

**CITY OF EL PASO, TEXAS  
AGENDA ITEM  
DEPARTMENT HEAD'S SUMMARY FORM**

**DEPARTMENT:** City Manager - Office of Management & Budget  
**AGENDA DATE:** August 9, 2016  
**CONTACT PERSON/PHONE:** Robert Cortinas, Director of OMB, (915) 212-1092  
**DISTRICT(S) AFFECTED:** All  
**SUBJECT:**

Discussion and action on the FY 2017 Proposed Budget

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**BACKGROUND / DISCUSSION:**

Budget sessions occurred on June 28 – 30 and July 28. The list of potential reductions and Council Budget/Informational Requests will be discussed with the ability to take action.

**PRIOR COUNCIL ACTION:**

Review of potential reductions and Council Budget/Informational Requests took place during July 28 budget session. Action was delayed until August 9, 2016.

**AMOUNT AND SOURCE OF FUNDING:**

N/A

**BOARD / COMMISSION ACTION:**

N/A

\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**DEPARTMENT HEAD:**



**DATE:**

8/1/16



# City of El Paso

FY 2017 Budget

August 9, 2016

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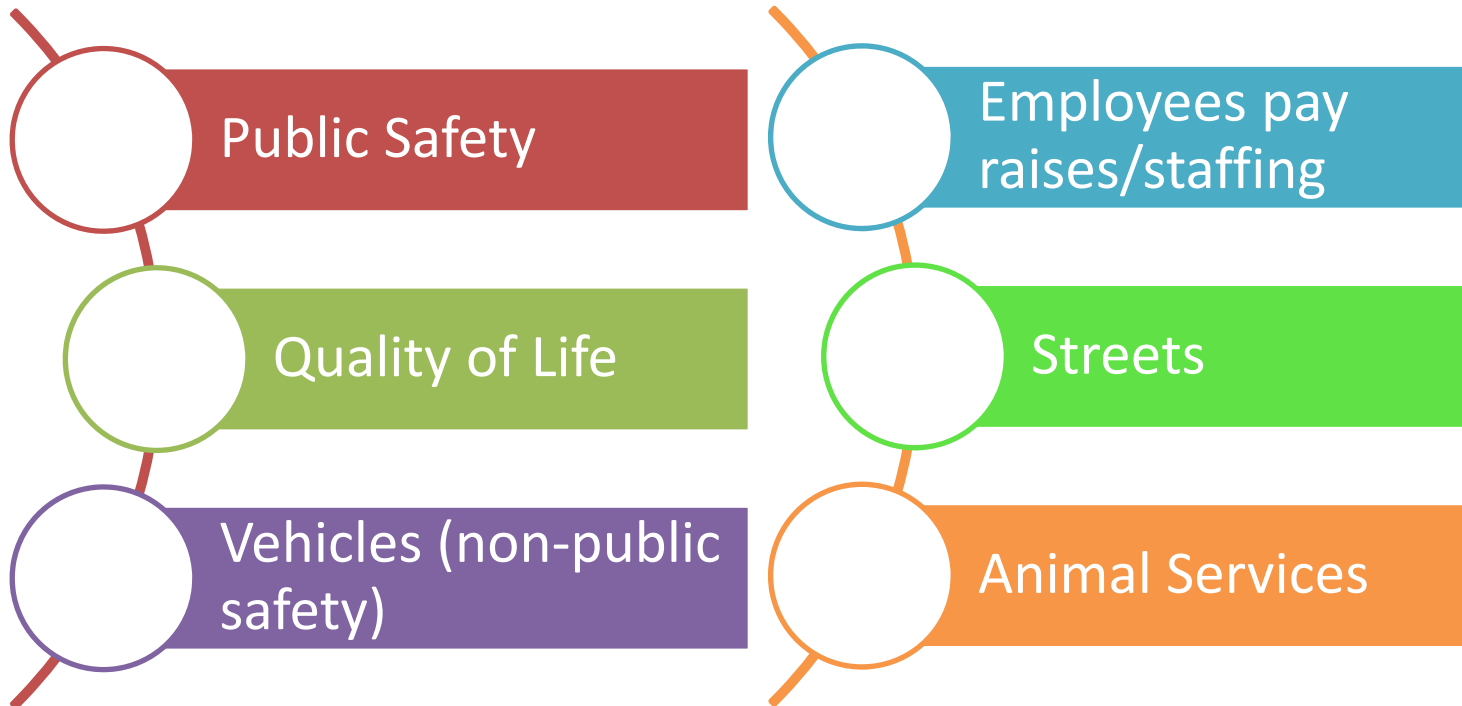
## FY 2016-2017 General Fund

- Addresses the Mayor & Council's budget priorities
- General Fund increasing by \$17.4M due to cost drivers
- Absorbed \$8.5M in additional service enhancements
- No major fee increases, service reductions, or layoffs

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## Mayor & Council's Budget Priorities



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## Mayor & Council's Budget Priorities

### Budget Cost Drivers \$17.7M

Collective bargaining	\$9.1M	Reoccurring
Public safety vehicles and equipment	\$2.9M	Reoccurring
Quality of life projects operating costs	\$1.3M	Reoccurring
Utility costs	\$1.5M	Reoccurring
Healthcare costs	\$0.9M	Reoccurring
<b>Total Reoccurring</b>	<b>\$15.7M</b>	
911 District relocation/public safety radio maint.	\$1.8M	One-time
Fire station restroom upgrade/fleet personnel	\$0.2M	One-time
<b>Total One-Time</b>	<b>\$2.0M</b>	

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## FY 2016 – 2017 Budget Priorities

