



Budget Update

December 7, 2021

Agenda

- Budget Challenges – revenue growth
- Addressing Priorities and Needs
- Future Cost Drivers

Limited Annual Revenue Growth



- Growth in revenue comes from two sources
 - Property taxes
 - Tax base – primarily residential, but recent strong growth in commercial
 - City and State discounts (exemptions) impact revenue growth
 - Sales taxes
 - Historically slow and steady growth, but recent unprecedented growth
 - Retail is largest sector
 - Inflationary pressures and unknown future growth
- Many factors impact growth, but regional economic development is key

Limited Annual Revenue Growth

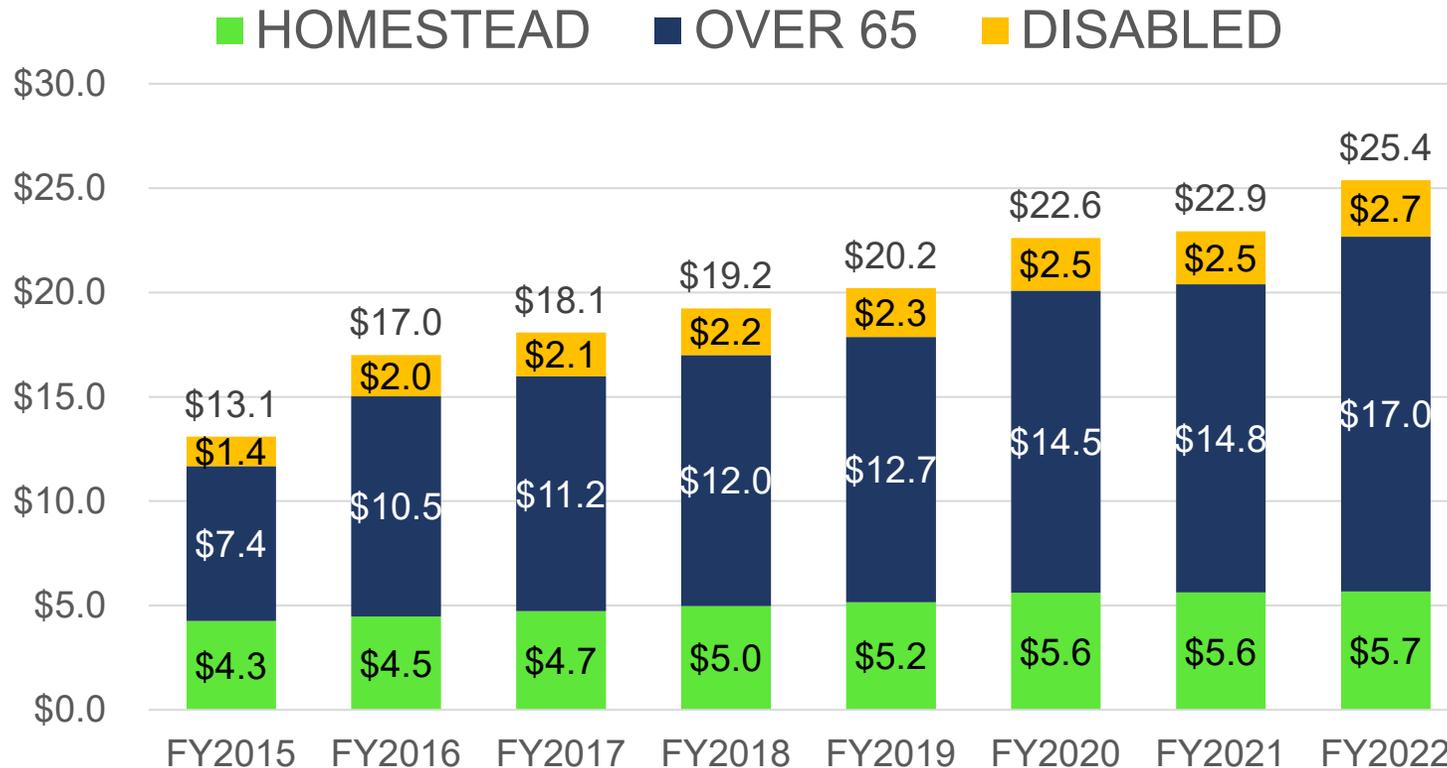
- Revenue growth being impacted by City and State actions
- Senate Bill 1152 – impacted revenue generated from telecommunication franchises
- Red Light Camera – elimination of revenue source
- Median maintenance on State roads – City forced to takeover after defunding by State
- Increased discounts (exemptions) for those over 65 or disabled
- State exemptions for disabled veterans and spouses (military communities disproportionately impacted)
- S.B. 2 – limiting property tax increases on local governments



