



CITY OF EL PASO

FY 2025 4th Quarter Financial Report (September 2024 – August 2025)

December 15, 2025

Agenda

- General Fund Summary
- General Fund Balance
- General Fund Revenue
- General Fund Expenditure

General Fund Recap

- FY 2025 Budget was adopted on August 20, 2024 and was in effect from **Sep. 1, 2024** to **Aug. 31, 2025**
- Highlighted by the adoption of the No-New-Revenue tax rate, however...
- Several one-time or deferred actions were adopted, including:
 - \$7.2 million use of Fund Balance
 - \$33 million in vacancy savings (\$6.6 million increase from prior year)
 - \$3 million reduction for vehicles and facility improvement funding
 - \$2.2 million reduction from Bridges Cash Differential Fund to General Fund

General Fund Summary

- All figures being presented are preliminary and unaudited
- Fund Balance – FY 2025 Adopted Budget included use of \$7.2 million, while actual use will be \$6.9 million
- Revenue – overall revenue under budget by \$496K, or 0.1%
- Expenditures – overall expenditures were over budget by \$6.4 million, or 1.1%

General Fund Summary

Category	FY 2025 Budget	FY 2025 Actuals	Budget/Actuals \$ Variance	Budget/Actuals % Variance
Revenue.....	\$599,734,907	\$599,238,619	(\$496,288)	-0.1%
Expenses.....	599,734,907	606,129,231	(\$6,394,324)	-1.1%
Surplus/(Deficit)...		(\$6,890,612)		

FY 2025 Budget (Adopted on Aug. 20, 2024) included \$7.2 million use of Fund Balance

General Fund Balance

Category	Beginning FY 2025	Beginning FY 2026	Change
Restricted	25,683,429	28,891,756	3,208,327
Unrestricted	135,564,670	125,465,731	(10,098,939)
Total	\$161,248,099	\$154,357,478	(\$6,890,612)

\$3.2 million transferred from Unrestricted to Restricted to maintain 5% of prior year budget (City Charter requirement)

General Fund Balance

- # of Operating Days calculation only includes Unrestricted Fund Balance
- # of Operating Days is impacted by
 - Restricted fund balance Charter requirement – 5% of prior year budget (transfer from unrestricted to restricted)
 - As the budget increases, so does the average daily cost
 - Use of fund balance

General Fund Balance

	Beginning FY 2025	Beginning FY 2026
Unrestricted Balance	\$135,564,670	\$125,465,722
% of Operating Expenses	22.6%	20.1%
# of Operating Days	83	73

General Fund

Revenue Highlights

- Property tax collections exceeded budget by \$2.9 million, or 1.0%
- Sales tax collections were under budget by \$992K, or 0.7%
- Investment earnings exceeded budget by \$7.2 million
- Franchise fees were under budget by \$7.3 million, or 11.0%
- Fines and Forfeitures were under budget by \$1.1 million, or 13.4%