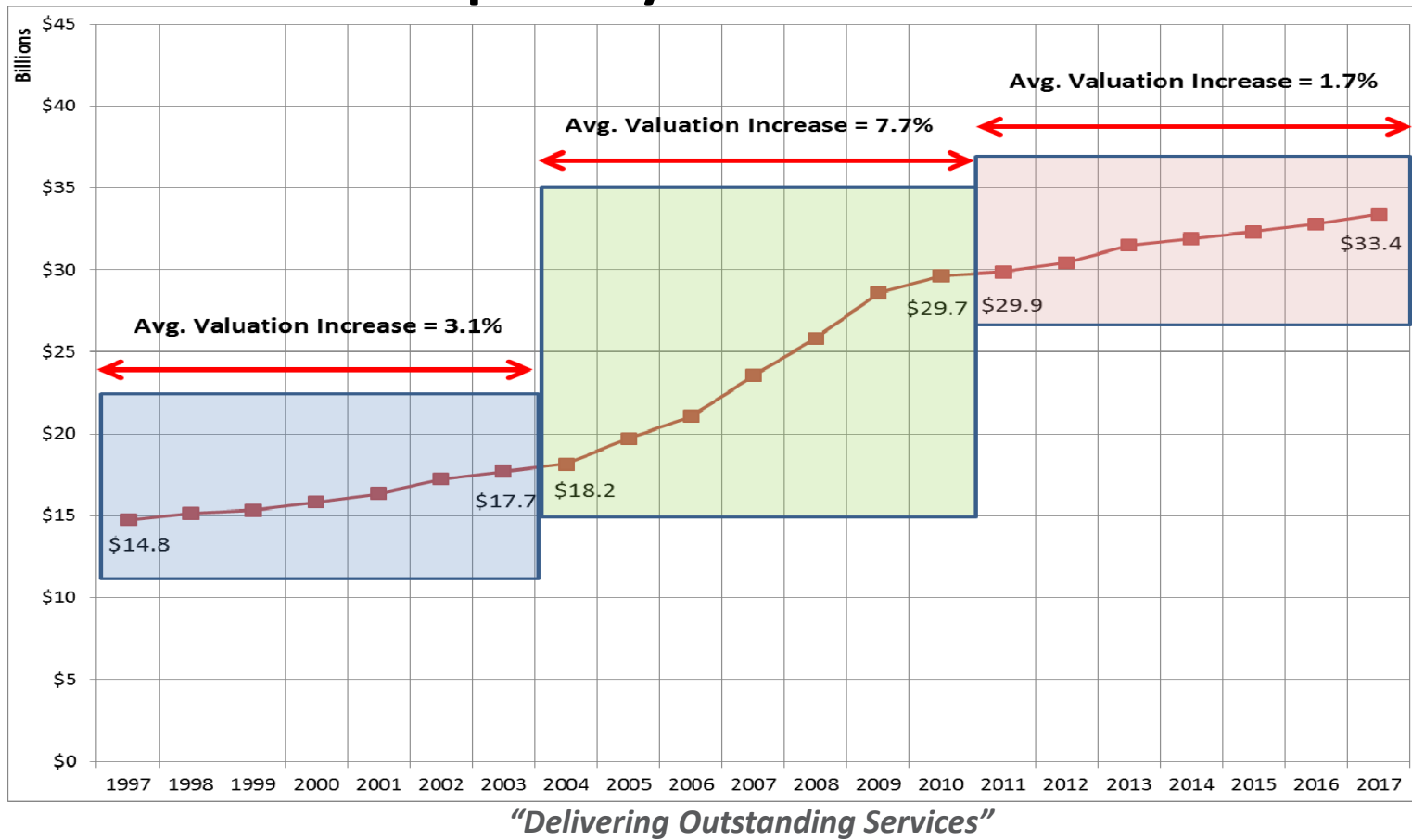
### Additional Service Enhancements Absorbed into Budget \$8.5M

Employee compensation increases	\$1.9M	Reoccurring
Animal shelter initiatives	\$1.1M	Reoccurring
Streets – materials, ADA, and signalization	\$1.4M	Reoccurring
Additional staffing resources	\$2.0M	Reoccurring
Capital projects subsidy – engineering charges	\$0.8M	Reoccurring
Vehicles for depts., and additional parks restrooms	\$0.7M	Reoccurring
<b>Total Reoccurring</b>	<b>\$7.9M</b>	
Grant match and Cyber Security	\$0.6M	One-time
<b>Total One-Time</b>	<b>\$0.6M</b>	

