

Budget Update – 2nd Quarter Financial Report

March 30, 2021



What We Will Cover

- FY 2021 2nd Quarter
- FY 2021 Recap
- Looking ahead: FY 2022

2nd Quarter Financial Report



Current Year Recap

- Protect residents and businesses by maintaining same tax rate
- Focused on the basics (police, fire, health, workforce)
- Unfunded all vacant non-essential positions
- Deferred residential street and public safety capital projects
- Delayed opening of new amenities
- Deferred completion of capital projects
- Utilized Federal funding where eligible



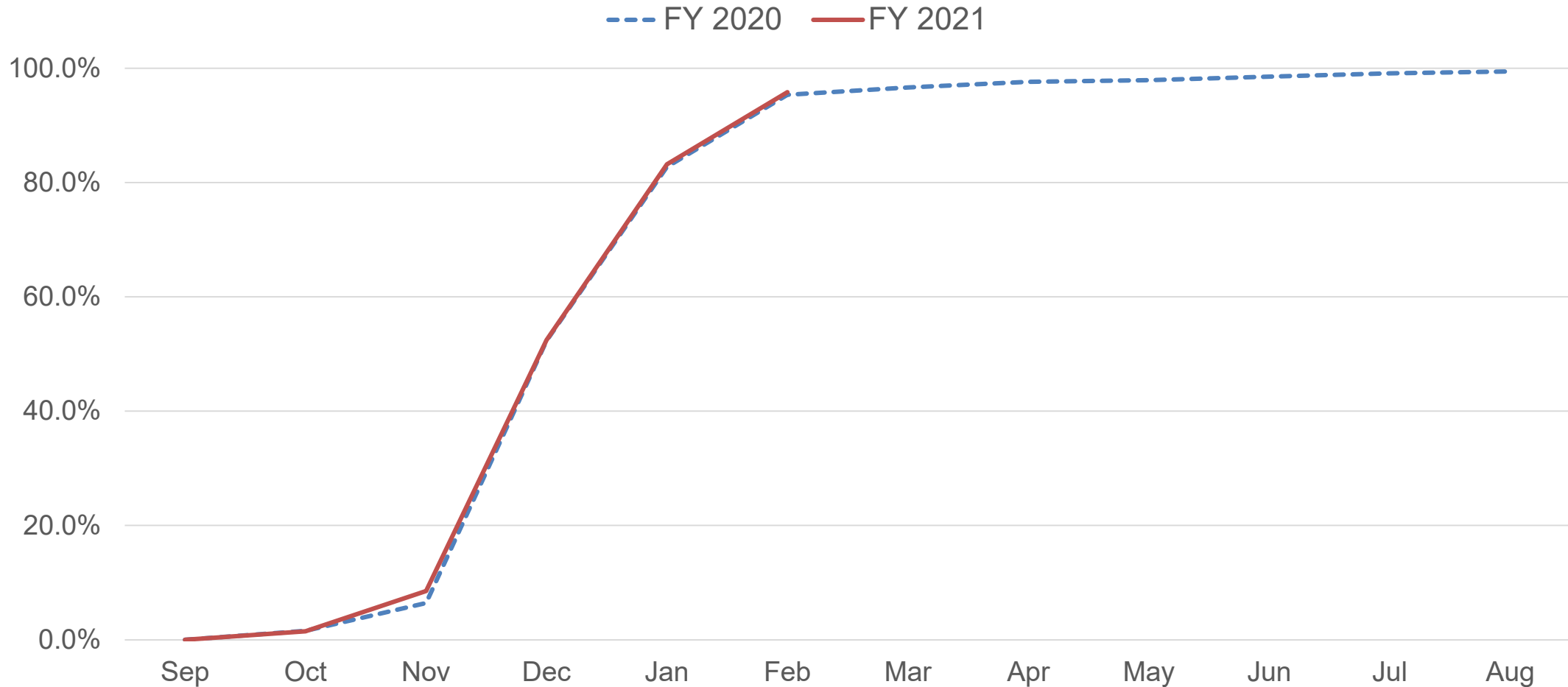
General Fund Revenues

Category	FY 2021 Budget	FY 2021 Actuals (Sep - Feb)	FY 2020 Actuals (Sep - Feb)	FY 2021 % Collected	FY 2020 % Collected
Property Taxes.....	226,894,834	223,577,705	209,835,060	99%	98%
Sales Taxes.....	82,572,139	53,105,891	52,614,298	64%	53%
Franchise Fees.....	45,465,495	23,435,296	23,773,733	52%	47%
Charges For Services.....	32,267,367	12,979,198	12,972,160	40%	48%
Other Sources (Uses).....	36,155,201	24,381,290	16,697,040	67%	51%
Licenses And Permits.....	10,640,778	5,814,748	6,741,789	55%	50%
Fines And Forfeitures.....	4,950,740	2,642,411	4,567,075	53%	67%
Rents And Other.....	1,954,438	445,906	1,888,016	23%	88%
Intergovernmental	984,329	689,836	1,158,627	70%	101%
Interest.....	100,000	63,688	-	64%	0%
Total Revenues	\$441,985,321	\$347,135,969	\$330,247,798	79%	74%



