



# 5-Year Financial Forecast

February 28, 2022



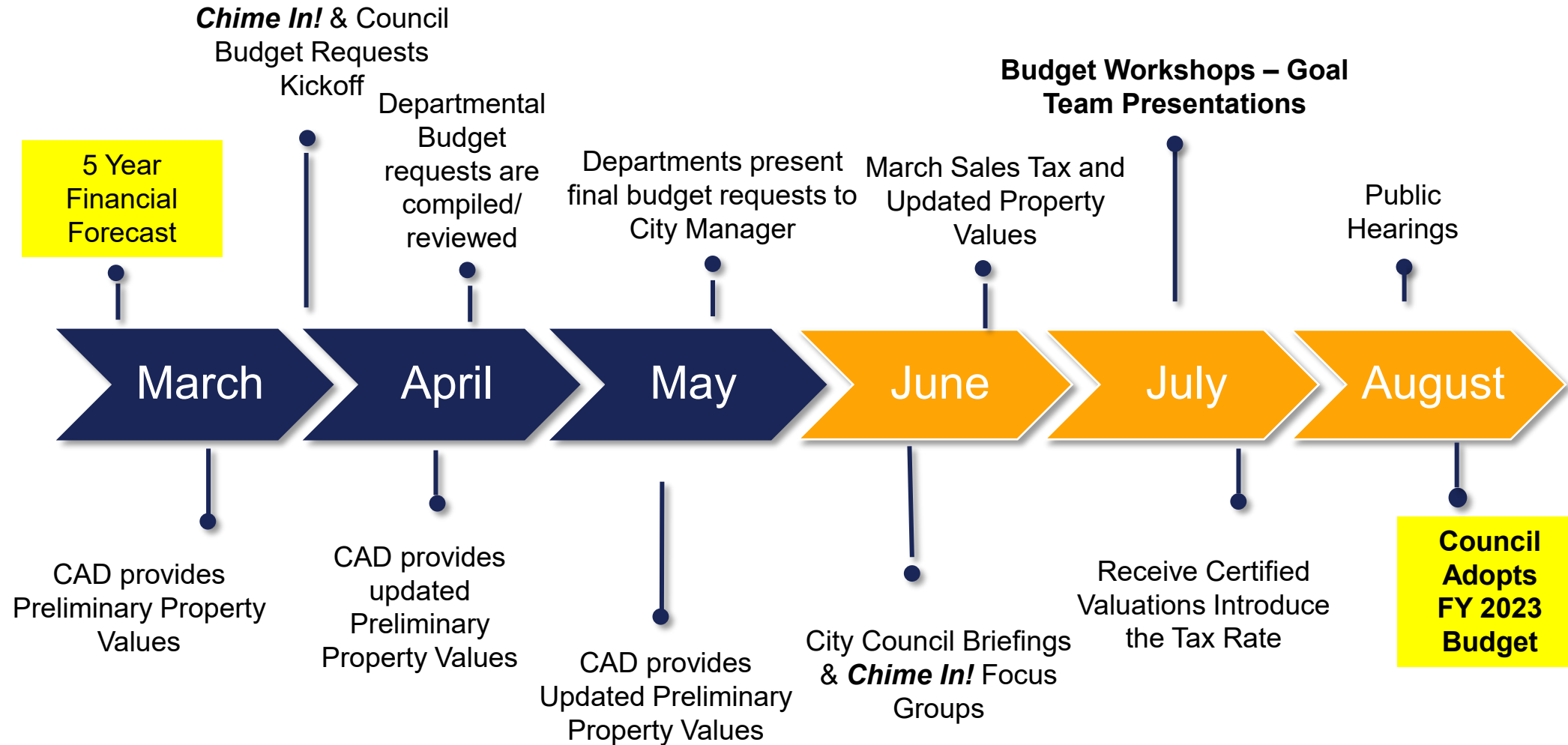
# Agenda

- Budget Calendar
- Budget Challenges
- MYFO FY 2023 – FY 2027
- Expenditures
- Revenues

# Integrated Budget Process



# FY 2023 Budget Process Timeline



# Budget Calendar

- **June 25-27** – Budget Work Sessions
- **July 25** – Receive Certified Tax Roll from Central Appraisal District
- **August 2** – Present Certified Tax Roll and Ordinance Introducing Tax Rate
- **August 9** – Public Hearing on Tax Rate
- **August 16** – Adopt FY 2022 Budget and Tax Rate

# Long-term Financial Sustainability

- Continue to strengthen our long-term financial outlook
- As a **High-Performing Government**, we have implemented systems and processes focused on:
  - Alignment to the Strategic Plan - Financial, Operational, Capital Planning, and Economic Development
  - Implementing best practices (new revenue & cost savings)
  - Being proactive and not reactive
  - Short and long-term sustainability

# Financial Transformation

## Tools and Actions



- Creation of pay-go funding for priorities (streets, public safety, parks, economic development)
- Regional economic development strategy – sales tax
- Evaluate service delivery – eliminate/reduce
- Evaluate electrification of fleet
- Continuous improvement – LSS Projects and Examiner Training
- Utilizing the organization chart to improve alignment and service delivery, while consolidating positions

# Financial Transformation

## Tools and Actions



Strategically save money while increasing revenue:

- Increased reserves every year since 2015
- Stabilization fund created - March 2020
- Organizational restructuring – efficiencies and savings of \$6.4 million in savings
- Existing debt refinancing - create savings of \$46 million in debt refinancing since 2016
- El Paso Electric franchise agreement - \$750K for General Fund and \$5.3M for Economic Development



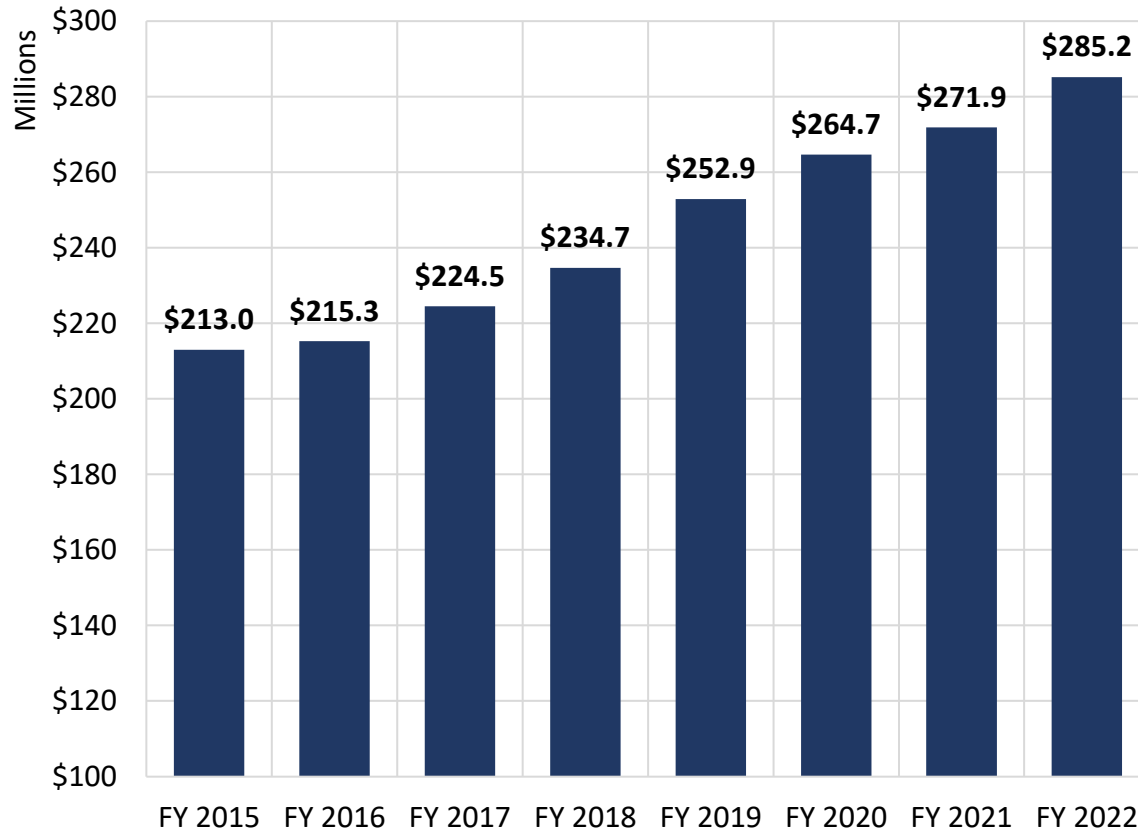
# Budget Priorities – Strategic Objectives

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- Increase police staffing
- 2012 Quality of Life Bond and 2019 Public Safety Bond operation and maintenance costs
- Vision Zero – traffic safety program
- Street resurfacing projects
- Police and Fire vehicle/equipment replacement
- Workforce Investments
- Capital Project funding (remaining debt to be issued)

# 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

# Budget Priorities



- Since 2015 we have invested \$110 million, or the equivalent of 34 cents on the tax rate, in the following cost drivers:
  - Public Safety = \$72 million
  - Quality of life bond operating = \$14 million
  - Street resurfacing = \$38 million
- **The actual tax rate has only increased by 21 cents**

# Budget Challenges

- Unfunded departmental needs (supplemental requests)
- Unfunded Council Budget Requests (potential capital projects)
- COVID-19 impact on services - existing staff and filling vacancies
- Decades of neglect - aging Infrastructure, facilities, and equipment

# Budget Challenges

## Limited Annual Revenue Growth

- Revenue is being impacted by State legislation
- S.B. 2 – limiting property tax increase on local governments (from 8% to 3.5%)
- Median Maintenance on State Roads - City forced to take over after defunding by State
- Senate Bill 1152 – impacted revenue generated from telecommunications franchise
- Red light Camera – elimination funding source for traffic safety

# Future Outlook

- Long-range forecast is intended to:
  - Serve as a planning tool and not a budget
  - Predict what the City will look like (financially) in the future
- The Multi-Year Financial Outlook model is a tool used in the budget development process
- Highlights strategic challenges of customer expectations with limited resources