General Fund Revenue

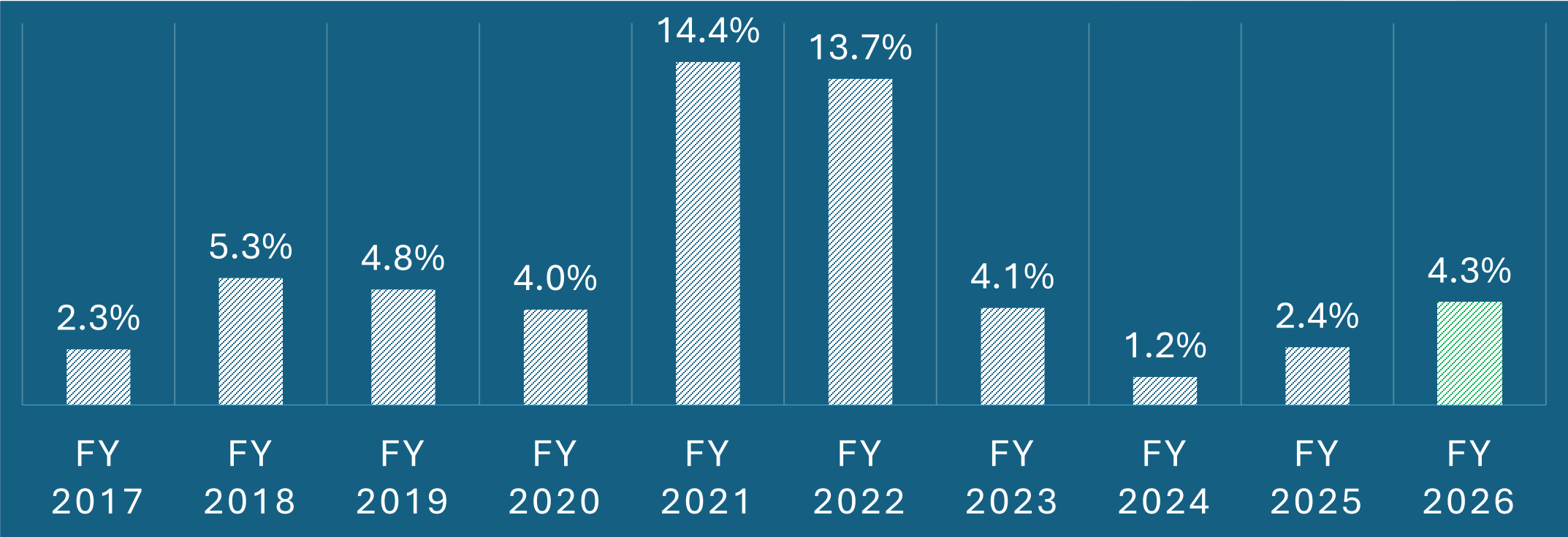
Category	FY 2025 Budget	FY 2025 Actuals	Over/(Under) Budget	Budget/Actuals % Variance
Property Taxes.....	\$277,572,261	\$280,437,527	\$2,865,266	1.0%
Sales Taxes.....	140,926,534	140,655,984	(\$270,550)	-0.2%
Franchise Fees.....	65,925,257	58,655,922	(\$7,269,335)	-11.0%
Charges For Services.....	32,879,851	34,724,936	\$1,845,085	5.6%
Fines And Forfeitures.....	8,201,497	7,099,800	(\$1,101,697)	-13.4%
Licenses And Permits.....	12,352,877	12,344,927	(\$7,950)	-0.1%
Intergovernmental	3,135,548	3,631,933	\$496,385	15.8%
Interest.....	2,500,000	9,719,564	\$7,219,564	288.8%
Rents And Other.....	15,667,051	12,847,540	(\$2,819,512)	-18.0%
Operating Transfers In....	40,574,031	39,120,487	(\$1,453,544)	-3.6%
Total Revenue.....	\$599,734,907	\$599,238,619	(\$496,288)	-0.1%

City Sales Tax Collections

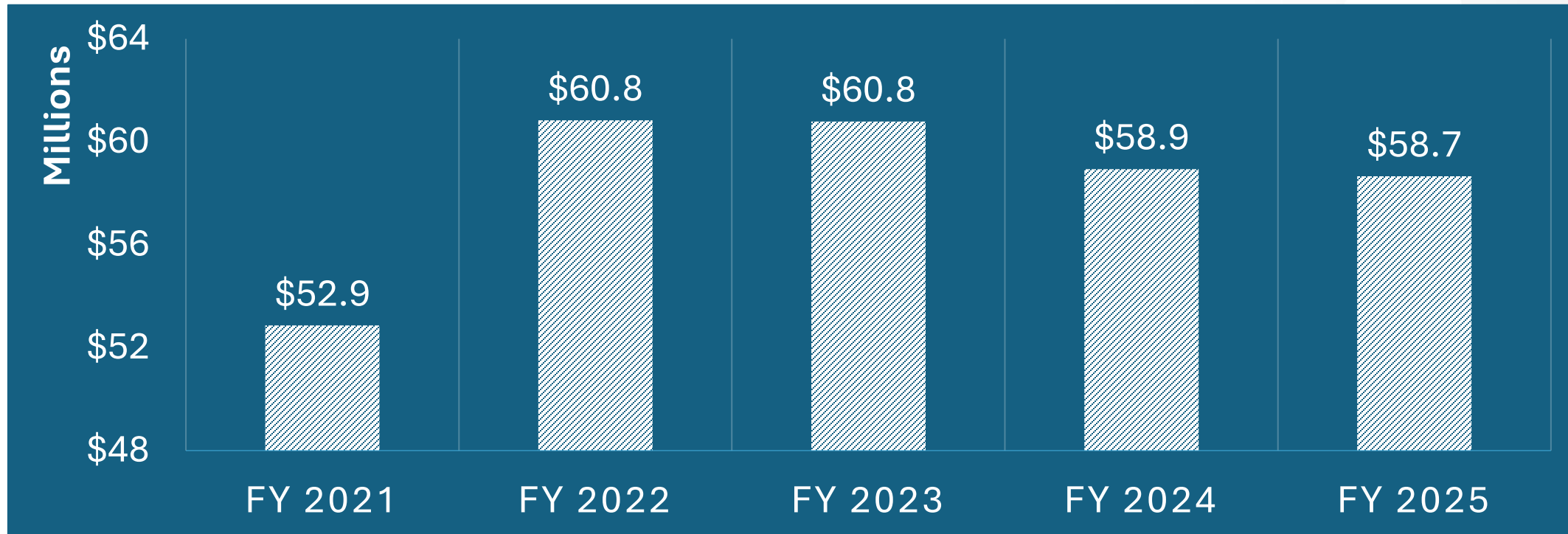
MONTH	FY 2024	FY 2025	\$ VARIANCE	% VARIANCE
September	11,065,222	10,154,526	(910,696)	-8.2%
October	10,349,977	11,336,315	986,339	9.5%
November	11,113,470	11,138,909	25,439	0.2%
December	13,406,378	15,372,624	1,966,245	14.7%
January	10,100,723	10,516,516	415,792	4.1%
February	10,090,361	9,816,627	(273,734)	-2.7%
March	11,734,602	11,680,540	(54,062)	-0.5%
April	10,649,010	10,875,631	226,621	2.1%
May	11,035,709	11,378,683	342,974	3.1%
June	11,569,270	11,877,159	307,889	2.7%
July	12,026,821	11,600,432	(426,389)	-3.5%
August	10,423,554	11,036,483	612,930	5.9%
Total	\$133,565,098	\$136,784,445	\$3,219,347	2.4%