Limited Annual Revenue Growth



Tax Relief for Seniors and Disabled



- On June 2021 City Council approved increasing the exemption for the Over 65 and Disabled Homesteads from \$40,000 to \$42,500
- In 2012 City Council approved increasing the exemption for Over 65 and Disabled homesteads from \$30,000 to \$40,000 effective in 2015
- Total Tax Relief \$12,500

A Focus on Priorities and Needs

- Ensure Long-term financial sustainability
- Complete Quality of Life Bond Projects – continued operations and maintenance costs
- Continue Public Safety investments – Staffing
- Focus on Critical infrastructure – pay-go funding street maintenance
- Continue Workforce Investments – Compensation and Healthcare

MINIMIZING DEBT & ADDRESSING DECADES OF NEGLECT

(SINCE FY2016-FY 2022)

High Performing Government

\$70M in public safety investments
with \$18.9M in capital replacement

\$43.3M in street maintenance and
traffic safety

\$49.7M in quality of life operating and
maintenance for sports complexes
and sports court resurfacing



Quality of Life Bond Projects



Total of 165 projects completed

Adrian Garcia Park

Angora Loop Median Improvements NIP III

Argal Park at Las Palmas (Las Palmas/Pendale Community Park)

Aztec & Navajo SW Gap NIP III

Aztec and Mescalero Traffic Circle

Balsam Sidewalk Gaps

Barron Park

Bartlett Park Improvements

Blackie Cheshier Flat Field Installation

Blackie Cheshier Lighted Flat Fields (Outdoor Sports Field Lighting)

Blackie Cheshier Metal Shade Canopy

Bookmobile Purchase

Borderland Park Improvements NIP III

Brisa Del Este Park Improvements

Carlos Bombach Park (NIP)

Chamizal Recreation Center

Chihuahuan Desert Exhibit Complex

Chuck Heinrich Park (NIP)

Cielo Vista Ramps (NIP II)

Cimarron Unit 1 Metal Shade Canopy

Citywide Play Equipment Installation Group 1

Citywide Play Equipment Installation Group 2

Clardy Fox Library Renovations

Clifford Ponding Area Improvements NIP III

Coronado Curb Cut Improvements (NIP)

Coyote Park - Citywide Canopy Installation

Coyote Park Amenities NIP III

Crestmont Canopy over playground

Crestmont Park Improvements

Dick Shinaut Canopy over playground

Digital Wall (History Museum)

Roof Drain Alterations

Digital Wall @ History Museum

District 2 Lost Kingdom Water Park

District 4 Neighborhood Water Park

District 7 Chapoteo Neighborhood Water Park

Downtown Benches (NIP)

Downtown Pedestrian Pathways

Plaza/EPMA Loading Area, Sheldon Court, Convention Center Improvements

E.L. Williams Park Improvements-NIP II

East Cave Park (Tierra Del Este #64) Improvements- NIP II

Eastside Regional Park Phase 1:

Oasis Water Park

Recreation Center

50 Meter Pool

Eastside Senior Center (Pebble Hills) Expansion

Eastside Sports Complex Design/Build Phase 1

Eastwood Dam – Wrought Iron Gate Improvements (NIP)

Eastwood (Album) Metal Shade Canopy

Edgemere Park NIP III

Escondido, Robles & Espada SW Gaps NIP III

Esperanza Moreno Library Improvements

Ethel & Edgar Sidewalk Gaps (NIP II)

Gallagher Street Sidewalk Improvements (NIP)

