



# FY 2023 1<sup>st</sup> Quarter Financial Report

February 7, 2023

# Recap of Current Budget

- Unprecedented growth in sales tax collections
- Unprecedented growth in property values and minimized impact by lowering property tax rate by 4.5 cents
- Aggressive wage increases based on current labor market and strategic initiative to increase overall City wages
- Continued public safety staffing plans by funding multiple academies for Officers and Firefighters
- Inflationary pressures and tight labor market resulting in increases in fixed costs and contractual obligations

# Public Safety – Primary Cost Driver

- Staffing plan to recruit and retain uniformed employees for oncoming new stations and command centers
  - Two police academies
  - Two firefighter academies
- New and expanding special teams, ex.
  - Crisis Intervention Team
  - Body Worn Camera program staffing

# Additional Adjustments Approved

- Increased minimum wage by \$1.00 over two phases in Sep 2022 and Mar 2023. (Original recommendation was \$0.75 in May 2023)
- Increased public safety vehicle replacement to a total of \$7 million. (Original recommendation was \$6 million)
- Added \$3 million for non-public safety vehicles, parks amenities, and facility repairs

# Fixed Costs

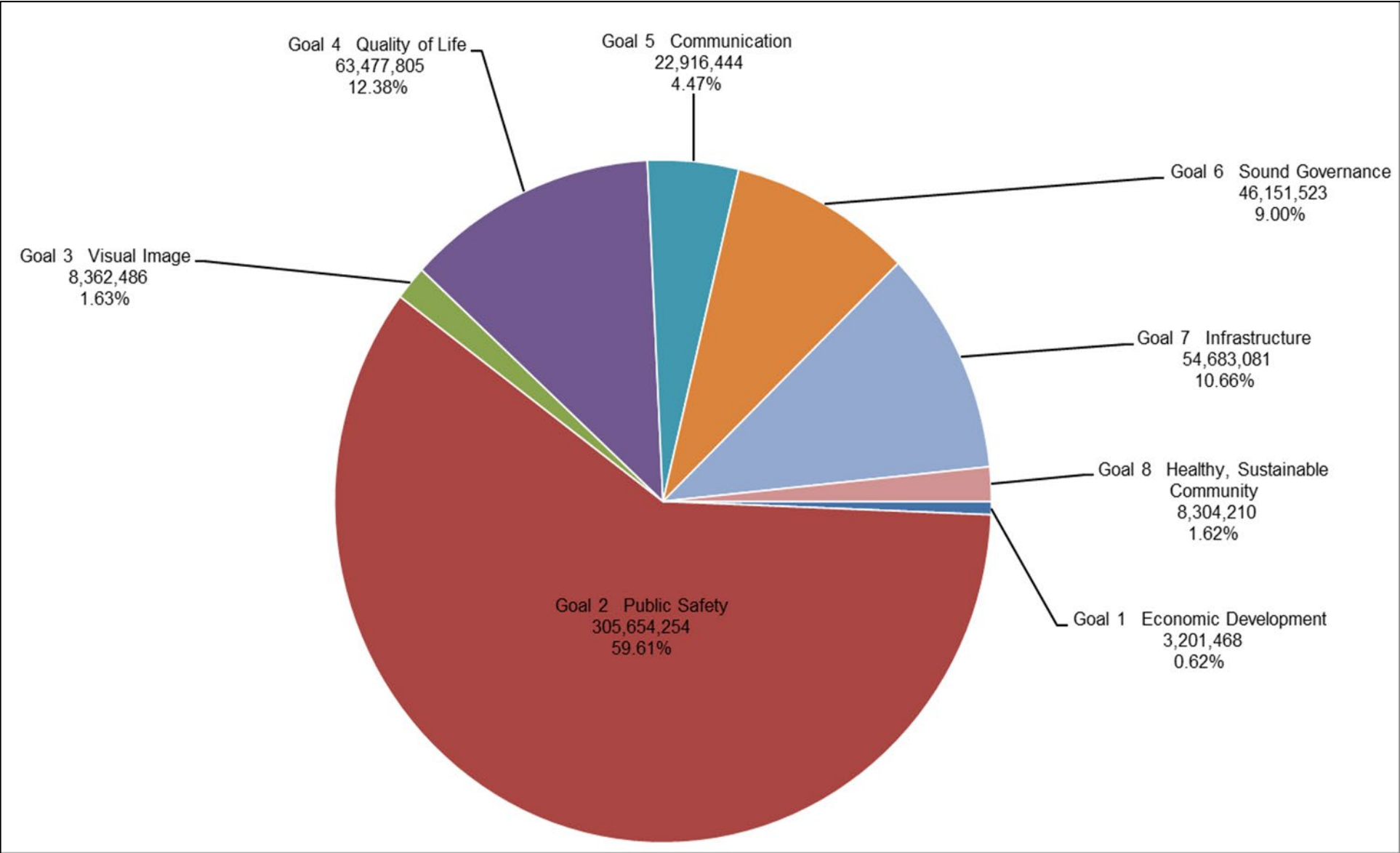
- **Utilities** – rate increases in electric, water, gas
- **Fuel and vehicle maintenance** – increased usage and price per gallon
- **Information Technology** – increasing costs to maintain/replace legacy systems
- **Contracted services** – increases in labor, materials, and supplies costs leading to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

