



CITY OF EL PASO

2024 Strategic Planning Session

Financial & Operational Updates

Prior to the Strategic Planning Session in Jan/Feb 2024 Council will hear presentations covering:

- **Fiscal Overview**
- **Grant Funded Programs**
- **Streets**
- **Parks System**
- **Facilities**
- **Public Safety**
- **Economic Development**



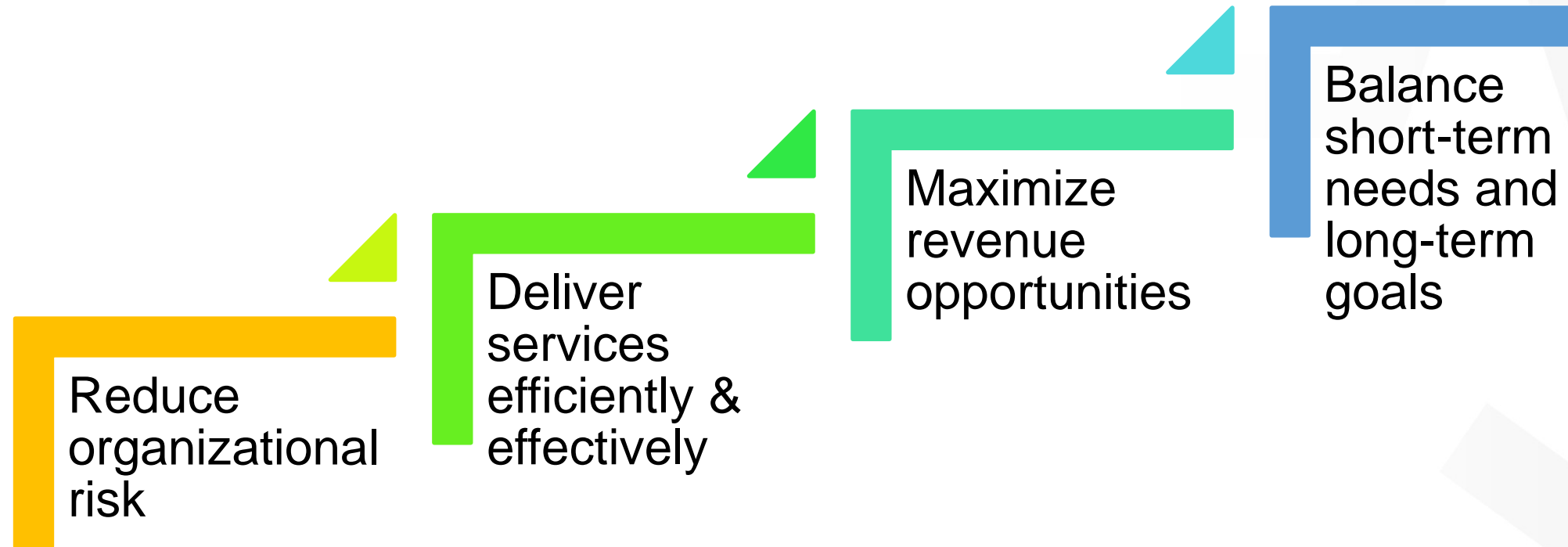
Today we will be covering:

