



# Budget Update: Long-Term Costs

September 27, 2022



## AGENDA

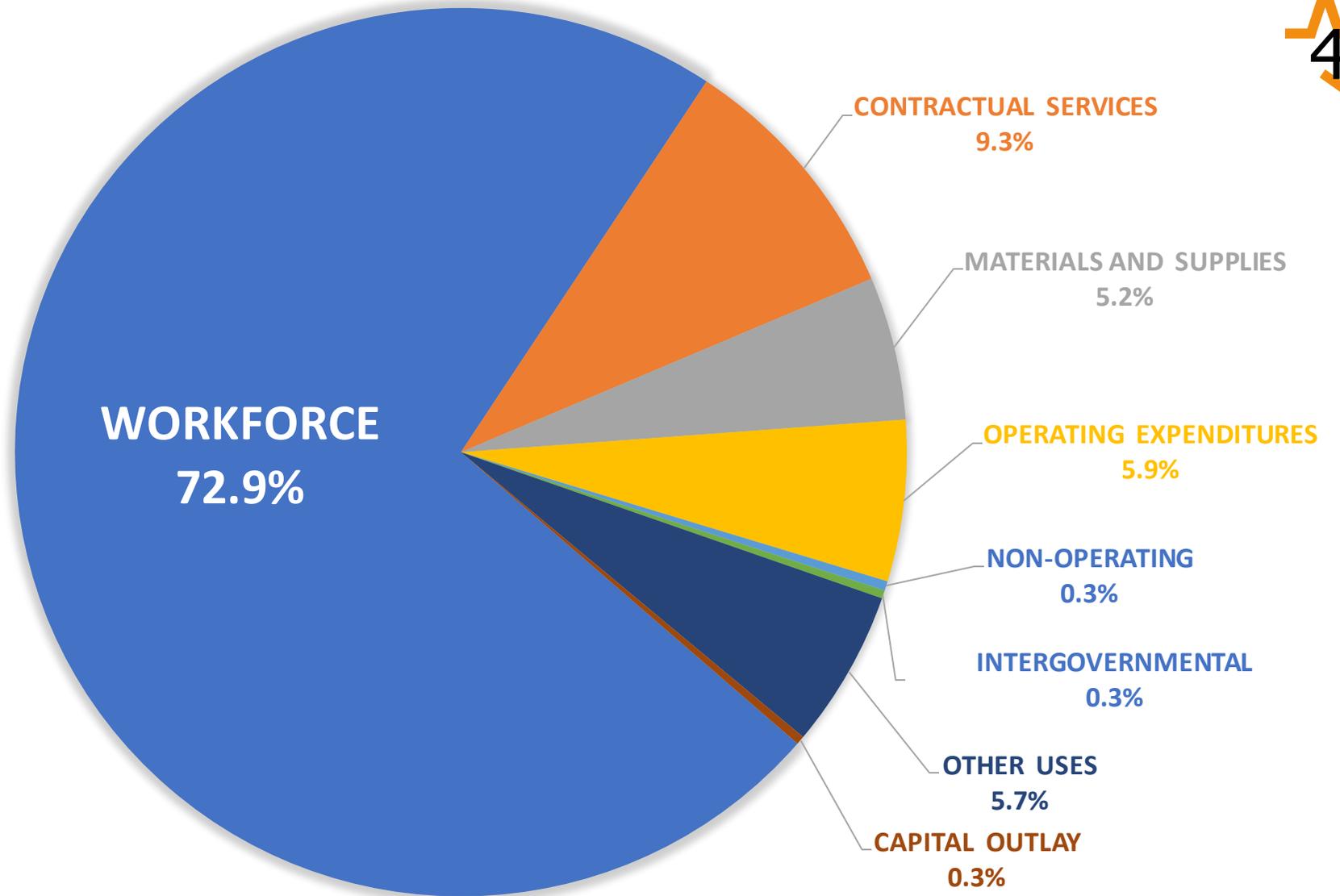
- Workforce
- Public Safety
- Fixed Costs
- Critical Needs