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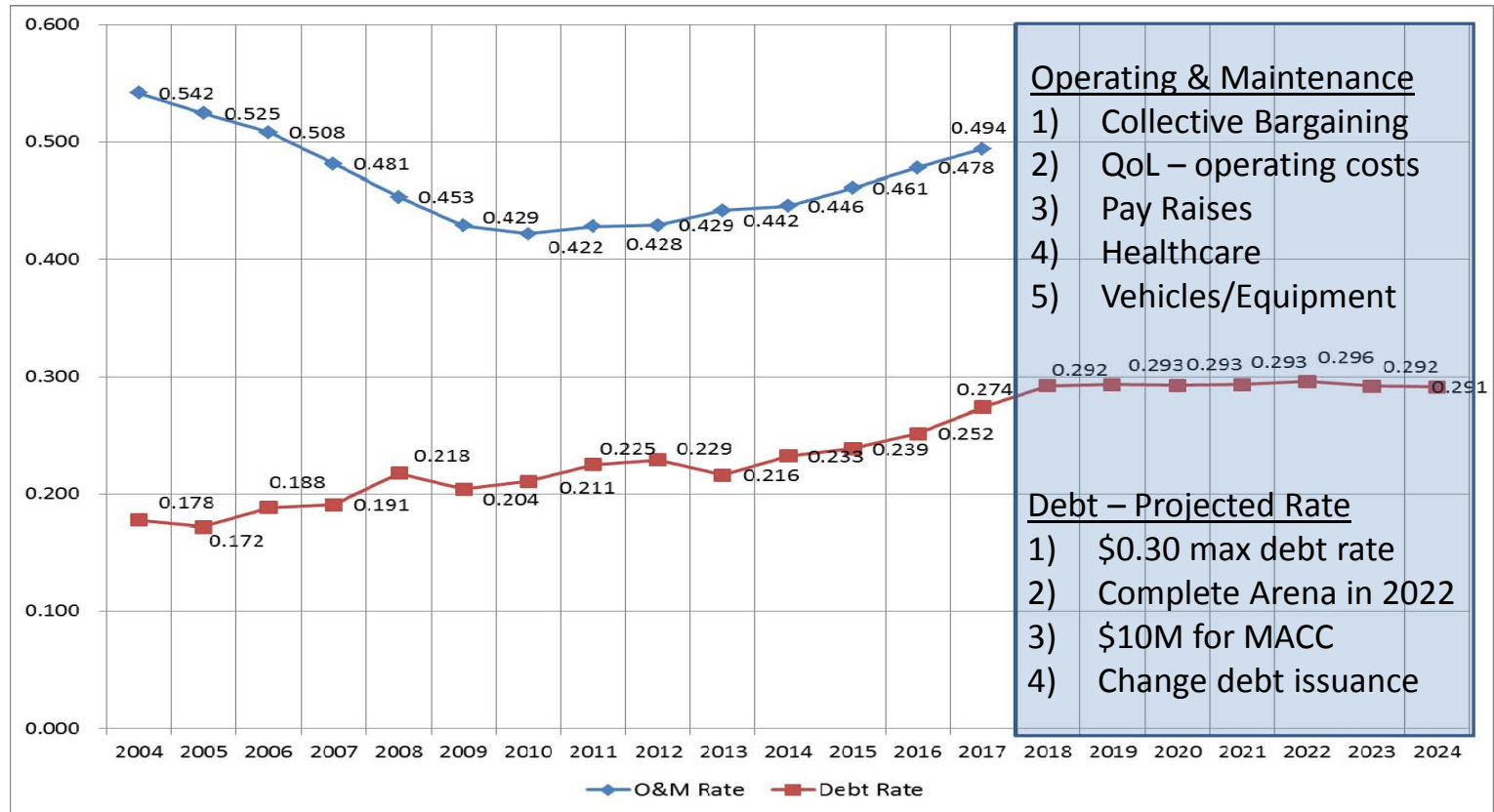