- **Fiscal Overview**
- **Grant Funded Programs**
- **Streets**

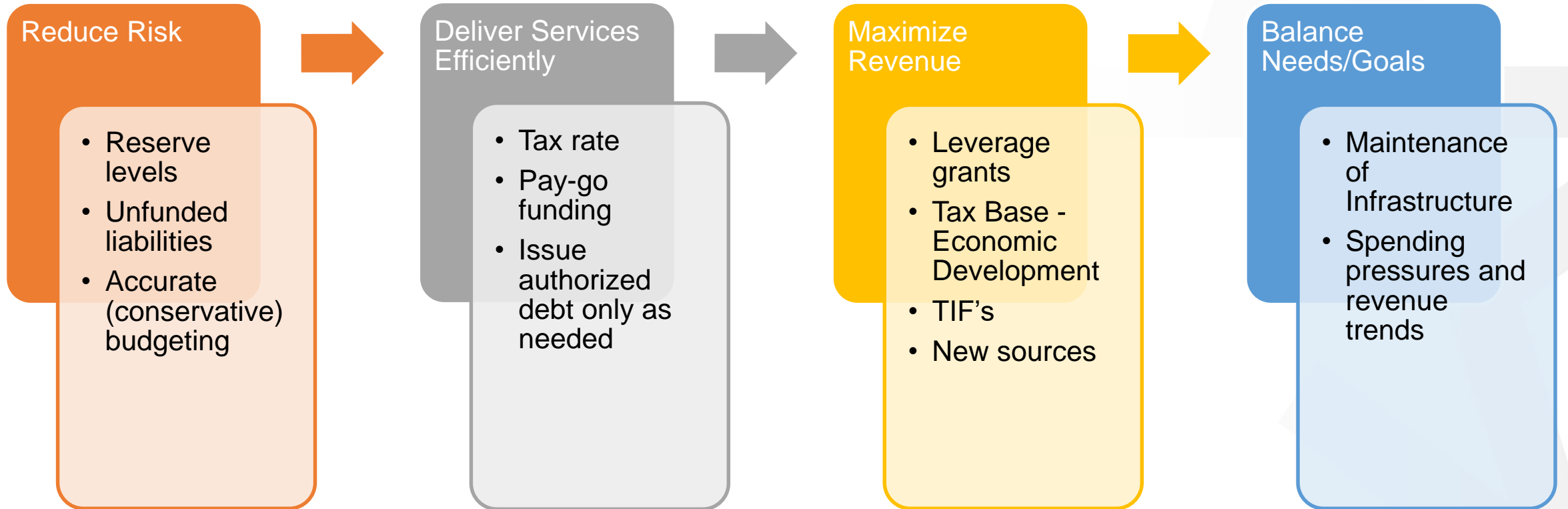


Fiscal Management

Our Approach

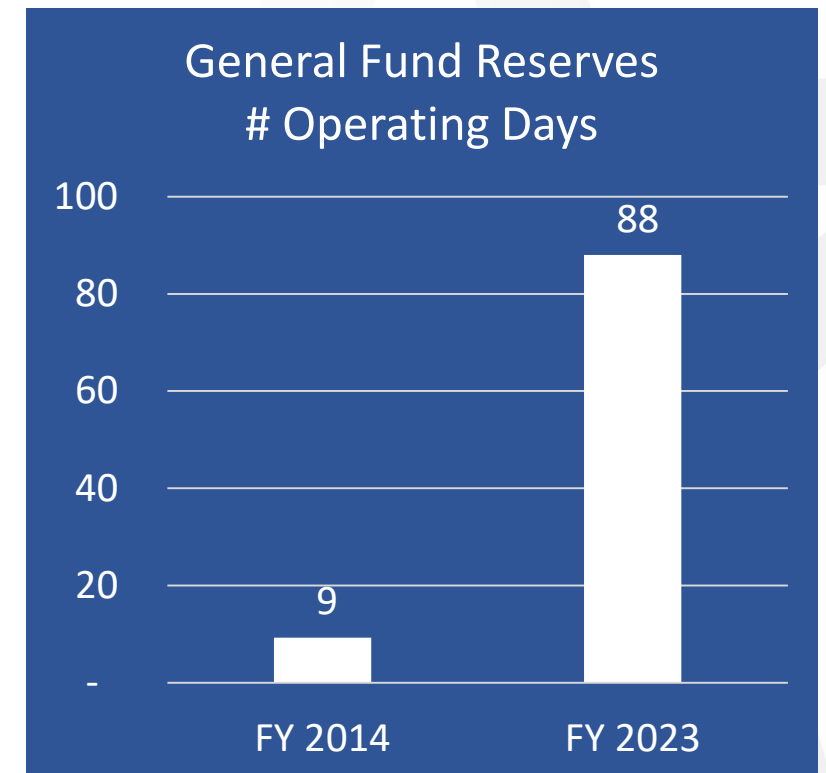


Financial Management



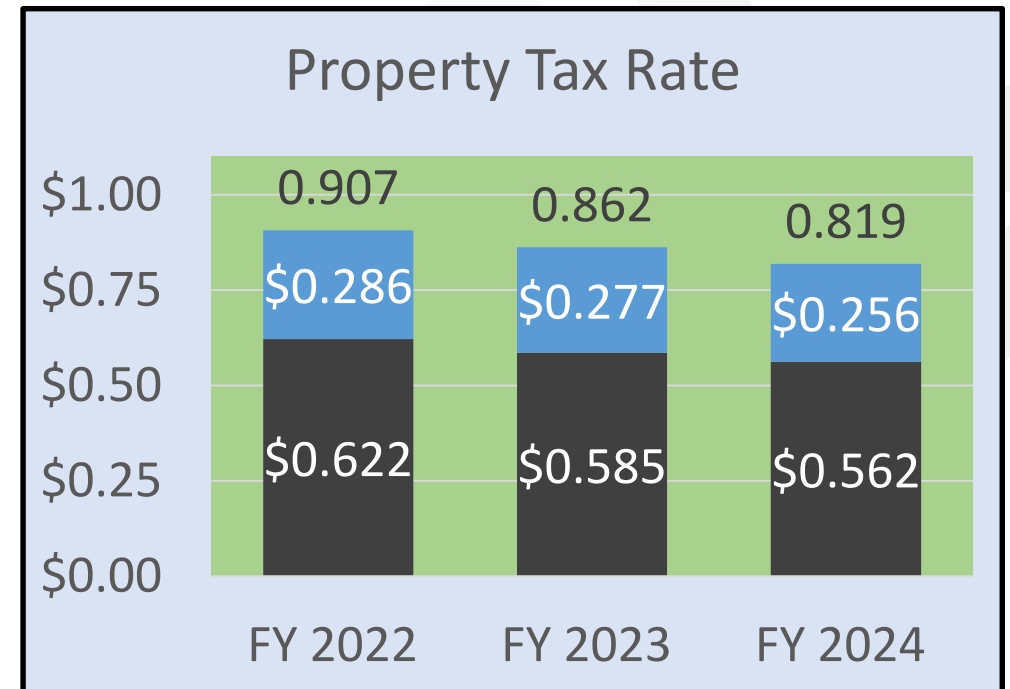
Reduce Risk

- **Reserves** – increased General Fund reserves by \$135 million since 2014
- **Accurate (conservative) budgeting** – nine consecutive years of operating within available revenues
- **Unfunded liabilities** - Pension Stabilization Fund created (\$22 million balance) - finalizing a contract for independent actuary to assist in developing strategies to reduce the unfunded pension liability



Deliver Services Efficiently

- **Tax Rate** – lowered by 9 cents in the last two years
- **Pay-Go funding** - shift from debt reliance to providing annual funding for streets, vehicles, facilities, and park amenities
- **Authorized Debt** – issue remaining voter-approved debt only as needed



Maximize Revenue

- **Leverage Grants** – target federal and state funding for transportation, infrastructure, and other strategic priorities (requires City contribution to projects)
- **TIF's** – recent action to modify and eliminate zones resulted in \$9 million increase for General Fund
- **Economic Development** – continue expanding the tax base through retaining and recruiting businesses
- **Evaluate New Sources** – annual, ongoing sources of revenue are necessary to supplement/relieve pressure on property taxes