# Budget Summary

- **Workforce** is the primary driver – recruiting, retaining, and providing benefits that promote financial security
- Significant progress addressing priorities, however still a long way to go to fully fund
- Delivering **bond projects** (expanded services) has increased operational costs
- Fixed costs have seen significant increases due to current economic situation (inflation at highest level in 40 years)

# FY 2022-2023 General Fund Budget Summary



# Increasing Minimum Wage



- 17% increase in minimum wage since May 2022
- 76% of the civilian workforce is in the General Service (hourly) category

# Workforce



- 4<sup>th</sup> largest employer in the area
- We have been aggressive with wages, incentives, benefits, and development
- 17% increase in the minimum wage
- No healthcare cost increase for employees for four years (increases paid by City)
- Targeted compensation adjustments and incentives for hard-to-fill and high-turnover areas
- Expanded tuition assistance program and professional development training
- Future budgets will include similar aggressive recommendations to remain competitive, including impact from new Police collective bargaining agreement



# Competitive Wages & Benefits

Wage increase (amount based on full-time employee)	\$2,080
Performance Evaluation (lump sum up to \$250)	\$250
Shape it Up Wellness Incentive (\$600-\$1,800)	\$1,800
Health Savings Account (\$500 - \$1,000)	\$1,000
Tuition Assistance Program (up to \$5,000 annually)	\$5,000
Service Time Increase (additional % increase every 5 years)	\$760*
CDL, Animal Services, Zoo incentive (\$90 per pay period)	\$2,340
Sign-On incentive for new employees	\$1,000
Employee healthcare savings due to no cost increase (paid by City)	\$294
Accident-Free driving incentive (jobs requiring CDL)	\$350
Perfect Attendance incentive	\$100
U-Matter recognition (up to \$250)	\$250
<b>Total Available Compensation Increase, Benefits, Incentives</b>	<b>\$15,224</b>

# Workforce Costs

	FY 2021/2022	FY 2022-2023	FY 2023-2024
	Budget	Budget	Estimate
Uniform Employees	229,488,054	240,008,813	257,198,609
Civilian Employees	118,272,502	133,769,123	143,326,902
<b>Total</b>	<b>\$347,760,556</b>	<b>\$373,777,936</b>	<b>\$400,525,511</b>
<b>\$ Increase</b>		<b>\$26,017,380</b>	<b>\$26,747,575</b>

