



# **FY 2017**

## **2<sup>nd</sup> Quarter**

# **General Fund Report**

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# Chronology

- FY 2016 2<sup>nd</sup> Quarter Budget Report presented June 14, 2016
- FY 2016 3<sup>rd</sup> Quarter Budget Report presented September 6, 2016
- FY 2016 4<sup>th</sup> Quarter Budget Report presented January 23, 2017
- FY 2017 1<sup>st</sup> Quarter Budget Report presented February 27, 2017



# *Overview*

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# General Fund Summary

	2 <sup>nd</sup> Quarter
<b><i>Starting Fund Balance (9/1/16)</i></b>	<b><i>\$44,583,921</i></b>
Plus Estimated Revenues	\$377,347,981
Less Estimated Expenses	\$377,332,961
<b><i>Estimated Ending Fund Balance (8/31/17)</i></b>	<b><i>\$44,598,941</i></b>
Starting/Ending Estimated Variance	\$15,020

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# General Fund Revenues

REVENUE	FY2017 Adopted Budget	FY2017 Adjusted Budget	FY2017 Actual YTD	FY2017 Actual YTD %	FY2016 Actual YTD %
Property Taxes	160,411,640	160,411,640	153,491,698	95.7%	96.2%
Sales Taxes	89,998,184	89,998,184	43,981,679	48.9%	50.0%
Franchise Taxes	53,985,339	53,985,339	24,250,019	44.9%	44.6%
Charges for Services	30,201,329	30,412,071	11,103,024	36.5%	35.4%
Fines and Forfeitures	10,841,457	10,841,457	3,825,145	35.3%	50.6%
Licenses and Permits	12,956,767	12,956,767	6,484,029	50.0%	46.8%
Intergovernmental	469,169	469,169	227,979	48.6%	21.9%
County Participation	400,871	400,871	0	0.0%	41.7%
Interest	25,000	25,000	0	0.0%	20.3%
Rents and Other	1,638,125	1,638,125	774,100	47.3%	48.4%
Other Sources (Uses)	21,028,974	21,028,974	8,841,277	42.0%	46.1%
<b>Total Revenue</b>	<b>381,956,855</b>	<b>382,167,597</b>	<b>252,978,950</b>	<b>66.2%</b>	<b>66.8%</b>

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# General Fund Expenses

<b>EXPENDITURES</b>	<b>FY2017 Adopted Budget</b>	<b>FY2017 Adjusted Budget</b>	<b>FY2017 Actual YTD</b>	<b>FY2017 Actual YTD %</b>	<b>FY2016 Actual YTD %</b>
Personal Services	287,476,318	287,321,080	135,176,789	47.0%	47.9%
Contractual Services	34,568,013	34,627,067	16,085,025	46.5%	52.5%
Materials and Supplies	16,504,741	16,334,866	6,220,298	38.1%	43.6%
Operating	22,004,820	22,018,654	10,074,867	45.8%	41.4%
Non-Operating	9,462,436	9,462,640	5,198,236	54.9%	36.2%
Intergovernmental	1,550,972	1,552,764	187,655	12.1%	19.4%
Other Uses	10,190,055	10,507,919	2,821,183	26.8%	15.6%
Capital Outlay	199,500	342,607	156,390	45.6%	0.0%
<b>TOTAL EXPENDITURES</b>	<b>\$381,956,855</b>	<b>\$382,167,597</b>	<b>\$175,920,443</b>	<b>46.0%</b>	<b>45.6%</b>

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# General Fund Expenses

EXPENDITURES	FY2017 Adopted Budget	FY2017 Adjusted Budget	FY2017 Actual YTD	FY2017 Actual YTD %	FY2016 Actual YTD %
Economic Development	1,840,395	1,870,640	694,907	37.1%	47.8%
Public Safety	224,497,982	224,497,982	105,226,524	46.9%	47.6%
Visual Image	7,608,691	7,608,691	3,349,730	44.0%	47.1%
Quality of Life	38,573,792	38,573,792	15,950,924	41.4%	42.1%
Communication	12,313,203	12,313,203	6,459,927	52.5%	59.2%
Sound Governance	48,798,918	49,009,660	21,569,807	44.0%	38.7%
Infrastructure	41,513,153	41,513,153	19,819,226	47.7%	45.4%
Sustainability	6,810,721	6,780,477	2,849,397	42.0%	39.8%
<b>TOTAL EXPENDITURES</b>	<b>381,956,855</b>	<b>382,167,597</b>	<b>175,920,443</b>	<b>46.0%</b>	<b>45.6%</b>