***The numbers being shown today are estimates and will change.***



## Multi-Year Financial Outlook (MYFO) FY 2023 - 2027

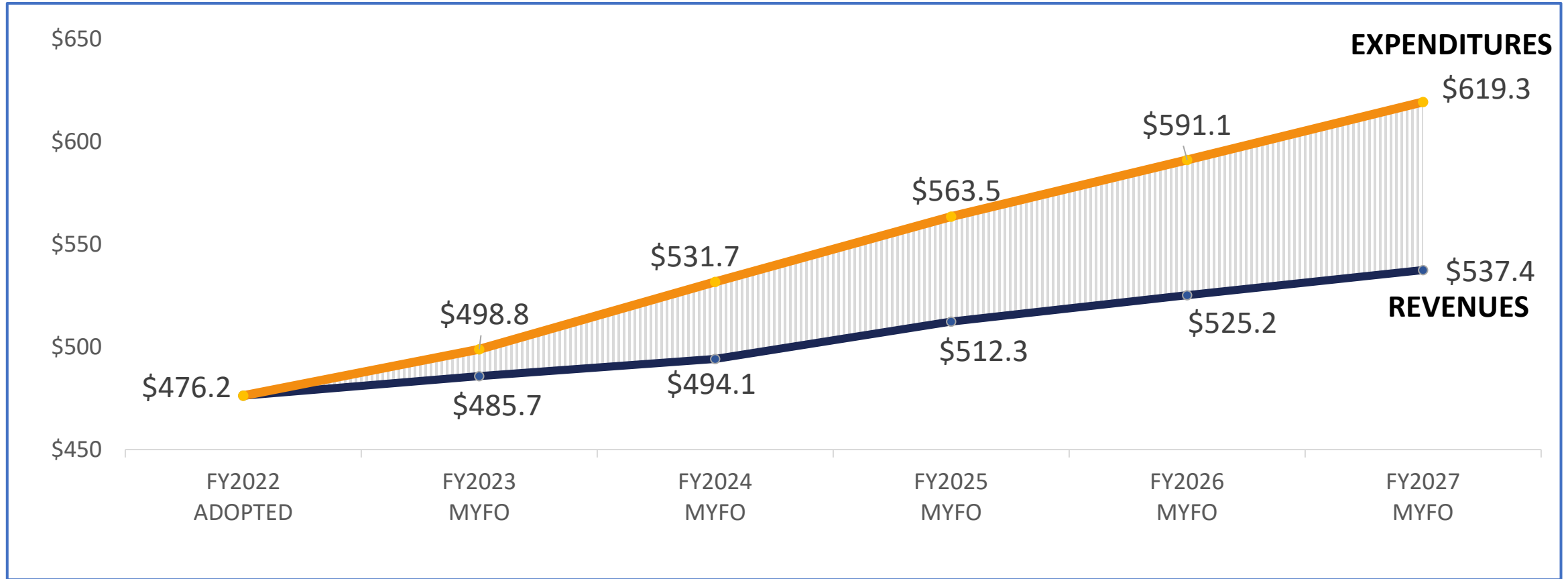
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- Summary includes:
- Methodology
- Economic Forecast
- Expenditure and Revenue assumptions
- General Fund 5-Year projection

Office of Management and Budget  
City of El Paso

*February 2022*

# FY2023-FY2027 MYFO







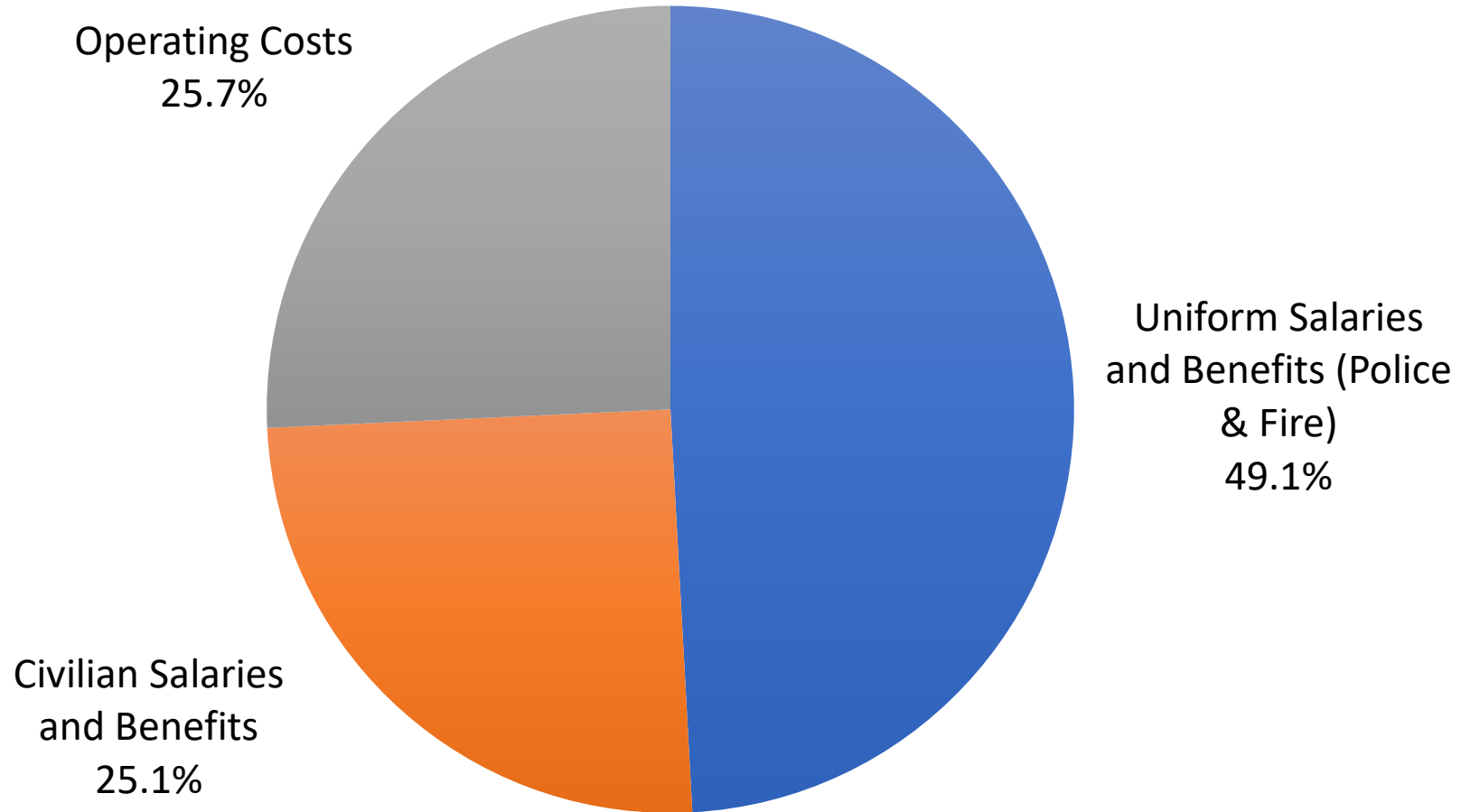
# General Fund Expenditures

# Expenditure Forecast

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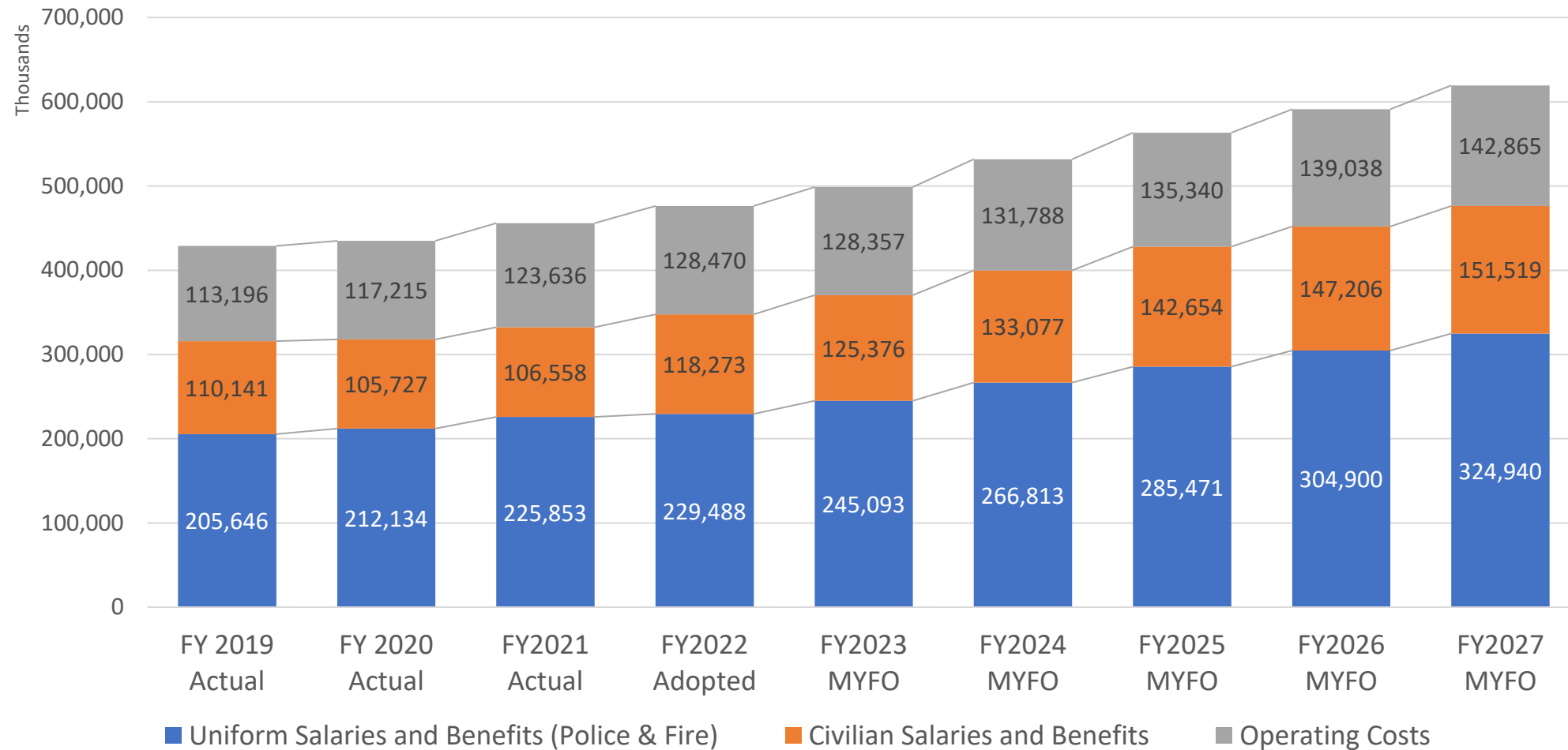
	FY 2019 Actual	FY 2020 Actual	FY2021 Actual	FY2022 Adopted	FY2023 MYFO	FY2024 MYFO	FY2025 MYFO	FY2026 MYFO	FY2027 MYFO
<b>EXPENDITURES BY CATEGORY</b>									
Salaries & Wages	231,603,610	229,587,637	236,640,359	248,559,606	263,837,877	284,334,005	303,576,877	319,078,622	334,415,278
Employee Benefits	84,182,616	88,273,694	95,771,260	99,200,950	106,630,600	115,555,868	124,548,809	133,027,469	142,043,354
Contractual Services	1,062,101	1,010,456	970,629	1,312,907	1,358,859	1,406,419	1,455,643	1,506,591	1,559,322
Professional Services	7,857,587	7,118,156	6,261,405	7,060,354	7,307,466	7,563,228	7,827,941	8,101,919	8,385,486
Outside Contracts	21,652,798	19,926,512	25,372,729	26,440,027	28,465,428	29,461,718	30,492,878	31,560,129	32,664,733
Interfund Services	4,755,150	4,804,316	4,720,667	4,409,994	4,564,344	4,724,096	4,889,439	5,060,570	5,237,689
Building Leases	2,051,059	1,913,075	1,782,421	2,063,382	2,135,600	2,210,346	2,287,709	2,367,778	2,450,651
Fuel & Lubricants	3,088,567	2,879,319	2,947,838	3,312,159	3,428,085	3,548,068	3,672,250	3,800,779	3,933,806
Materials & Supplies	9,757,808	7,944,426	9,254,893	11,921,519	12,338,772	12,770,629	13,217,601	13,680,217	14,159,025
Maintenance & Repairs	3,991,931	4,235,672	4,146,976	6,941,641	7,184,598	7,436,059	7,696,321	7,965,693	8,244,492
Minor Equipment & Furniture	1,208,707	1,010,662	1,086,948	1,317,848	1,363,973	1,411,712	1,461,122	1,512,261	1,565,190
Communications	2,046,396	2,051,052	2,181,871	2,365,816	2,448,620	2,534,321	2,623,022	2,714,828	2,809,847
Utilities	15,713,952	15,895,729	17,466,108	17,727,659	18,348,127	18,990,312	19,654,972	20,342,896	21,054,898
Travel	437,873	265,802	42,496	412,854	427,304	442,260	457,739	473,759	490,341
Other Operating Expenditures	3,062,109	4,770,550	3,791,188	5,252,029	5,435,850	5,626,105	5,823,018	6,026,824	6,237,763
Community Service Projects	438,950	773,203	250,344	148,750	153,956	159,345	164,922	170,694	176,668
Other Non-Operating Expenditures	1,319,064	785,227	691,335	1,475,457	1,527,098	1,580,546	1,635,866	1,693,121	1,752,380
Grant Match	1,302,461	1,224,782	951,329	1,610,978	1,667,362	1,725,720	1,786,120	1,848,634	1,913,337
Operating Transfers Out	32,581,613	38,458,845	40,411,506	34,245,034	29,733,752	29,712,765	29,692,827	29,692,827	29,692,827
Capital Expenditures	867,442	2,146,928	1,304,820	451,901	467,718	484,088	501,031	518,567	536,717
<b>TOTAL EXPENDITURES</b>	<b>428,981,794</b>	<b>435,076,043</b>	<b>456,047,122</b>	<b>476,230,865</b>	<b>498,825,389</b>	<b>531,677,608</b>	<b>563,466,106</b>	<b>591,144,178</b>	<b>619,323,803</b>
<b>ANNUAL INCREASE</b>		<b>6,094,249</b>	<b>20,971,079</b>	<b>20,183,743</b>	<b>22,594,524</b>	<b>32,852,220</b>	<b>31,788,498</b>	<b>27,678,072</b>	<b>28,179,625</b>