# Property Valuations





# Property Tax Rates

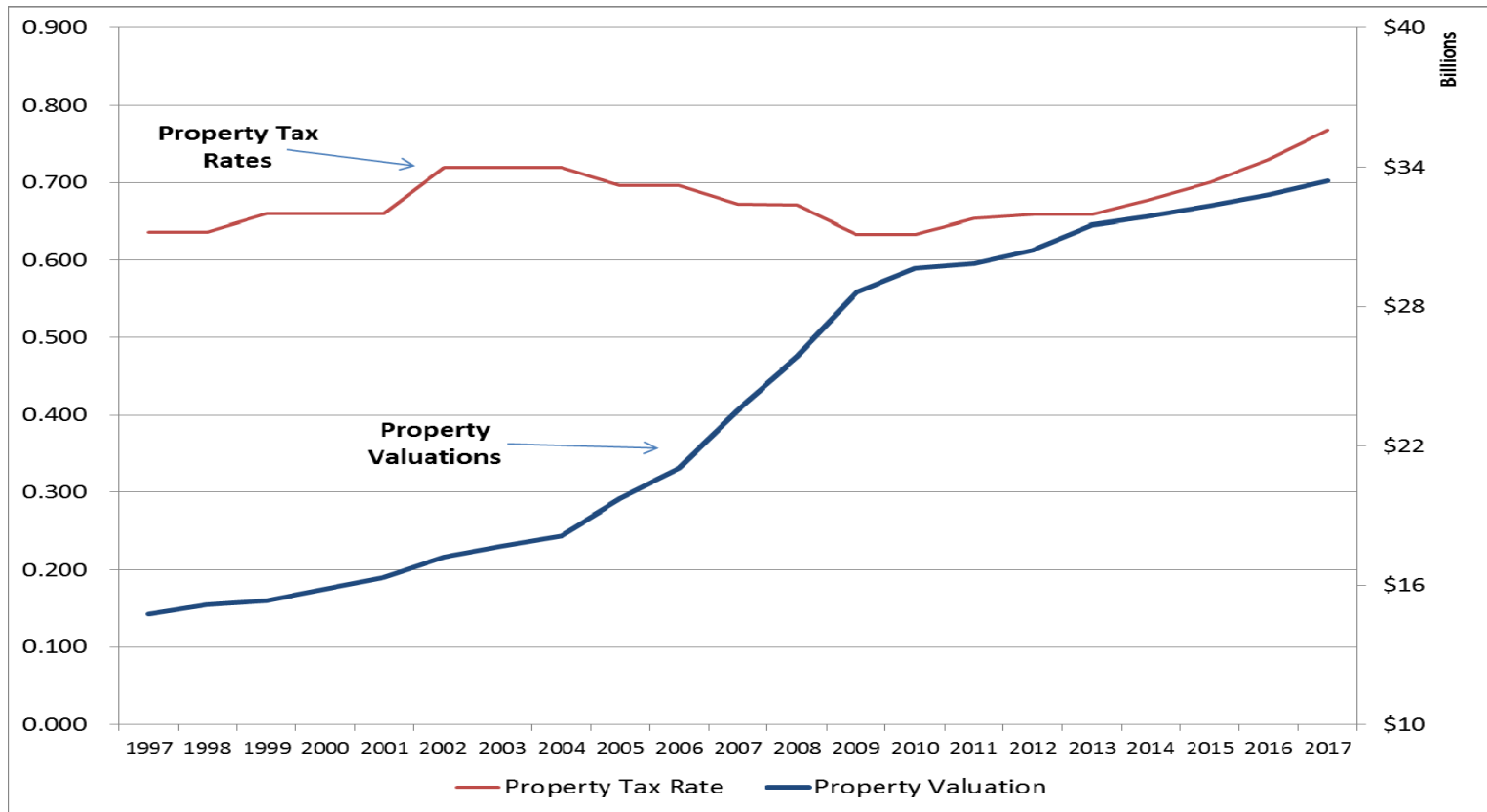


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# Property Tax Rate & Valuations



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# Tax Increase Impact

	Valuation <sup>1</sup>	Tax Rate	Property Tax Levy	Variance
FY 2016 Adopted	\$100,000	0.729725	\$729.73	
FY 2017 Proposed	\$100,000	0.768310	\$768.31	\$38.59/yr. <sup>2</sup> . \$3.22/mo.
FY 2017 Effective	\$100,000	0.738042	\$738.04	\$8.32/yr. \$0.69/mo.

<sup>1</sup> After \$5,000 homestead exemption

<sup>2</sup> Breakdown = \$16.17 Increase for O & M (Fire Collective Bargaining & QoL operating and \$22.42 Increase for Debt (QoL and Streets)

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# Over 65/Disability Exemption

	Valuation <sup>1</sup>	Taxable Value <sup>2</sup>	Tax Rate	Property Tax Levy	Variance
FY 2016 Adopted	\$100,000	\$60,000	0.729725	\$437.84	
FY 2017 Proposed	\$100,000	\$60,000	0.768310	\$460.99	\$23.15/yr. <sup>3</sup> \$1.93/mo.
FY 2017 Effective	\$100,000	\$60,000	0.738042	\$442.83	\$4.99/yr. \$0.42/mo.

<sup>1</sup> After \$5,000 homestead exemption

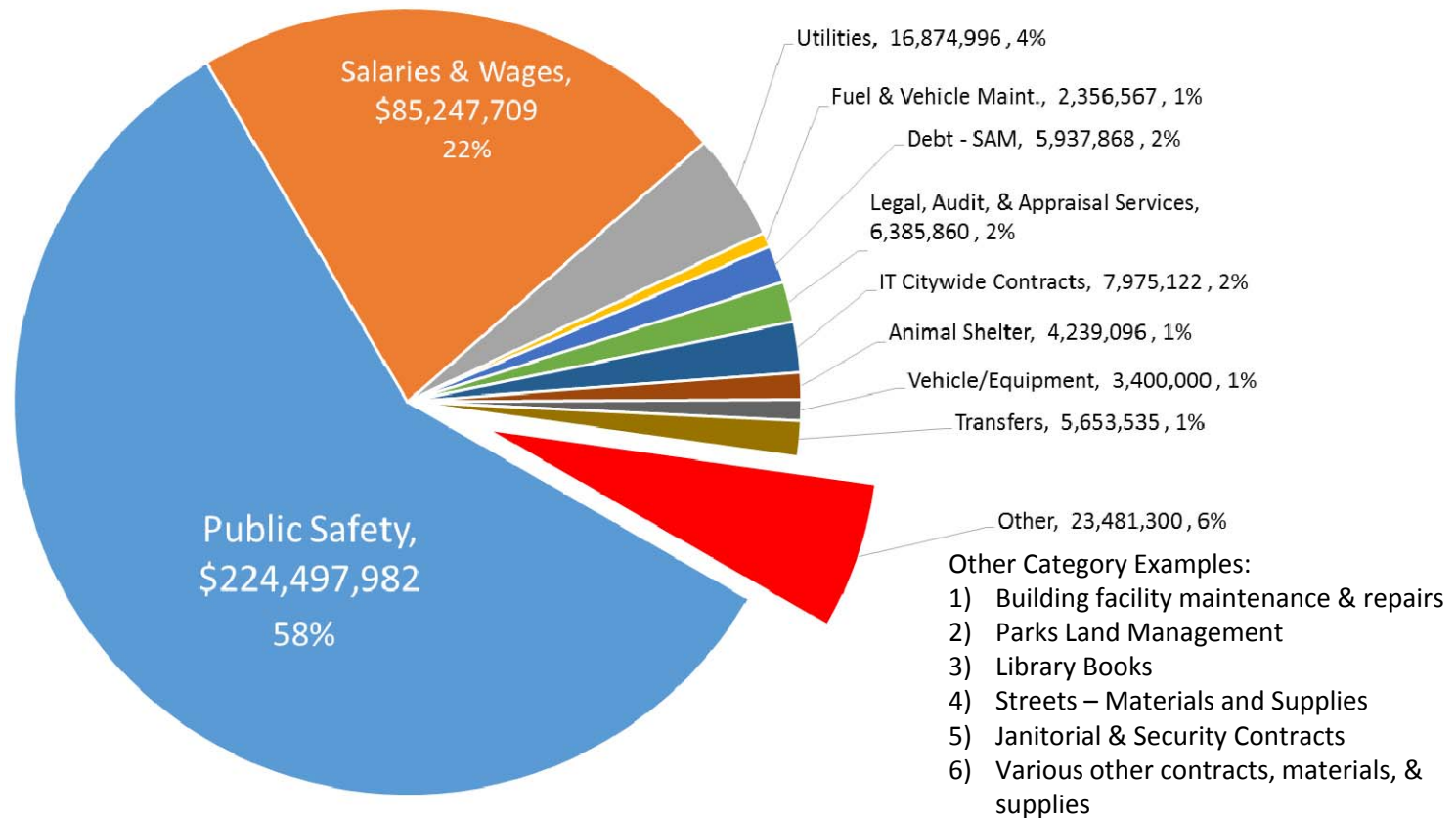
<sup>2</sup> After \$40,000 Over 65 or Disability Exemption

