



Budget Update

November 24, 2020



Strategic Plan – Financial Focus

■ Vision Block

- High Performing Government

■ Goal

- Set the Standard for Sound Governance and Fiscal Management

■ Strategy

- Ensure continued financial stability and accountability through sound financial management, budgeting and reporting

- Through sound financial management we have been able to:
 - ***Maintain solid financial position***
 - proactive budget adjustments and use of tools/resources
 - ***Protect taxpayers***
 - no increase to tax rate and minimize impact to services
 - ***Recognize employees***
 - additional pay and no increase to healthcare

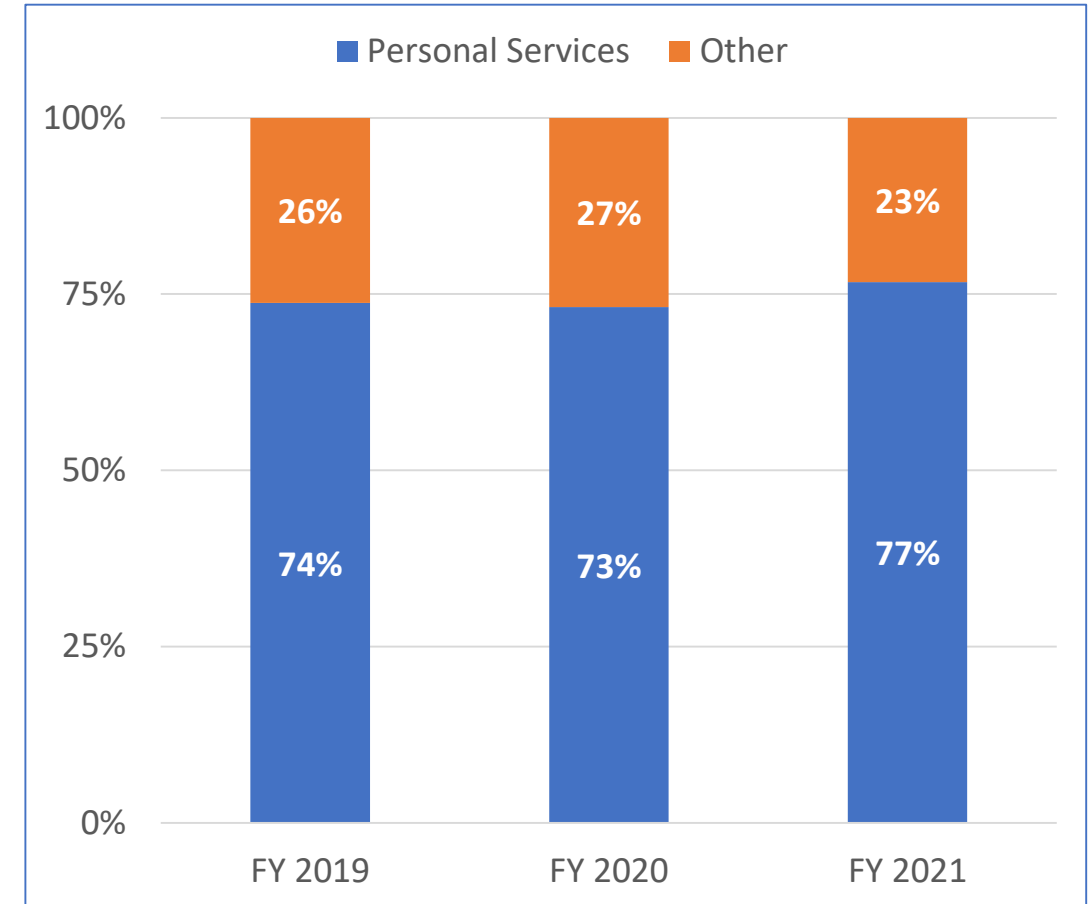
Key Points



