

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

DEPARTMENT: City Manager - Office of Management & Budget
AGENDA DATE: August 23, 2016
CONTACT PERSON/PHONE: Mark Sutter, Chief Financial Officer (915) 212-1145
Robert Cortinas, Budget Director (915) 212-1092
DISTRICT(S) AFFECTED: All

SUBJECT:

Presentation and discussion on the 3rd Quarter Financial Report for FY2016

BACKGROUND / DISCUSSION:

The 2016 Budget Resolution requires that within forty-five (45) working days after the close of each fiscal quarter, the City Manager or his/her designee shall provide a quarterly report to City Council regarding the status and year-end projection of the budget.

PRIOR COUNCIL ACTION:

Yes, FY 2016 2nd Quarter Presentation was on June 14, 2016.

AMOUNT AND SOURCE OF FUNDING:

N/A

BOARD / COMMISSION ACTION:

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD: _____

Robert Cortinas

DATE: _____

8/16/16



FY 2016 3rd Quarter General Fund Budget Report

Mark Sutter, Ph.D.
Chief Financial Officer

August 23, 2016

Strategic Goal 6 – Set the Standard for Sound Governance and Fiscal Management

Strategy 6.6 – Ensure continued financial stability and accountability through sound financial management, budgeting, and reporting

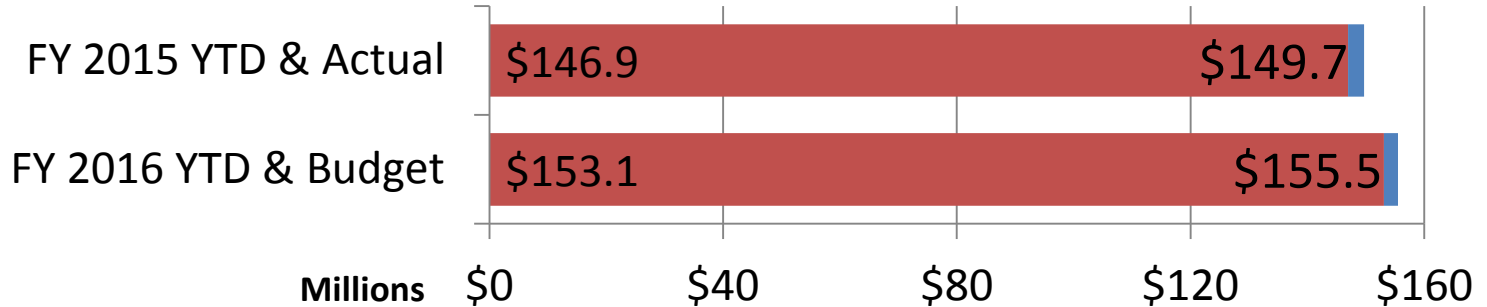


General Fund Revenues

REVENUE	FY 2016 Adopted Budget	FY 2016 Adjusted Budget	FY 2016 Actual To Date	FY 2016 Actual To Date %	FY 2015 Actual To Date %
Property Taxes	155,512,547	155,512,547	153,069,556	98.4%	98.6%
Sales Taxes	85,173,174	85,173,174	63,616,372	74.7%	75.3%
Franchise Fees	50,707,193	50,707,193	34,966,682	69.0%	68.9%
Charges for Services	28,969,998	29,024,113	19,446,894	67.0%	64.5%
Fines and Forfeitures	12,084,048	12,084,048	8,556,345	70.8%	78.6%
Licenses and Permits	12,574,325	12,574,325	10,225,049	81.3%	70.7%
Intergovernmental	469,169	469,169	216,254	46.1%	78.0%
County Participation	400,871	400,871	312,779	78.0%	85.0%
Interest	100,000	100,000	8,744	8.7%	3.2%
Rents and Other	1,672,791	1,672,791	1,113,081	66.5%	70.0%
Other Sources (Uses)	21,028,974	26,970,974	15,376,060	57.0%	69.1%
	\$368,693,090	\$374,689,205	\$306,907,816	81.9%	82.7%



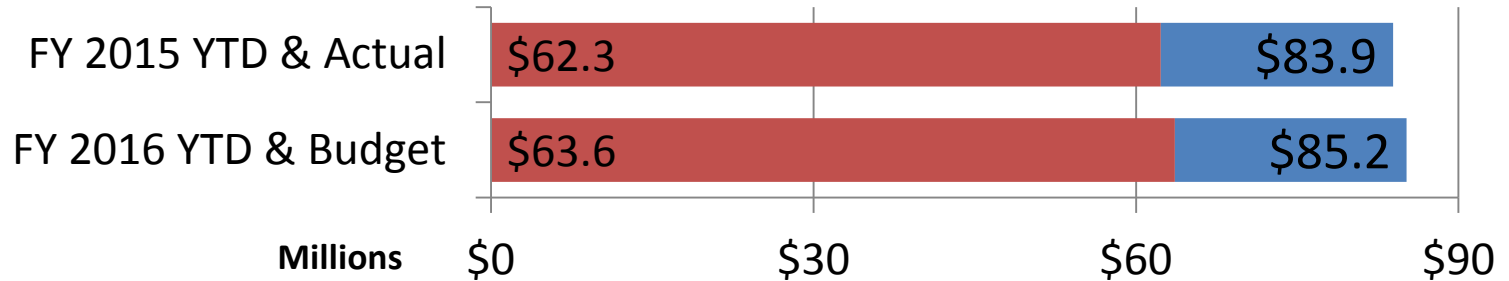
Property Taxes



- *Collected 98.4% of budgeted revenue (98.6% for same period last year)*
- *Collection rate total as a percent of levy continues to perform as budgeted*