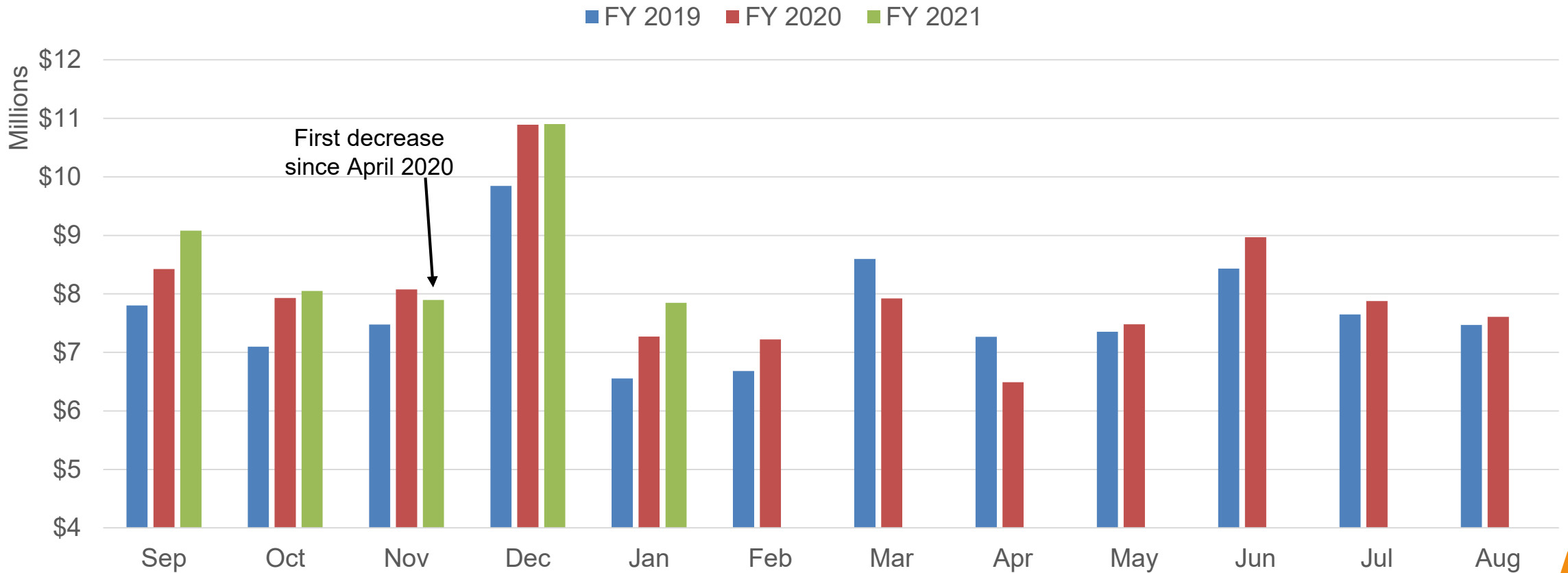
Property Tax Collections - % Collected

2nd Quarter (Sep - Feb)



Sales Tax – Current Period Collections

2nd Quarter (Sep – Feb)



General Fund Expenses

Strategic Goal	FY 2021 Budget	FY 2021 Actuals (Sep - Feb)	FY 2020 Actuals (Sep - Feb)	FY 2021 % Spent	FY 2020 % Spent
Economic Development.....	1,826,045	689,616	683,944	38%	40%
Public Safety.....	277,071,145	126,968,973	124,128,202	46%	47%
Visual Image.....	7,343,043	3,137,981	3,379,545	43%	48%
Quality of Life.....	42,734,506	13,808,793	20,536,472	32%	47%
Communication.....	18,953,219	10,733,733	10,808,527	57%	56%
Sound Governance.....	44,768,429	22,979,661	20,453,778	51%	43%
Infrastructure.....	41,792,085	17,053,814	19,178,071	41%	40%
Healthy, Sustainable Community.....	7,496,849	2,541,790	3,005,355	34%	44%
Total Expenditures.....	\$441,985,321	\$197,914,360	\$202,173,894	45%	46%

1. Public health and safety - eligible salaries were charged to Federal funding
2. Quality of Life decrease due to current closure of facilities and unfunding of vacancies
3. Sound Governance increase due to one-time lump sum payments and transfer to budget stabilization fund