City Sales Tax Variance

FY 2017-2025 Actual and FY 2026 Budget

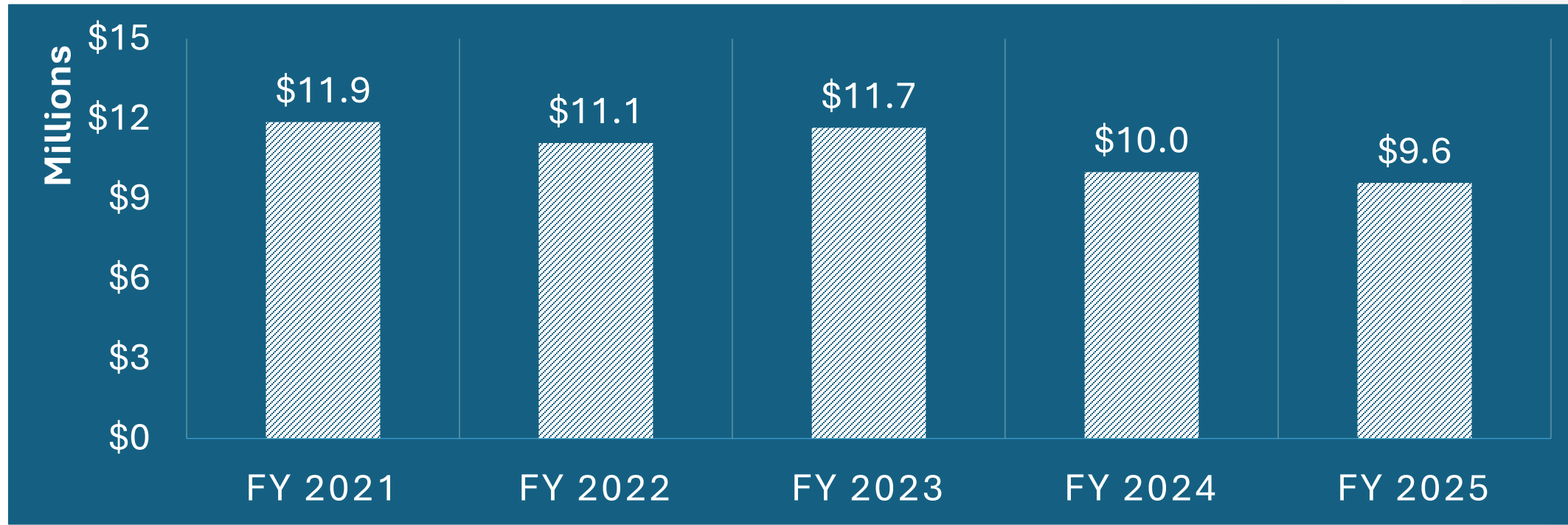


Franchise Fees

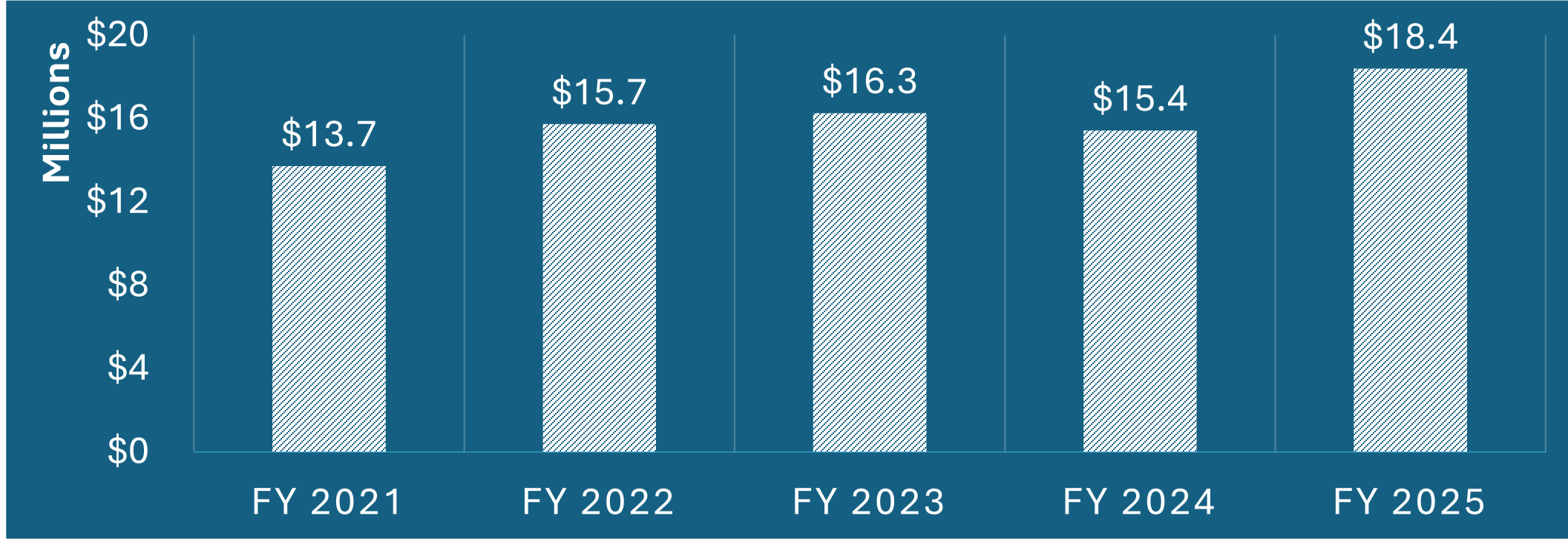


Licenses & Permits

Planning & Inspections Dept



Bridges Transfer to General Fund



General Fund

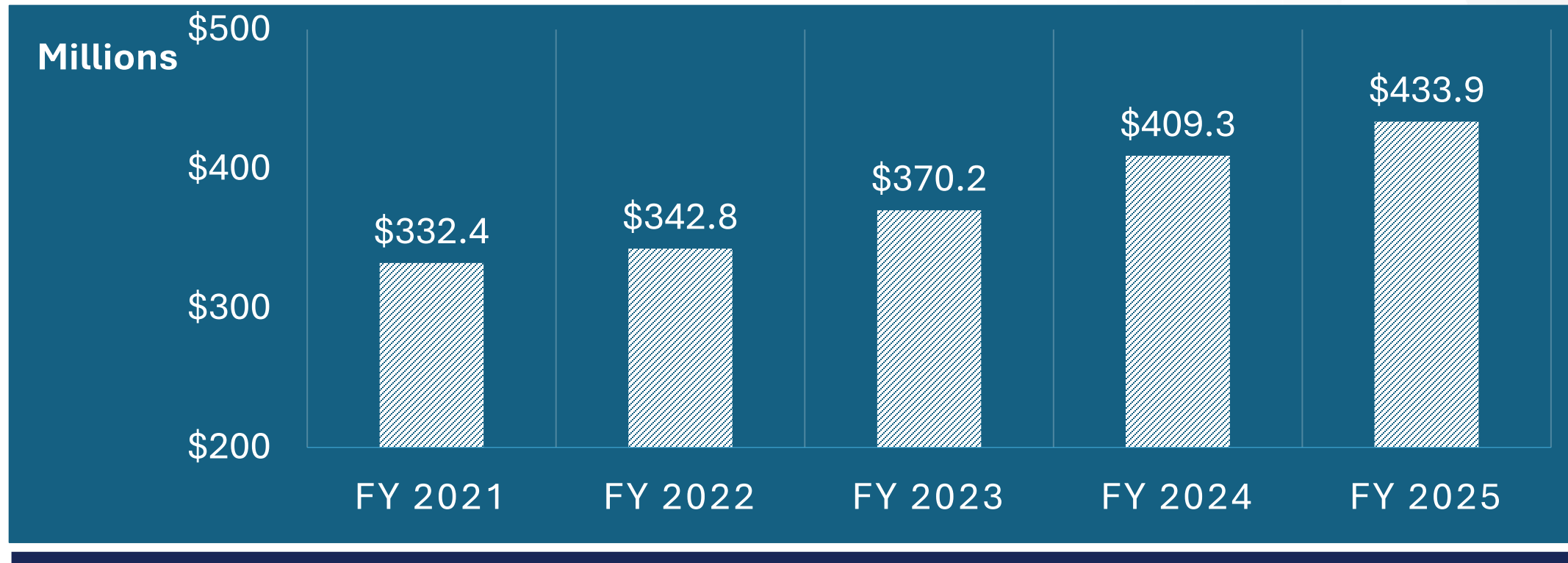
Expenditure Highlights

- Civilian salaries exceeded budget by \$1.3 million
- Overtime exceeded budget by \$2.5 million (civilian \$2.1 million and fire \$981K)