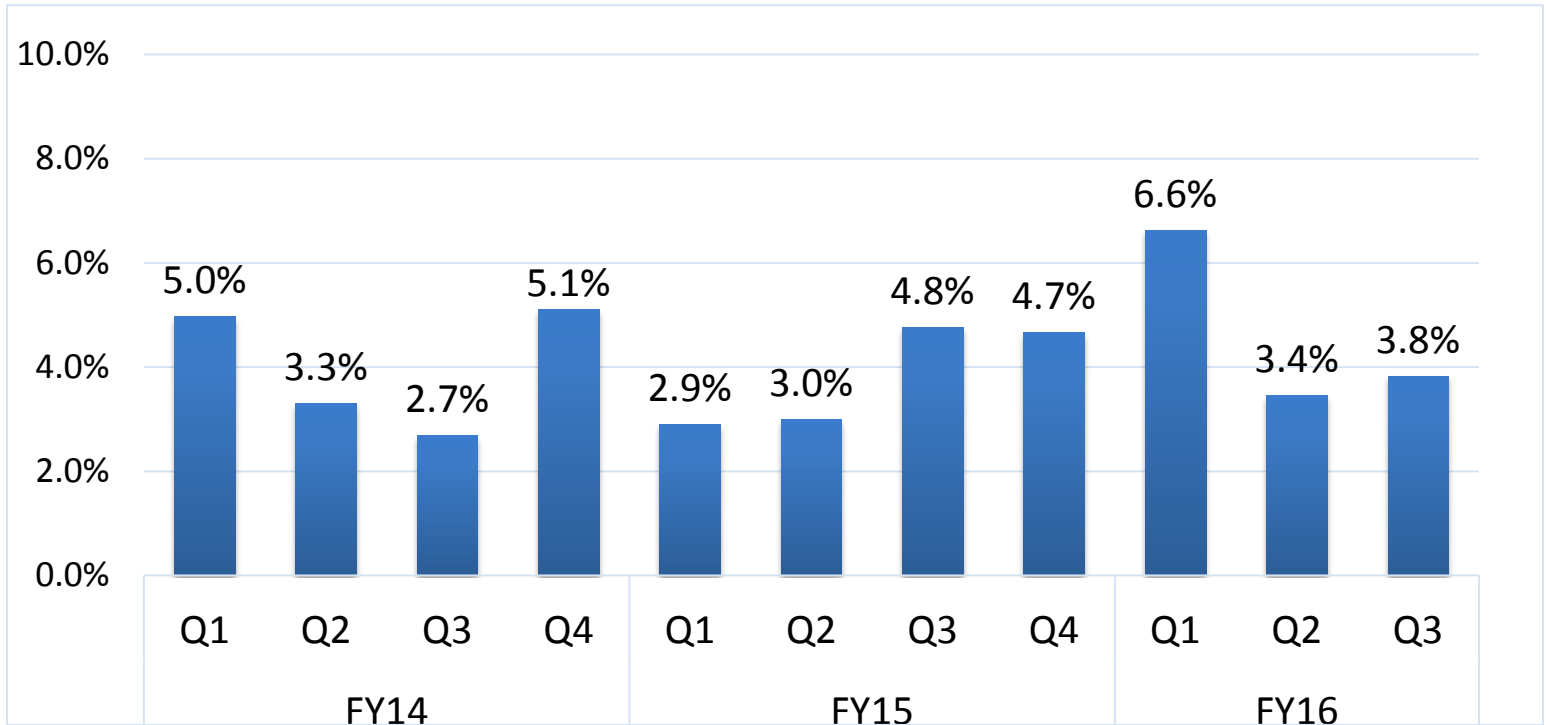
Sales Taxes



- *Sales tax*
 - *Current period collections up 5.0% compared to same period last year*
 - *28 consecutive month to month increases in current collections*
- *Mixed beverage tax – collections up 4.0% compared to same period last year*



Sales Tax – Current Collections (Quarterly Variance)





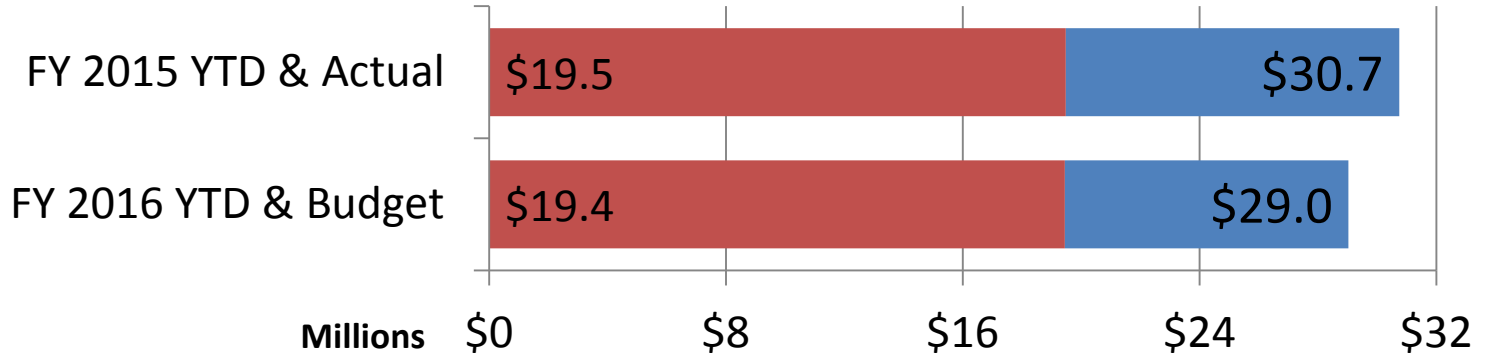
Franchise Fees



- *El Paso Water Utility – metered water sales up 13.0% compared to same period last year*
- *Telecom – collections up 14.0% compared to same period last year*
- *El Paso Electric – total sales inside City limits is down 2.3% compared to same period last year*