Non-General Fund Revenue

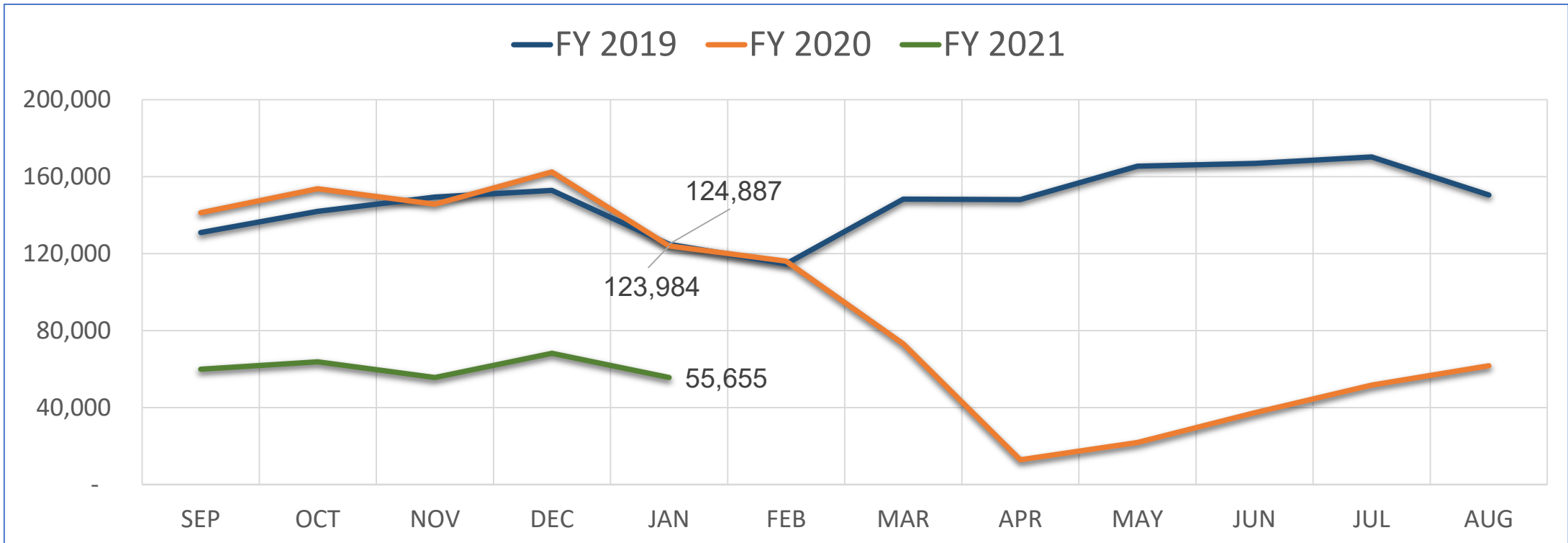
2nd Quarter (Sep – Feb)

	FY 2021 Budget	FY 2021 Actuals	FY 2020 Actuals	FY 2021 % Expensed	FY 2020 % Expensed
Hotel Occupancy Tax	8,435,000	2,490,860	4,276,461	29.5%	50.7%
Airport Operations	34,622,527	15,949,681	21,041,911	46.1%	60.8%
Environmental Services	67,870,696	30,106,068	30,211,733	44.4%	44.5%
Sun Metro General Operations	53,541,688	27,655,068	29,623,402	51.7%	55.3%
International Bridges Operations	15,015,015	9,048,987	10,112,255	60.3%	67.3%
Motor Vehicle Rental Tax	2,700,000	782,711	1,528,140	29.0%	56.6%
Animal Services	8,859,029	3,879,939	3,972,173	43.8%	44.8%
Zoo Operations	2,261,246	168,559	850,159	7.5%	37.6%
Total Revenue	\$193,305,201	\$90,081,873	\$101,616,236	46.6%	52.6%

1. Airport awarded \$15.4 million from CAREs Act
2. Sun Metro awarded \$40.8 million from CAREs Act
3. Motor Vehicle Rental Tax – special revenue fund that is restricted for Sun Bowl game