# Current Budget Recap



Category	FY 2022 Budget	FY 2023 Budget	Variance	
Personal Services .....	\$347,760,554	\$373,777,936	\$26,017,382	Police/fire staffing (CBA, academies), competitive wages/benefits
Contractual Services...	41,286,664	47,845,832	\$6,559,168	IT contracts, election, Childrens museum, appraisal services
Materials & Supplies...	23,493,167	26,726,652	\$3,233,484	Fuel, police/fire safety gear, park maintenance
Operating.....	25,758,358	30,103,597	\$4,345,239	Utilities, competitive wages, insurance, tuition assistance
Non-Operating.....	1,624,207	1,766,547	\$142,340	
Intergovernmental.....	1,610,978	1,505,866	(\$105,111)	
Transfers.....	34,245,034	29,436,877	(\$4,808,157)	
Capital.....	451,901	1,587,965	\$1,136,064	
<b>Total Expenditures...</b>	<b>\$476,230,863</b>	<b>\$512,751,272</b>	<b>\$36,520,408</b>	

# Current Budget Recap



# FY 2023 1<sup>st</sup> Quarter Summary



- Sales tax performing well through November, however there is a two month lag in real-time information from the State
- Slight decline in permit and licenses revenue when compared to the first quarter last year
- Bridge crossing revenue down slightly compared to 1<sup>st</sup> quarter last year
- Largest cost driver is workforce – Increase of \$7.4 million compared to 1<sup>st</sup> quarter last year (reflects wage increases from May 2022, September 2022 and continuation of \$1,000 sign-on incentive)
- Fuel and vehicle maintenance costs are up 23% compared to 1<sup>st</sup> quarter last year
- Utility costs are up 3.6% compared to 1<sup>st</sup> quarter last year
- Current year budget for citywide Information Technology contracts increased overall by \$3.3 million compared to prior year