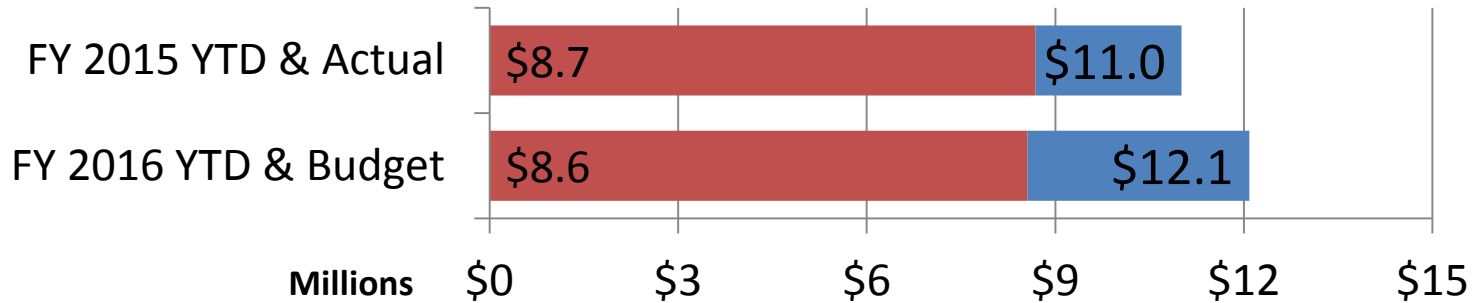
Charges for Services



- *Examples of accounts include: ambulance service, indirect costs, reimbursed expenditures, and transfer from capital projects*
- *FY 2016 year-to-date is trending similar to same period last year*



Fines & Forfeitures



- *Ticket issuance is down by 15.4% compared to same period last year*
- *Amnesty period conducted from Feb 22 to Mar 5*



General Fund Expenditures

EXPENDITURES	FY 2016 Adopted Budget	FY 2016 Adjusted Budget	FY 2016 Actual To Date	FY 2016 Actual To Date %	FY 2015 Actual To Date %
Goal 1 - Economic Development	1,777,782	1,777,782	1,049,703	59.0%	59.2%
Goal 2 - Public Safety	215,251,654	215,251,653	151,192,414	70.2%	74.4%
Goal 3 - Visual Image	7,479,727	7,479,727	4,994,609	66.8%	68.5%
Goal 4 - Quality of Life	35,559,714	35,663,935	23,137,054	64.9%	64.5%
Goal 5 - Communication	11,489,192	11,489,192	7,844,293	68.3%	75.1%
Goal 6 - Sound Governance	51,437,611	57,320,121	37,905,315	66.1%	64.8%
Goal 7 - Infrastructure	39,055,262	39,014,744	26,368,445	67.6%	71.9%
Goal 8 - Sustainability	6,642,148	6,692,051	3,907,119	58.4%	58.8%
TOTAL EXPENDITURES	\$368,693,090	\$374,689,205	\$256,398,951	68.4%	71.5%



General Fund Expenditures

EXPENDITURES	FY 2016	FY 2016	FY 2016	FY 2016	FY 2015
	Adopted Budget	Adjusted Budget	Actual To Date	Actual To Date %	Actual To Date %
Personal Services	274,082,438	275,042,097	192,745,644	70.1%	74.3%
Contractual Services	33,851,598	34,856,952	24,694,763	70.8%	67.7%
Materials and Supplies	15,516,455	15,107,295	9,664,106	64.0%	55.8%
Operating	24,543,052	22,693,815	13,443,400	59.2%	72.3%
Non-Operating	6,280,668	6,255,008	3,938,250	63.0%	58.6%
Intergovernmental	1,546,184	1,535,695	442,779	28.8%	18.3%
Other Uses	12,872,695	18,867,170	11,447,399	60.7%	50.1%
Capital Outlay	0	331,174	22,611	6.8%	16.5%
TOTAL EXPENDITURES	\$368,693,090	\$374,689,205	\$256,398,951	68.4%	71.5%