# FY 2023 MYFO General Fund Expenditures



# FY 2023 MYFO

## General Fund Expenditures







# Public Safety



# Future Budget Impacts

- Collective bargaining agreements
- Police staffing plan
- 911 Communications staffing
- Public safety bond operating costs
- Crisis Intervention Team

# Police 5 Year Investment Estimated Annual Cost Increases

	FY2023	FY2024	FY2025	FY2026	FY2027
Police Step* + COLA	\$2,849,233	\$4,840,041	\$5,536,028	\$5,794,461	\$5,746,976
Earnings	\$655,296	\$773,655	\$884,904	\$926,213	\$918,623
Benefits	\$1,532,732	\$2,683,615	\$3,009,832	\$3,222,672	\$3,364,584
Academy	\$232,728	\$93,204	\$33,553	(\$60,183)	\$0
<b>Budget Impact</b>	<b>\$5,269,989</b>	<b>\$8,390,515</b>	<b>\$9,464,317</b>	<b>\$9,883,163</b>	<b>\$10,030,183</b>

	FY2023	FY2024	FY2025	FY2026	FY2027
Academy total cost	\$3,269,596	\$3,362,800	\$3,396,353	\$3,336,170	\$3,336,170

\*

# Fire 5 Year Investment Estimated Annual Cost Increases

	FY2023	FY2024	FY2025	FY2026	FY2027
Fire Step* + COLA	\$7,046,982	\$9,225,967	\$6,108,343	\$5,485,462	\$6,453,452
Earnings	\$567,399	\$742,843	\$491,823	\$441,671	\$519,610
Benefits	\$2,989,642	\$3,824,644	\$3,129,644	\$3,117,128	\$3,537,586
Academy	(\$269,170)	(\$464,171)	(\$535,445)	\$501,026	(\$501,026)
<b>Budget Impact</b>	<b>\$10,334,852</b>	<b>\$13,329,284</b>	<b>\$9,194,365</b>	<b>\$9,545,287</b>	<b>\$10,009,622</b>

	FY2023	FY2024	FY2025	FY2026	FY2027
Academy total cost	\$1,410,697	\$946,526	\$411,081	\$912,107	\$411,081

\* Current Fire Collective Bargaining Agreement expires on 8/31/2022



# Public Safety Bond Projects

Police Department	Fire Department
Eastside Command Center (Municipal Complex)	Station 36
Public Safety Training Academy	Station 38 (Municipal Complex)
Police Headquarters	Special Teams Station (Consolidation)
Central Regional Command	Station 40
Renovate 4 Regional Command Centers	Public Safety Training Facility and Logistics
Fleet Replacement	Fire Headquarters
	Station Renovations
	Vehicle Replacement

# PD Public Safety Bond Operating and Maintenance

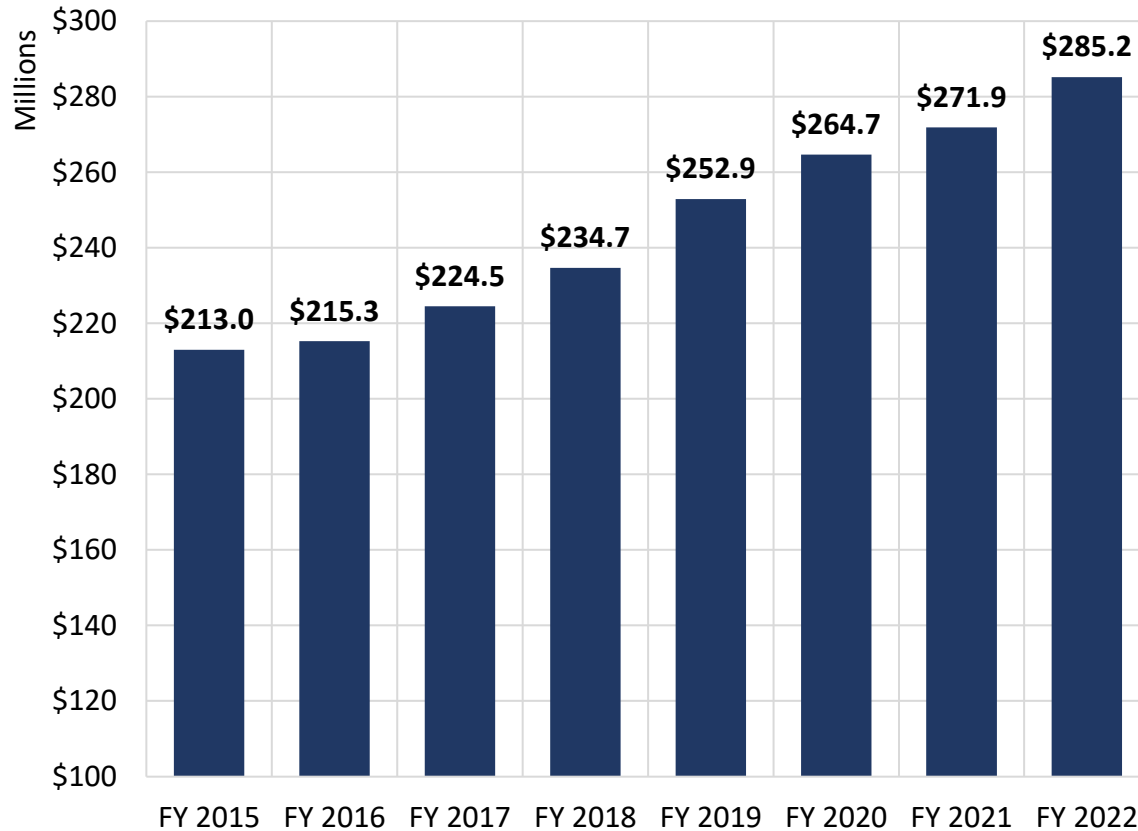
Total	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Uniform Salary and Benefits	286,949	306,570	372,839	348,475	1,209,019	2,285,666	192,942	196,801	200,737	204,751
Civilian Staff	-	-	-	-	300,016	-	-	-	-	-
Academy Costs	188,723	188,723	188,723	188,723	188,723	1,312,899	-	-	-	-
Operating Costs	-	-	104,423	-	829,983	-	-	-	-	-
Radios and Tasers	351,332	361,872	372,728	383,910	395,427	407,290	419,509	432,094	445,057	458,409
IT and Building Maintenance	-	-	-	43,624	-	267,592	-	-	-	-
<b>Total O+M</b>	<b>\$827,004</b>	<b>\$857,164</b>	<b>\$1,038,713</b>	<b>\$964,732</b>	<b>\$2,923,168</b>	<b>\$4,273,447</b>	<b>\$612,451</b>	<b>\$628,895</b>	<b>\$645,794</b>	<b>\$663,160</b>

# FD Public Safety Bond Operating and Maintenance

Total	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Uniform Staff		2,675,886	2,861,583	466,674	489,807	342,055	4,243,928	594,149	629,797	667,585
911 Communications	290,117	165,781					351,456			
Civilian Staff	74,253			75,184						
Operating Costs		77,116	212,571				150,464			
<b>Total O&amp;M</b>	<b>\$ 364,370</b>	<b>\$2,918,783</b>	<b>\$3,074,154</b>	<b>\$ 541,858</b>	<b>\$ 489,807</b>	<b>\$ 342,055</b>	<b>\$4,745,848</b>	<b>\$ 594,149</b>	<b>\$ 629,797</b>	<b>\$ 667,585</b>

# 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
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## 2019 Public Safety Bonds