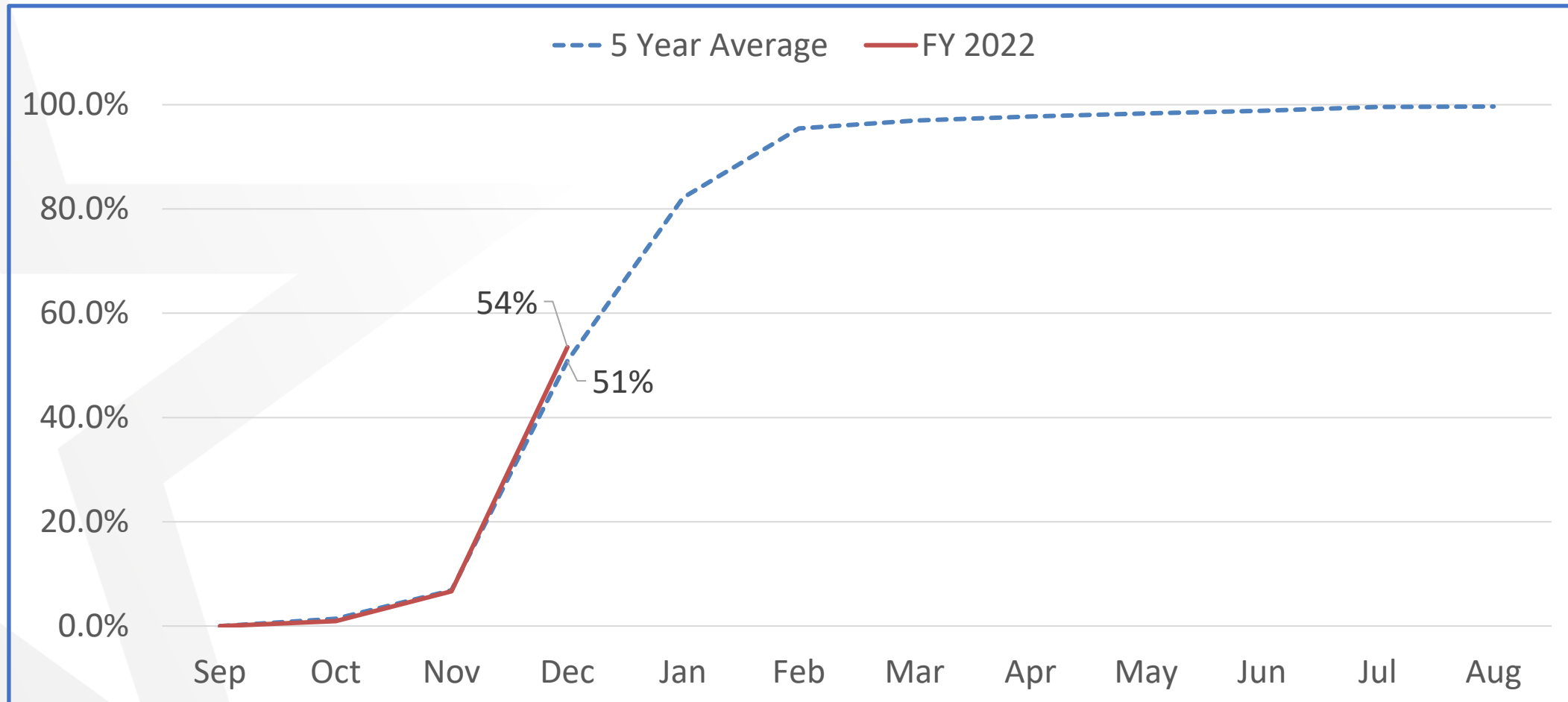
# FY 2022-2023 General Fund Revenue



Revenue	FY 2023 Budget	FY 2023 Actuals (As of Nov)	FY 2022 Actuals (As of Nov)	FY 2023 % Collected (As of Nov)	FY 2022 % Collected (As of Nov)
Property Taxes.....	\$251,280,449	\$17,731,230	\$13,511,964	7.1%	5.7%
Sales Taxes.....	112,783,370	32,938,052	30,124,967	29.2%	23.1%
Franchise Fees.....	56,616,885	17,812,415	13,046,545	31.5%	21.4%
Charges For Services...	30,250,649	8,387,457	6,504,782	27.7%	19.4%
Other Transfers In.....	38,106,881	9,296,946	9,839,098	24.4%	21.6%
Licenses And Permits..	12,944,114	3,576,052	3,560,471	27.6%	25.9%
Fines And Forfeitures..	7,097,584	1,778,807	1,932,544	25.1%	25.6%
Rents And Other.....	2,277,531	1,621,436	522,219	71.2%	40.4%
Intergovernmental .....	1,268,809	16,213	683,204	1.3%	50.3%
Interest.....	125,000	257,632	15,588	206.1%	1.8%
<b>Total Revenue.....</b>	<b>\$512,751,272</b>	<b>\$93,416,240</b>	<b>\$79,741,382</b>	<b>18.2%</b>	<b>15.0%</b>

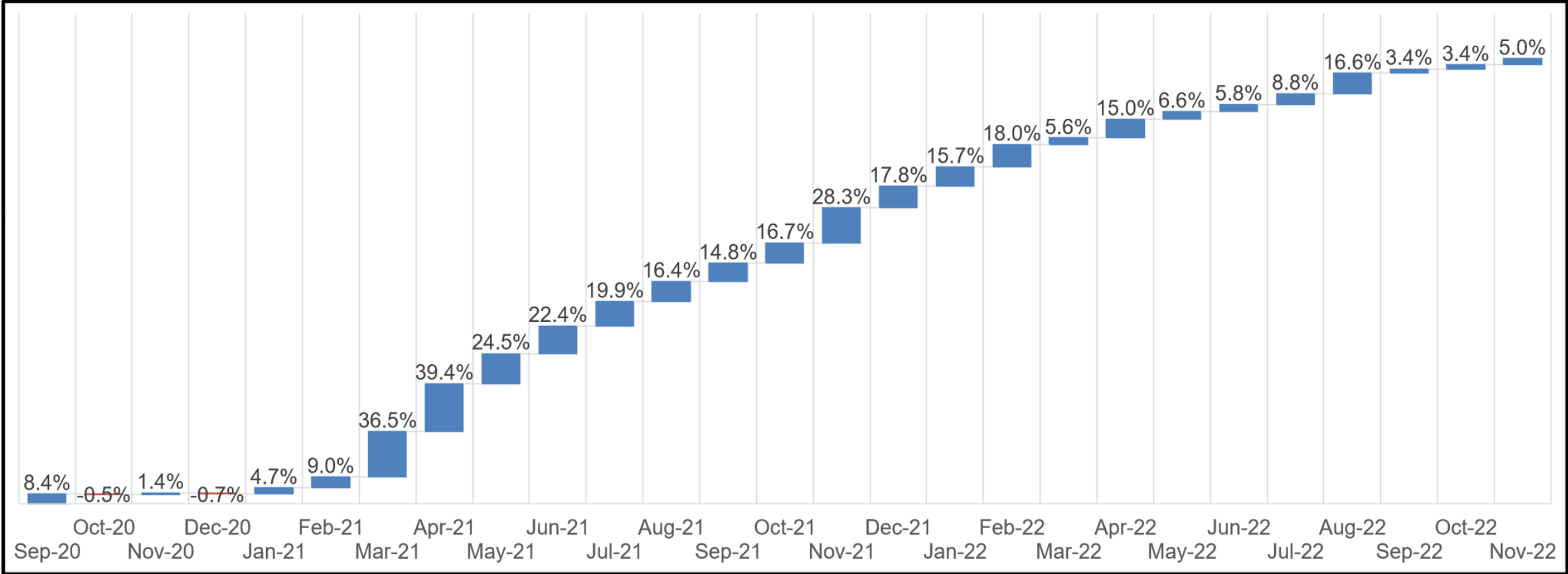
# Property Tax Collections - % Collected