<sup>3</sup> Breakdown = \$9.70 Increase for O & M (Fire Collective Bargaining & QoL operating and \$13.45 Increase for Debt (QoL and Streets)

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# FY 2016 – 2017 General Fund Budget



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## Items Requiring Council Action - Summary

	Dollar Impact	Rate Impact
1. Impact from Certified Values	(\$815,604)	0.00
2. "Green" Reductions	(\$5,748,438)	(1.72)
3. "Yellow" Reductions	(\$1,350,000)	(0.40)
4. "Red" Reductions	(\$5,830,533)	(1.74)
<b>Total Reductions</b>	<b>(\$12,928,971)</b>	<b>(3.86)</b>



## Items Requiring Council Action - Summary

	Dollar Impact	Rate Impact
5. Recommended Use of Debt Capacity	\$18,900,000	0.45 (FY18 Debt Rate)

6. General Fund Council Requests	\$2,392,500* up to \$2,643,500*	0.71 up to 0.79
7. Non-General Fund Council Requests	\$1,636,800	0.00

\* Does not include \$120K in potential revenue (Request #54)

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# 1. Recommended Reductions (Resulting from Certified Valuations)

	Water Conservation Grant Match	(\$300,000)
	Striping Materials (Fund outside General Fund)	(\$200,000)
	Mayor's Office (Vacant Admin. Position)	(\$51,562)
	Cyber Security (Fund from Year-End Savings)	(\$264,042)
	<b>Total</b>	<b>(\$815,604)</b>



## 2. Reductions Requiring a Vote

#	Request	Fund	Amount	Rate Impact
83	Vehicles/Equipment (Short-term debt = \$535,000 x 7 years)	GF	(\$3,200,000)	(1.00)
87	2 Signalized Intersections, ADA improvements, 1 Fire Station Restroom upgrade (Long-term debt)	GF	(\$850,000)	(0.21)
85	Delay pay raises until March 2017 (Budgeted to be implemented Dec. 4)	GF	(\$500,000)	(0.15)
86	Combine Police Academies (80 Cadets)	GF	(\$400,000)	(0.12)
88	Animal Services 18 month implementation	GF	(\$400,000)	(0.12)
89	Vacancy management	GF	(\$198,438)	(0.06)
91	Reduce transfer for economic incentives (based on timing of reimbursement requests. Cost would occur in following year)	GF	(\$200,000)	(0.06)
Subtotal			(\$5,748,438)	(1.72)

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### 3. Reductions Requiring a Vote

#	Request	Fund	Amount	Rate Impact
92	Public safety items (fund outside General Fund)	GF	(\$200,000)	(0.06)
94	Reduce transfer for economic incentives (based on timing of reimbursement requests. Cost could occur in following year)	GF	(\$500,000)	(0.15)
95	Reduce fuel budget	GF	(\$200,000)	(0.06)
96	Reduce janitorial contract budget (new contracts about to be awarded)	GF	(\$100,000)	(0.03)
97	Vacancy management	GF	(\$350,000)	(0.10)
Subtotal			(\$1,350,000)	(0.40)



## 4. Reductions Requiring a Vote

#	Request	Fund	Amount	Rate Impact
98	More aggressive property & sales tax projection	GF	(\$1,386,532)	(0.41)
99	Bond Refunding	GF	(\$1,500,000)	(0.45)
100	Use of fund balance	GF	(\$2,944,001)	(0.88)
Subtotal			(\$5,830,533)	(1.74)



## 5. Recommended Use of Debt Capacity

#	Items to be Capitalized	Fund	Amount	FY18 Debt Impact
101	MPO Match, plus Contingency	Debt	\$5,500,000	0.15
102	10 Signalized intersections	Debt	\$2,700,000	0.06
108	San Jacinto Plaza restrooms	Debt	\$700,000	0.02
109	Mexican-American Cultural Center (MACC)	Debt	\$10,000,000	0.22
Debt Capacity to be Used			\$18,900,000	0.45
Remaining Capacity Available			\$26,600,000	0.55
Total Capacity of 1 Penny			\$45,500,000	1.00

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## 6. Additional Requests Requiring a Vote (General Fund)

#	Department	Request	Fund	Amount
6	Streets & Maintenance	Establish a budget for street lights - an equal amount to each district. "Let's begin with \$150,000 per district."	GF	\$1,200,000
7	Non-Departmental	Each City Council rep will have a discretionary fund of \$15,000. (The FY17 Budget doubled the discretionary funds for each District from \$5K to \$10K)	GF	\$40,000
10	Museums & Cultural Affairs	Funds to provide film grants for (3-5) small/independent projects (at \$10,000 per grant) relative to the Artist Incubator Grant program. (Film projects are already eligible for Artist Incubator Program Awards, capped at \$3,500/awardee as specified in Council-approved guidelines (updated and approved April 5)	GF	\$32,500



