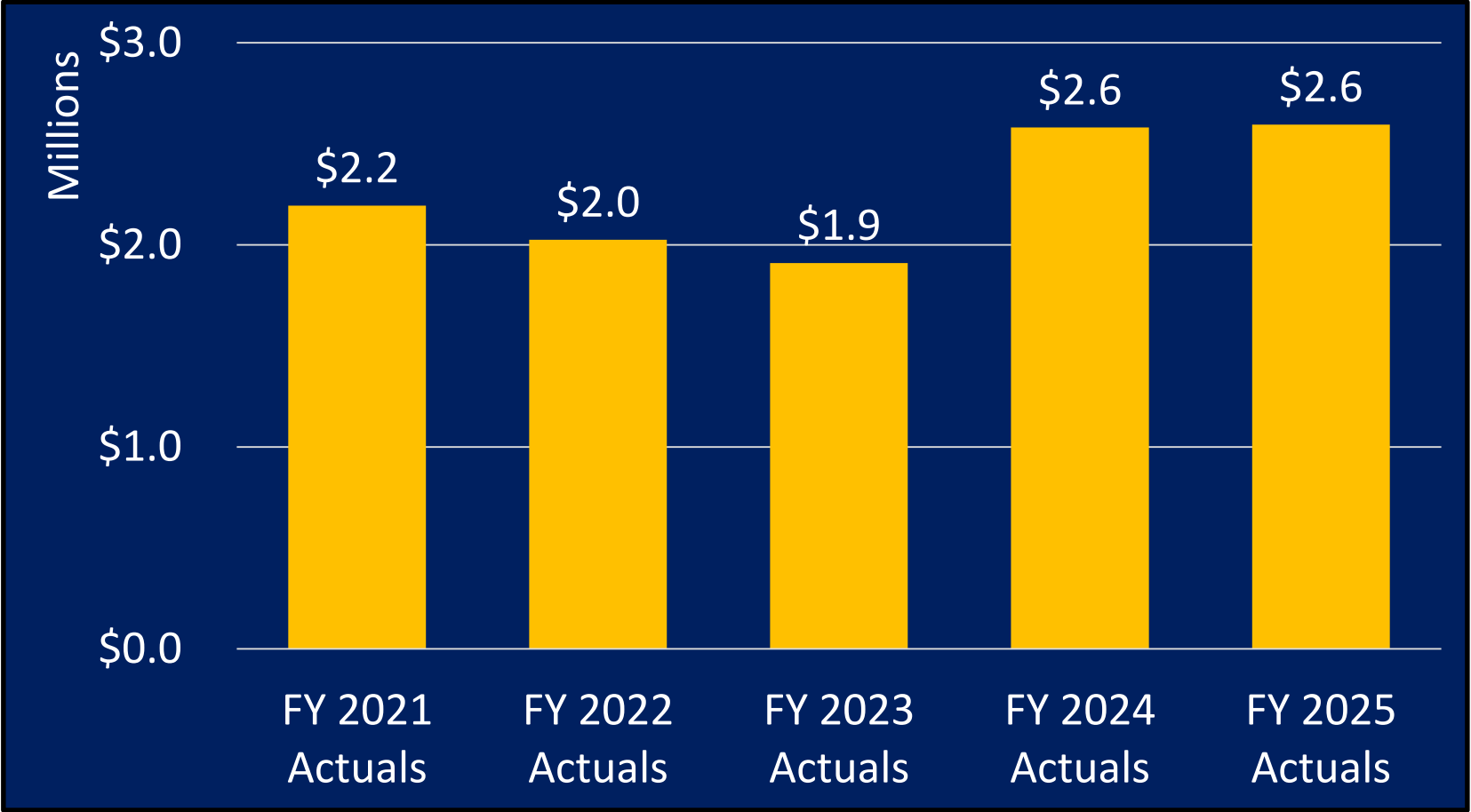
Personal Services (Salaries, Benefits, Taxes)