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# *Revenues*

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# Property Taxes

<b>FY2017 Adjusted Budget</b>	<b>FY2017 Actual YTD</b>	<b>FY2017 Actual YTD %</b>	<b>FY2016 Actual YTD %</b>	<b>FY2016 Actual YTD</b>
160,411,640	153,491,698	95.7%	96.2%	149,047,988

- Collection rate total as a percent of levy is 95.45% through 2<sup>nd</sup> Quarter (five year average is 95.15%)
- FY 2017 YTD% is slightly lower that previous year due to timing of revenue posting

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# Sales Taxes

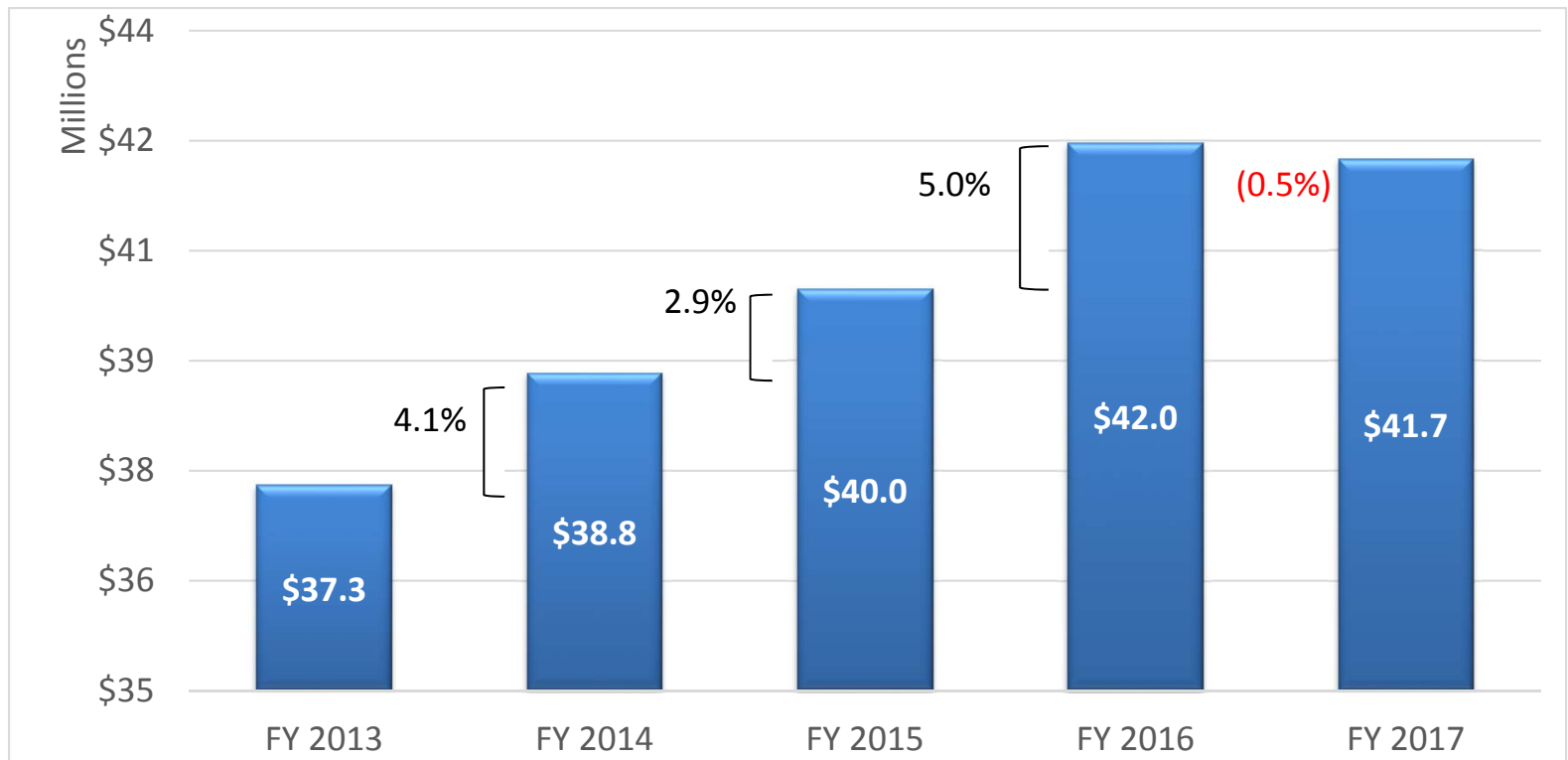
<b>FY2017 Adjusted Budget</b>	<b>FY2017 Actual YTD</b>	<b>FY2017 Actual YTD %</b>	<b>FY2016 Actual YTD %</b>	<b>FY2016 Actual YTD</b>
89,998,184	43,981,679	48.9%	50.0%	42,632,761