- Fire incentive pay and sick leave payoff exceeded budget by \$1.2 million
- Water expenses exceeded budget by \$1.4 million
- Legal costs exceeded budget by \$1.0 million due to Utilities cases
- Transfers exceeded budget by \$3.0 million due to required transfer to Cash (Restricted) Reserve fund – offset by corresponding revenue in same fund

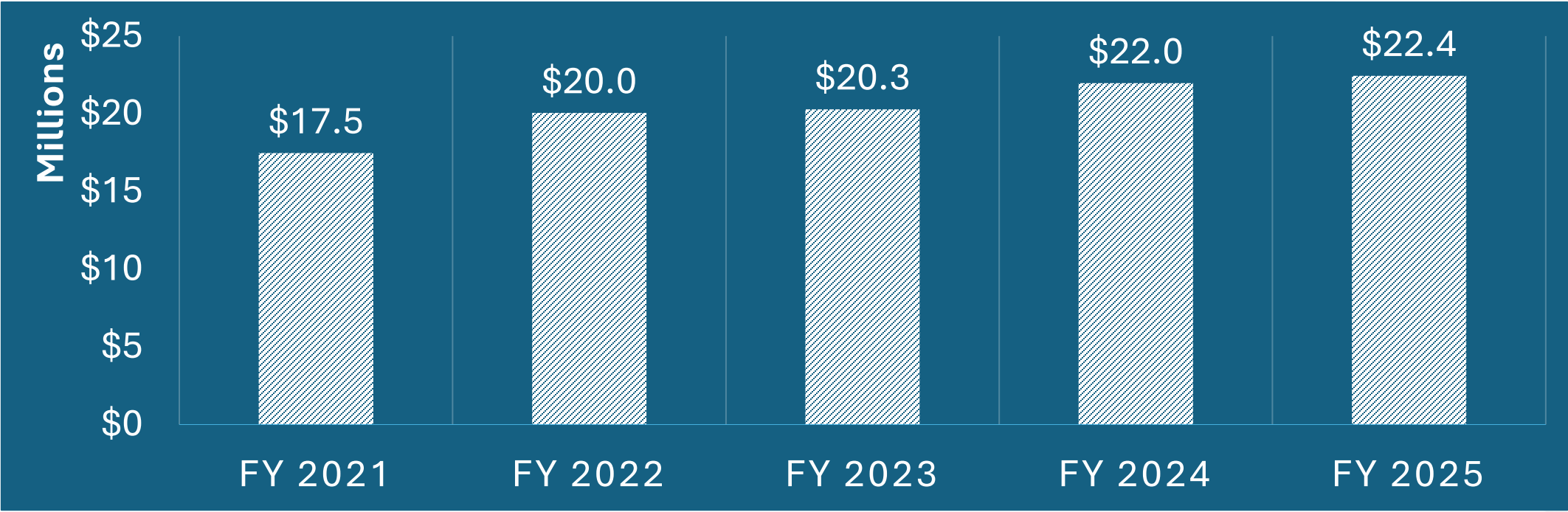
General Fund Expenses

Category	FY 2025 Budget	FY 2025 Actuals	(Over)/Under Budget	Budget/Actuals % Variance
Personal Services	\$428,149,432	\$433,928,304	(5,778,872)	-1.3%
Contractual Services.....	59,762,234	59,558,731	203,504	0.3%
Materials & Supplies....	32,978,564	30,856,008	2,122,556	6.9%
Operating.....	30,629,300	30,529,643	99,656	0.3%
Non-Operating.....	1,860,423	2,183,411	(322,988)	-14.8%
Intergovernmental.....	1,660,689	1,252,655	408,034	32.6%
Transfers.....	43,452,077	46,728,568	(3,276,491)	-7.0%
Capital.....	1,242,184	1,091,910	150,274	13.8%
Total Expenditures.....	\$599,734,904	\$606,129,231	(\$6,394,328)	-1.1%