## 6. Additional Requests Requiring a Vote (General Fund)

#	Department	Request	Fund	Amount
11	Economic Development	Funds from Chapter 380 budget to provide economic incentives for the El Paso film industry to develop production facilities for a film production incubator program through the RFP process.	GF	\$100,000
13	Economic Development	Funds to develop and implement Sister City (Hadera, Israel) Student Exchange Program (scholarships for airfare and accommodations [hotel and sponsor/host family]); Program provides economic development global trade studies of sustainable development (technology and border security), relative to the City of El Paso Economic and International Development department; program eligibility for students of University/college and high school to earn credits for summer program.	GF	\$100,000

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## 6. Additional Requests Requiring a Vote (General Fund)

#	Department	Request	Fund	Amount
18	Streets & Maintenance	Supplemental Neighborhood Street Re-surfacing to begin identifying funding to supplement current CIP/Street projects; for future year allocation through identified savings; move funds budgeted as capital expenditures to materials and supplies as maintenance function. (The FY17 budget has approx. \$900K for emergency pavement repairs)	GF	
22	Mayor and Council	Council District office budget increase beyond 6-7% for salaries, and increase Council discretionary funds allocated annually. (The FY17 budget includes a 6.2% increase in salaries for each District)	GF	\$43,000 (cost for additional 5% increase)

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## 6. Additional Requests Requiring a Vote (General Fund)

#	Department	Request	Fund	Amount
28	Economic Development	Funds to develop and implement a Renewable Energy - Convention (ReCon), for the City to co-host a conference in association with private and public partners; inviting solar industry to the Sun City; to develop economic incentives providing for such; in coordination with the Renewable Energy Advisory Board and the Economic Development Department.	GF	\$75,000
41	Information Technology	Would it be possible for CoEP to research San Antonio's QOL dashboard webpage that allows citizens to stay updated on projects? Cost?	GF	\$632,000 up to \$883,000
54	Municipal Clerk	Can we look into a child safety fee as an alternative source of revenue?	GF	\$120,000
75	Parks and Recreation	Reuse the existing San Jacinto holiday lights at another location in the city	GF	\$50,000

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## 6. Additional Requests Requiring a Vote (General Fund)

#	Department	Request	Fund	Amount
82		Can we get a breakdown of \$0.50 increases for vendor employees on one page? Implement plan to increase min. wage for security, janitorial, grounds maintenance to achieve \$10 min. wage	AF	FY17 = \$120K FY18 = \$1.01M FY19 = \$1.73M FY20 = \$2.30M FY21 = \$2.88M <b>Total cost over 5 years = \$8.04M</b>
<b>Total FY 2017 General Fund Council Requests</b>				<b>\$2,392,500*</b> <b>up to</b> <b>\$2,643,500*</b>

\* Does not include \$120K in potential revenue (Request #54)

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## 7. Additional Requests Requiring a Vote (Non-General Fund)

#	Department	Request	Fund	Amount
12	Economic Dev.	Funds to develop a planning network with regional public and private partnerships for the 2017 SXSW; and for formal participation and promotion of the City of El Paso at the 2017 SXSW in Austin, TX.	HOT	\$100,000
16	Streets & Maintenance	Neighborhood Management Traffic Program increase funding for pending projects	Debt	\$335,000
19	Museums & Cultural Affairs	To fund City of El Paso Monumental Mural Pilot Program for facade enhancement; relative to MCAD to fund 1 or 2 downtown murals for the purpose of transforming downtown visual appeal, mentor local artists, and teach classes to local students.	HOT/ DMD	\$100,000
74	Destination El Paso	As you know, there is now a website featuring short term rentals much like hotels called "Airbnb". El Paso has several of these short term rentals available on this website. My concern is the following, they are competing with the Hotel/Motel industry and not paying the hotel/motel tax. I know that other cities have passed ordinances and fees for these types of rentals. Is this something that El Paso can do? I don't now how much hotel/motel tax it would generate, if in fact we can do this, but I would like to initiate some type of ordinance that would regulate these short term rentals.	HOT	

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## 7. Additional Requests Requiring a Vote (Non-General Fund)

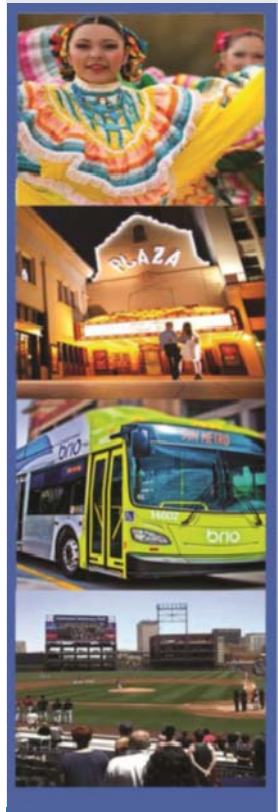
#	Department	Request	Fund	Amount
4	Mass Transit-Sun Metro	Following up on a conversation representative Ordaz had w Tommy at her last meeting, can I follow up on the request in to looking in to adding a position at the MVTC on Alameda to assist with the following: Welcome Visitors to Lowenstein House, give history info, show videos, Direct visitors to express bus, Prepare Calendar for Community Educational Speakers and Art Exhibits, set up, host receptions & clean up, report on building repairs, assist bus riders with info., distribute info. to terminals and assist with larger events as needed	Sun Metro	\$125,000 (other entities to reimburse?)
25	Mass Transit-Sun Metro	Brio: expanded hours (Friday & Saturday until midnight) to include weekends.	Sun Metro	\$108,000