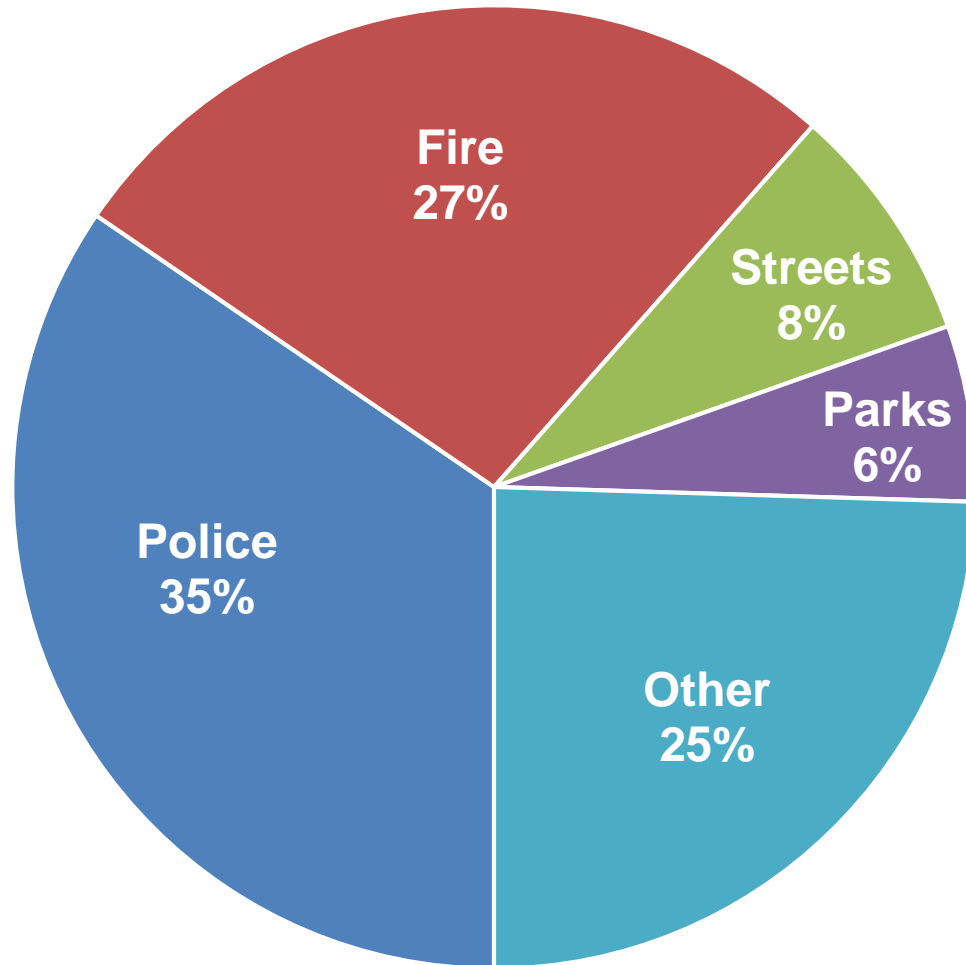
- FY 2020
 - Proactive budget adjustments addressed COVID-19 financial impact
 - Reserves and budget stabilization were preserved and not needed
- FY 2021
 - Unfunded all non-essential vacant positions
 - Deferred capital and pay-go funding projects
 - Maintained investment in public health and safety
 - Included additional increase to budget stabilization fund

Cost Drivers

- **Workforce** is our top priority and largest cost
 - Public Safety – investment in staffing has been critical to COVID response
 - Police and Fire collective bargaining
 - Civilian pay adjustments last five years
 - Healthcare costs – no increases to employees
 - All non-essential vacancies frozen