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

# Uniform Salaries and Benefits

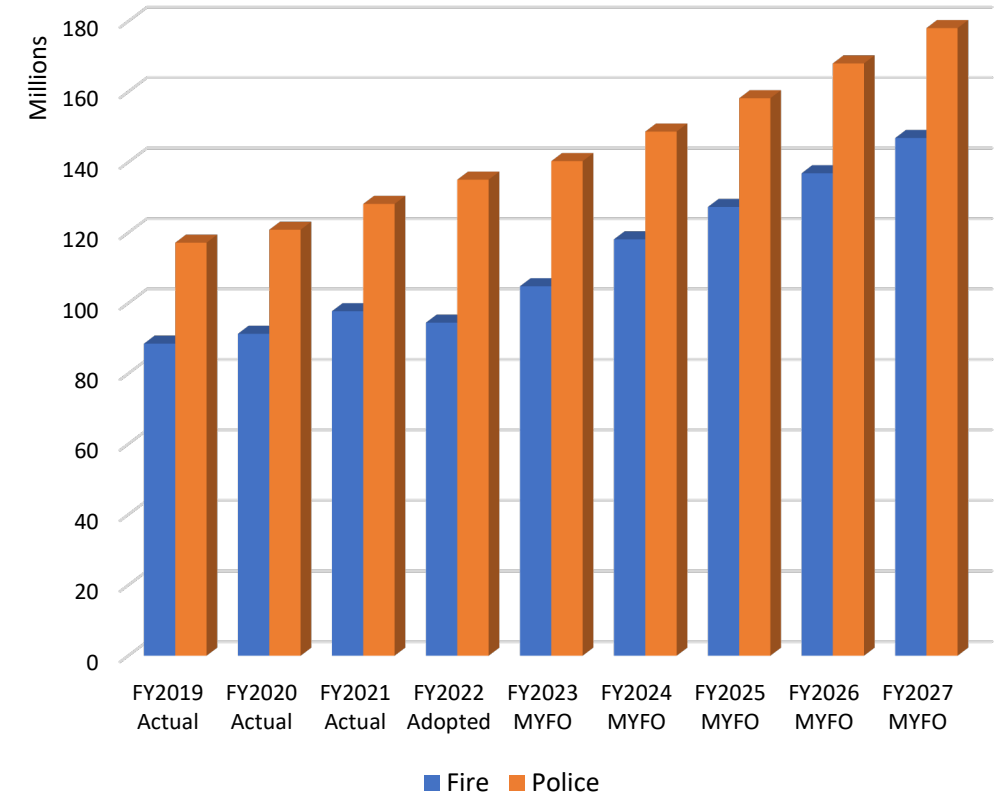
- Police
  - Total increase of \$5.3M (3.9%)
  - COLA increase of 1.75% + step increase
  - 3 small academies per year – 30 to 35 cadets each
- Fire
  - Total Increase of \$10.3M (10.9%)
  - COLA increase of 3% + step increase
  - 2 academies – 35 graduates each
  - Impact of ARPA funded uniform positions transferring to GF

# Uniform Salaries and Benefits

## Annual increase

	FY2023	FY2024	FY2025	FY2026	FY2027
	MYFO	MYFO	MYFO	MYFO	MYFO
Fire	\$10,334,852	\$13,329,284	\$9,194,365	\$9,545,287	\$10,009,622
Police	\$5,269,990	\$8,390,515	\$9,464,317	\$9,883,163	\$10,030,183
	<b>\$15,604,842</b>	<b>\$21,719,799</b>	<b>\$18,658,683</b>	<b>\$19,428,451</b>	<b>\$20,039,805</b>

Total Uniform Salaries and Benefits





# Police Staffing

Assistant Chief Pacillas and Isaura Valdez

# Investment in Public Safety

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- Staffing
  - Since the summer of 2015 (FY2016) the Police budget has increased by over \$43 million
  - Police staffing plan to add a net increase of 300 Officers began in FY2016
- 2019 Public Safety Bonds
  - New Far East Regional Command Center
  - New Police Academy
  - New Central Regional Command
  - New Police Headquarters
  - Renovation of 4 Regional Command Centers



# New & Enhanced Programs Since 2016

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- Animal Cruelty Unit
  - Established 2017
  - 1 Officer, 4 Detectives, 1 Sergeant
- Gang Suppression Unit
  - Established 2017
  - 15 Officers, 2 Sergeants
- Centralized Traffic Units
  - Motors - Est: 2018 1 Lieutenant, 2 Sergeants, 34 Officers
  - High Performance Vehicle –
    - 5 Officers in 2021 &
    - 5 Officers in 2022
  - DWI Task Force – Enhanced: 2018, 17 officers, 3 sergeant &
  - Enhanced: 2021 1 Lieutenant
- Downtown Metro Unit
  - Established 2016
  - 41 Officers, 5 Sergeants, 1 Lieutenant
- Crisis Intervention Team (CIT)
  - Established 2018
  - 14 Officers, 3 Sergeants, 1 Lieutenant
  - 14 EHN Mental Health Specialist

# Police Recruitment



# In-Person Recruitment

- University/College
  - UTEP
  - EPCC
  - NMSU
- Ft Bliss
  - Soldiers for Life Program
  - Army Community Service Hiring Fair
  - Transition Assistance Program
  - Texas Workforce Commission
- High School Career Days
- Law Enforcement Explorer Post Visits
- Other Events
  - Fallen Officer Memorial Car Show
  - USBP Recruiting Events
  - City of El Paso Health & Safety Fair
  - Reliant Job Fair
  - El Paso Shriner's Gun Show
  - Western Tech Career Day





# WE'RE HIRING



[WWW.JOINEPPD.COM](http://WWW.JOINEPPD.COM)

## POLICE TRAINEE

### BASIC REQUIREMENTS

1. 21 years old by date of graduation from the EPPD Training Academy (you can apply when you are 20)
2. 12 college credit hours from an accredited university. College hours are waived if you have 2 years of prior active military service
3. Current and valid Driver's License
4. Not having been convicted of any combination of 3 or more moving violations and/or at fault motor vehicle accidents in the preceding 36 months

## Print Based Media Recruitment

- Traditional & Digital Bill Boards
- Posters at University Career Centers
- Police Vehicle Decals – “JoinEPPD.COM”
- University News Paper Print Ads
  - UTEP
  - EPCC
  - NMSU

# EPPD Recruiting – Internet Based

- JoinEPPD.COM
- Policeone.com
- TCOLE Website Job Board
- Social Media
- University/College Career Boards

## Social Media

11:29



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DEPARTMENT** ✓



Posted by Carlos Arellano

6d · 🌐

El Paso Police Department recruiting team at Ft. Bliss every Tuesday. Apply today: <https://www.joinepd.com>



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# Police Recruit Application Figures



128 <sup>th</sup> Academy Class	
Budgeted to Start	45
Applied	2,021; 2 recruitments due to COVID shutdown
Start Date:	April 14, 2021
Graduation Date:	February 28, 2022
Started Academy:	45
Graduated:	Currently 35 in class

129 <sup>th</sup> Academy Class	
Budgeted to Start	65
Applied	1,444
Start Date:	September 13, 2021
Graduation Date:	July 25, 2022
Started Academy:	34
Graduated:	31 currently in class

130 <sup>th</sup> Academy Class	
Budgeted to Start	31*
Applied	1,837
Start Date:	July 25, 2022
Graduation Date:	February 2023*
Started Academy:	35 projected
Graduated:	

\*Lower than anticipated recruits in the 129<sup>th</sup> generated savings to begin the 130<sup>th</sup> with 31 cadets in July

# Updated Staffing Plan

- FY 2023: Begin Lateral academies
  - Two academies
  - November and March
  - 12 week academy
  - 16 Officers
- FY2024: Expand number of Police Academies
  - Increase from two to three academy graduations
  - December, March, July
  - 30 to 35 cadets
- Attrition Rate 4% (approximately 50 officers)



# Staffing Needs beyond the Updated Staffing Plan (Net 30 Plan)

- Far East Regional Command
- Body Worn Camera Program
- New Police Academy
- Downtown Regional Command
- 218 additional positions needed





## UPDATED STAFFING PLAN

	2021	2022*	2023*	2024*	2025*	2026*	2027*	2028*	2029*	2030*	2031*	2032*
Start (Filled)	1170	1147	1163	1192	1256	1319	1382	1444	1506	1567	1628	1688
# New Officers	29	66	81	116	116	116	116	116	116	116	116	116
Less Attrition	52	50	52	52	53	53	54	54	55	55	56	57
Net Growth	-23	16	29	64	63	63	62	62	61	61	60	59
Ending (Filled)	1147	1163	1192	1256	1319	1382	1444	1506	1567	1628	1688	1747
		*Attrition projected at 4%										
		*Projected										

# Additional Staffing Needs

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- Public Safety Bond
  - Far East Regional Command- (1) Commander, (5) Lieutenant, (15) Sergeant, (8) Detective, (61) Officers
  - New Police Academy- (3) Sergeant, (20) Officers, (13) Detectives
  - Downtown Regional Command- (1) Commander, (4) Lieutenant, (11) Sergeant, (76) Officers
- Body Worn Camera
  - Civilianize with Police Support Specialist (5)

# Uniform Retirement Eligibility

- 45 yrs of age
- 20 yrs of service

Current officers eligible for retirement

- FY 2022- 321
- FY 2023- 366
- FY 2024- 394
- FY 2025- 422

## 2019 Retirees

Average Age 54.29

Avg Yrs. of Service 25.79

## 2020 Retirees

Average Age 53.73

Avg Yrs. Of Service 25.70

## 2021 Retirees

Average Age 56.04

Avg Yrs. of Service 27.11



# Public Safety Continued



# Fire Department

## Current Staffing and Projected Academies

FY 2022 – 945 FTEs		Projections				
45 vacancies		FY 2022	FY 2023	FY 2024	FY 2028	
FTEs		945	945	976	1,007	
Fire Station	36		31			
Fire Station	38			31		
Fire Station	40				31	
Total		945	976	1,007	1,038	

Table above only includes academies based on new stations. The 5-year forecast includes academies for projected attrition.

# Fire Department Planned Academies

- Class 99 30 FFTs – Current  
Graduation on February 11, 2022
- Class 100 – January 31, 2022  
35 FFTs  
Expected graduation: August 12, 2022
- Class 101 – August 15, 2022  
35 FFTs  
Expected graduation: February 24, 2023







# Civilian Workforce

# Workforce Focus

- Compensation increases to recruit and retain top performers
- Evaluate long-term vacancies and operational capability and capacity (tightening our belts)
- Reviewing employee benefits and incentives (tuition assistance, certifications, etc.)
- Wellness Initiatives - Shape-it-Up wellness program – up to \$1,800 annually, Live Active El Paso!