H.T. Ponsford Park Improvements- NIP II

Haddox Family Park Improvements

Hawkins Pool Roof Replacement

Historic Entrance Sign - Manhattan Heights neighborhood- NIP II

Houston Park Improvements NIP III

Hugo Meyer & Galaztan Sports Lighting

Irwin J Lambka Metal Shade Canopy

Jack D Quarles Park Improvements NIP III



Quality of Life Bond Projects



Total of 165 projects completed

James Grant Area Residential Street Lights NIP III

James Schwitters Park (Fiesta/Coronado Park)

Jan Sumrall Trailhead Playground Installation

John Lyons/ Cheryl Ladd Park QOL

Johnson Basin

Jorge Montalvo Park Improvements

Jose Cisneros Library Improvements

Judge Marquez Branch Library

Little River Park Improvements (NIP)

Lomaland Park Improvements (NIP)

Love Road crosswalk and landscaping NIP II

Madeline Park (NIP)

Madeline Park Improvements

Magoffin Park

Marty Robbins Canopy over Playground

McKelligon Canyon Pavilion Structural Evaluation

Memorial Park Library Branch Expansion

Mission Hills Park Improvements (NIP)

Montoya Heights Park Improvements NIP III

Mountain View Park Improvements

Mountain View Park Lights Improvements NIP III

Museum of Archaeology ADA upgrade

Museum of Archaeology Gazebo

Museum of Art Gallery Upgrade

Museum of Art Roof Replacement and HVAC Upgrade

Museum of History Track Lighting

N. Carolina Retaining Wall

N. Carolina Speed Indicator Signs NIP III

Nations Tobins Metal Shade Canopy

Newman Park Improvements (NIP)

Newman Park Metal Shade Canopy

Northeast Regional Park – Skate Park

Palm Grove Park Improvements

Paseos Del Sol Park Improvements

Patriot Place Park Improvements (NIP)

Pavo Real Enhanced Spray Park

Pico Norte Outdoor Sports Field Lighting

Polly Harris Doors

Ponder Park Improvements(All Abilities Playground)

Ponder Park Outdoor Sports Field Lighting

Pueblo Viejo Park Improvements- NIP II

Pueblo Viejo Park Picnic Table Canopies - NIP III

Pueblo Viejo Park Improvements- NIP IV

Radford Park

Ranchland Hills Lights (NIP II)

Richard Burges Library Renovation

Rim Area Street Signs

Rim Road/Upper Tom Lea Park Improvements-NIP II

Rosedale Neighborhood Mile Markers-NIP II

Rutherford Curb Cut Improvements NIP III

Sal Berroteran Outdoor Sports Field Lighting



Quality of Life Bond Projects



Total of 165 projects completed

Salamanca and Pejamo ADA Ramps

Salvador Rivas Spray Park

San Jacinto Plaza

Sandstone Ranch Estates metal Shade Canopy

Sandstone Ranch Estates Park Improvements-NIP II

Sandstone Ranch Metal Shade Canopy

Sergio Troncoso (Ysleta) Library Improvements

Sergio Troncoso (Ysleta) Library Parking Lot Phase I & II

Shawver Outdoor Sports Lighting

Shawver Park Improvements NIP III

Shawver Renovate Sports Fields

Socorro Rd. Landscaping Improvements NIP III

South American Pavilion Improvements

Sport Field Lighting (Veterans, Nations Tobin, Capistrano)

Stiles Park Handball Court

Sue Young Sports Lighting

Summit Fillmore Park Improvements (NIP)

Sun City Lights – District 5

Sunrise Park Restroom Improvements (NIP)

Sunset Heights and Old San Francisco Historic District Street Signs

Sylvia Carreon (Lomaland) Recreation Center

Thomas Manor Park Improvements-NIP II

Todd Ware Park Improvements

Todd Ware Park Improvements-NIP II

Trailhead Parking Areas and Amenities - 1000 Steps

Trailhead Parking Areas and Amenities - Lazy Cow

Trailhead Parking Areas and Amenities - Jan Sumrall

Trailhead Parking Areas and Amenities Roundhouse

Travis White Park Improvements

Trowbridge Sidewalk Gap (NIP II)