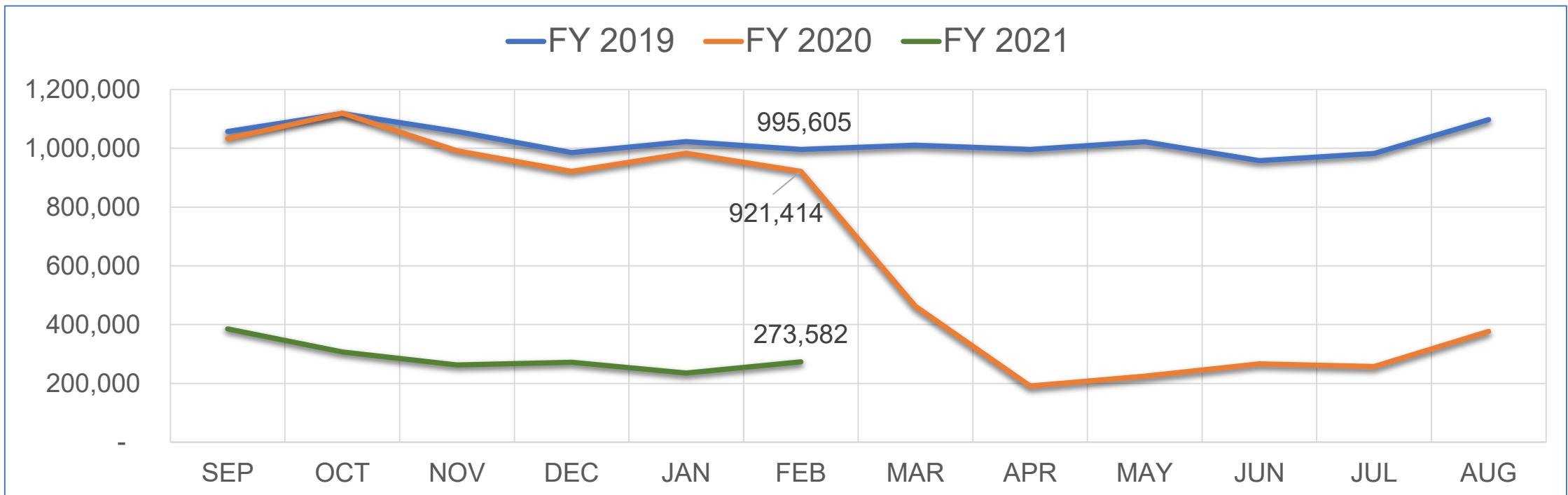
El Paso International Airport

- Enplanements through January down (59.3%) compared to the same period last year
- Preliminary information indicates a drop of (61.7%) in November compared to last year



Mass Transit

- Ridership through February is down (70.9%) compared to the same period last year
- February ridership shows a decline of (70.3%) compared to last year



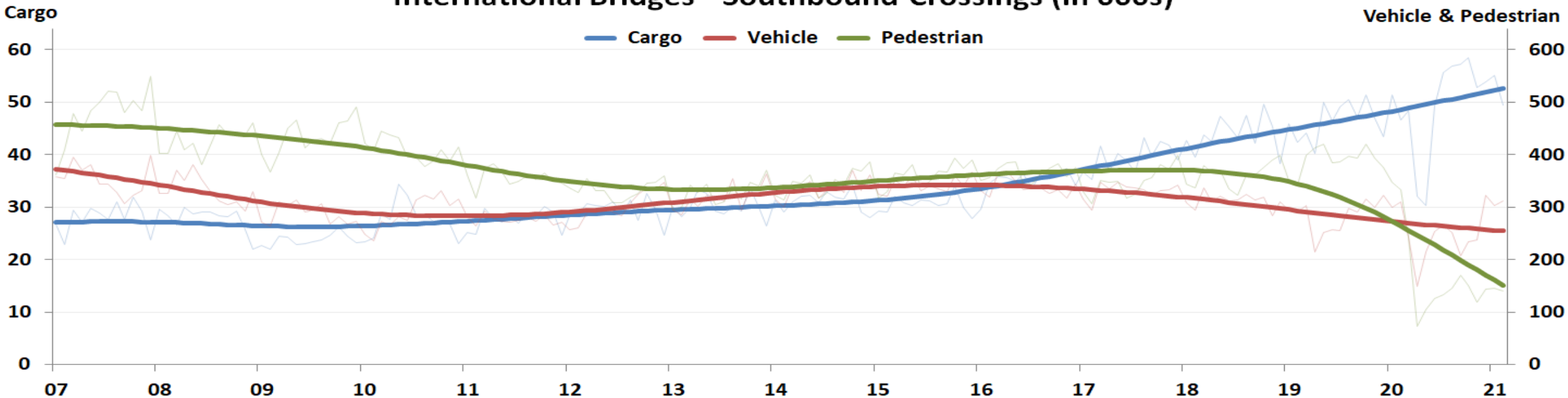


International Bridges

- Southbound Traffic
 - Pedestrian
 - (62.5%) decline through January
 - (58.9%) decline in January over last year
 - Vehicle
 - (14.9%) decline through January
 - 0.6% increase in January over last year

- Southbound Traffic
 - Cargo
 - 3.8% increase through January
 - (1.1%) decline in January over last year

International Bridges - Southbound Crossings (in 000s)