Balance Short-Term Needs with Long-Term Goals

Short-Term Needs

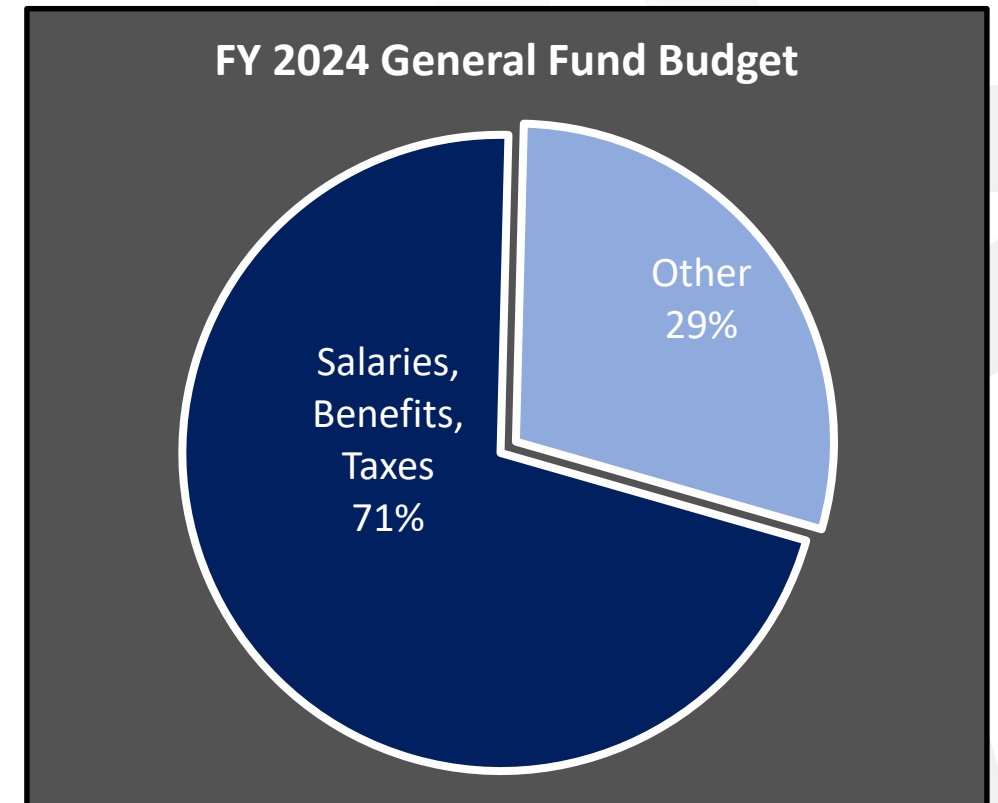
- **Maintenance of Aging Infrastructure** – existing condition (and allocated annual funding) is below the required levels – ex. Streets, facilities, parks, etc...
- **Spending Pressures** – labor costs, public safety staffing, contracts, materials, supplies, and remaining voter-approved debt to issue

Long-Term Goals

- Maintain all infrastructure to be at an acceptable standard
- Financially sustainable (annual pay-go instead of debt financing)
- Utilize updated comprehensive/master plans to assist with identifying gaps in service