- Year-to-date increase of \$1,348,918 or 3.2% compared to same period last year
  - Sales tax increase of \$1,274,515 or 3.1% (current period collections are flat, State sales tax audits are up)
  - Mixed beverage increase of \$80,317 or 7.2%

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## Sales Tax (Through 2<sup>nd</sup> Quarter) Current Period Collections



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# Franchise Fees

<b>FY2017 Adjusted Budget</b>	<b>FY2017 Actual YTD</b>	<b>FY2017 Actual YTD %</b>	<b>FY2016 Actual YTD %</b>	<b>FY2016 Actual YTD</b>
53,985,339	24,250,019	44.9%	44.6%	22,981,450

- El Paso Water Utility – trending positively due to rate increase for water sales (offsetting increases in expenditures)



# Charges for Services

<b>FY2017 Adjusted Budget</b>	<b>FY2017 Actual YTD</b>	<b>FY2017 Actual YTD %</b>	<b>FY2016 Actual YTD %</b>	<b>FY2016 Actual YTD</b>
30,412,071	11,103,024	36.5%	35.4%	11,524,240

- Examples of accounts in this category include: ambulance service revenue, indirect costs, reimbursed expenses, and engineering charges
- Year-to-date decrease due to timing of Public Health Department indirect costs

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# Fines & Forfeitures

<b>FY2017 Adjusted Budget</b>	<b>FY2017 Actual YTD</b>	<b>FY2017 Actual YTD %</b>	<b>FY2016 Actual YTD %</b>	<b>FY2016 Actual YTD</b>
10,841,457	3,825,145	35.3%	50.6%	5,390,128

- Traffic ticket issuance down (15.94%)
- Difficulties being experienced with new court software implementation



# *Expenses*

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# Personal Services

<b>FY2017 Adjusted Budget</b>	<b>FY2017 Actual YTD</b>	<b>FY2017 Actual YTD %</b>	<b>FY2016 Actual YTD %</b>	<b>FY2016 Actual YTD</b>
287,321,080	135,176,789	47.0%	47.9%	130,788,933

- Year-to-date increase of \$4,387,855 compared to same period last year
  - Police and Fire = \$3,497,280 increase
  - City retiree healthcare contribution increase of \$468,682 due to posting on a timely basis

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# Contractual Services

<b>FY2017 Adjusted Budget</b>	<b>FY2017 Actual YTD</b>	<b>FY2017 Actual YTD %</b>	<b>FY2016 Actual YTD %</b>	<b>FY2016 Actual YTD</b>
34,627,067	16,085,025	46.5%	52.5%	18,253,133

- Year-to-date decrease of \$2,168,107 compared to same period last year
  - Information Technology = decrease of \$2,255,759 due to P25 public safety radio debt payment now budgeted in the appropriate Non-Operating Expenditure category

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# Materials & Supplies

<b>FY2017 Adjusted Budget</b>	<b>FY2017 Actual YTD</b>	<b>FY2017 Actual YTD %</b>	<b>FY2016 Actual YTD %</b>	<b>FY2016 Actual YTD</b>
16,334,866	6,220,298	38.1%	43.6%	6,239,492