## September – December



# City Sales Tax Collections

## (Monthly % change to same month prior year)



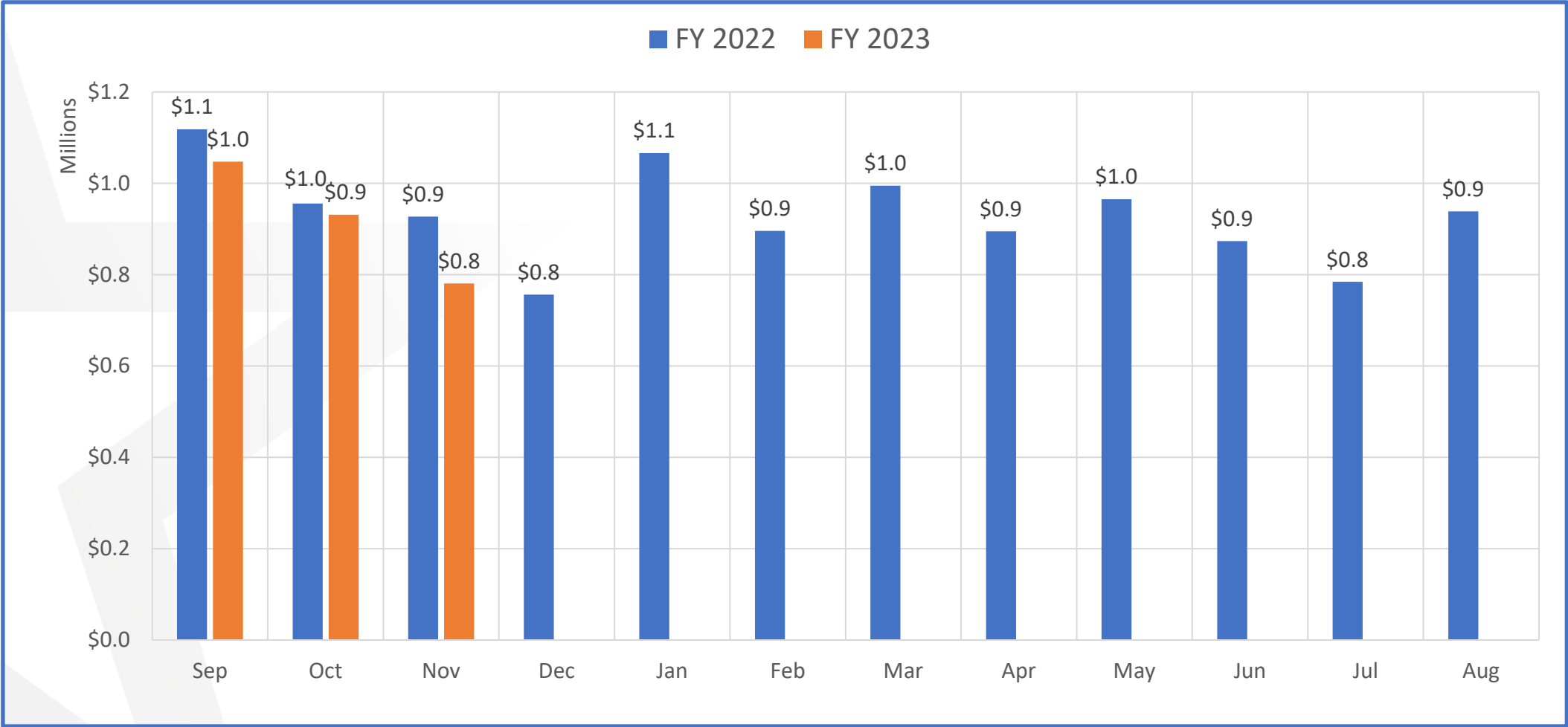
# City Sales Tax Collections



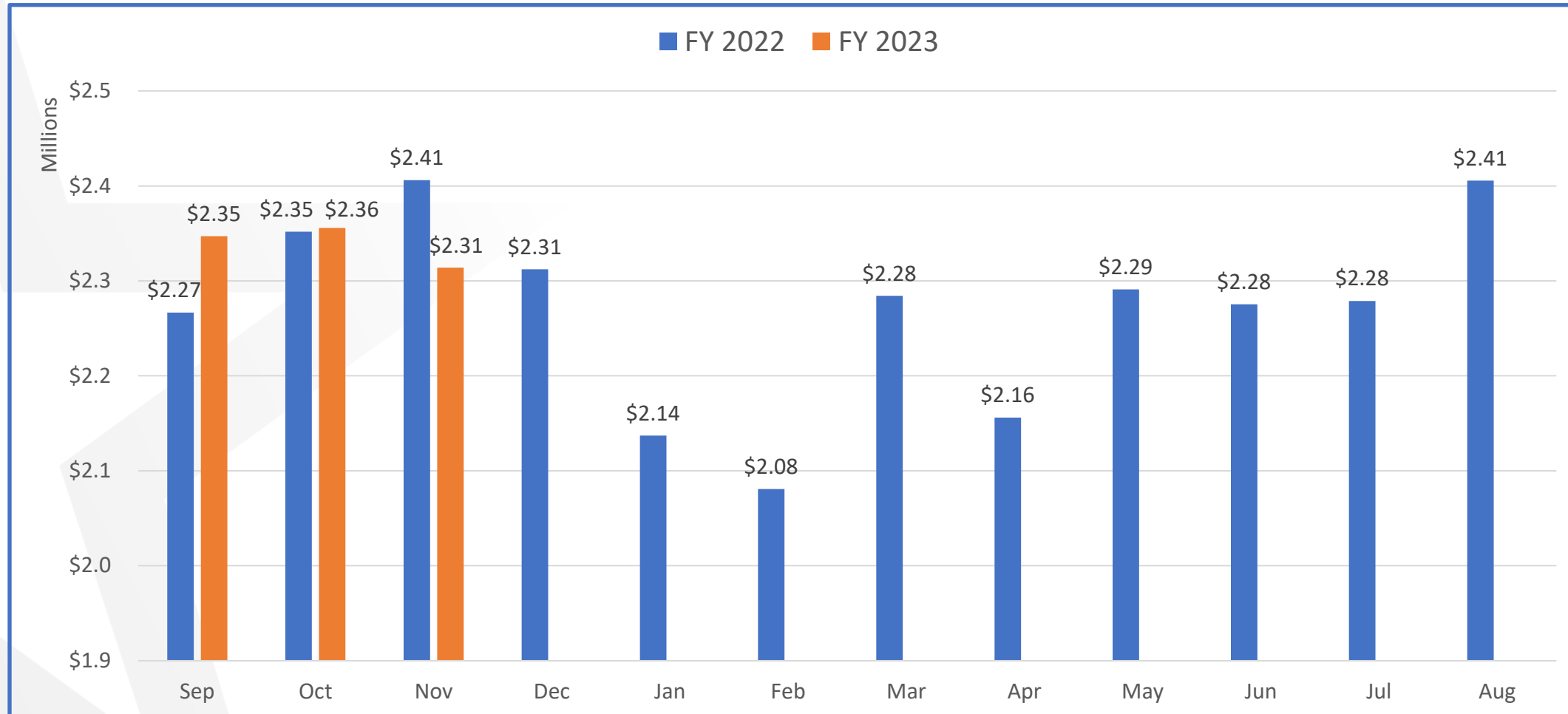
Historical Performance					
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>Annual Total</b>	\$89,525,918	\$93,852,294	\$97,597,554	\$111,621,362	\$126,867,380
<b>\$ Increase</b>	\$4,517,276	\$4,326,376	\$3,745,260	\$14,023,808	\$15,246,019
<b>% Increase</b>	5.3%	4.8%	4.0%	14.4%	13.6%

Current Performance FY 2023 1 <sup>st</sup> Quarter (Sep-Nov)				
	FY 2022	FY 2023	\$ Increase	% Increase
<b>Sep - Nov</b>	\$30,547,677	\$31,749,378	\$1,201,701	3.93%

# Licenses and Permits Planning & Inspections Dept.



# Bridge Crossing Revenue



# FY 2023 General Fund Expenditures

Category	FY 2023 Budget	FY 2023 Actuals (As of Nov)	FY 2022 Actuals (As of Nov)	FY 2023 % Collected (As of Nov)	FY 2022 % Collected (As of Nov)
Personal Services .....	\$373,777,936	\$80,959,330	\$73,506,960	21.7%	21.4%
Contractual Services.....	47,845,832	9,609,097	6,930,963	20.1%	17.6%
Materials & Supplies.....	26,726,652	3,540,579	2,744,363	13.2%	13.4%