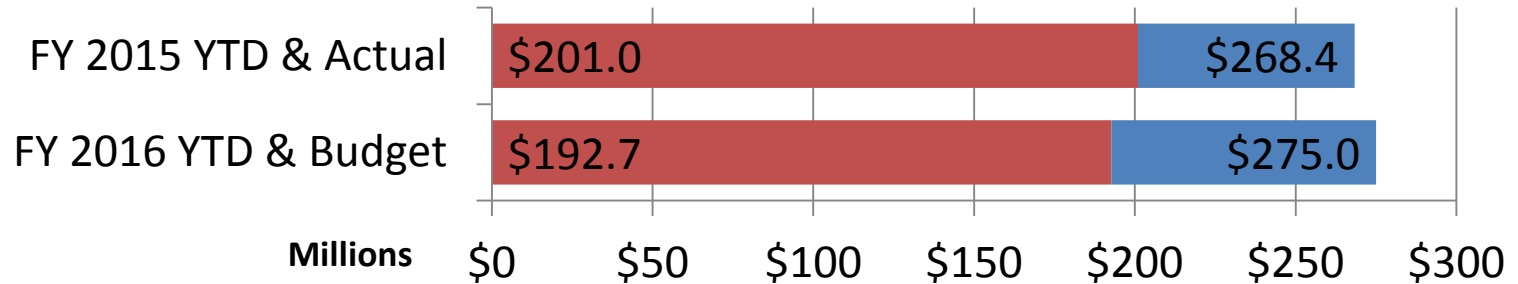


General Fund Expenditures

EXPENDITURES	FY 2016	FY 2016	FY 2016	FY 2016	FY 2015
	Adopted Budget	Adjusted Budget	Actual To Date	Actual To Date %	Actual To Date %
Capital Improvement	6,562,223	6,467,590	3,384,288	52.3%	63.1%
City Attorney	3,960,788	3,960,788	2,550,246	64.4%	74.7%
City Manager	2,893,192	2,893,192	1,965,257	67.9%	74.1%
Community and Human Development	472,545	522,448	198,608	38.0%	46.8%
Economic Development	1,777,782	1,777,782	1,049,703	59.0%	59.2%
Fire	97,267,111	97,267,111	68,519,131	70.4%	74.9%
Human Resources	2,068,125	2,068,125	1,395,924	67.5%	70.9%
Information Technology	11,489,192	11,489,192	7,844,293	68.3%	75.1%
Library	8,964,491	8,964,491	6,061,500	67.6%	67.2%
Mayor and Council	1,275,010	1,275,010	837,003	65.6%	74.5%
MCAD	2,432,128	2,432,127	1,573,736	64.7%	70.2%
Municipal Clerk	5,473,930	5,564,714	3,826,803	68.8%	67.5%
Non-Departmental	32,406,122	38,197,847	25,106,985	65.7%	60.9%
Office of the Comptroller	2,025,168	2,025,168	1,410,316	69.6%	68.7%
Parks	19,989,529	20,093,750	12,726,459	63.3%	61.3%
Planning and Inspections	7,479,727	7,479,727	4,994,609	66.8%	68.5%
Police	117,984,542	117,984,542	82,673,282	70.1%	74.0%
Public Health	6,169,603	6,169,603	3,708,511	60.1%	59.6%
Purchasing and Strategic Sourcing	1,335,277	1,335,277	812,781	60.9%	63.8%
Streets and Maintenance	32,493,039	32,547,154	22,984,157	70.6%	73.3%
Zoo	4,173,567	4,173,567	2,775,359	66.5%	70.9%
	\$368,693,090	\$374,689,205	\$256,398,951	68.4%	71.5%



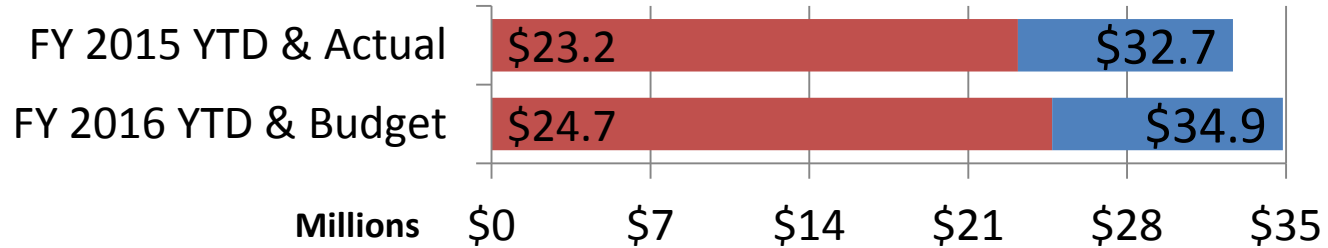
Personal Services



- FY 2016 year-to-date is less compared to same period last year due to the change in monthly accruals*



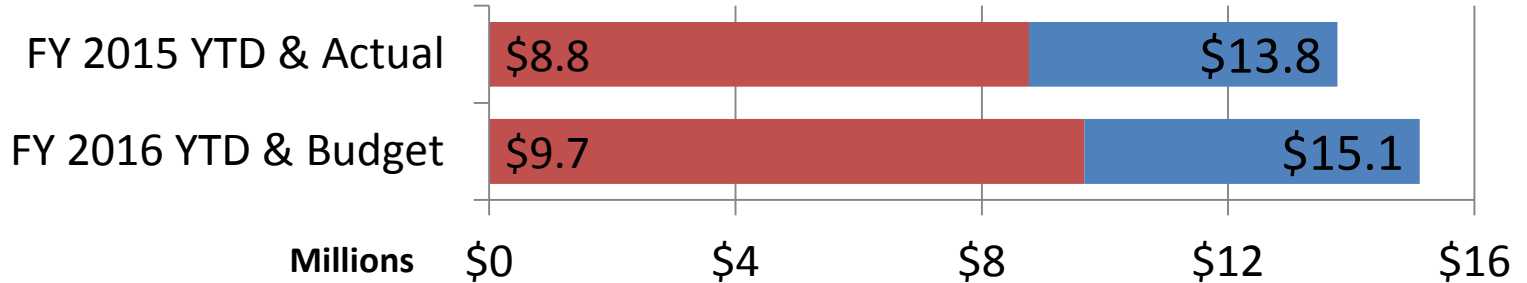
Contractual Services



- *Year-to-date expenses are higher than same period last year due to:*
 - *Maintenance, support, and license renewals for Information Technology contracts*
 - *Vehicle maintenance expenses are 12% higher than same period last year*



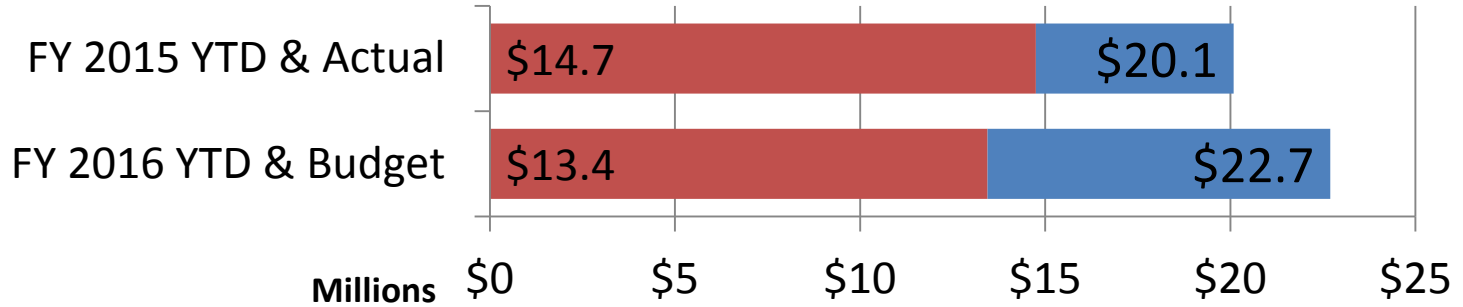
Materials & Supplies



- *Year-to-date expenses are higher than same period last year due to:*
 - *Increase in ammunition purchases*
 - *Increase in Streets & Maintenance Department (striping, signs, pothole patching, building facilities)*
 - *Fuel expenses down by 28.6%*