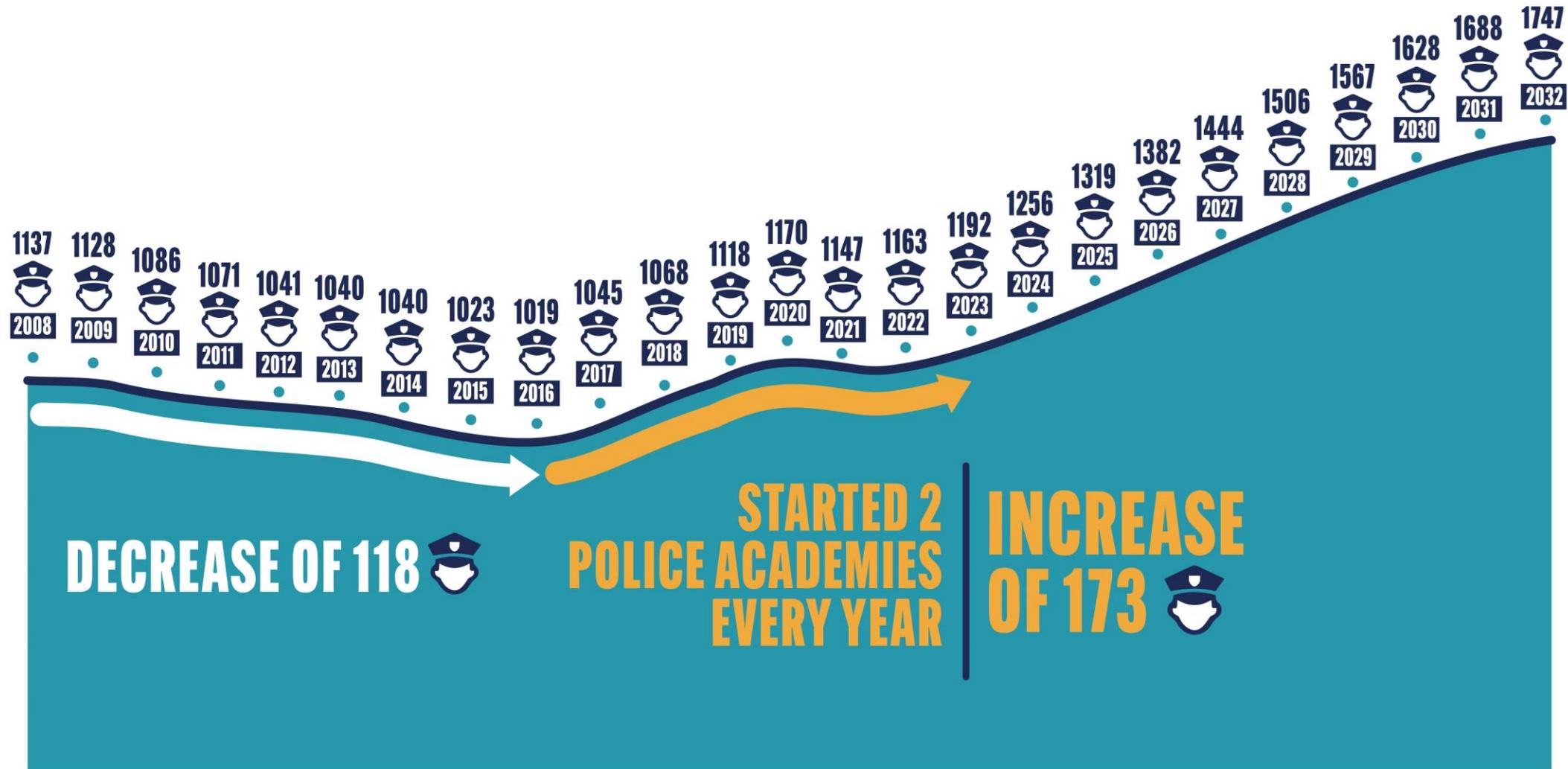
- Future costs increases will include:
  - New Police collective bargaining agreement impact
  - Police and Fire staffing increases
  - Continuing aggressive pay to remain competitive
  - No employee healthcare cost increase (City covering increased cost)

# Public Safety

- Retain and recruit police and fire employees to maintain standing as one of the nation's top safest cities
  - New Fire Collective bargaining agreement effective Sep.1, 2022
  - Police Collective bargaining agreement expires Aug. 31, 2023
  - Police, Fire, and 911 communications staffing
- Continue expanding investment in public safety operations:
  - Public safety bond projects and corresponding operational costs
  - Vehicle replacement. More stations/officers = need for more cars, trucks, ambulances

# Police Staffing

## Back to 2008 Level and Growing for the Future



# Uniform Police Staffing



	2023	2024	2025	2026	2027	2028
FY Start (Filled)	1,159	1,187	1,251	1,298	1,345	1,391
<b># of Cadets</b>	<b>65</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Lateral Academies	13	16				
Less Attrition	(50)	(52)	(53)	(53)	(54)	(54)
<b>Net Growth</b>	<b>28</b>	<b>64</b>	<b>47</b>	<b>47</b>	<b>46</b>	<b>46</b>
FY End	1,187	1,251	1,298	1,345	1,391	1,437

PENDING REVIEW WITH DEPARTMENT

# Police 5 Year Investment Estimated Annual Cost Increases

	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Police Step* + COLA	\$322,402	\$6,011,027	\$2,169,075	\$3,009,712	\$2,849,713	\$2,863,282
Earnings	\$414,097	\$968,498	\$349,482	\$484,925	\$459,146	\$461,332
Benefits	\$512,253	\$2,919,225	\$2,015,866	\$2,389,368	\$2,494,884	\$2,639,588
Academy	\$406,422	\$432,211	\$152,158	\$29,506	\$99,561	\$99,785
<b>Budget Impact</b>	<b>\$1,655,174</b>	<b>\$10,330,960</b>	<b>\$4,686,581</b>	<b>\$5,913,512</b>	<b>\$5,903,304</b>	<b>\$6,063,987</b>