Valle Bajo (Alameda) Recreation Center/Library Combo & Alameda Flat fields

Valle de Las Misiones Street Lights (NIP)

Ventanas Destiny Metal Shade Canopy

Valley View Street Lights (NIP)

Vista Del Valle Canopy over playground

Wayne Retention Pond Rock Wall - NIP III

Westside Pool

Yucca Metal Shade Canopy

Yucca Park Improvements

Zoo - Africa Red River Hog Exhibit

Zoo - Africa Wild Dog

Zoo - Animal Holding Phase I Improvements

Zoo - Carousel Site Development

Zoo - Education Animal Holding

Zoo - Event Tent

Zoo - Event Tent (additional shade)

Zoo - Giraffe Shade (Support Elements)

Zoo - Kalahari Improvements

Zoo - Reptile Building

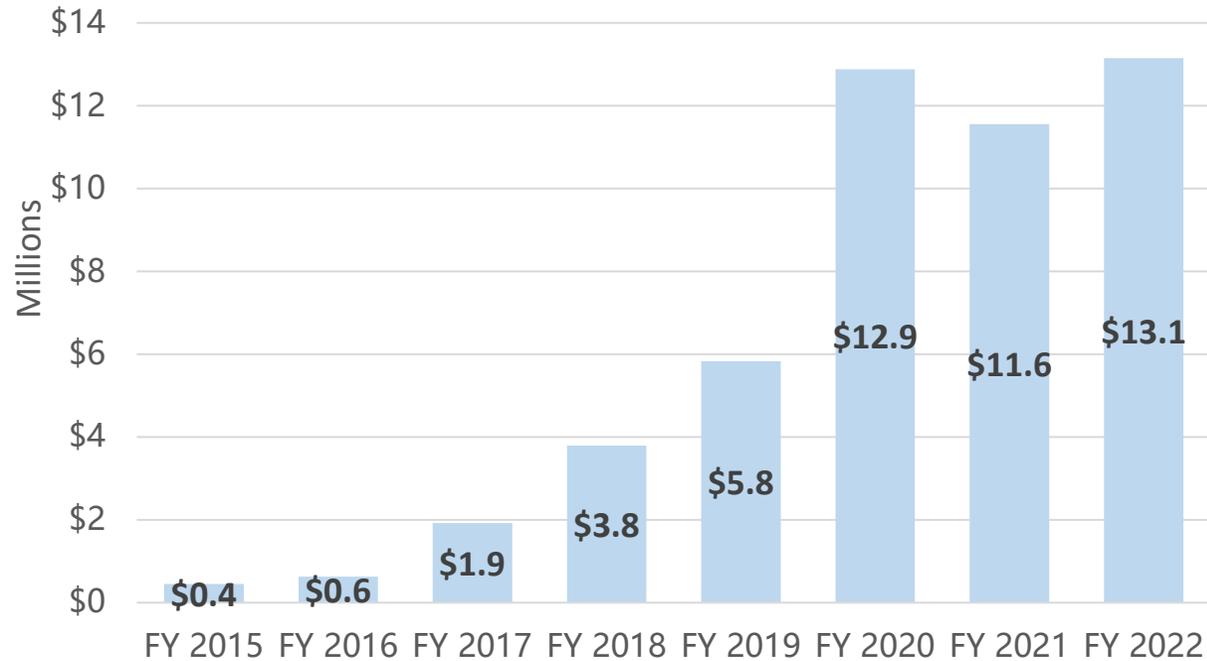
Zoo - South American Aviary

Zoo - Wildlife Theater

Summit Fillmore Park Improvements NIP III



Quality of Life Bond Projects Cumulative Operations and Maintenance (millions)