Operating.....	30,103,597	6,140,877	6,221,612	20.4%	22.0%
Non-Operating.....	1,766,547	609,915	598,836	34.5%	24.3%
Intergovernmental.....	1,505,866	76,445	59,388	5.1%	6.3%
Transfers.....	29,436,877	2,837,205	2,274,405	9.6%	3.1%
Capital.....	1,587,965	39,739	67,680	2.5%	1.2%
<b>Total Expenditures.....</b>	<b>\$512,751,272</b>	<b>\$103,813,186</b>	<b>\$92,404,207</b>	<b>20.2%</b>	<b>18.0%</b>

# FY 2023 General Fund Expenditures



Strategic Goal	FY 2023 Budget	FY 2023 Actuals (As of Nov)	FY 2022 Actuals (As of Nov)	FY 2023 % Collected (As of Nov)	FY 2022 % Collected (As of Nov)
Economic Development.....	\$3,201,468	\$638,084	\$290,612	19.9%	14%
Public Safety.....	305,654,254	63,672,430	58,529,074	20.8%	20%
Visual Image.....	8,362,486	1,696,119	1,502,329	20.3%	22%
Quality of Life.....	63,477,805	10,824,905	8,689,301	17.1%	19%
Communication.....	22,916,444	5,740,009	3,917,221	25.0%	19%
Sound Governance.....	46,151,523	10,255,933	9,980,471	22.2%	11%
Infrastructure.....	54,683,081	9,553,582	8,207,788	17.5%	16%
Healthy, Sustainable Community...	8,304,211	1,432,123	1,287,410	17.2%	19%
<b>Total Expenditures.....</b>	<b>\$512,751,272</b>	<b>\$103,813,186</b>	<b>\$92,404,207</b>	<b>20.2%</b>	<b>18.0%</b>