	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Academy total cost	\$3,443,290	\$3,875,501	\$4,027,660	\$4,057,166	\$4,156,727	\$4,256,512

\* Current Police Collective Bargaining Agreement expires on 8/31/2023

# Fire 5 Year Investment Estimated Annual Cost Increases

	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Police Step* + COLA	\$5,754,940	\$4,283,148	\$4,193,516	\$4,659,346	\$997,097	\$2,974,255
Earnings	\$286,012	\$333,223	\$326,250	\$362,491	\$77,573	\$231,393
Benefits	\$2,745,979	\$3,054,460	\$2,687,178	\$2,970,834	\$2,170,756	\$2,885,568
Academy	\$78,654	(\$811,996)	(\$535,445)	\$501,026	(\$501,026)	\$0
<b>Budget Impact</b>	<b>\$8,865,585</b>	<b>\$6,858,836</b>	<b>\$6,671,499</b>	<b>\$8,493,696</b>	<b>\$2,744,401</b>	<b>\$6,091,217</b>

	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Academy total cost	\$1,758,522	\$946,526	\$411,081	\$912,107	\$411,081	\$411,081

\* Current Fire Collective Bargaining Agreement started on 9/1/2022

# 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

# Fixed Costs

- **Utilities** – rate increases in electric, water, gas
- **Fuel and vehicle maintenance** – increased usage and price per gallon
- **Information Technology** – increasing costs to maintain/replace legacy systems
- **Contracted services** – increases in labor, materials, and supplies costs leading to increased pricing for services
- Appraisal Services (Central Appraisal District)



# Aging Infrastructure, Facilities, Fleet

- **Street Maintenance** – current annual pay-go (set-aside) of \$10 million is less than 25% of required amount for regular maintenance cycle
- **Vehicles/Equipment Replacement** - \$1 million added in current budget, departmental request was \$7 million annually
- **Facility Maintenance/Repairs** - \$1 million added in current budget, however aging facilities are requiring significant investment
- **Parks Amenities** - \$1 million added in current budget, however additional funding is required in order to be proactive with regular maintenance and repairs

# Property Tax Bill

## Where Your Tax Dollars Go



School  
43%



County  
15%



UMC  
8%



EPCC  
4%



City  
30%

- Based on FY 2022 – 2023 tax rates
- Includes operating and debt rates



70% to other taxing entities

# High Performing Government

## Strong Fiscal/Operational Management

- General Fund reserves
- Operating and Debt Stabilization Fund
- Pension Stabilization Fund
- Leveraging Federal and State grants
- Strategic debt management – **\$67.5 million in refinancing savings**
- Annual pay-go (set-aside) funds – streets and public safety capital
- Hotel, franchise, and sales tax audits – ensuring all proper collections to City
- Short-term Rental ordinance (forthcoming)
- Systems and processes to create operational efficiencies