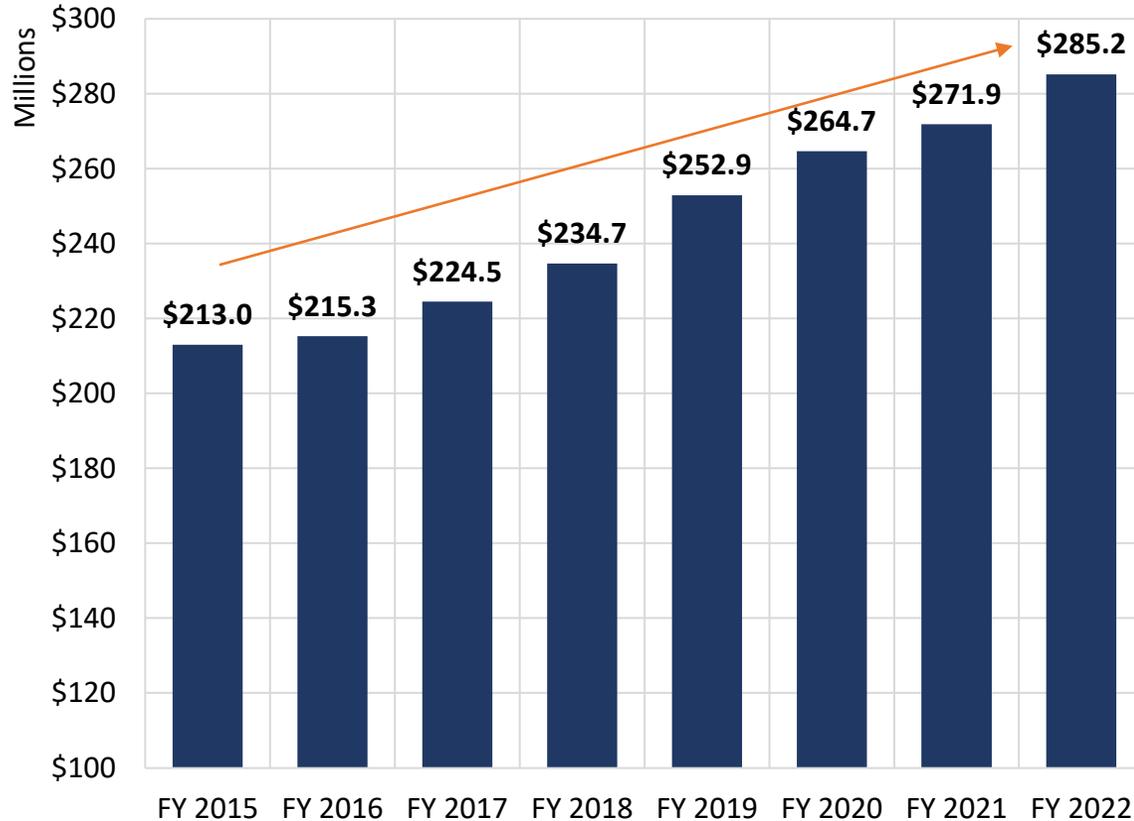


- 165 Projects completed
- \$49.7M in total investment for quality of life operating
- 300+ FTEs added for new Quality of life operations

Expanded Investment in Public Safety



Police and Fire Annual Budgets



Staffing

- Since the summer of 2015 (FY 2016) the Police and Fire budgets have increased by \$70 million, or 32%
- Police staffing plan to add a net increase of 300 Officers began in FY 2016
- Additional investments include the Crisis Intervention Team and an increase 911 Communicators