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## 7. Additional Requests Requiring a Vote (Non-General Fund)

#	Department	Request	Fund	Amount
26	Mass Transit-Sun Metro	Street Car: waive rider fee for first 90 days of operations; implementation of operational hours downtown trolley to avoid conflicting under the same time pattern with bus system route.	Sun Metro	\$90,000
27	Mass Transit-Sun Metro	Funds to provide a formal Feasibility Study for a El Paso-Juarez Transnational multi-modal pedestrian transportation system.	Sun Metro	\$100,000
29	Economic Development	Increase University-Kern Place Corridor funding relative to pedestrian improvements along the University-Kern Place Streetcar corridor, as it relates towards the Sun City Lights Initiative. (Phase 2). (Funding already identified for Phase 1)	?	\$678,800
Total FY 2017 General Fund Council Requests				\$1,636,800

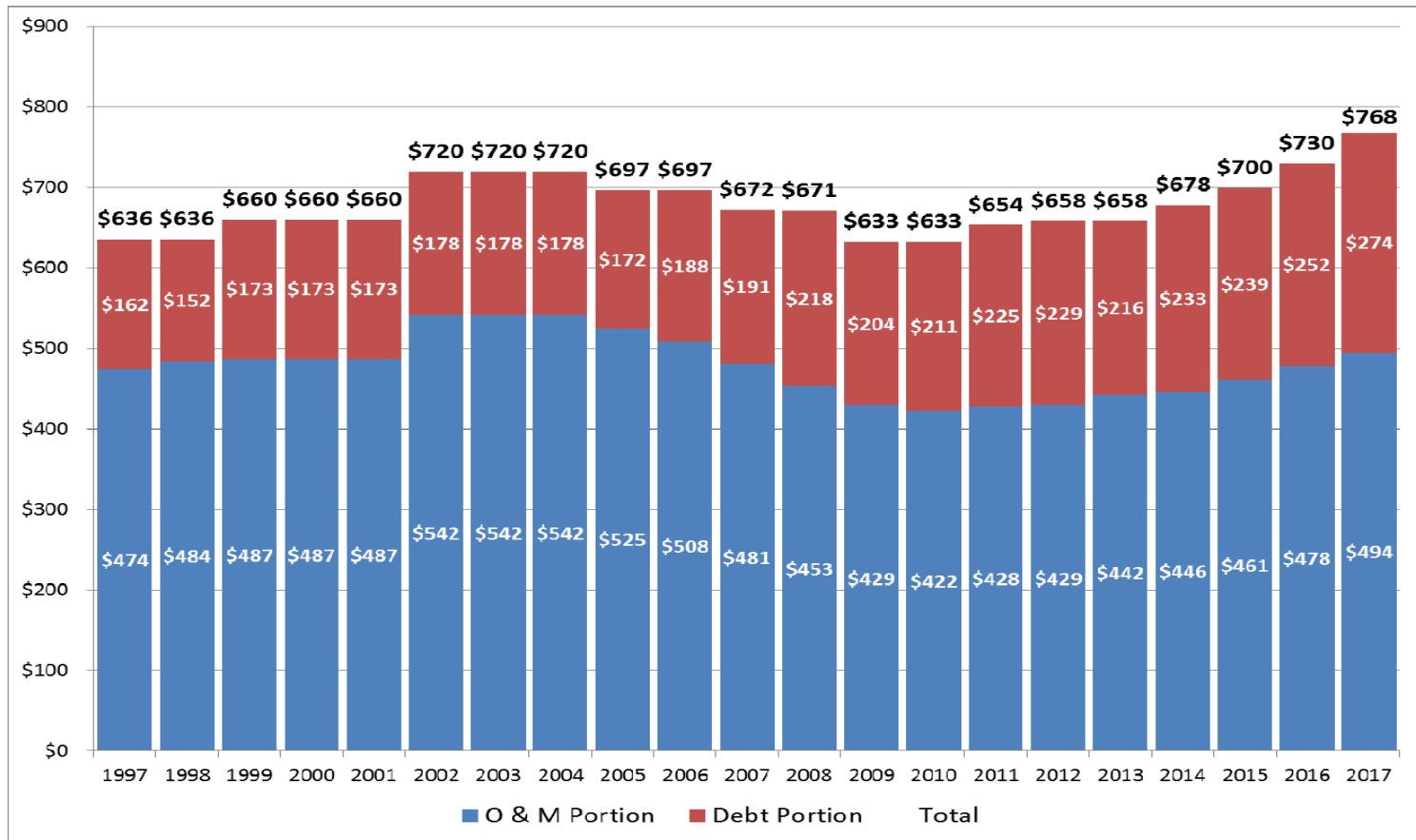


# Questions

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# City Property Taxes (\$100K Home)





# Informational Requests

#	Request	Type
9	General overall principle: set a goal and begin to do what is necessary to raise sales tax revenues and decrease property taxes. Do not balance the budget by raising tax rates. It is time to cut them.	Informational
20	Has the 500k for ADA funding been expended? Would like a list of completed projects and any denied projects.	Informational
21	Have the two intersections presented been identified? How are the intersections chosen? How long is the list of intersections?	Informational
24	Implementation of Soda Tax (3 cents per ounce) to fund projects such as: street paving, pending NMTP projects, expanded prekindergarten, park improvements, and budget shortfalls.	Informational
30	What was FY 2015 savings? What is the projected savings for FY 2016?	Informational