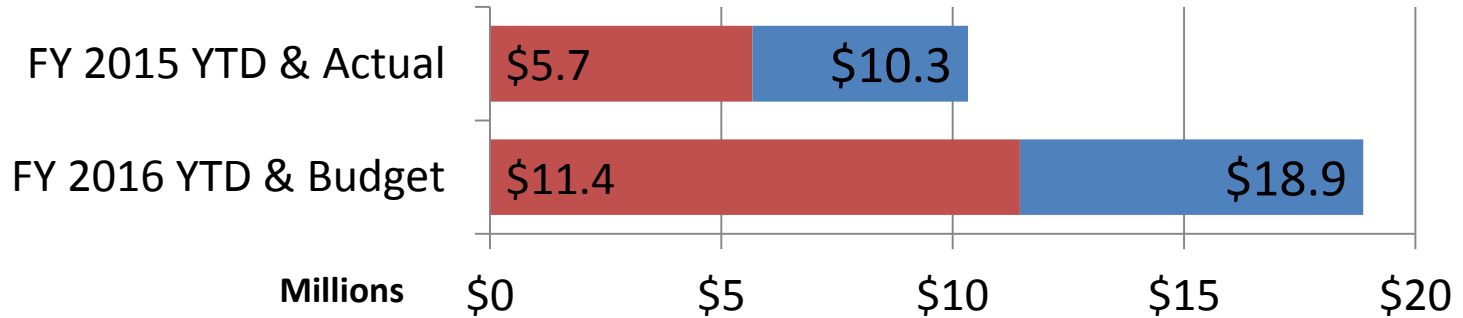
Operating Expenditures



- *Year-to-date expenses are lower than same period last year due to:*
 - *Cost reductions related to phone lines*
 - *Utilities (water expenses up 29% and electricity down by 7%)*
 - *Timing of liability and property Insurance payments*



Other Uses



- *Year-to-date expenses are higher than same period last year due to \$5.9M Council authorized use of fund balance*
- *Category includes transfers for economic incentive agreements, animal shelter, TRZ debt subsidy, vehicle replacement, ballpark debt subsidy, and fund balance replenishment*



FY 2016 General Fund

Description	Amount
FY 2016 projected revenues	\$367,408,658
FY 2016 projected expenditures	\$371,255,704
FY 2016 actual variance	(\$3,847,047)
Council authorized use of fund balance (from FY15 savings)	\$5,942,000
FY 2016 projected net year-end savings	\$2,094,953*

*FY 2016 Adopted Budget includes \$1,282,635 to replenish reserves



FY 2016 General Fund

- *Authorized \$5.94M use of Fund Balance:*
 - *Jan. 25 - \$3.3M for Westside Pool and Splash pads in District 1, 7, and 8*
 - *Feb. 9 - \$640K for ADA improvements, two roof repairs, and Armijo pool repair*
 - *Mar. 8 - \$2.0M for park playground equipment*



Economic Indicators



Economic Indicators Dashboard (3rd Quarter Only)

Economic Indicator	FY 2015	FY 2016	Variance	%	
	3rd Quarter	3rd Quarter		Change	
EI Paso MSA Unemployment Rate	5.1% ¹	4.5% ²	-0.6%	-11.76%	✔
HOT Tax ³	\$2,623,244	\$2,670,550	47,306	1.80%	✔
Sales Tax	\$20,700,059	\$21,797,181	1,097,122	5.30%	✔
Total Bridge Traffic	2,248,850	2,336,329	87,479	3.89%	✔
Pedestrian Bridge Traffic	1,106,628	1,144,992	38,364	3.47%	✔
Vehicle Bridge Traffic	1,048,933	1,084,919	35,986	3.43%	✔
Commercial Bridge Traffic	93,289	106,418	13,129	14.07%	✔
Housing Permits	562	526	-36	-6.41%	✘
Commercial Permits	48	77	29	60.42%	✔
EPIA Enplanements	357,241	347,835	-9,406	-2.63%	✘