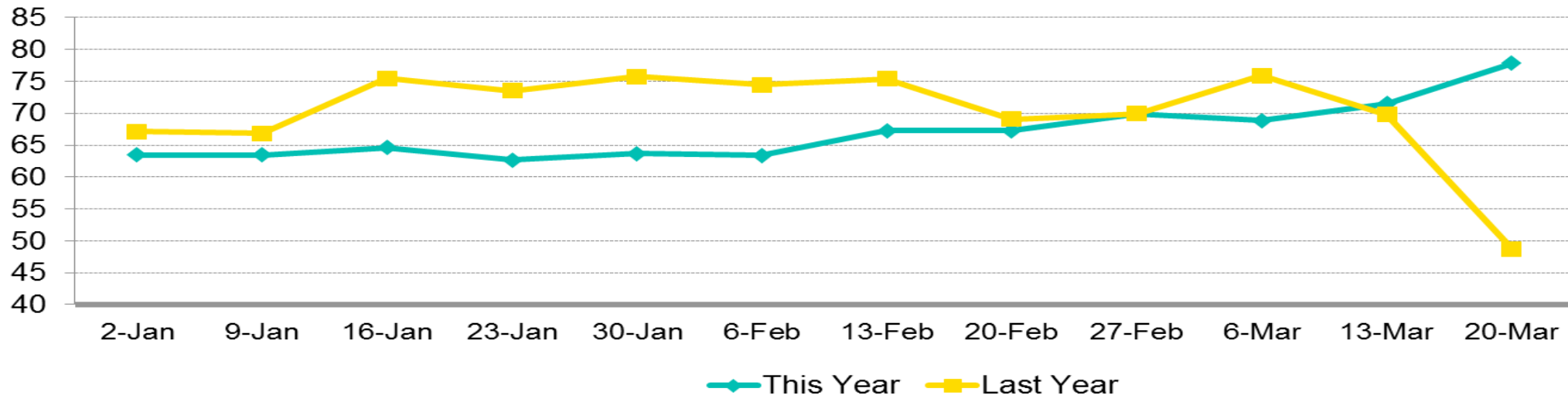
Hotel Occupancy

March 7, 2021 – March 20, 2021

- 77.5% avg weekly occupancy is up 8.81% from the week’s prior average, 71.5%.
- This week’s occupancy represents a 4.77% increase over pre-pandemic numbers in the same period in 2019 (74.26%) and represents 59.69% growth over the same period 2020 (48.72%).
- Revenue at \$4.137M is up from \$3.690M the week prior – a 12.09% increase this week from last.

Source: SmithTravel, March 24, 2021

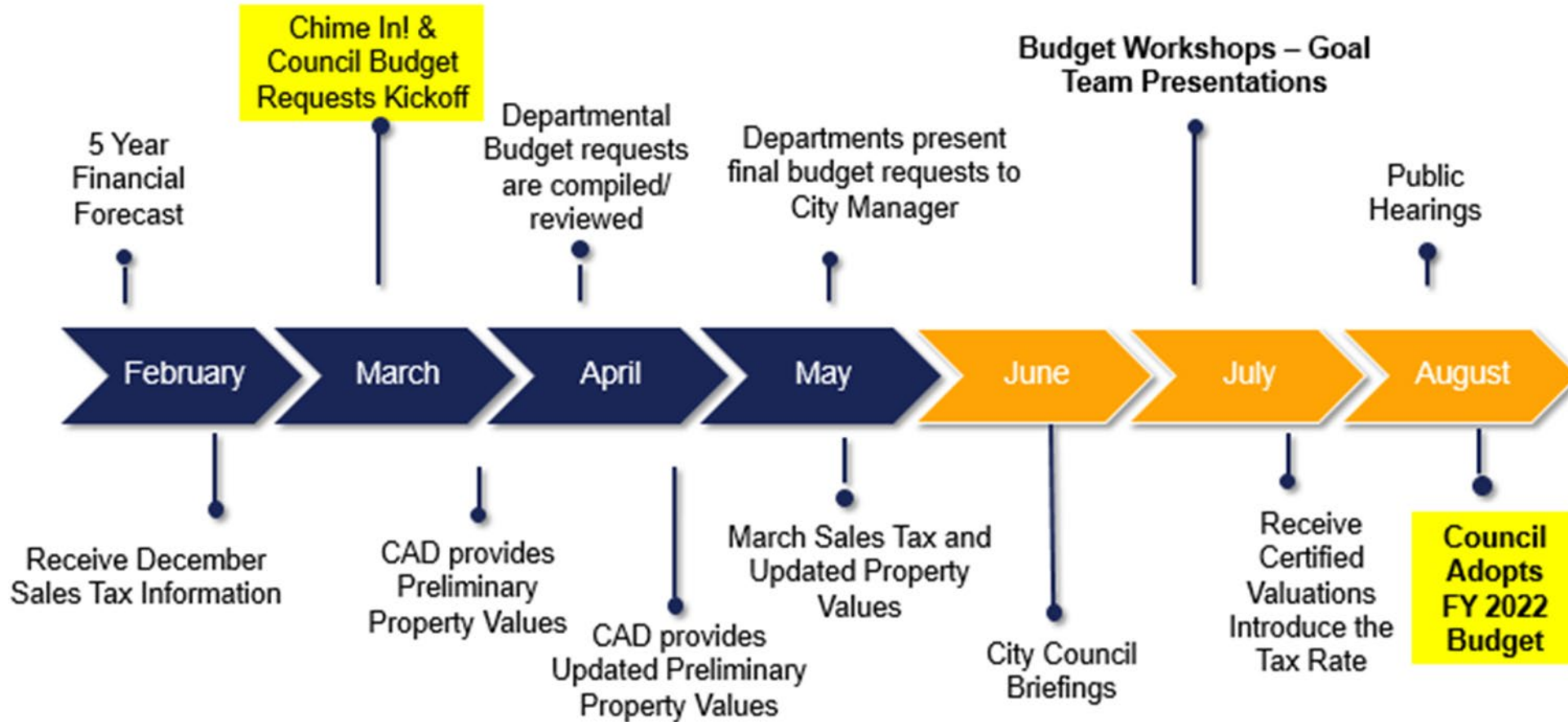
Weekly Occ (%) - Jan 02, 2021 to Mar 20, 2021