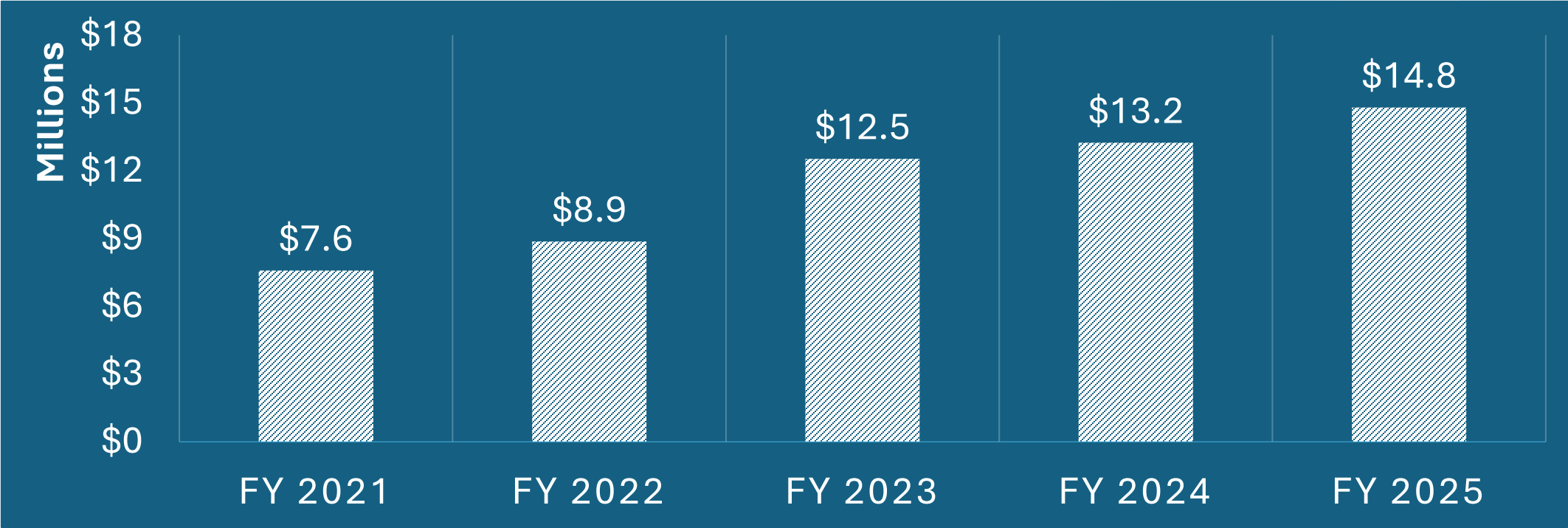
Salaries, Benefits, and Taxes



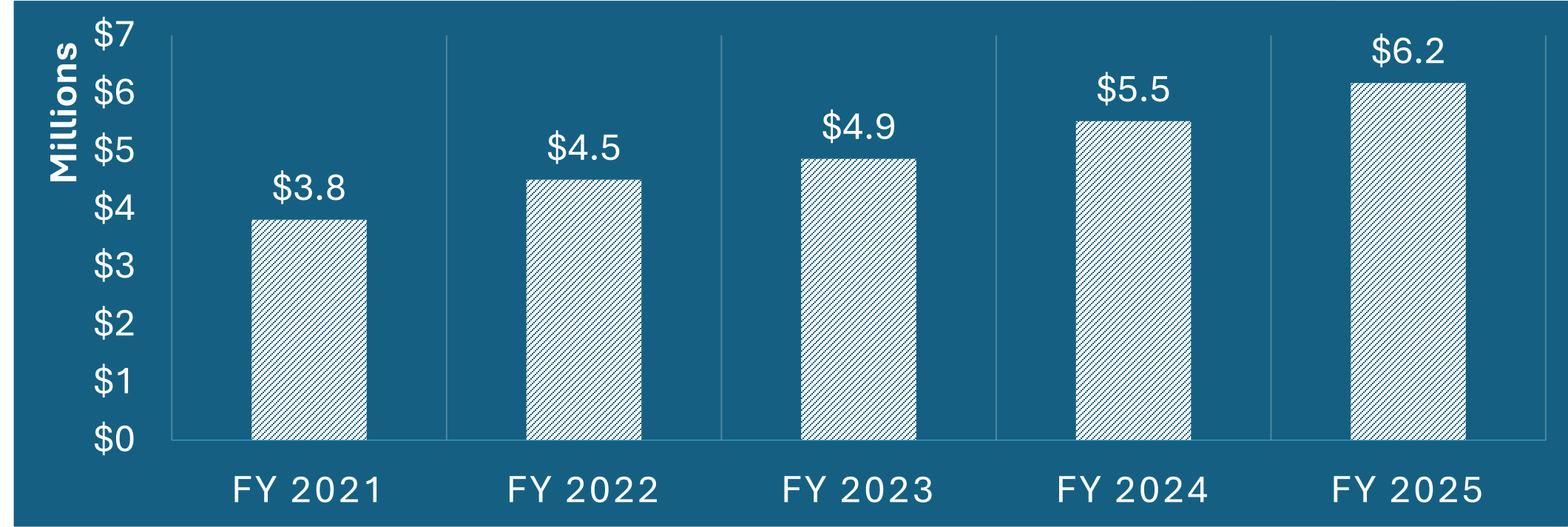
Utility Expenses



Information Technology Contracts

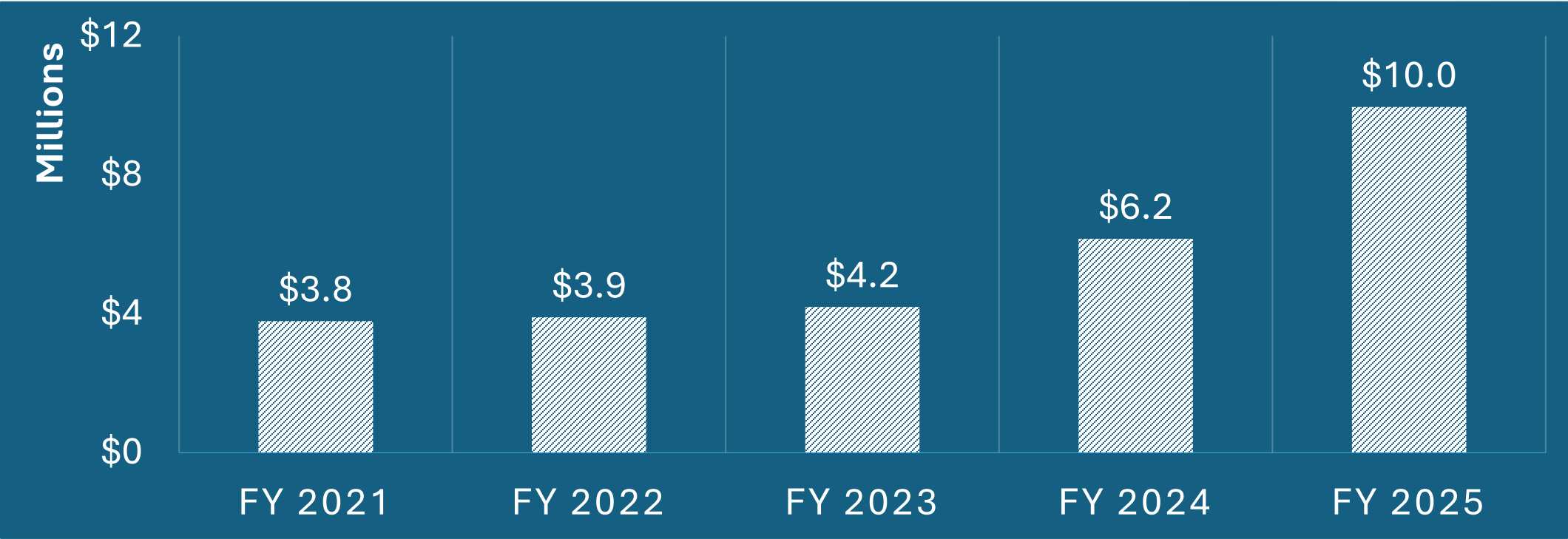


Appraisal Services – Central Appraisal District



Animal Services

(Transfer from General Fund)



In Summary

- Multi-year outlook is critical to ensure sustainability
- Use of one-time revenue should be minimized or not used
- Deferring investment results in impacting operations and increased future replacement costs
- Shift to Program Based Budgeting will emphasize community-focused outcomes, strategic resource allocation, and transparency in how we utilize our resources