- FY 2017 budget increased by \$1.2M (primarily in Streets, Fire, and Parks)
- Year-to-date decrease of \$19,194 compared to same period last year
  - Police and Fire decrease of \$509,312 due primarily to ammunition, clinical medical supply purchases, and vehicle maintenance supplies
  - Streets & Maintenance increase of \$471,942 due primarily to maintenance supplies, and building facility repairs

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# Operating Expenditures

<b>FY2017 Adjusted Budget</b>	<b>FY2017 Actual YTD</b>	<b>FY2017 Actual YTD %</b>	<b>FY2016 Actual YTD %</b>	<b>FY2016 Actual YTD</b>
22,018,654	10,074,867	45.8%	41.4%	8,504,414

- Year-to-date increase of \$1,570,453 compared to same period last year
- Increase due primarily to utilities (electricity and water) and timing of insurance (general liability and property) payments

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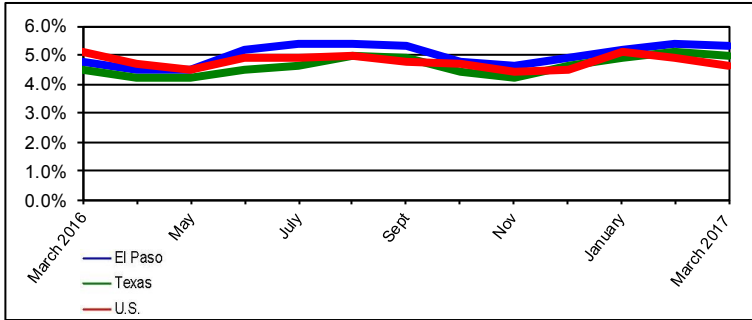
# *Questions*

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# El Paso, TX Economic Indicators (2017)

## Unemployment Rate Trend (not seasonally adjusted)



Source: Bureau of Labor Statistics, non-seasonally adjusted

## El Paso Population

El Paso MSA: 841,971

City of El Paso: 649,121

Source: JobsEQ, retrieved April 2017

## Unemployment Rate (not seasonally adjusted)

	Mar 16	Mar 17	Change
El Paso	4.8%	5.3%	+0.5%
Texas	4.5%	5.0%	+0.5%
U.S.	5.1%	4.6%	-0.5%

Source: BLS.gov

## Wage Rates Median (Mean)

	May 2015	May 2016	Change
El Paso	\$12.70 (\$17.78)	\$13.11 (\$18.00)	+\$0.41 (+\$0.22)
Texas	\$16.61 (\$22.38)	\$17.06 (\$22.97)	+\$0.45 (+\$0.59)
U.S.*	\$17.40 (\$23.23)	\$17.81 (\$23.86)	+\$0.41 (+\$0.63)

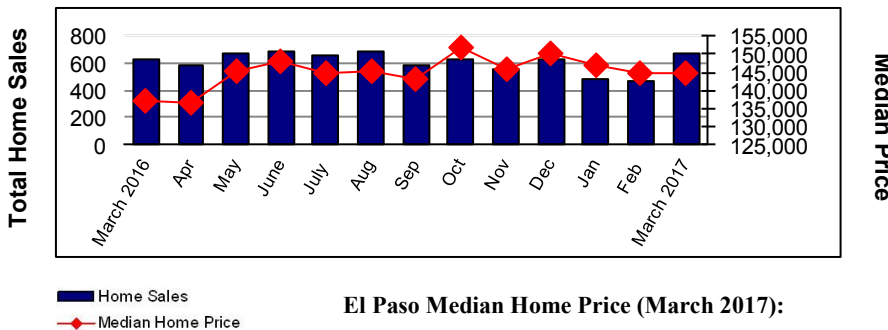
\*Bureau of Labor Statistics— OES Data released on a yearly basis

## Workforce

	2016	2017	Change
Median HH Income	\$40,170	\$41,578	+\$1,408
Civilian Labor Force	348,281	358,557	+10,276
Employment	331,518	339,491	+7,973

\* Data compares yearly data  
Sources: Texas Labor Market Profile , yearly data (March 2017)  
JobsEQ, household income (2017)

## Residential Activity



El Paso Median Home Price (March 2017):

Source: Texas A&M Real Estate Center

## Permits

2016 total permits (annual)  
(single, multifamily, commercial)