FY 2021 Recap

- Protect residents and businesses by maintaining same tax rate
- Focused on the basics (police, fire, health, workforce)
- Unfunded all vacant non-essential positions
- Deferred residential street and public safety capital projects
- Delayed opening of new amenities
- Deferred completion of capital projects
- Utilized Federal funding where eligible

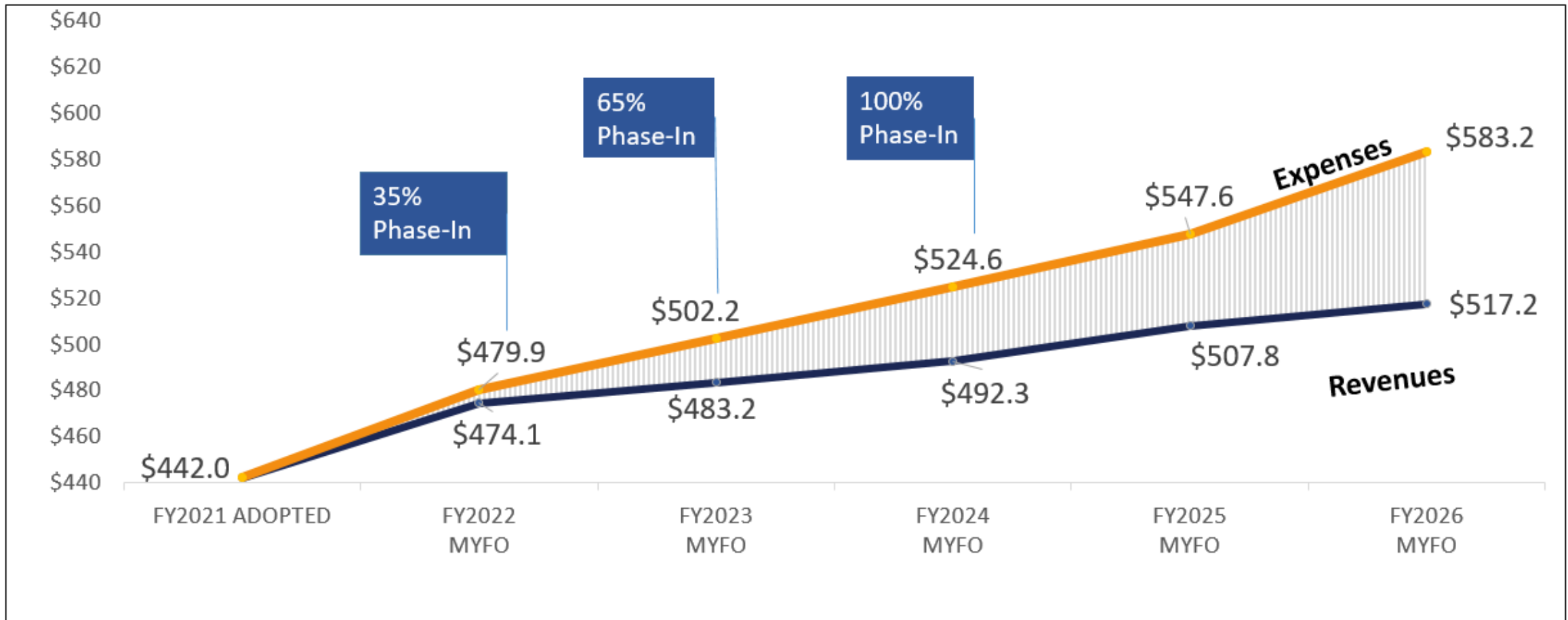
FY 2021-22 Budget Process



Next Year's Budget Assumptions

- Prioritization of restoring FY 2021 adjustments
- Public Safety – collective bargaining, staffing levels, and operating costs from bond projects
- Quality of Life Service rollout – existing services and new amenities
- Workforce – compensation, healthcare, training, development, prioritizing funding for vacancies
- Capital Project rollout

Next Year and Beyond: Phase-In Approach





Next Year's Estimated Cost Increases

Phase-in Approach

Description	FY 2022 Increase
Public safety operating – collective bargaining, academies	\$10.7 million
Public safety capital replacement	\$4.0 million
Street maintenance & ADA on-demand projects	\$7.1 million
Facilities/parks sports complexes enhanced maintenance	\$3.4 million
Quality of Life services	\$5.0 million
Citywide vacancies – prioritized previously unfunded	\$3.3 million
Compensation adjustments & healthcare increases	\$3.2 million
Total Estimated Costs	\$37.9 million

Next Year's Estimated Impact

Phase-in Approach excluding COVID-19 Operations

<u>Strategic Goal</u>	<u>FY 2021 Budget</u>	<u>FY 2022 Estimated Budget</u>	<u>Est. % Increase</u>
Economic Development	1,826,045	1,917,348	5.0%
Public Safety	277,071,145	292,035,016	5.4%
Visual Image	7,343,043	7,636,764	4.0%
Quality of Life	42,734,506	49,812,374	16.6%
Communication	18,953,219	19,711,348	4.0%
Sound Governance	44,768,429	48,440,618	8.2%
Infrastructure	41,792,085	52,481,689	25.6%
Sustainability	7,496,849	7,862,574	4.9%
Total Expenditures	\$ 441,985,321	\$ 479,897,732	8.6%

FY 2022 Estimated Budget Scenario excludes COVID-19 Operations and is based on the 35% phase-in approach to unfunded positions and QoI Services.