# Strong Fiscal/Operational Management

**\$287.5M** **IN NEW REVENUE**

**\$267.4M** **IN SAVINGS & EFFICIENCIES**

**6 YEARS OF ZERO FINDINGS**  
**IN EXTERNAL AUDIT**

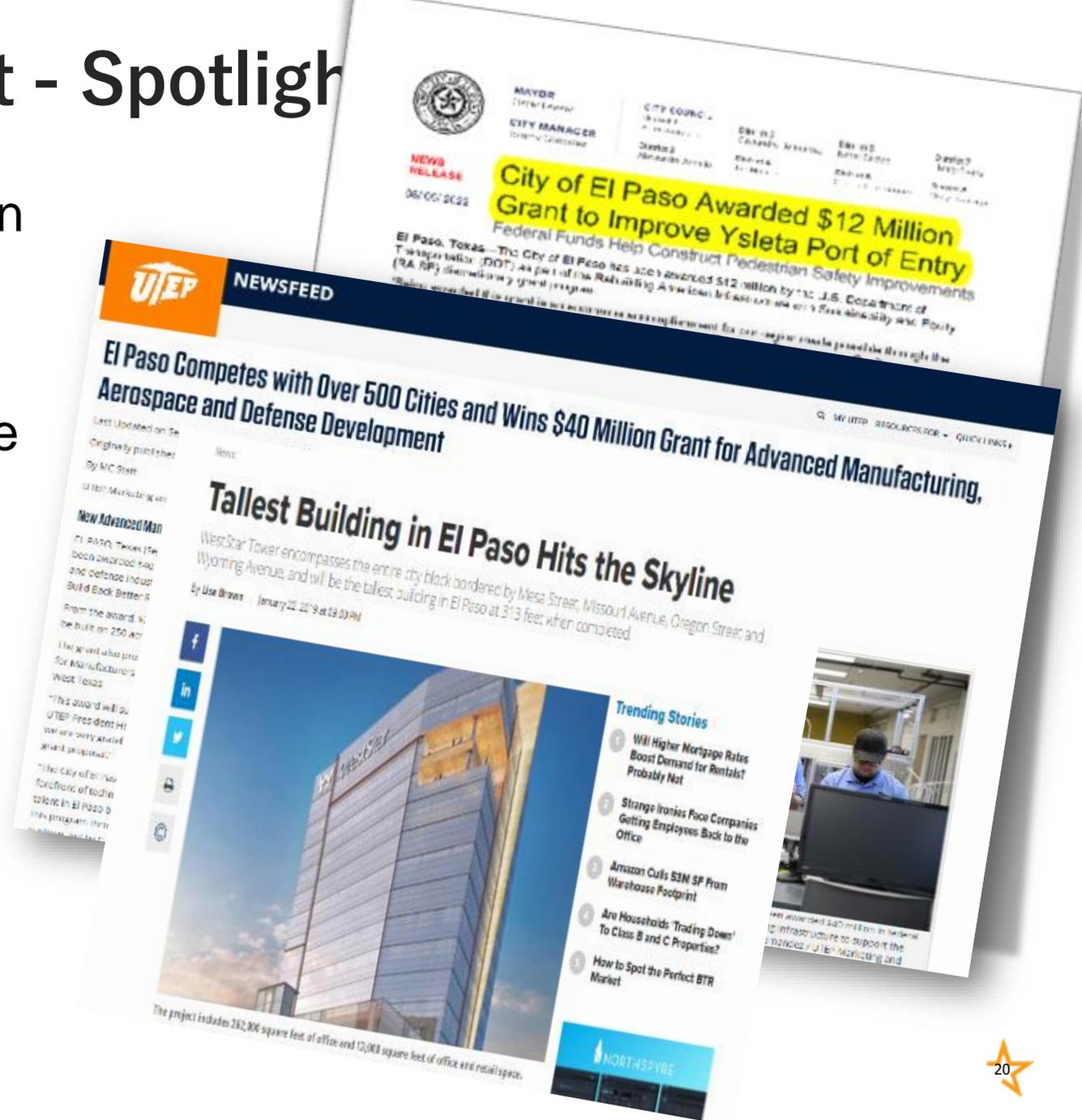
**TRANSIT SYSTEM**  
**\$27M TURNAROUND**

**\$23M**  
**TURNAROUND AT AIRPORT AT THE BUTTERFIELD GOLF COURSE**

**\$192M**  
**TxDOT REIMBURSEMENT FUND BALANCE MORE THAN DOUBLED**

# Strong Fiscal Management - Spotlight

- **\$60M** for hotel development downtown
- Selected among 500 cities to receive **\$40M** grant supporting advanced manufacturing, aerospace and defense development
- **\$32M** secured for International Bridges
- **\$13M** secured for Airport construction
- **\$12M** secured for pedestrian improvements at the Ysleta Port of Entry



# Strong Fiscal/Operational Management

## PROCESS IMPROVEMENT SNAPSHOT



PROCESS HOURS  
**SAVED**  
AND CAPACITY  
**ADDED**  
**240K+**



**+3.4M**  
PAGES OF  
PAPER  
**SAVED**



**SAVINGS +  
COST AVOIDANCE**  
**\$21.2 M**



## Mission

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



## Values

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