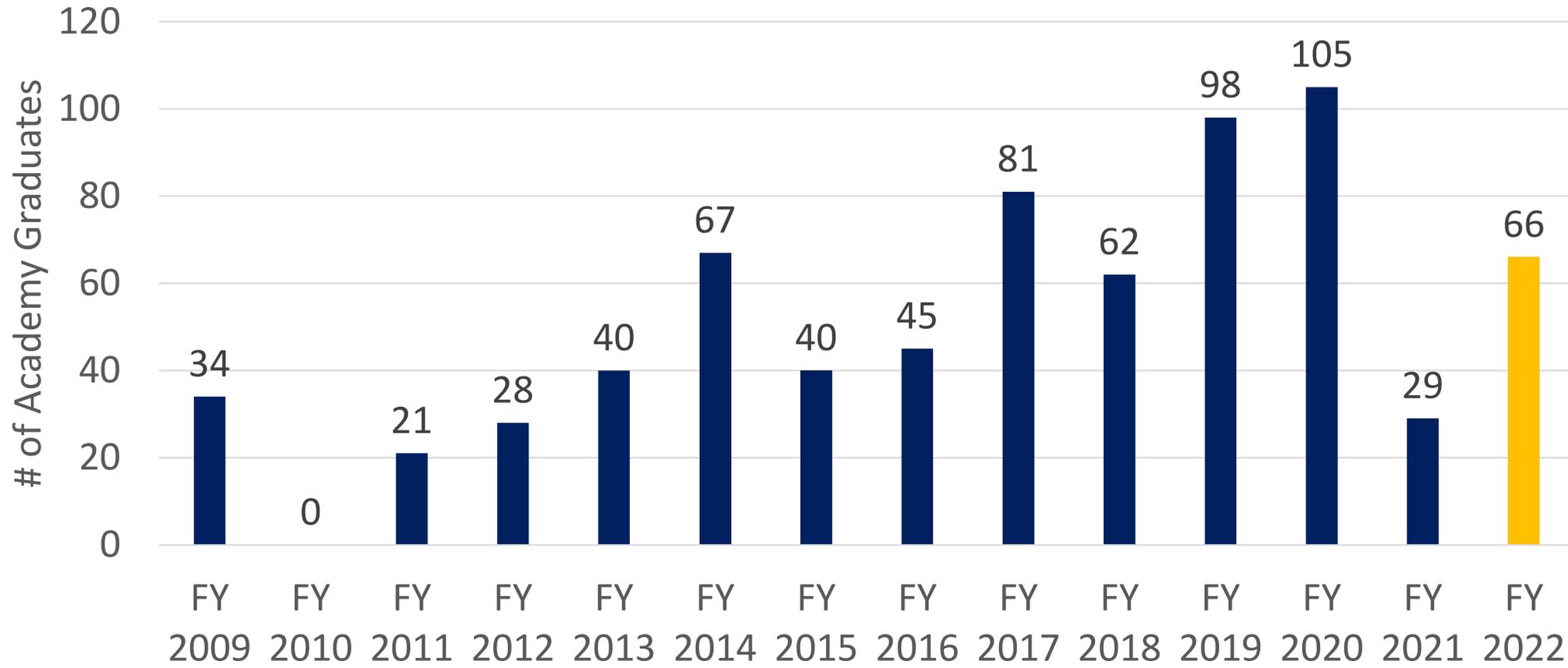
Fleet/Capital Replacement

- Summer of 2019 the budget included \$4 million for fleet and capital replacement
- Summer 2021 the budget included \$7.8 for fleet and capital replacement

2019 Public Safety Bonds

- \$167.3 million, or 40%, of the total \$413.1 million in bonds have been issued