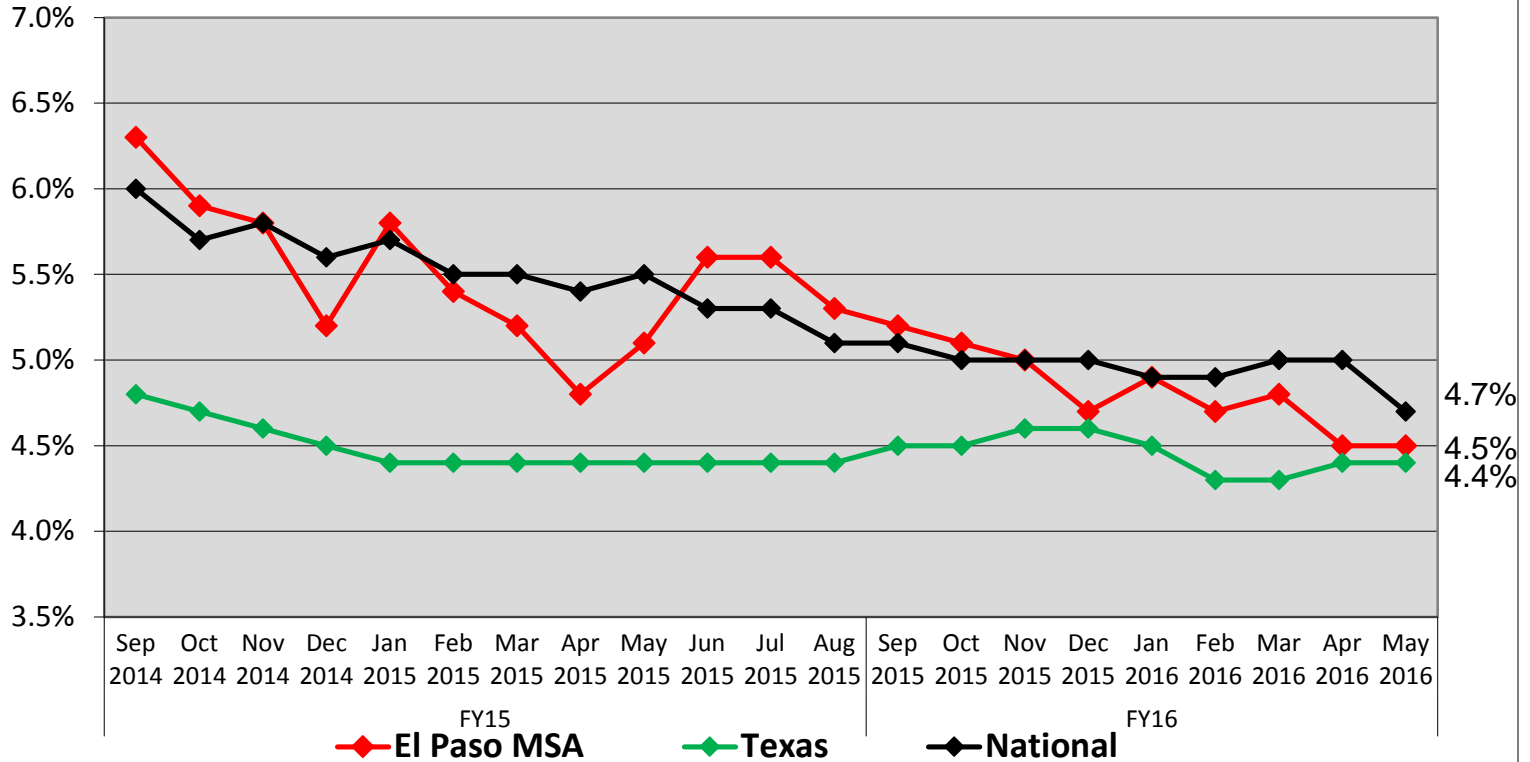
¹ May, 2015

² May, 2016

³ Does not include 2% Venue Project



Unemployment



Unemployment rates are not seasonally adjusted

Source: Bureau of Labor Statistics; data are provisional, subject to revision

"Delivering Outstanding Services"