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# Informational Requests

#	Request	Type
39	What is the breakdown of the voter approved increases for fire vs. what the city was proposing?	Informational
47	Can we look into the interlocal agreement regarding prisoner housing for possible savings?	Informational
48	Would it be possible for Economic Development 380 agreements to add internship opportunities as a bonus incentive?	Informational
53	How much have we saved by switching street lights to LED lights?	Informational
68	Can we get a pie chart explaining how the tax dollar is split?	Informational

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# Informational Requests

#	Request	Type
70	Which departments are impacted by proposed reductions in yellow and green? How are those departments impacted?	Informational
71	How much more is it to finance items (green and yellow) in proposal?	Informational
72	Can we look into a Municipal Development District (MDD) Sales Tax as an alternative source of revenue?	Informational
73	Can we look into implementing a coin operated tax? If so, can we find out what revenue could be generated from \$15 per year/machine?	Informational
35	How much funding is set aside for Destination El Paso's buildings (Convention center, Abraham Chavez) for upkeep and maintenance? Is it possible to get it broken out by facility (repairs and plan for repairs)?	Informational

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# Informational Requests

#	Request	Type
34	What is the breakout of Goal 1's negative amount for Materials & Supplies?	Informational
40	Do we have wifi at in the airport cell lot?	Informational
17	Would like the cost breakdown of compensation increases.	Informational
58	How much would contractual services go up by for Streets & Maintenance with the wage increase of \$10?	Informational
69	How much do we spend on landscape and maintenance?	Informational

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# Informational Requests

#	Request	Type
60	What does the Contractual Services variance consist of? Can we remove MPO from the City of El Paso budget?	Informational
1	test	Informational
23	Would like a copy of the study completed on collisions.	Informational
31	Requesting information CAD sent in April; what did CAD close at in December 2015?	Informational
32	What are the actuals for Planning staffing in FY15?	Informational

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# Informational Requests

#	Request	Type
33	Would like to see report for where crime takes place; has there been an increase in Mission Valley and overall?	Informational
36	Would like a copy of the study on vehicles: how many we have, who has vehicles, what can we do to increase police vehicles, what happens when a vehicle breaks down (emergency vs. regular)?	Informational
37	Can you keep council informed on the impact of Forward Drop?	Informational
38	Would we be able to legally implement an ordinance for convenience stores to prevent beer runs?	Informational
42	What was Library's past attendance/visitor rate? How can we know that there has been an increase in attendance/visitors?	Informational

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# Informational Requests

#	Request	Type
43	Since the Census will be an electronic process, would it be possible to make it a library initiative?	Informational
44	What is the number of open records request? Is it average/above average?	Informational
45	Can we get a playground improvements list with a prioritization of needs?	Informational
46	How many soccer fields would be needed for a tournament? How many flat fields do we have currently?	Informational
49	Would it be possible for Digital El Paso to expand into zip codes? Partnerships w/ other agencies to share cost?	Informational

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# Informational Requests

#	Request	Type
50	City Manager requested to provide Council the wifi mapping with possible areas to expand.	Informational
51	Can you provide the EWM grant breakdown of the 2M?	Informational
52	Is it possible to expand crosswalk striping to serve as a calming measure on the intersection of Alameda and Pasodale and on Caper?	Informational
55	Is it possible to create a biking/pedestrian route to connect to downtown from upper valley? By Paisano, Go-10 or Border Expressway?	Informational
56	What happens to projects that don't have funding in the NTMP?	Informational

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# Informational Requests

#	Request	Type
59	Can we get an update on the agreement with TXDOT for a change order? (Need to clarify project)	Informational
61	What is the status of the multipurpose center roof upgrade?	Informational
62	Council asked for other ways to increase street projects (i.e. signalized intersections)	Informational
63	How is HUD addressing readiness for the homeless to be self-sufficient and their mental health? What is the success rate for people in shelters going to live on their own? How are they transitioned to live on their own? What can we do legislatively to help this program with state and federal government? Can we do an analysis of the services we have to address the homeless problem?	Informational
64	Can we make a committee to address veteran homelessness?	Informational

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# Informational Requests

#	Request	Type
65	Is the Texas Rehabilitation Commission (TRC) Job Express (LIFT) funding ending at the end of June? What are contingency plans once the funding is set to end?	Informational
66	When we look at low income housing tax credits, is it possible to look at an apartment building program for homeless like the model from the housing finance corporation conferences?	Informational
67	Would a single person earning minimum wage be able to afford a low income housing mortgage payment?	Informational
76	What is the cost of water usage of parks to taxpayers?	Informational
77	What is the amount of delinquent taxes? Can we find out what is outstanding?	Informational

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# Informational Requests

#	Request	Type
78	When are we expecting payment for delinquent taxes in litigation?	Informational
79	What is the 8.1M breakdown in economic incentives?	Informational
80	How much are we paying out for incentives?	Informational
81	What is included in the Outside Contracts NOC, 4M?	Informational

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## Requests Included in Budget

#	Request	Type
2	Increase the salary for legislative Aides in the City Reps offices.	Included
3	ADA curb cuts, traffic calming improvements need to be funded each year from funding sources other than bonds. The Street infrastructure is not being funded appropriately. the 2012 Bond authorized to improve the infrastructure but not to be the only funding available for street infrastructure.	Included
5	Begin to have a regular budget item for streets and sidewalks including maintenance and repairs. Whatever amount that we budget for this year should over time be increased so that we do not have to borrow money in order to maintain our streets and sidewalks.	Included
8	Increase budget for police department to train and hire more police officers per Chief Allen's requests.	Included
15	Street lights funding citywide.	Included

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