Academy Graduates

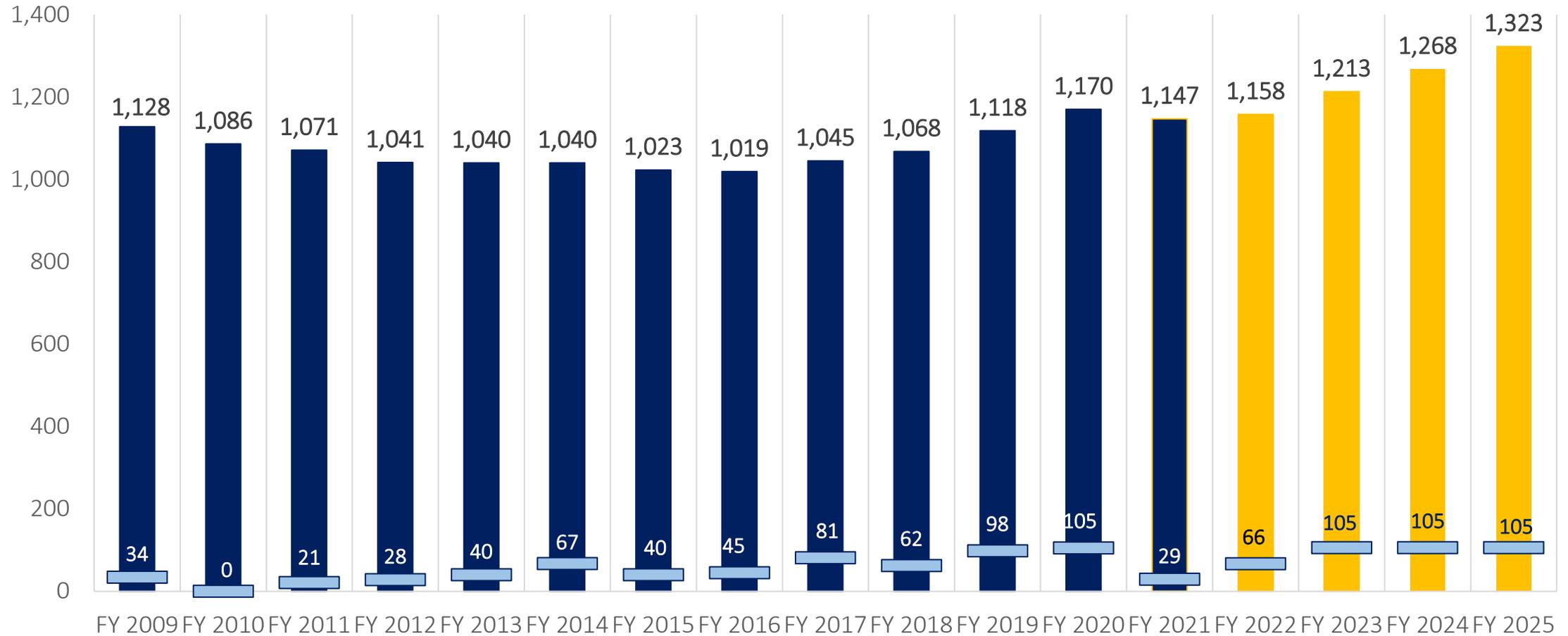


**FY 2022 is an estimate based on current number of cadets and subject to change.*

Future Police Academies

	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Academy 1	40	40	40	40	40
Academy 2	40	40	40	40	40
Attrition	25	25	25	15	14
	105	105	105	95	94
Net Increase	55	55	55	35	35
Cost	\$ 3,589,099	\$ 3,582,717	\$ 3,571,548	\$ 3,247,280	\$ 3,215,053

Uniformed Police Staffing and Academy Graduates



*FY 2022 – FY 2025 are estimates (includes assumptions on attrition and number of academy graduates to reach net 300 increase by FY 2025)

Street Investment

Pay-go Funding

Category	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
NTMP	-	-	-	-	200K	200K	250K
ADA On Demand	500K	250K	516K	500K	500K	-	500K
Residential Resurfacing	-	-	-	7.0M	6.6M	-	17.0M
Arterial Resurfacing	-	-	-	-	1.5M	3.0M	3.0M
Vision Zero	-	-	-	-	-	-	1.8M
Total	500K	250K	516K	7.5M	8.8M	3.2M	22.55M

Total Investment of \$43.3 million



Workforce Investment Compensation and Healthcare Increases

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Civilian Compensation Increases	ATB 1.5%	ATB 2.0%	ATB 1.5%	ATB 1.0%	Lump Sums \$600/\$300 & \$300/\$150	Equity Adjustments + 1.5% ATB + Lump Sums \$500/\$250 (Everyone)
Total Investment - Compensation & Healthcare	\$ 3.3 M	\$ 5.0 M	\$ 2.2 M	\$ 1.2 M	\$ 4.9 M	\$ 9.3 M

- Six consecutive years of compensation increases
- Two consecutive years with no healthcare increases for employees in FY 2021 & FY 2022
- Total Investment in our workforce of **\$25.9 million**

*ATB = Across the Board

Please note that FY 2022 lump sums includes both civilian and uniform employees

Future Cost Drivers

- Collective bargaining agreements
- Staffing needs
- Public Safety Bonds – increase in staffing needs for police officers and firefighters
- Remaining Quality of Life bond projects operating costs
- Issue remaining debt
- Vehicle replacement and facility renovations



Mission

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

Values

Integrity, **R**espect, **E**xcellence,
Accountability, **P**eople

Vision

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

Misión

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

Valores

Integridad, **R**espeto, **E**xcelencia,
Responsabilidad, **P**ersonas

Visión

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