Please note these are only estimates and subject to change.

Budget Strategy

- Focusing on short and long-term
- Minimize impact on taxpayers
- Prioritization of services
- Restoring service delivery through phased-in approach
- Continuing to focus on our workforce

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



**CAPITAL IMPROVEMENT PROGRAM (CIP)
BUDGET TRANSFER REPORT
SECOND QUARTER FY 2021**

Date Completed	Fund	Amount	Project	BT #	Justification	Funding Source
12/8/2020	4530	\$0	PCP11MT040	2021-0265	To balance budget for Dyer RTS - PCP11MT040, no overall change to project budget.	CO 2011 ISSUE
12/8/2020	4950	\$445,273	PCP18TRAN04	2021-0266	To increase fund 4950 as per the revised LPAFA for Delta - PCP18TRAN04	CAPITAL PROJECTS - TXDOT
12/15/2020	4800	\$0	PCP21LIBA04I PCP13LIBA02	2021-0250	Reclassify appropriation to the proper account for Clardy Fox Library. (Moving Services), no overall change to project budget.	2012 QUALITY OF LIFE
12/15/2020	4800	\$260,000 (\$260,000)	PCP13ZOOA10 PCPBALANCE	2021-0254	Transfer appropriation from PCPBALANCE for the South American Pavilion project.	2012 QUALITY OF LIFE
12/15/2020	4510 4950 4743	\$0	PCP10TRAN90	2021-0255	To reclassify expenses for Montana Pedestrian - PCP10TRAN90, no overall change to project budget.	CO 2010 ISSUE CAPITAL PROJECTS - TXDOT CO ISSUE FY18
12/15/2020	4740	\$40,000 (\$40,000)	PCP18ST005 PCPBALANCE	2021-0260	Transfer appropriation from PCPBALANCE Fund 4740 to Edgemere Linear Park PCP18ST005.	2013 STREET INFRASTRUCTURE
12/15/2020	4800	\$0	PCP13PRKD08	2021-0293	Align budget with Project Budget Summary Form for Pavo Real Recreational Center, no overall change to project budget.	2012 QUALITY OF LIFE
12/15/2020	4746 4530 4950 4743	\$0	PCP11MT050	2021-0294	To balance expenses for Montana RTS - Construction - PCP11MT050, no overall change to project budget.	2020 CAPITAL FUNDING PLAN CO 2011 ISSUE CAPITAL PROJECTS - TXDOT CO ISSUE FY18
12/15/2020	4970	\$36,000	PCP20ST010	2021-0312	To setup appropriations for PSB Water Utilities to Cover Design for Drainage Improvements for the Canterbury Trail Improvements project.	OTHER OUTSIDE SOURCES
12/16/2020	4743	\$0	PCP18ST011	2021-0262	Correct Division -Transfer appropriation from Railroad Recon (Fund 4743-PCP18ST011) project to cover Covid 19 Facilities approved by City Council 11/09/20, no change to overall project amount.	CO ISSUE FY18
12/16/2020	4800	\$0	PCP13PRKA25	2021-0279	Reclassify appropriation to the proper account to purchase/install trees for Paseos Del Sol Park project PCP13PRKA25, no overall change to project budget.	2012 QUALITY OF LIFE
12/16/2020	4800	\$0	PCP13CULT01	2021-0285	Reclassify and align appropriation for the Mexican American Cultural Center MACC, no overall change to project budget.	2012 QUALITY OF LIFE