Electricity Expense



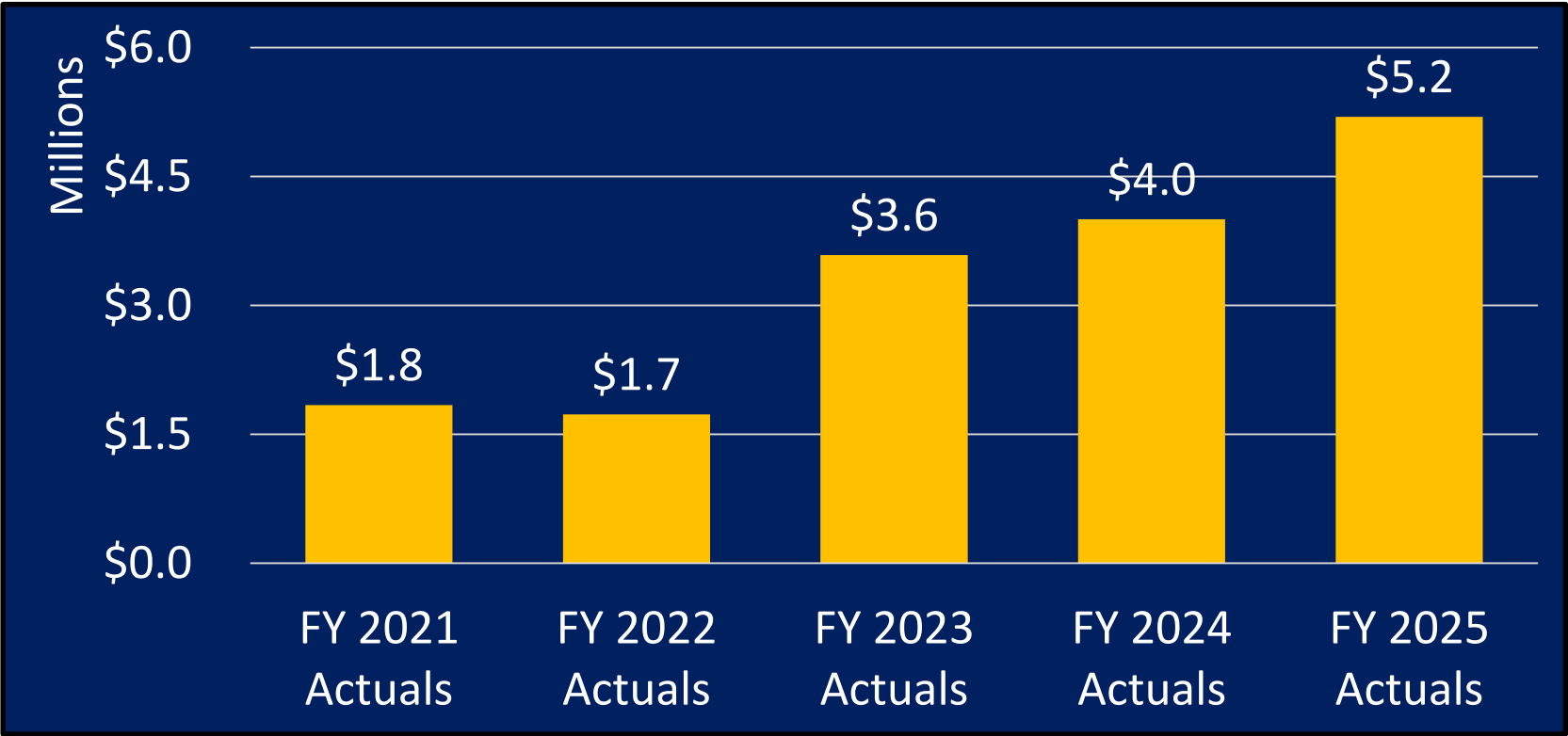
Water Expense



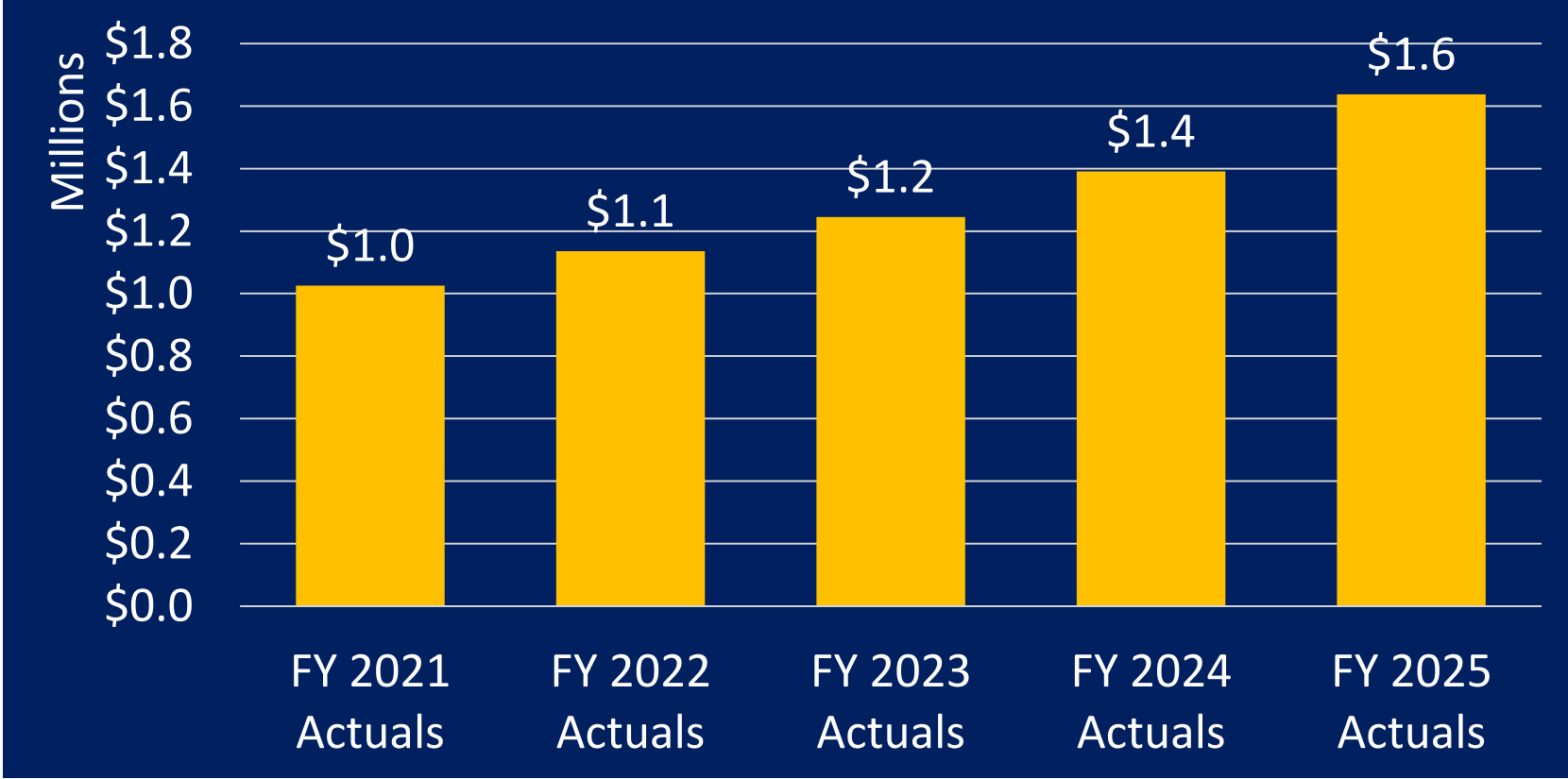
Fuel & Vehicle Maintenance



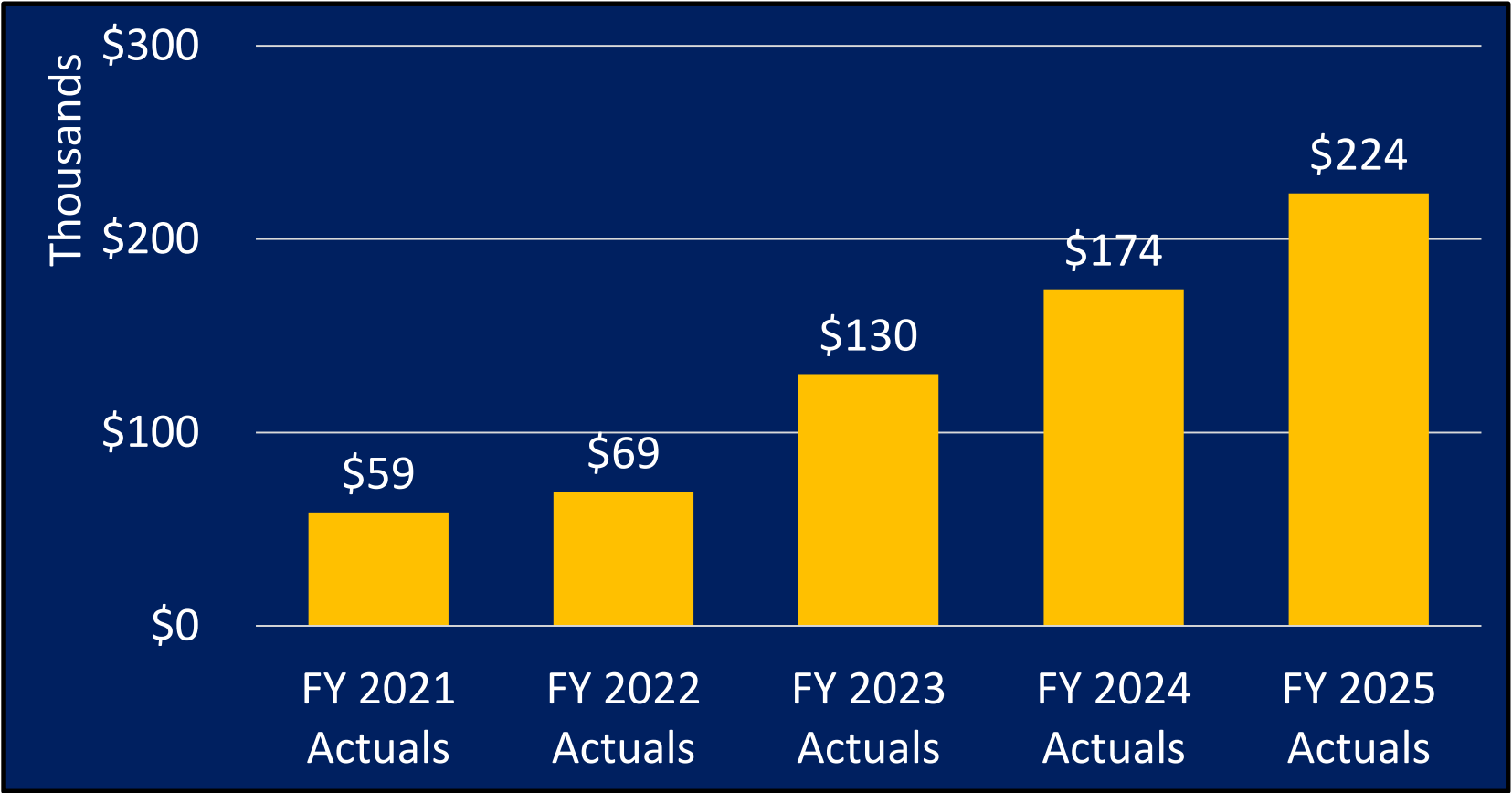
Information Technology Contracts



Central Appraisal District – Appraisal Services



Tuition Assistance Program



General Fund Year-End Total Projection

	FY 2025 Budget	FY 2025 Actuals	FY 2025 Year-End Projection
Revenue	\$599,635,163	\$91,257,867	\$598,289,488
Expenses	\$599,635,163	\$118,415,099	\$598,289,488
Projected Surplus/(Deficit)			\$0

Revenue projection includes a use of \$4.6 million from fund balance (Adopted Budget approved \$7.2 million)

Summary

- No action being requested
- Year-end projections based on historical trends, limited information, and uncertainty surrounding state, national, and worldwide economic situation
- Lag in real-time revenue collections
 - Sales tax – two month lag in allocation from the State (Dec. sales tax will be received Feb. 12)
 - Franchise fees – paid quarterly (Oct-Dec payments will be received in mid-Feb)

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,
Accountability, **P**eople

MISIÓN



Brindar servicios excepcionales para respaldar una vida y un lugar de alta calidad para nuestra comunidad

VISIÓN



Desarrollar una economía regional vibrante, vecindarios seguros y hermosos y oportunidades recreativas, culturales y educativas excepcionales impulsadas por un gobierno de alto desempeño



VALORES

Integridad, Respeto, Excelencia,
Responsabilidad, Personas