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

Summary by Department

Expenses (Department)	FY 2025 Budget	FY 2025 Actuals	Budget/Actuals \$ Variance
Capital Improvement.....	\$8,102,901	\$7,281,713	\$821,188
City Attorney.....	6,272,671	7,754,425	(1,481,754) legal costs - utilities
City Clerk.....	3,162,819	2,636,904	525,915
City Manager.....	3,051,390	3,040,632	10,758
Community Development.....	2,314,680	1,965,239	349,441
Economic Development.....	2,959,976	2,737,295	222,681
Fire.....	148,681,926	152,537,257	(3,855,331) Incentive pay, OT, sick payoff, EFSP expenses
Human Resources.....	4,485,366	4,009,857	475,509
Information Technology.....	26,480,762	26,229,877	250,886
Internal Audit	\$1,177,566	\$1,000,570	176,997
Library.....	12,055,846	12,306,010	(250,164) Personnel Costs (pay increases)
Mayor & Council.....	2,406,661	2,178,183	228,479
Municipal Court.....	6,768,995	6,275,631	493,364
Museum and Cultural Affairs	7,635,249	7,673,564	(38,315) Personnel Costs (pay increases)
Nondepartmental.....	28,420,612	33,922,904	(5,502,292) \$3M lump sum attrition, \$3M xfer to Cash Reserve
Comptroller.....	3,774,124	3,732,612	41,512
Parks and Recreation.....	50,493,499	50,212,627	280,872
Planning & Inspections.....	9,397,347	8,958,198	439,149
Police.....	190,806,375	189,340,411	1,465,964
Public Health.....	8,267,731	8,552,869	(285,138) Personnel Costs (pay increases)
Purchasing.....	2,589,202	2,083,216	505,986
Streets & Maintenance.....	62,548,663	63,174,705	(626,042) Water expense \$1.4M over
Zoo.....	7,880,541	8,524,533	(643,992) Personnel Costs (pay increases)
Total Expenditures.....	\$599,734,904	\$606,129,231	(\$6,394,328)

Summary by Category

Expenses (Category)	FY 2025 Budget	FY 2025 Actuals	(Over)/Under Budget	
SALARIES & WAGES.....	\$310,224,445	\$314,422,949	(\$4,198,505)	Incentive pay, OT, sick payoff, EFSP expenses
EMPLOYEE BENEFITS.....	117,924,987	119,505,355	(1,580,368)	police and fire pension
CONTRACTUAL SERVICES.....	1,840,330	1,837,310	3,021	
PROFESSIONAL SERVICES.....	11,863,529	13,104,603	(1,241,073)	external legal counsel
OUTSIDE CONTRACTS.....	38,450,029	37,516,349	933,681	
INTERFUND SERVICES.....	4,940,289	5,439,823	(499,534)	vehicle maintenance
OPERATING LEASES.....	2,668,057	1,660,647	1,007,410	
FUEL & LUBRICANTS.....	3,562,108	3,424,296	137,812	
MATERIALS & SUPPLIES.....	17,106,038	15,814,706	1,291,332	
MAINTENANCE & REPAIRS.....	9,067,752	8,767,856	299,896	
MINOR EQUIP/FURNITURE.....	3,242,666	2,849,150	393,515	
COMMUNICATIONS.....	2,303,242	2,106,054	197,187	
UTILITIES.....	20,361,670	22,440,173	(2,078,503)	water expenses
TRAVEL.....	673,210	461,120	212,091	
OTHER OPERATING	7,291,177	5,522,296	1,768,881	
COMMUNITY SERVICE PROJECTS...	151,893	25,834	126,059	
INTEREST EXPENSE.....	-	172,634	(172,634)	Accounting entry - GASB 87-Lease Interest Expense
OTHER NON-OPERATING	1,708,530	1,984,942	(276,413)	Accounting entry - GASB 87-Principal Expense
GRANT MATCH.....	1,660,689	1,252,655	408,034	
OPERATING TRANSFERS OUT.....	43,452,077	46,728,568	(3,276,491)	\$3.2M transfer to Cash Reserve Fund Balance
CAPITAL EXPENDITURES.....	1,242,184	1,091,910	150,274	
Total Expenditures.....	\$599,734,904	\$606,129,231	(6,394,328)	

General Fund Balance

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Category		Beginning FY 2025	Beginning FY 2026	Description
	Restricted	25,683,429	28,891,756	Externally enforceable limitations (Charter requires 5% of prior yr budget)
Unrestricted	Committed	92,786,737	96,877,583	Limitations imposed by the City on itself (Stabilization Funds)
	Assigned	2,200,000	0	Earmarked for an intended use
	Unassigned	40,577,933	28,588,139	All remaining fund balances
Total		\$161,248,099	\$154,357,478	