FY 2021 General Fund Budget

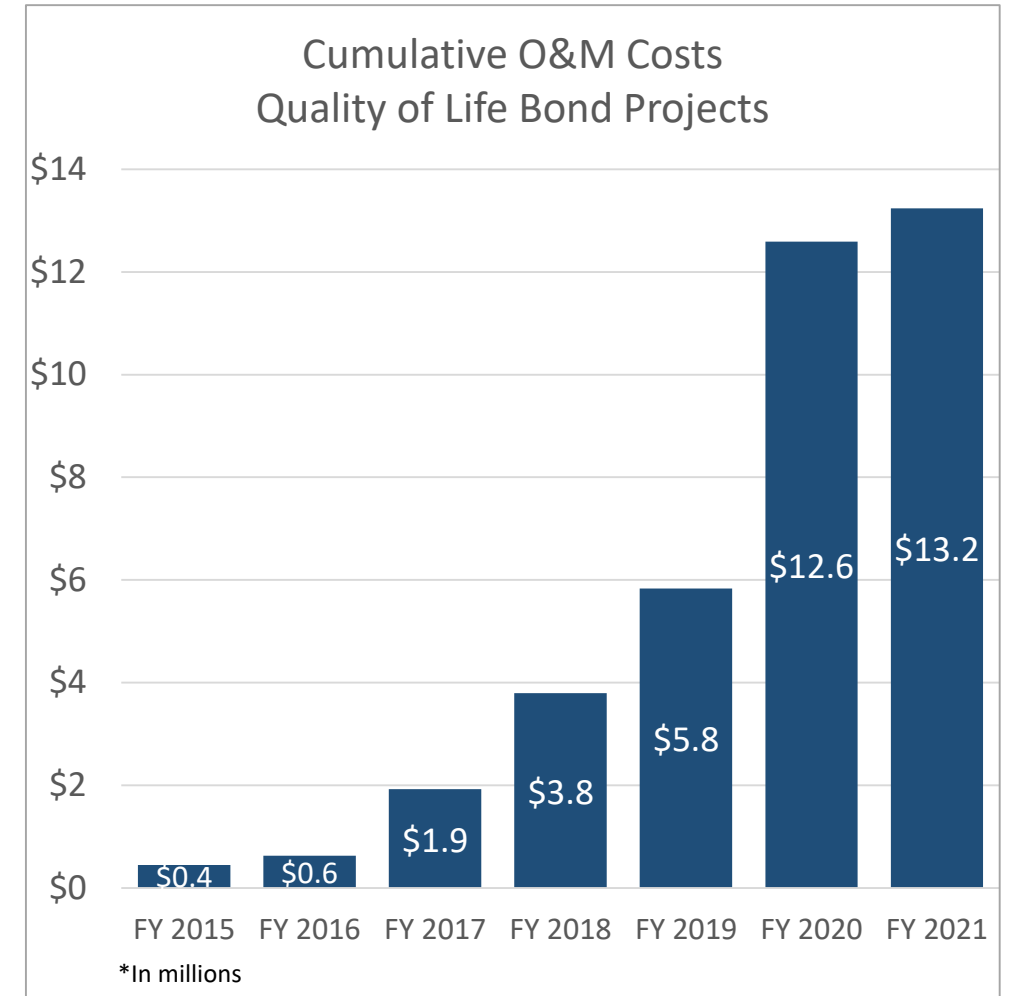


■ Investing in priorities

- Public safety
- Streets
- Parks

Cost Drivers

- Quality of Life bond projects
 - 123 projects have been completed
 - FY 2021 operating and maintenance costs were deferred
 - Costs will be included when projects are open to the public and pending projects are completed



Cost Drivers

- Health pandemic response
 - Federal funding in place until Dec. 30
 - Uncertainty about additional Federal assistance beyond Dec. 30
 - On-going public health response costs estimated to avg. \$2M per month (doesn't include economic or community assistance)
 - Highlights the critical importance of the City increasing reserves and creating the budget stabilization fund