# Healthcare

- 3 consecutive years with no healthcare cost increase for civilian employees
- Includes an increase in healthcare costs for employer only due to:
  - Rising costs in prescriptions and dental claims due to supplier-chain and inflationary issues
- Continue funding Health Savings Account - \$500 to \$1,000 annually (for Consumer Driven Healthcare Plan participants)



# Streets



# FY 2023 Assumptions

## Streets

Includes Pay-go funding:

- \$7 million annually for residential street resurfacing projects
- \$3 million annually for collector street resurfacing
- \$1.8 million for Vision Zero – traffic safety program
- \$1.5 million facility renovations
- \$250K for Neighborhood Traffic Management Program (NTMP)
- ADA on-demand request funding \$500,000



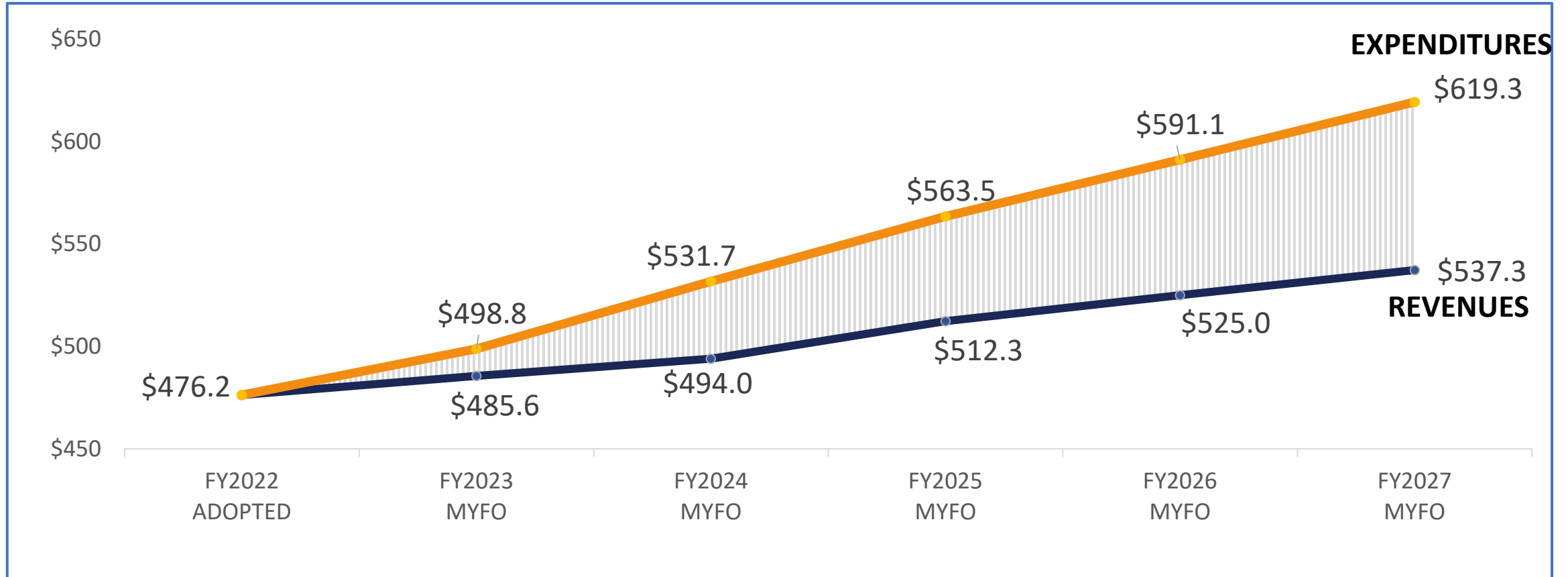
# Quality of Life



# Quality of Life

- Increase for Quality of Life services and operating costs for new bond projects including the Penguin Exhibit, the Children's Museum and Mexican American Cultural Center
- Sports complex facility maintenance
- Automated irrigation pilot project
- Winterfest
- Full year of Water Parks operations

# FY2023-FY2027 MYFO







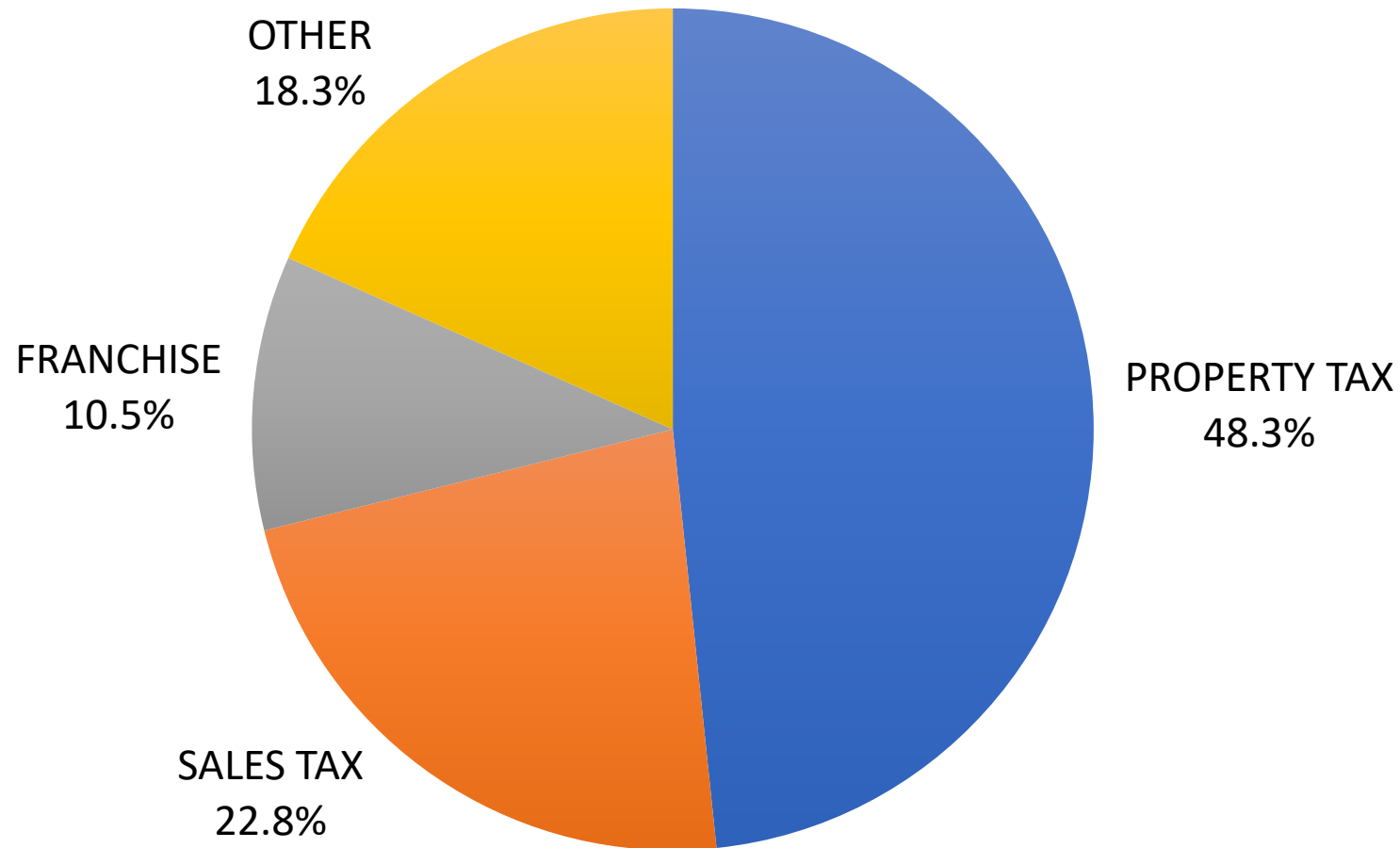
# General Fund Revenues

# Future Revenue Assumptions

- Property Taxes
  - FY 2023 includes projected decrease in property tax rate
  - All estimates are based on data prior to receiving preliminary certified values
  - Property valuation growth of 2.5% (residential, commercial)
  - Total valuation loss due to exemptions (over 65, disabled, disabled veterans)
- Sales tax growth – local, regional, national economic analysis
- Franchise fees – based on gross revenue of utilities (rates x usage)
- Bridge crossings – improvement of crossings



# FY2023 General Fund Revenues

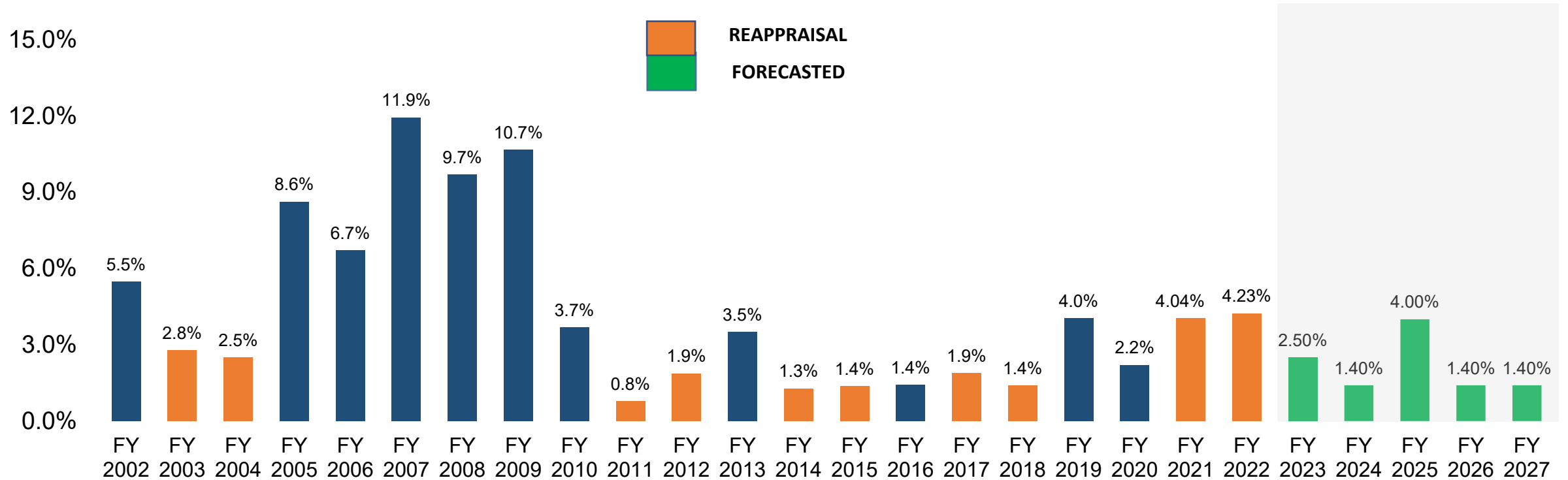


# General Fund Revenue

	FY2023	FY2024	FY2025	FY2026	FY2027
Starting Point	476,230,863	485,748,794	494,139,422	512,345,218	525,208,210
Property Taxes	(1,092,076)	3,302,898	9,524,223	3,499,077	3,538,179
Sales Taxes	4,715,300	2,504,505	5,097,315	5,595,556	4,929,868
Franchise Fees	1,471,350	1,522,386	1,575,286	1,630,121	1,686,963
Other	4,423,358	1,060,838	2,008,972	2,138,239	2,067,038
<b>Total</b>	<b>485,748,794</b>	<b>494,139,422</b>	<b>512,345,218</b>	<b>525,208,210</b>	<b>537,430,258</b>