**CAPITAL IMPROVEMENT PROGRAM (CIP)
BUDGET TRANSFER REPORT
SECOND QUARTER FY 2021**

Date Completed	Fund	Amount	Project	BT #	Justification	Funding Source
12/16/2020	4741 4510 4530	\$748,312 \$154,000 \$170,151 \$340,711 \$80,000 \$81,000 \$425,000 \$720,167 \$227,660 (\$1,164,807) (\$1,000,000) (\$782,194)	PCP19TRAN01 PCP17TRAN5 PCP21ST001 PCP21TRAN01 PCP18TRAN03 PCP18TRAN06 PCP18TRAN04 PCP20TRAN04 PCP17TRAN3 PCP09ST0020 PCP17TRAN6 PCP10TRAN70	2021-0291	To reclassify budget from Alameda RTS - PCP10TRAN70, Alameda RTS - PCP09ST0020 and Montana Fiber - PCP17TRAN6 CC 11/24/20.	CO 2017 ISSUE CO 2010 ISSUE CO 2011 ISSUE
12/22/2020	4743	\$0	G20COVIDTR PHS14	2021-0341	Re-classify account for 200 N Kansas Respond Center related to re-allocation of staff expense, no overall change to project budget.	CO ISSUE FY18
1/21/2021	4740	\$90,000 (\$90,000)	PCP17ST003 PCPBALANCE	2021-0362	Transfer appropriation from PCPBALANCE to James Street Recon (PCP17ST003) to complete project. (Fund 4740 Street Infra)	2013 STREET INFRASTRUCTURE
1/25/2021	4741	\$700,167 \$20,000 (\$720,167)	PCP20TRAN05 PCP21TRAN01 PCP20TRAN04	2021-0337	To correct project number on FY21ASK on Rojas Widening - PCP20TRAN05	CO 2017 ISSUE
1/26/2021	4970	\$0	PCP06ST0090	2021-0352	To balance the old CBD IV project (PCP06ST0090) and close it out, no overall change to project budget.	OTHER OUTSIDE SOURCES
1/28/2021	4800	\$300,000 (\$300,000)	PCP13ZOOD06 PCPBALANCE	2021-0350	Transfer budget from PCPBALANCE Fund 4800 (Prop 1) for the Animal Holding II PCP13ZOOD06 to allcocate for the construction.	2012 QUALITY OF LIFE
2/1/2021	4743	\$98,455 (\$98,455)	G20COVIDTR PHS37 G20COVIDTR PHS14	2021-0355	Transfer appropriation from PHS14 (200 Kansas Respond Center) to PHS37 (Clinics) Covid 19 Projects Fund 4743 and Correction.	CO ISSUE FY18
2/1/2021	4741	\$75,000 (\$75,000)	PCPBALANCE PCP10TRAN110	2021-0372	Transfer appropriation from Winn Road - PCP10TRAN110 to PCPBALANCE (Project Savings)	CO 2017 ISSUE
2/1/2021	4950	\$2,969,934	PCP21TRAN04	2021-0385	Set up TXDOT (FHWA) appropriation for Sean Haggerty Dr Extension for the design phase. CSJ 0924-06-0611 AFA	CAPITAL PROJECTS - TXDOT
2/1/2021	4950	\$3,752,479	PCP21TRAN03	2021-0386	Set up TXDOT (FHWA) appropriation for N. Campbell St at Union Pacific RR for the design/construction. CSJ 0924-06-579 AFA	CAPITAL PROJECTS - TXDOT

**CAPITAL IMPROVEMENT PROGRAM (CIP)
BUDGET TRANSFER REPORT
SECOND QUARTER FY 2021**

Date Completed	Fund	Amount	Project	BT #	Justification	Funding Source
2/1/2021	4950	\$899,428	PCP21TRAN02	2021-0389	Set up TXDOT (FHWA) appropriation for Ysleta Middle SRTS for the design and construction . CSJ 0924-06-618 AFA	CAPITAL PROJECTS - TXDOT
2/8/2021	4740 4745	\$212,718 (\$212,718)	PCPBALANCE PCP17ST009	2021-0351	Align budget and tranfer project savings from Redd Rd Median project to PCPBALANCE.	2013 STREET INFRASTRUCTURE 2019 CAPITAL PLAN
2/12/2021	4970	\$70,253	PCP17ST015	2021-0407	Set up appropriatiion for PSB (Storm Water) to cover Change Order #1 for River Bend Pedestrian Improvements Phase III Bid No. 2019-1274	OTHER OUTSIDE SOURCES
2/15/2021	4740	\$303,246 (\$72,473) (\$5,456) (\$215,393) (\$5,750) (\$4,174)	PCPBALANCE PCP13ST006Y6 PCP13ST006Y5 PCP13ST006Y4 PCP13ST006Y3 PCP13ST006Y2	2021-0414	Transfer project savings from the completed projects related to NTMP into PCPBALANCE. Fund 4740 Street Infra	2013 STREET INFRASTRUCTURE
2/16/2021	4950	\$35,295	PCP18TRAN03	2021-0249	To adjust the revenue with the LPFAFA for Davis Bridge - PCP18TRAN03	CAPITAL PROJECTS - TXDOT
2/17/2021	4650 4741 4950 4710	\$0	PCP06ST022E0 PCP17TRAN01 PCP15TRAN04	2021-0400	To clean up budgets for Edgemere Roundabout, University Pedestrian, and Isela Rubalcava projects, no overall change to project budgets.	CO 2001 ISSUE CO 2017 ISSUE CAPITAL PROJECTS - TXDOT CO 2009 ISSUE
2/17/2021	4741	\$71,000 (\$71,000)	PCP17ST022 PCPBALANCE	2021-0434	Transfer appropriation from PCPBALANCE into Rio Del Norte Project.	CO 2017 ISSUE
2/17/2021	4930	\$41,300 (\$41,300)	PCP21EDCNCPT PCPTXDOTRFND	2021-0458	Transfer appropriation from PCPTXDOTRFND (Unrestricted Funds) to PCP21EDCNCPT (Economic Development Concept 2021).	Capital Projects-Internal
2/17/2021	4510 4690	\$0	PCP19TRAN03	2021-0462	To balance the budget for CBD4 - PCP19TRAN03, no overall change to project budget.	CO 2010 ISSUE CO 2006 ISSUE