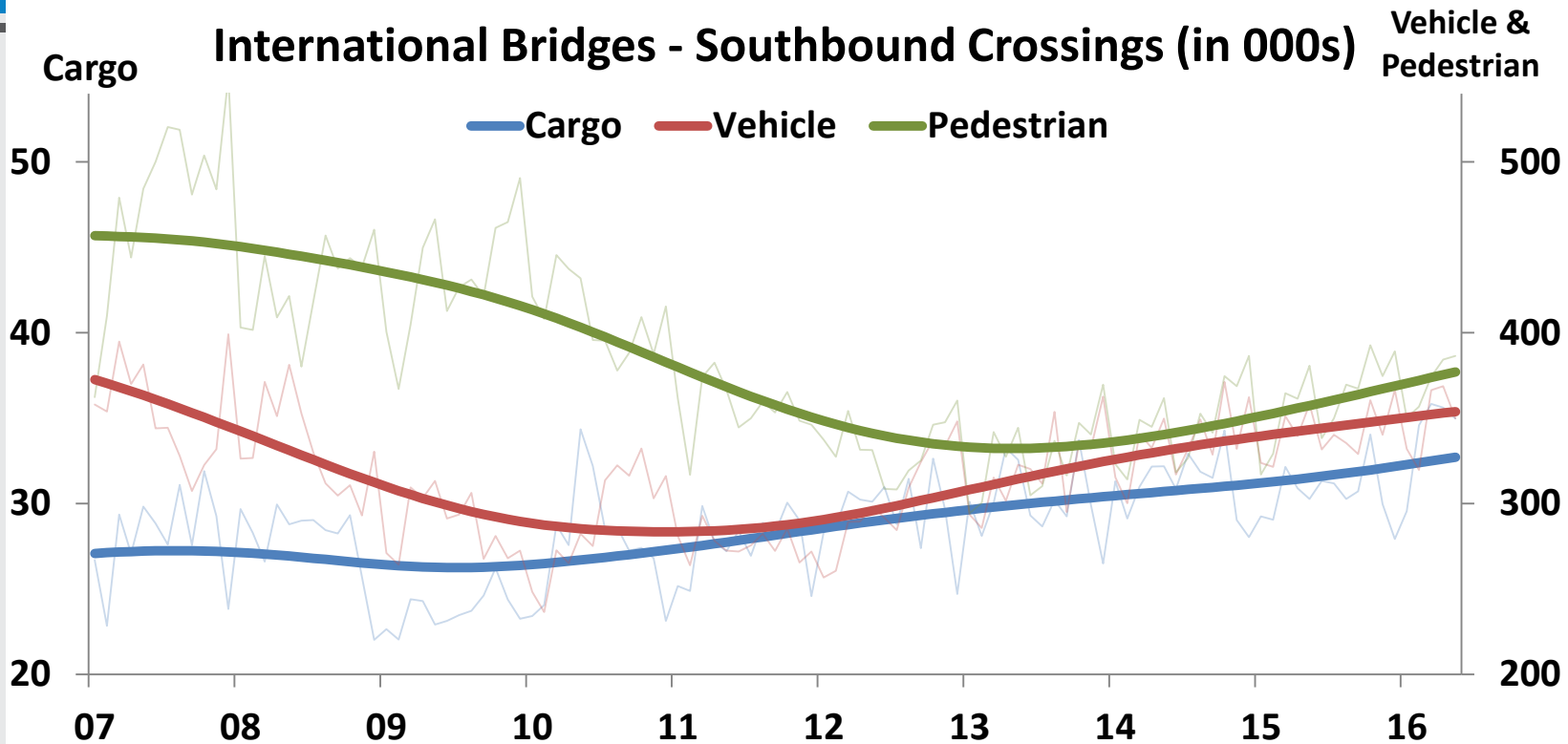
Hotel Occupancy Tax Revenue



FY 2015 HOT revenue finished 10.7% higher than FY 2014 or an almost \$1 million increase.