<b>Annual Increase</b>	<b>9,517,931</b>	<b>8,390,627</b>	<b>18,205,796</b>	<b>12,862,992</b>	<b>12,222,048</b>
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# Property Tax Valuations



# Impact on Certified Values

	<b>FY2022 ADOPTED</b>	<b>FY 2023 FORECASTED</b>	<b>VARIANCE</b>	<b>% Change</b>
CERTIFIED VALUE	38,742,350,037	39,710,908,788	968,558,751	2.5%
(minus) VALUATION OF TIRZ	931,133,480	954,411,817	23,278,337	2.5%
(minus) VALUATION OF EXEMPTIONS	2,689,347,917	2,796,921,834	107,573,917	4.0%
REMAINING VALUATION	35,121,868,640	35,959,575,137	837,706,497	2.4%

# Property Tax Revenue

## PROPERTY TAX ASSUMPTIONS

	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
VALUATION GROWTH RATE		2.5%	1.4%	4.0%	1.4%	1.4%
O&M Rate	0.621636	0.603570	0.603570	0.603570	0.603570	0.603570
Debt Rate	0.285665	0.295761	0.305747	0.319904	0.338201	0.350930
<b>Total Rate</b>	<b>0.907301</b>	<b>0.899331</b>	0.909317	0.923474	0.941771	0.954500
Debt Service		114,918,437	121,174,465	129,321,061	139,452,040	147,594,668

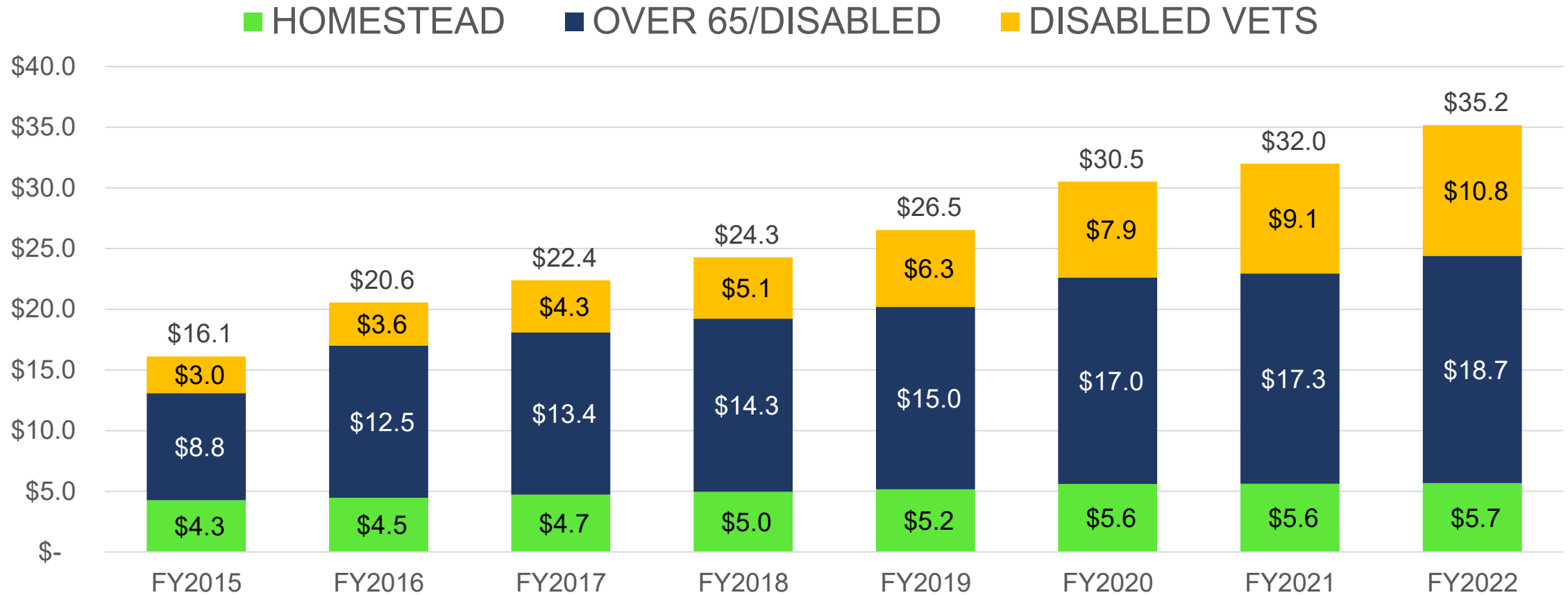
# Preliminary Property Tax Rates

## Projected FY 2023

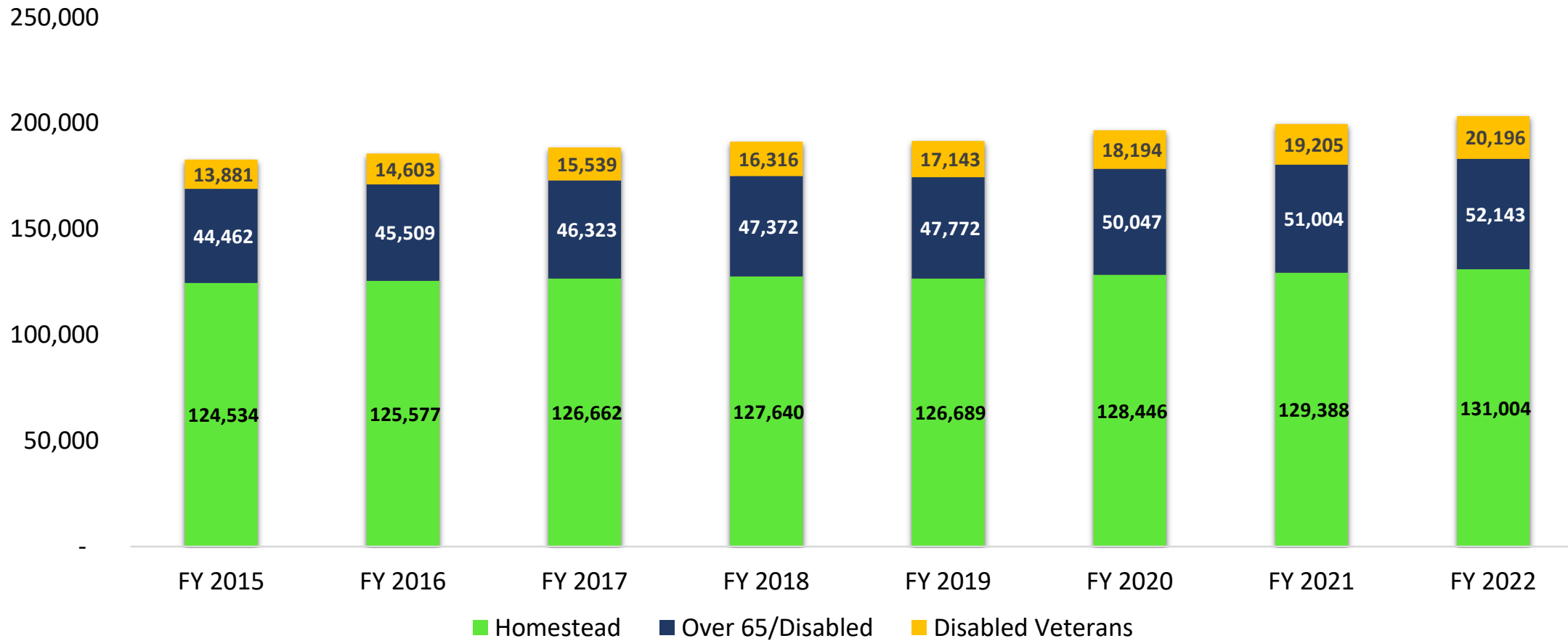
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	PROPERTY TAX RATE	PERCENT CHANGE
NO NEW REVENUE TAX RATE	0.575377	3.5%
MAXIMUM VOTER APPROVAL RATE	0.603570	4.9%
CURRENT O&M RATE	0.621636	