Spending Pressures Workforce

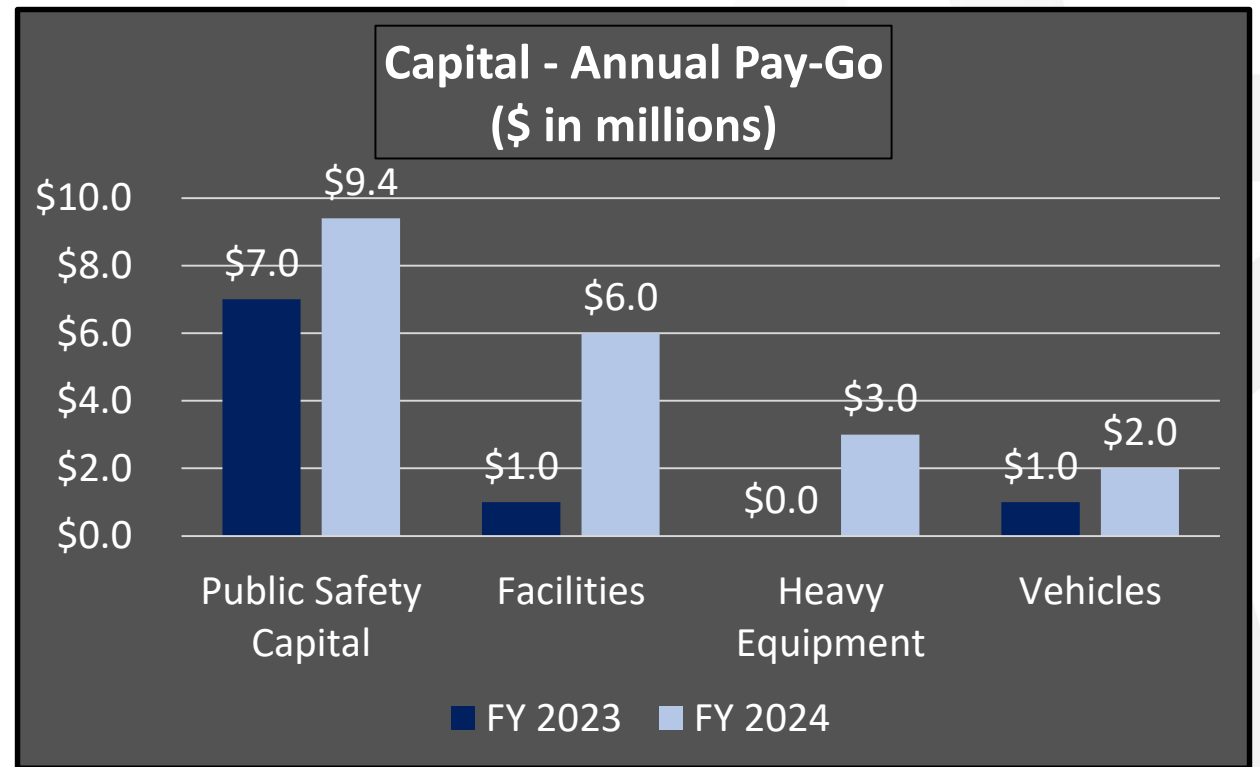
- **Competitive Compensation**
 - 27% increase in min. wage since May 2022
 - \$15 per hour minimum wage (currently at \$13.11 per/hr)
- **Healthcare Benefits** – City has been covering cost increases last 5 years (increase of \$11.4 million, or 41%)
- **Public safety staffing increases** – new stations and regional commands coming online



Spending Pressures

Operating Costs

- Operating costs related to bond projects being completed
- Inflationary impacts on contracts, materials, and supplies
- Utilities, fuel, and vehicle maintenance costs
- Annual pay-go funding



Spending Pressures

Debt Service

- \$600 million in voter-approved debt to issued over next several years
- Future property value growth expected to slow (less growth = higher tax rate)
- No existing debt to be retired for another five years
- Interest rates – fluctuating rates and future uncertainty (impacts debt costs as well as minimizes future refunding opportunities)

General Obligation Bond Status

Voter-Approved General Obligation Bonds (\$ in millions)			
	Authorized	Debt Amount Issued	Pending Debt To Be Issued
2012 Quality of Life	\$473	\$345	\$128
2019 Public Safety	\$413	\$167	\$246
2022 Community Progress	\$272	\$46	\$226
Total	\$1,159	\$558	\$601