Program Description	Monthly Average	
Logistics	\$	131,941
Isolation & Quarantine	\$	18,500
Compliance	\$	18,163
Education	\$	41,402
Emergency Operations Center and Response	\$	32,600
Lab Testing and Collection	\$	576,363
Epidemiology & Contact Tracing	\$	767,640
Preparedness - Immunizations	\$	156,475
Police Department *	\$	246,860
Re-Open El Paso	\$	80,200
Total		\$ 2,070,145

* Includes overtime and supplies for compliance, mitigation, and response

Fixed Costs - Examples

- Utilities and communications - \$19.3 million
- Fuel/vehicle maintenance - \$4.1 million
- Appraisal services - \$4.2 million
- Information technology contracts - \$7.8 million
- Grant match - \$1.5 million

Tools and Actions

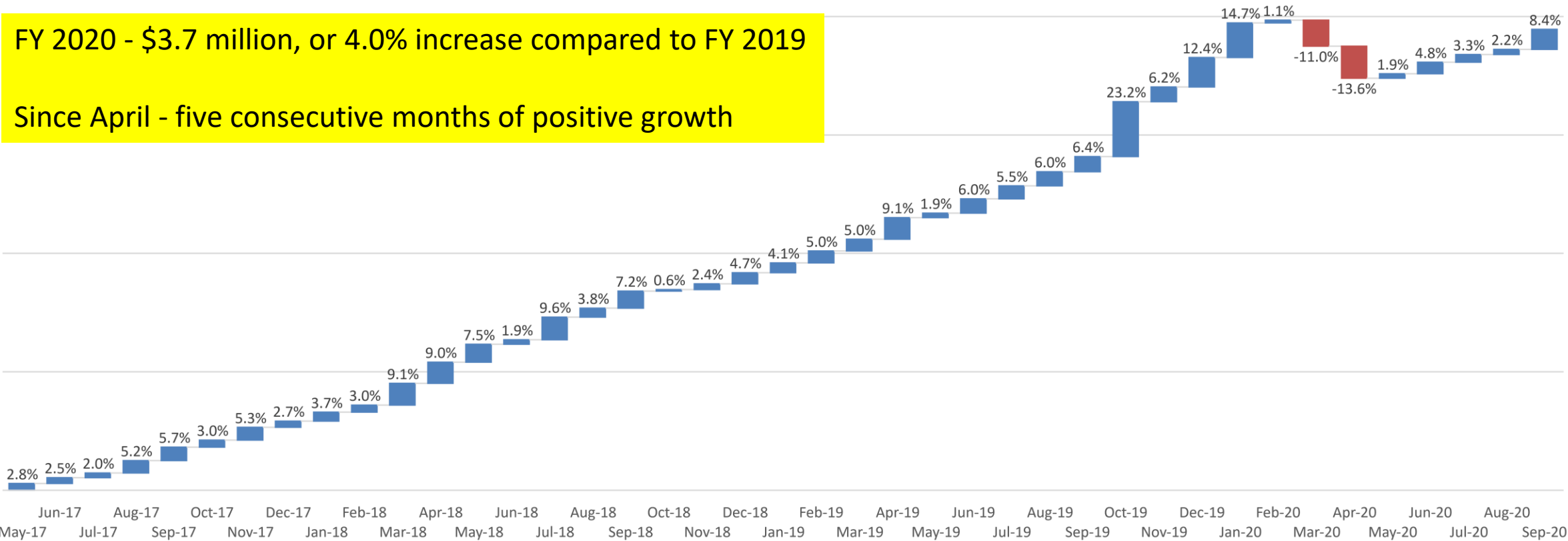
- Reserves
 - Increased reserves and budget stabilization fund
- Savings
 - Organizational restructuring – efficiencies and over \$1M in savings
 - Existing debt refinancing
 - Evaluate service delivery – eliminate/reduce
- New Revenue
 - El Paso Electric franchise agreement – short-term and long-term benefit
 - Creation of pay-go funding

Now Some Good News...