# City Property Tax Relief (\$ in Millions)

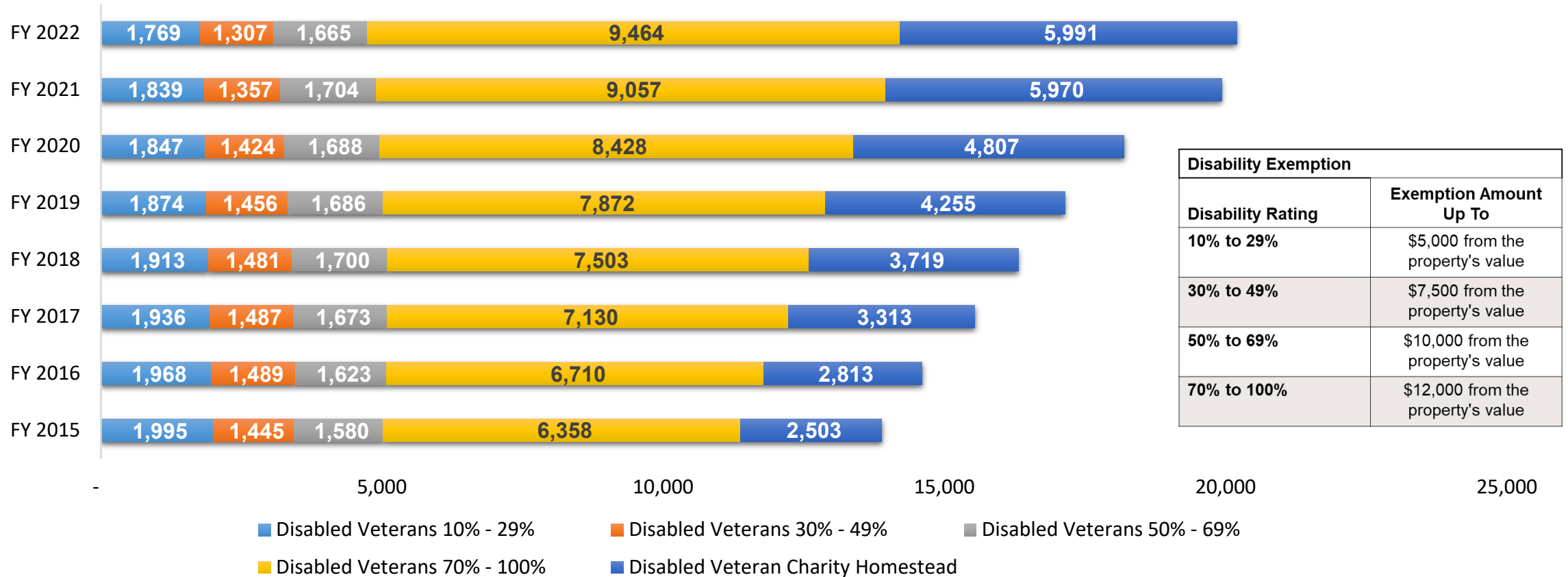


# FY 2015 – FY 2022 Exemptions

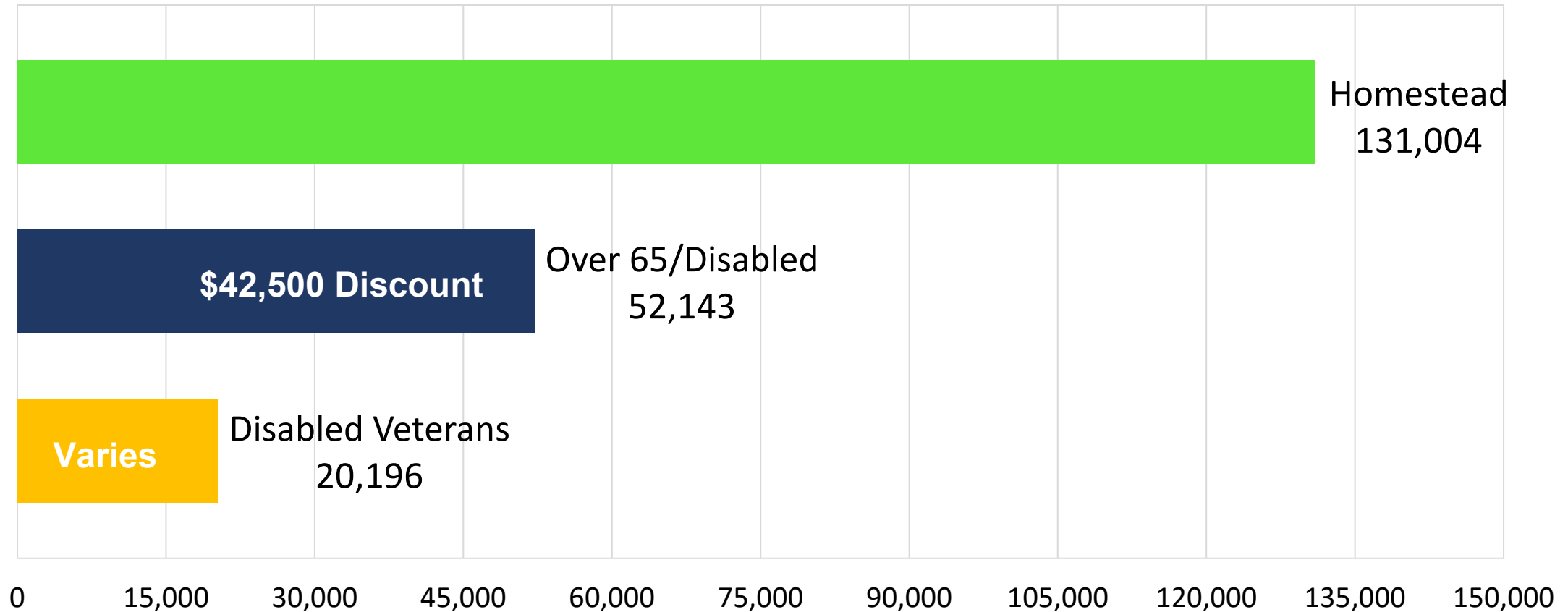




# Disabled Veterans Exemptions



# FY 2022 Exemptions



# Additional Tax Relief for Over 65/Disabled

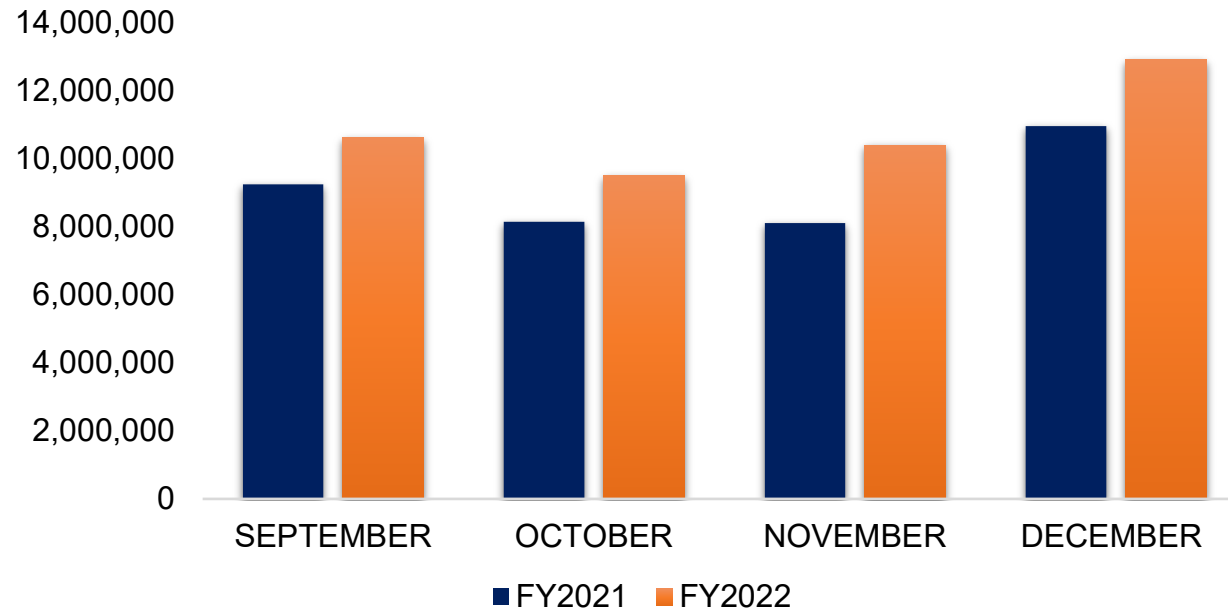
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- On June 22, 2021 City Council approved increasing the exemption for the Over 65 and Disabled Homesteads
- Exemption (discount) was increased by \$2,500 (from \$40,000 to \$42,500)
- Evaluating opportunities for additional tax relief for Over 65/Disabled Exemption
- Provides additional tax relief for over 52,000 homesteads that have either the Over 65 or Disabled exemption
- Potential impact of \$1.18 million in additional tax relief

# Impacts on Sales Tax Revenue

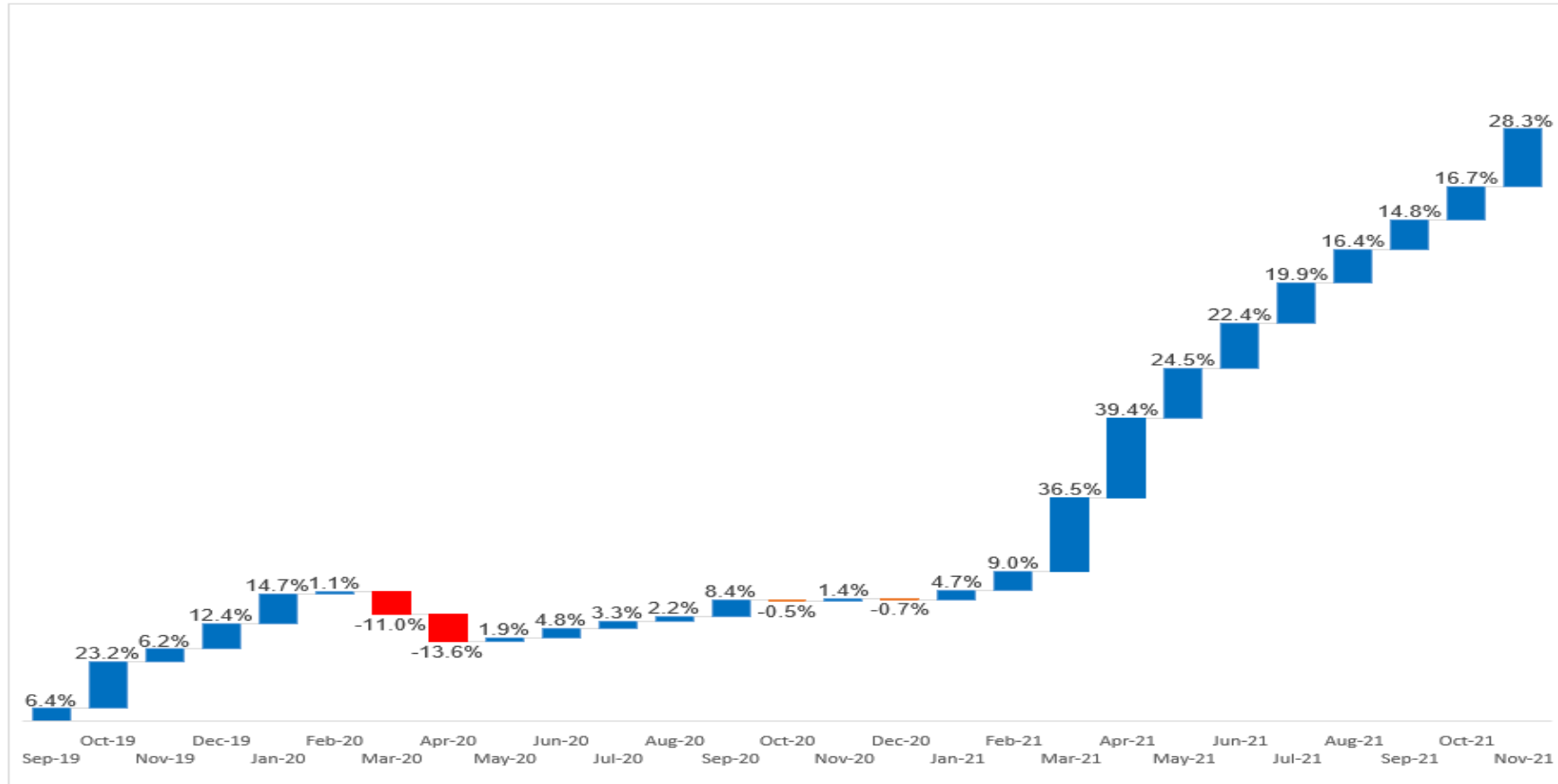
- Delay in data (two-month delay in receiving the data from the State)
- Waning down of Federal stimulus
- Strong Inflation to remain for the next few quarters
- Impact of higher interest rates (4 rate hikes by the Federal Reserve in 2022)
- Weaker economy expected in 2022, but not a full recession
  - Slower job growth and spending forecasted by the Federal Reserve