# FY 2023 General Fund Expenditures



CATEGORY	FY 2023 Budget	FY 2023 Actuals (As of Nov)	FY 2022 Actuals (As of Nov)	FY 2023 % Collected (As of Nov)	FY 2022 % Collected (As of Nov)
SALARIES/WAGES/BENEFITS.....	\$373,777,936	\$80,959,330	\$73,506,960	21.7%	21.4%
CONTRACTUAL SERVICES.....	1,556,323	135,704	0	8.7%	0.0%
PROFESSIONAL SERVICES.....	8,827,160	1,903,506	1,629,721	21.6%	19.0%
OUTSIDE CONTRACTS.....	31,098,342	5,785,880	3,765,622	18.6%	16.1%
INTERFUND SERVICES.....	4,443,246	1,361,866	1,155,399	30.7%	26.0%
OPERATING LEASES.....	1,920,760	422,141	380,221	22.0%	23.0%
FUEL & LUBRICANTS.....	3,852,626	1,187,096	943,310	30.8%	21.7%
MATERIALS & SUPPLIES.....	14,067,949	1,521,689	1,289,760	10.8%	12.2%
MAINTENANCE & REPAIRS.....	7,199,471	760,371	439,027	10.6%	9.5%
MINOR EQUIPMENT & FURNITURE.	1,606,606	71,423	72,265	4.4%	7.2%
COMMUNICATIONS.....	2,482,023	464,153	668,383	18.7%	27.4%
UTILITIES.....	18,300,459	4,712,458	4,548,231	25.8%	22.7%
TRAVEL.....	451,504	115,349	37,446	25.5%	18.9%
OTHER OPERATING .....	8,869,611	848,918	967,552	9.6%	17.5%
COMMUNITY SERVICE PROJECTS.	146,750	50,000	51,133	34.1%	20.6%
OTHER NON-OPERATING .....	1,619,797	559,915	547,703	34.6%	24.7%
GRANT MATCH.....	1,505,866	76,445	59,388	5.1%	6.3%
OPERATING TRANSFERS OUT.....	29,436,877	2,837,205	2,274,405	9.6%	3.1%
CAPITAL EXPENDITURES.....	1,587,965	39,739	67,680	2.5%	1.2%
<b>Total Expenditures.....</b>	<b>\$512,751,272</b>	<b>\$103,813,186</b>	<b>\$92,404,207</b>	<b>20.2%</b>	<b>18.0%</b>

# Looking Ahead

- Franchise fees are paid quarterly – last payments received were for Jul – Sep 2022
- Sales tax collections are received from the State with a lag in real-time reporting (last payment received was for November 2022 sales)
- Historical data and current year data will be utilized to develop preliminary estimates for next year's budget
- Preliminary property value reports will be provided from the Appraisal District in April
- Police collective bargaining agreement expires in August 2023, negotiations currently underway
- Upcoming budget updates will focus on public safety, fixed costs, and five-year forecast

# Recommended Action

Cost for May election was not included in the current budget. Charter Amendment election was postponed from November 2022 to May 2023 after Council set property tax rate

Authorize the City Manager or his designee to execute the necessary budget transfers, not to exceed \$750,000, for a Special Election proposed to be held on May 6, 2023

## 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,  
**A**ccountability, **P**eople

**CAPITAL IMPROVEMENT PROGRAM (CIP)  
BUDGET TRANSFER REPORT  
FIRST QUARTER FY 2023**

BT Number	Justification	Fund	Project	Amount	Funding Source
2023-0011	Correct Budget in PCP19ST019 from PCPBALANCE.	4740	PCP19ST019 PCPBALANCE	10,000.00 16,071.46 <b>(2,375.00)</b> 13,794.40 126,700.00 264,056.69 <b>(428,247.55)</b>	2013 STREET INFRASTRUCTURE
2023-0017	Transfer project savings from PCPBALANCE in to PCP13PRKD03 Lomaland Park and Rec ADA project	4800	PCP13PRKD03 PCPBALANCE	269,274.50 <b>(269,274.50)</b>	2012 QUALITY OF LIFE
2023-0029	Transfer project savings in to PCPBALANCE from PCP18ST010 Hawkins street project completed	4743 4745	PCP18ST010 PCPBALANCE	<b>(110,563.80)</b> 63,461.58 <b>(18,155.77)</b> 37,581.42 125,842.39 <b>(55,015.00)</b> 203,380.79 407,003.80 <b>(740,300.00)</b> <b>(88,040.00)</b> <b>(132,500.00)</b> 33,341.52 273,963.07 162,657.61 43,842.00 <b>(237,348.26)</b> 30,848.65	CO ISSUE FY18 2019 CAPITAL PLAN
2023-0030	Transfer project savings in to PCPBALANCE from PCP19ST017 Yarbrough-George Dieter-Lee Trevino Lighting Package	4745	PCP19ST017 PCPBALANCE	98,063.83 5,000.00 7,000.00 3,000.00 35,759.00 5,000.00 <b>(1,116,366.56)</b> 962,543.73	2019 CAPITAL PLAN