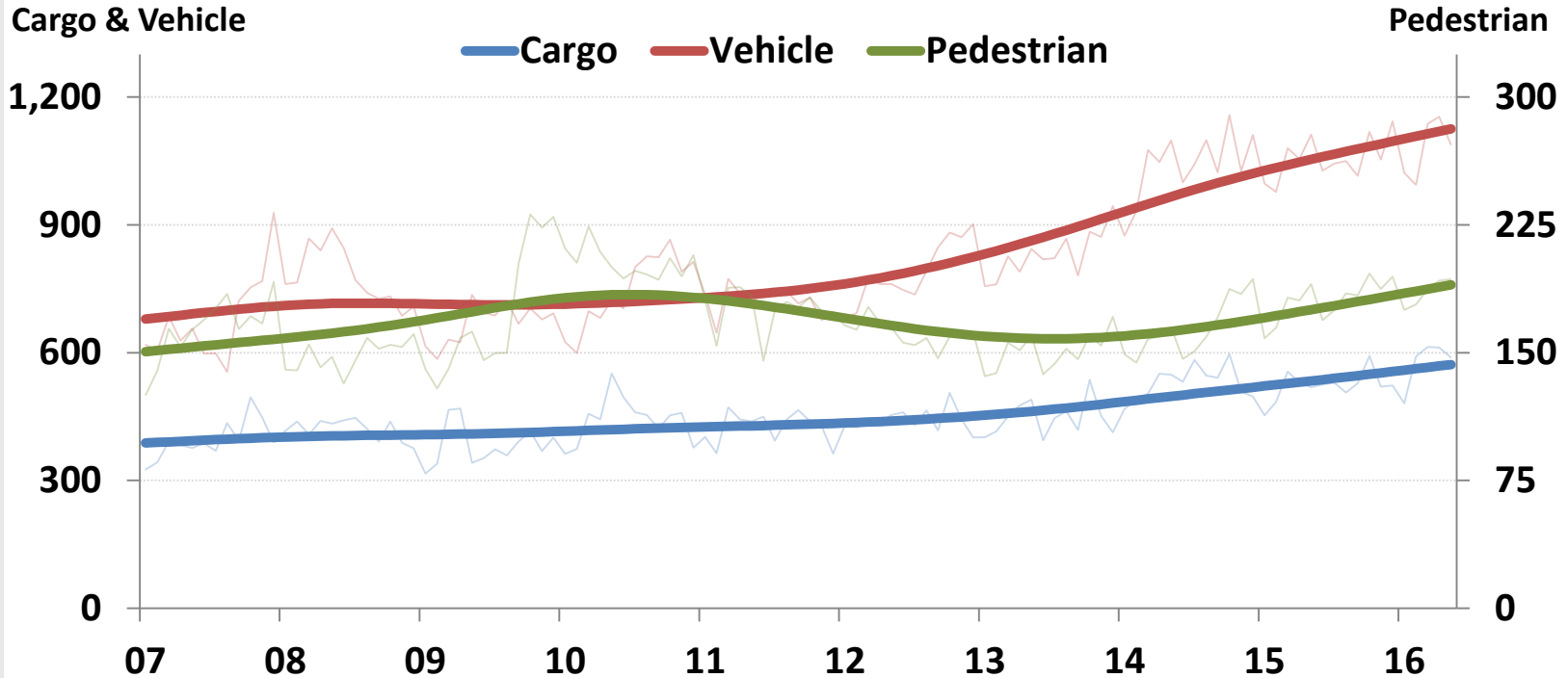
Bridge Crossings





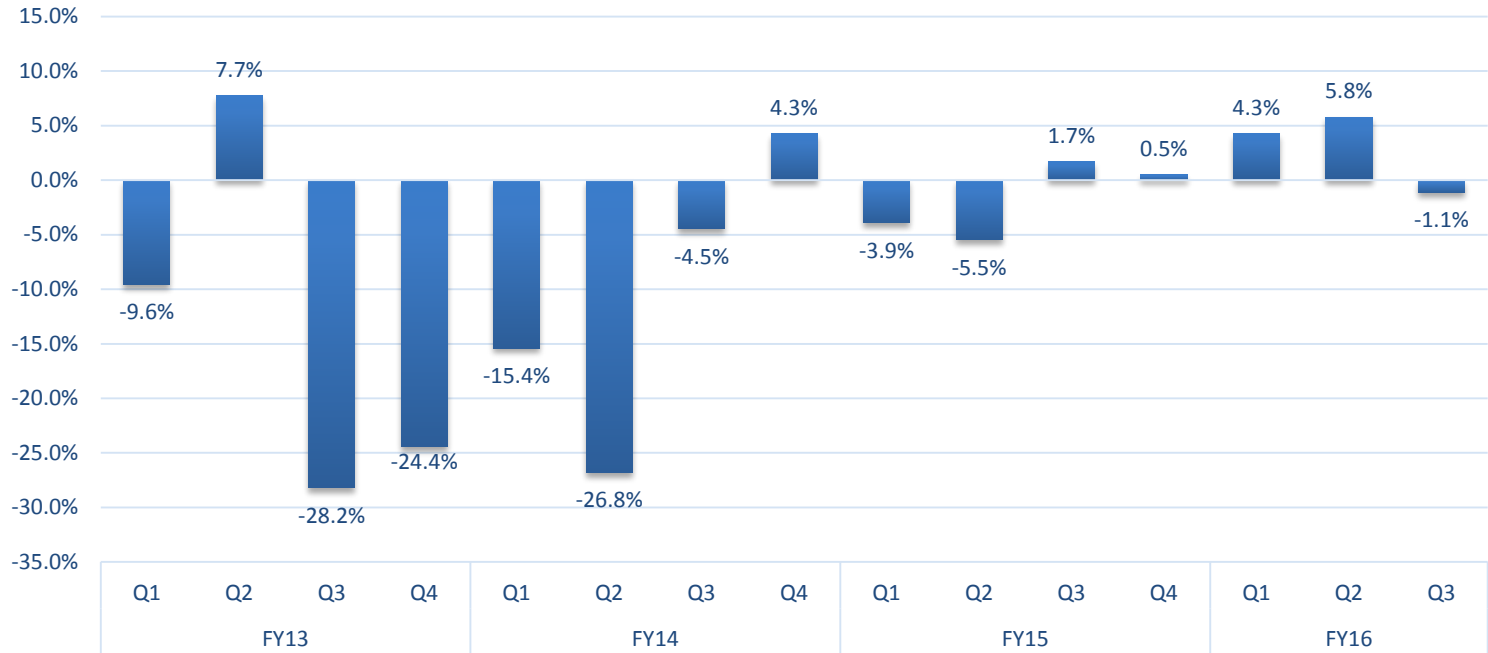
Bridge Crossings

International Bridges - Southbound Revenues (in 000s)





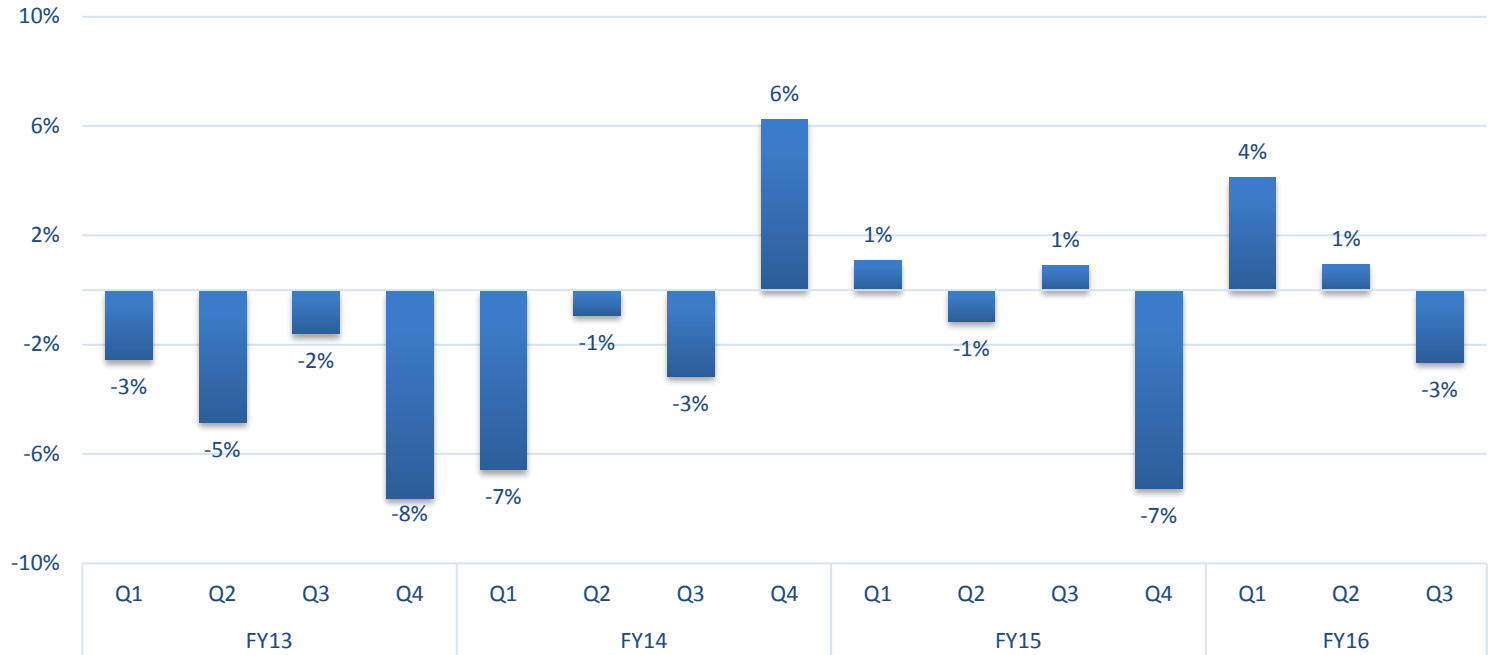
City of El Paso Building Permits (Residential & Commercial) (Quarterly Variance)



Source: Planning & Inspections



El Paso International Airport Enplanements (Quarterly Variance)



Source: El Paso International Airport



Questions?