# YTD Sales Tax Revenue

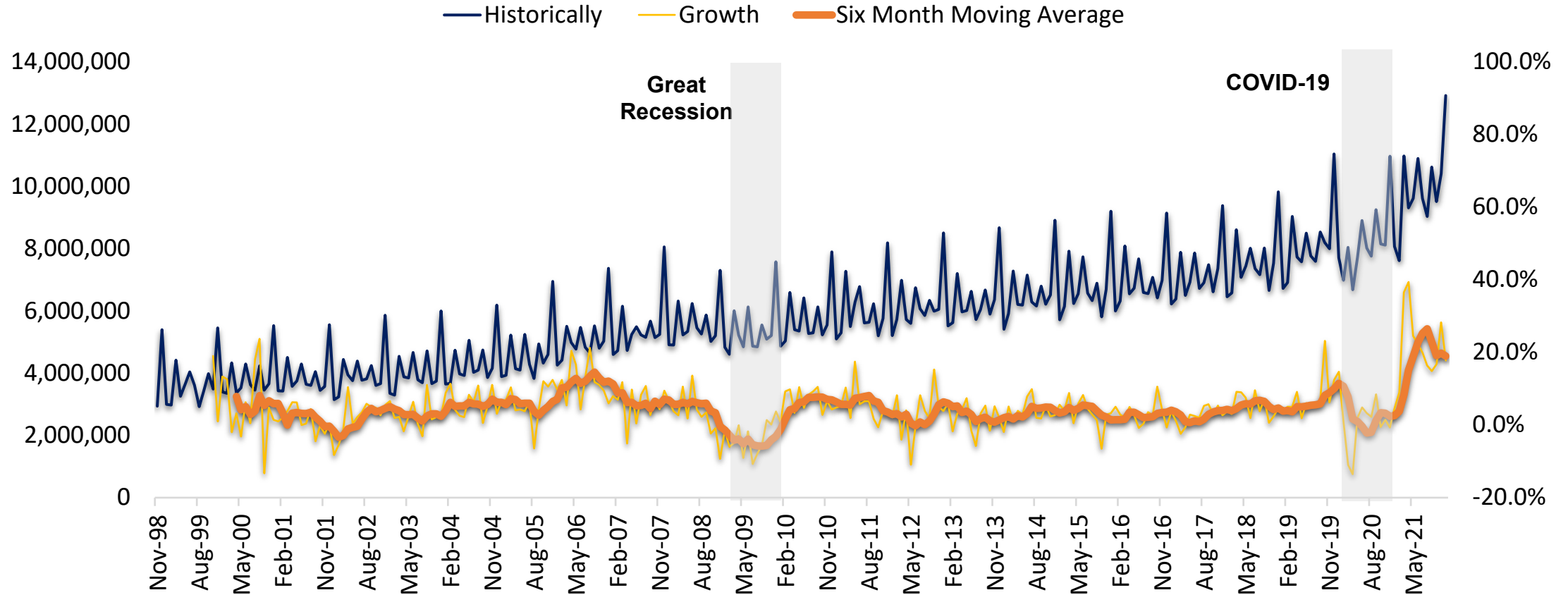


	FY2021	FY2022	VARIANCE
SEPTEMBER	9,249,868	10,620,471	14.8%
OCTOBER	8,151,893	9,516,270	16.7%
NOVEMBER	8,114,935	10,410,936	28.3%
DECEMBER	10,970,054	12,918,763	17.8%
YTD TOTAL	36,486,750	43,466,440	19.1%

# Sales Tax Revenue



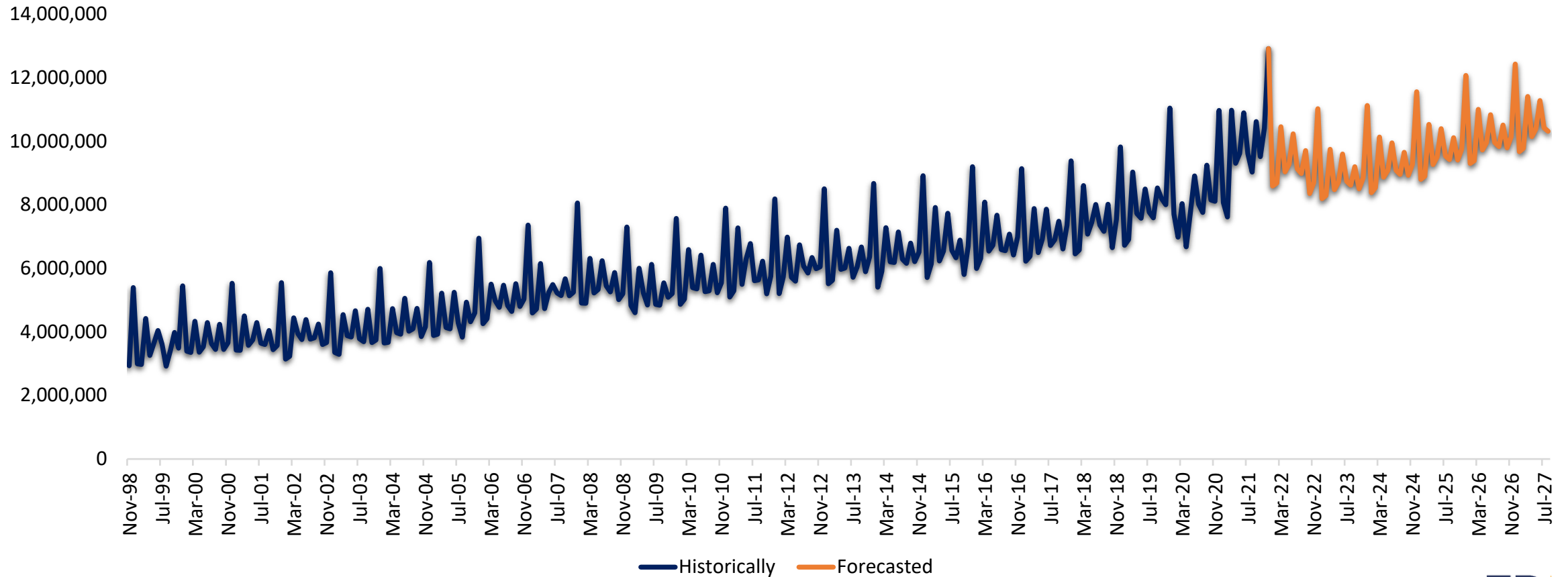
# Historical Sales Tax Revenue





# Sales Tax Revenue

## (Historical and Forecasted)

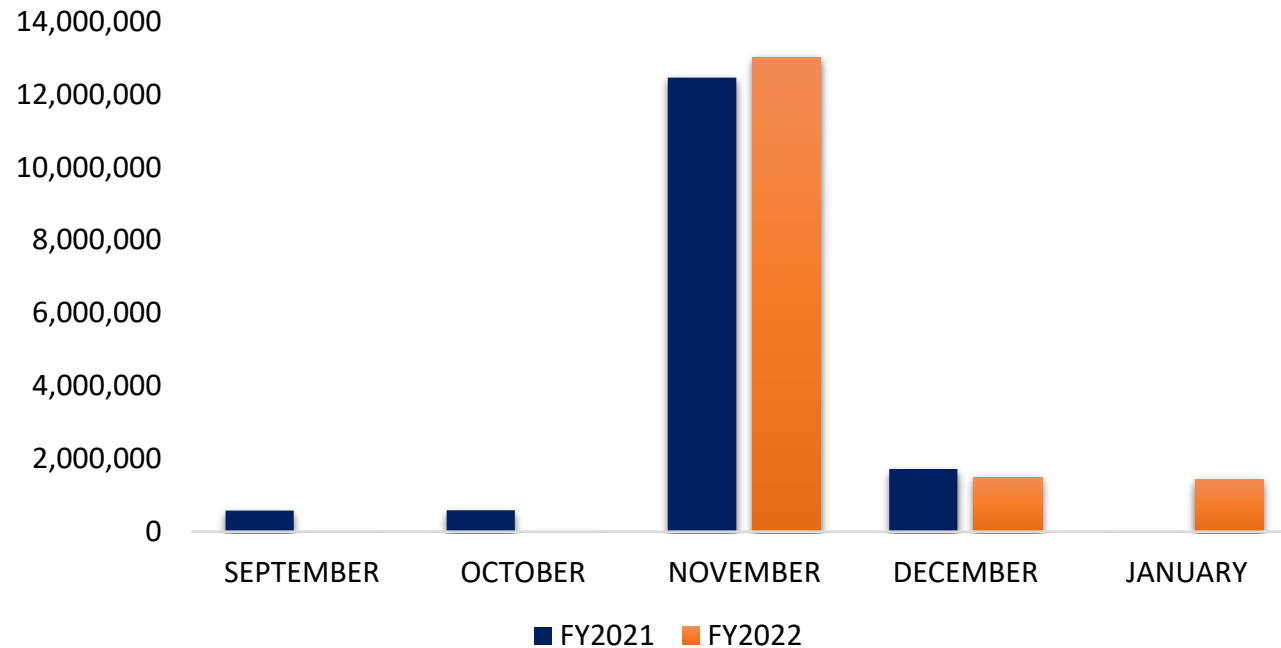


# Franchise Revenue

- Franchise fees are imposed for the Right of Way use by utilities
- Assumptions:
  - Stable customer growth
  - Higher electricity rates (3% increase in 2022) and water rates (9% increase in 2022) will impact utility revenue growth
  - Normal weather conditions Revenue is being impacted by State actions

# YTD Franchise Fee Revenue

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	FY2021	FY2022	VARIANCE
SEPTEMBER	576,450	124	-100.0%
OCTOBER	588,030	12,590	-97.9%
NOVEMBER	12,469,829	13,033,831	4.5%
DECEMBER	1,723,338	1,498,147	-13.1%
JANUARY	9,031	1,419,753	15621.4%
YTD TOTAL	15,366,677	15,964,445	3.9%

# Summary

- Six months remaining until the FY 2023 Budget is adopted
- Continue to monitor major revenue projections due to preliminary data
- FY 2023 focus on public safety (staffing and capital), street maintenance and workforce
- Capital Project funding (remaining debt to be issued)
- Uncertain economic environment – inflation, labor market, interest rates



## 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, Respect, Excellence, Accountability, People