**CAPITAL IMPROVEMENT PROGRAM (CIP)  
BUDGET TRANSFER REPORT  
FIRST QUARTER FY 2023**

BT Number	Justification	Fund	Project	Amount	Funding Source
2023-0031	Transfer project savings in to PCPBALANCE from Fund 4740 PCP19ST012 MCCUNE- PCP17ST004 PRINCETON TULANE VV- PCP20ST009 TERRAMAR	4740	PCP19ST012 PCPBALANCE PCP17ST004 PCP20ST009	5,000.00 (70,817.88) (14,508.00) 57,893.80 (62,594.70) 85,026.78 (14,210.23) (3,229.76) 17,439.99 (4,000.54) 4,000.54	2013 STREET INFRASTRUCTURE
2023-0028	To transfer from ARPA funding to Montana RTS - Airport PCP11MT050B - Montana RTS - Construction - PCP11MT050 and PCPBALANCE	3210 4530 4746	PCP11MT050 PCP11MT050B PCPBALANCE	10,000.00 (20,386.79) 10,386.79 (1,290,569.39) 350,110.00 940,459.39 12,087.34 27,143.07 474.00 (39,704.41)	CO 2011 ISSUE 2020 CAPITAL FUNDING PLAN
2023-0046	Reclassify account for other expenses PCP13A&E MPC and transfer project savings from PCP13ST006Y7 in to PCPBALANCE	4800 4740	PCP13A&E01 PCP13ST006Y7 PCPBALANCE	(540.56) 540.56 (71,730.00) 400.65 9,590.25 13,153.25 25,784.50 6,180.00 52,610.50 (113,940.47) 77,951.32	2012 QUALITY OF LIFE STREET INFRASTRUCTURE 2013
2023-0047	Transfer from PCPBALANCE to reconcile street and trail projects in Fund 4740.	4740	PCP18ST005 PCP18ST006 PCP18ST008 PCP18ST013 PCPBALANCE	4,698.33 54,883.98 4,698.33 177.26 (64,457.90)	2013 STREET INFRASTRUCTURE
2023-0063	Transfer from PCPBALANCE Fund 4530 to complete projects PCP13ST006Y7 - Gene Torres and PCP17ST011 VISCOUNT Recon Street Projects	4530	PCPBALANCE PCP17ST011 PCP12ST006Y7	(272,740.21) 266,740.21 6,000.00	CO 2011 ISSUE

# CAPITAL IMPROVEMENT PROGRAM (CIP)

## BUDGET TRANSFER REPORT

### FIRST QUARTER FY 2023

BT Number	Justification	Fund	Project	Amount	Funding Source
2023-0026	To move cost savings from Chamizal Phase II - PCP18TRAN02 to PCPBalance and balance fund 4950 - project complete	4740 4743 4950	PCPBALANCE PCP18TRAN02	142,075.63 (94,674.50) (47,401.13) 31,643.54 (8,30.58) (4,521.20) (7,917.16) (3,287.00) (7,287.60) (13,583.92) 8,331.35 (13,148.00) (138.78) 13,286.78 (5,252.57)	2013 STREET INFRASTRUCTURE CO ISSUE FY18 CAPITAL PROJECTS - TXDOT
2023-0045	Transfer project savings from Chelsea Water Park PCP13PRKC01, Armijo Library PCP13LIBA01 and Existing Sports Field Lighting PCP13PRKA24 in to PCPBALANCE	4800	PCP13PRKC01 PCPBALANCE PCP13LIBA01 PCP13PRKA24	931.05 311,346.48 (470,280.73) (0.02) (0.01) 158,003.23 (1267.00) 1,267.00 (1,287,267.24) (220,230.54) 46,764.00 8,401.58 61,176.00 (98,326.00) 95,770.00 377,509.85 1,647.70 10,980.00 217,215.79 786,358.86	2012 QUALITY OF LIFE
2023-0055	Transfer from PCPBALANCE to complete projects and provide budget for payment for Spur 320 ROW	4740 4530 4741	PCP17ST009 PCPBALANCE PCP21PRK02 PCP19ST017 PCP17ST026 PCP23SPUR320ROW	0.01 (0.01) 2,207.00 31,685.00 (33,892.00) 387.01 (210.82) (176.19) 115,496.64 (115,496.64)	2013 STREET INFRASTRUCTURE CO 2011 ISSUE CO 2017 ISSUE

# CAPITAL IMPROVEMENT PROGRAM (CIP)

## BUDGET TRANSFER REPORT

### FIRST QUARTER FY 2023

BT Number	Justification	Fund	Project	Amount		Funding Source
2023-0015	Reclassify project from PCP20PDRENOMSTR-PD to PCP20FDRENOMSTR for Fire Station 10 Renovation.	4820	PCP20FDRENOMSTR PCP20PDRENOMSTR	(425,657.20) 425,657.20		Public Safety Bond
2023-0016	Transfer project savings from Chamizal Library and Rec in to PCPBALANCE.	4800	PCP13PRKD05 PCPBALANCE	(316,090.94) (0.01) 316,090.95		2012 QUALITY OF LIFE
2023-0101	Reclassify accounts in Animal Management ZOO to purchase animals and pay shipping PCP13ZOOD07	4800	PCP13ZOOD07	(25,000.00) 10,000.00 15,000.00		2012 QUALITY OF LIFE
2023-0095	Set up Water and Sewer for Padilla St PCP20ST006 for Base Bid 2 and 3	4970	PCP20ST006	276,344.18	276,344.18	Other Outside Sources
2023-0142	BT 01 Transfer project savings from PCPBALANCE in to PCP20ST006 Padilla to complete project	4740 4741	PCP20ST006 PCPBALANCE	24,287.25 31,176.00 (13,616.81) 38,970.00 125,536.66 (22,410.00) 426,755.29 41,131.85 150,000.00 (82,809.00) (77,940.00) 29,037.55 (670,300.79)		2013 STREET INFRASTRUCTURE CO 2017 ISSUE