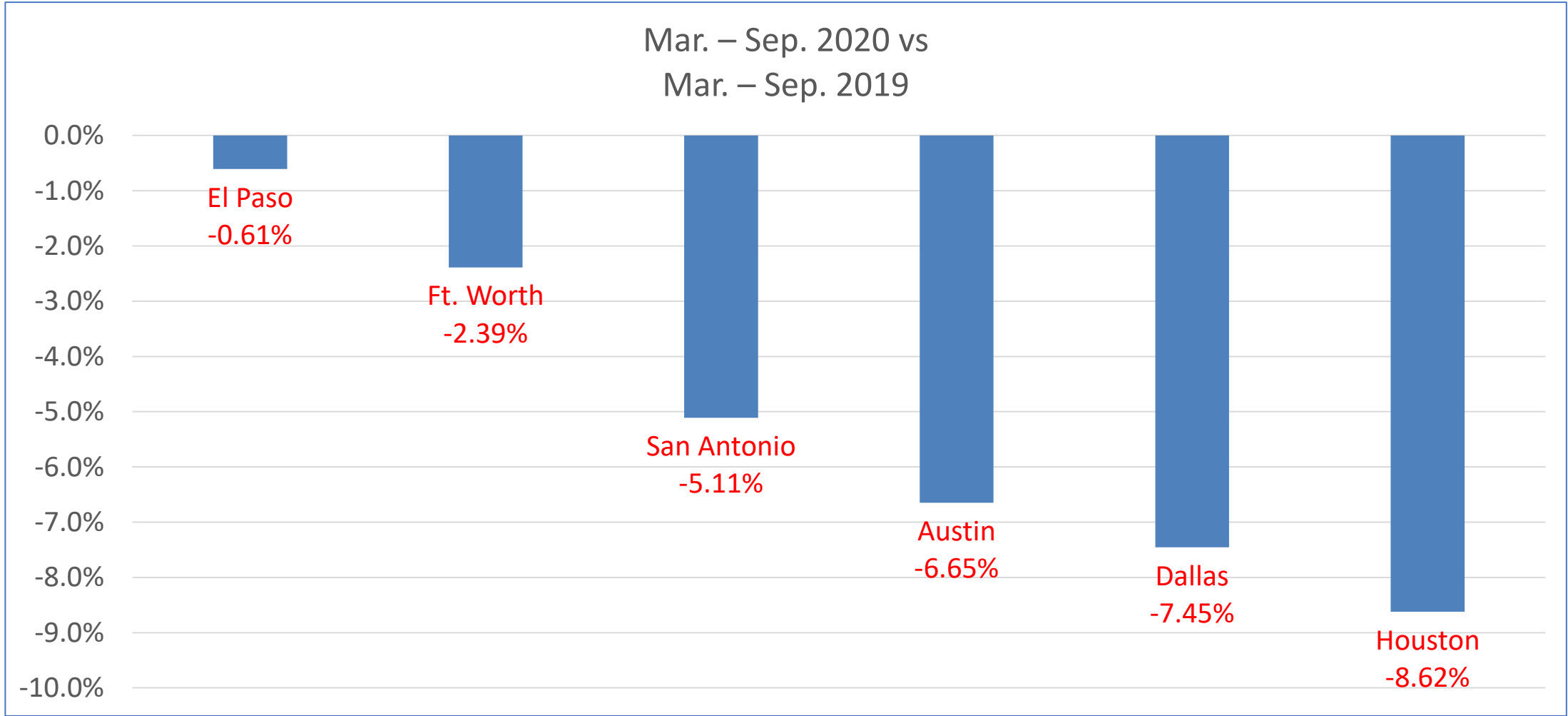
City Sales Tax

FY 2020 - \$3.7 million, or 4.0% increase compared to FY 2019

Since April - five consecutive months of positive growth



City Sales Tax





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