Estimated Debt Model

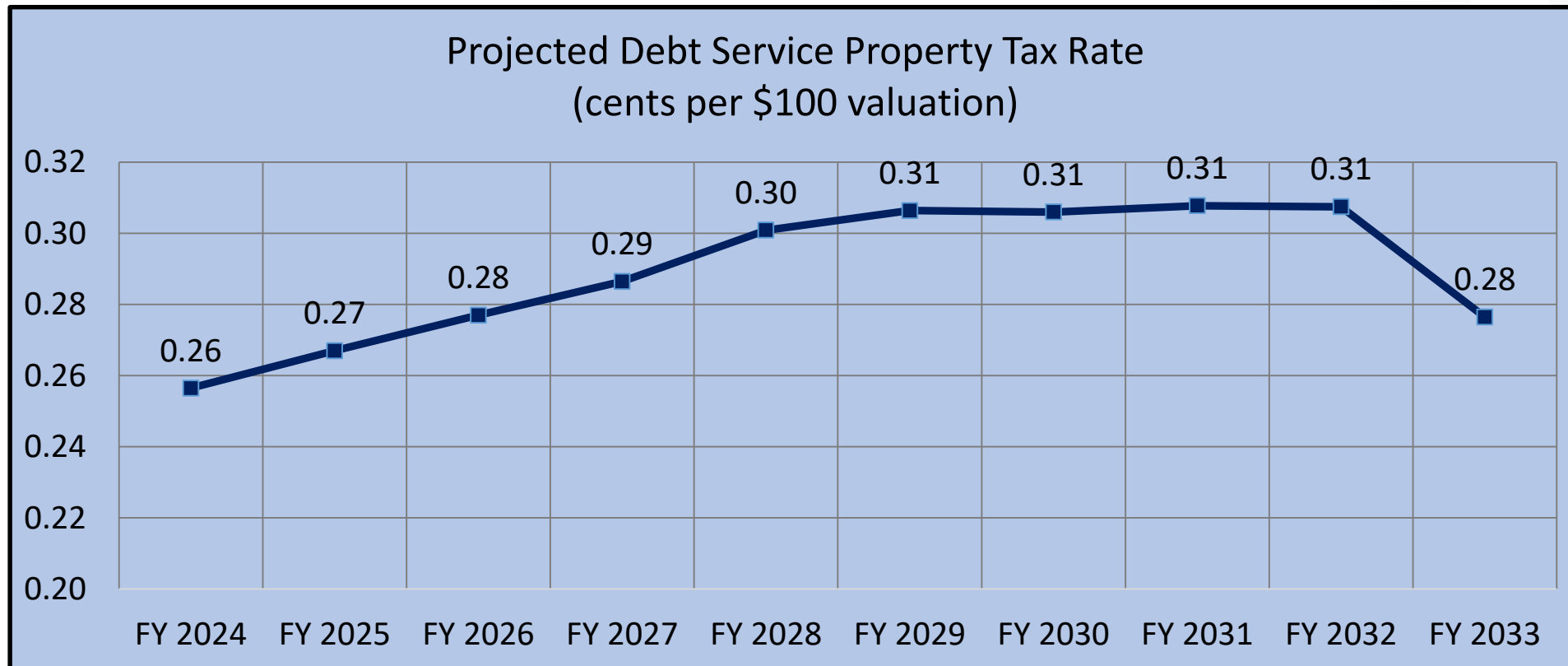
Assumptions

- Only includes remaining authorized (voter-approved) debt to be issued
- Cash flow needs (amount of issuance each year)
- Interest rates – economic/market conditions
- Future property valuation changes
- Future refinancing opportunities

Forecasted Debt Issuances

	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
2012 Quality of Life	\$20.0	\$60.0	\$48.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$128.5
2019 Public Safety	\$89.0	\$63.0	\$40.5	\$27.4	\$16.3	\$9.5	\$0.0	\$0.0	\$0.0	\$245.8
2022 Community Progress	\$42.8	\$45.1	\$32.7	\$25.3	\$19.7	\$15.4	\$15.4	\$15.4	\$14.7	\$226.4
Total	\$151.8	\$168.2	\$121.7	\$52.7	\$35.9	\$24.9	\$15.4	\$15.4	\$14.7	\$600.1

Estimated Debt Model



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