# CAPITAL IMPROVEMENT PROGRAM (CIP)

## BUDGET TRANSFER REPORT

### FIRST QUARTER FY 2023

BT Number	Justification	Fund	Project	Amount	Funding Source
2023-0073	Transfer budget from the PCP20FDRENOMSTR for FS #19 and reclassify accounts for Modesto Gomez Park and MPC.	4820 4800	PCP20FDRENOMSTR PCP21FS19RENOV7 PCP13PRKA14 PCP13A&E01	(332,804.99) (253,816.73) 332,804.99 (31,009.00) (41,009.00) 5,006.10 3,352.38 10,945.00 69,070.00 1,076.80 (78,000.00) 516,891.60 (175,921.25) (26,585.90) (15,000.00) 15,000.00 (10,000.00) 10,000.00	Public Safety Bond 2012 QUALITY OF LIFE
2023-0124	Transfer appropriation to Barlett Park to complete and transfer project savings from Covid Labs, Johnson Basin Park, Sports Field Lighting and PD HQ Garage in to PCPBALANCE.	4800 4743 4710 4800 4741	PCP13PRKA03 PCPBALANCE G20COVIDTR PCP13PRKA10 PCP13PRKA24 PCP17MF002	33494.98 (33,494.98) (1,581,602.31) 1,037,528.70 27,467.80 (40,270.28) 12,802.48 (3,934.82) (4,899.60) 8,834.42 (9,000.00)	2012 QUALITY OF LIFE CO ISSUE FY18 CO 2009 ISSUE 2012 QUALITY OF LIFE CO 2017 ISSUE

# CAPITAL IMPROVEMENT PROGRAM (CIP)

## BUDGET TRANSFER REPORT

### FIRST QUARTER FY 2023

BT Number	Justification	Fund	Project	Amount	Funding Source	
2023-0131	Transfer project savings from Hawkins Museum Isela R Cortez Encino Vargas and Rio Del N in to PCPBALANCE	4745 4930 4510 4740 4741	PCP18ST010 PCPBALANCE PCP13MUS08 PCP06ST022E0 PCP13ST003Y3F PCP13ST003Y3I PCP17ST022	(133.98)	2019 CAPITAL PLAN CAPITAL PROJECTS - Internal CO 2010 ISSUE 2013 STREET INFRASTRUCTURE CO 2017 ISSUE 2013 STREET INFRASTRUCTURE CO 2017 ISSUE	
				(92,786.28)		
				92,920.26		
				(5,180.00)		
				5,180.00		
				(34,390.56)		
				34,390.56		
				(24,543.12)		
				24,543.12		
				42,404.70		
				6,705.00		
				(8,408.77)		
				(32,022.33)		
				(54,100.00)		
29,338.75						
450.00	15,632.65					
(118,920.00)						
(2,715.00)						
(375.00)	5,240.00					
(1,190.50)						
8,400.00						
101,215.58						
(34,931.79)	43,276.71					
2023-0111	Transfer allocation from the Master Planning Doc - PCP20PLANDOCS in to the Transportation Model PCP20PLANDOCSTR and project saving in to PCPALANCE	4746 4740	PCP20PLANDOCS PCP20PLANDOCSTR PSPS13ST003Y3G PCP20ST004 PCP19ST010 PCPBALANCE	(160,000.00)	2020 CAPITAL FUNDING PLAN STREET INFRASTRUCTURE	
				160,000.00		
				(13,808.81)		
				(1,499.90)		
				4,167.42		
				44,076.39		
				37,858.12		(87,684.32)
				(23,875.93)		
				(139,784.37)		
				164,228.64		(49,044.50)
(603.00)	9,768.00					
(51,740.00)	(3,535.82)					
111,778.08						

# CAPITAL IMPROVEMENT PROGRAM (CIP)

## BUDGET TRANSFER REPORT

### FIRST QUARTER FY 2023

BT Number	Justification	Fund	Project	Amount	Funding Source
2023-0089	Reclassify accounts in Eastside Reigional Park for equipment and transfer project savisng in to PCPBALANCE from PCP13ST002RSY6 Resurfacing 2018	4741 4740	PCP13PRKA06 PCP13ST002RSY6 PCPBALANCE	(1,515.54) 1,515.54 (141,227.33) 141,227.33	CO 2017 ISSUE 2013 STREET INFRASTRUCTURE
2023-0137	Re allocation budgert for professional services within CID and transfer budget from PCPBALANCE to Robinson Street Recon and Deck Plaza project	1000 4530 4510	PCPBALANCE PCP17ST001 PCP22TRAN05	5,600.00 (3,600.00) (365,000.00) 123,000.00 242,000.00	(2,000.00) GENERAL FUND CO 2011 ISSUE CO 2010 ISSUE
2023-0151	Set up budget for PSB stormwater commitment (BB IV) and revise approp for PSB water & sewer commitment (BB II & BB III) for reconstruction work on Schuster Avenue.	4970	PCP18ST012	287,102.75 400,000.00 287,102.75	400,000.00 400,000.00 Other Outside Sources