2,217	*\$2,758,200
161	*\$1,203,000
674	*\$1,072,100

2017 total permits (as of March 2017)  
(single, multifamily, commercial)

738	\$485,300
32	\$264,800
373	\$301,300

Source: Texas A&M Real Estate Center

\*Avg. Value per Dwelling Unit (1 year totals)

## El Paso Apartment Data

Total March Units added (includes only complexes with 50+units): 117 units  
Avg. Square Feet: 838 sq. ft.  
Effective Rent: \$746  
Asking Rent:\$758  
Occupancy: 91.7% (March 2017)

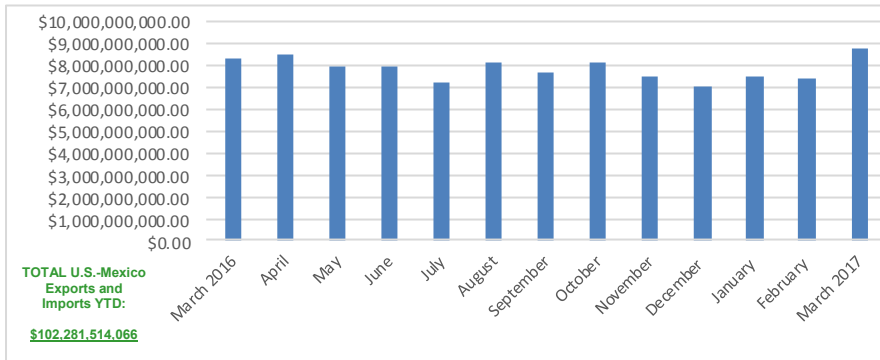
Source: ALN Apartment Data, Inc.



# El Paso, TX Economic Indicators (2017)

## U.S.-Mexico Exports and Imports Trade Activity El Paso, Texas (District 24)

\*U.S. Department of Commerce, Foreign Trade Division



## ACCRA Cost of Living Composite Index (Annual)

	2015	2016 (Annual)
El Paso	91.3	89.3
Albuquerque	95.6	94.9
Austin	96	96.7
Dallas	96.1	100.4
Fort Worth	102.8	102.3
Houston	98.2	98.8
Las Cruces	97.4	96.5
Phoenix	95.9	97.0
Tucson	92.8	93.1
San Antonio	87.3	86.0

\*Data released January 2017

## El Paso International Airport March Flight Activity

	2016	2017	Change
Carriers	5	5	0
Daily Departures	45	48	+3
Freight (YTD, Total in tons)	7,867	7,924	+4.6%
Nonstop cities	12	13	+1
Passengers (YTD TOTALS)	232,009	242,699	+4.6%
Daily Seats	4,827	4,839	+12

\*El Paso International Airport, February traffic report totals

## Total Passenger Market by Airline (YTD)

	2016	2017
Southwest	49.04%	47.73%
American	33.20%	34.56%
Delta	7.26%	7.19%
Allegiant	0%	0%
United	10.50%	10.11%

March 2017 Total Passengers: 242,699

Source: El Paso International Airport, March YTD

## Hotel Industry El Paso

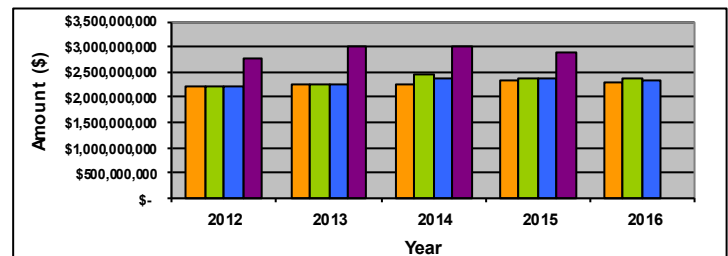
	2016	2017
Hotel Occupancy	66.8%	68.7%
*Census Prop	90	92
Total Rooms	9,325	9,513
Hotel Revenue, March 2017: <b>\$190M</b>		

Note: Revenue in Millions

Sources: Destination El Paso- March 2017 data  
\*Census Prop- # of properties participating in STR report

## Annual Changes in Gross Retail Sales- El Paso MSA 2012-Q3 2016

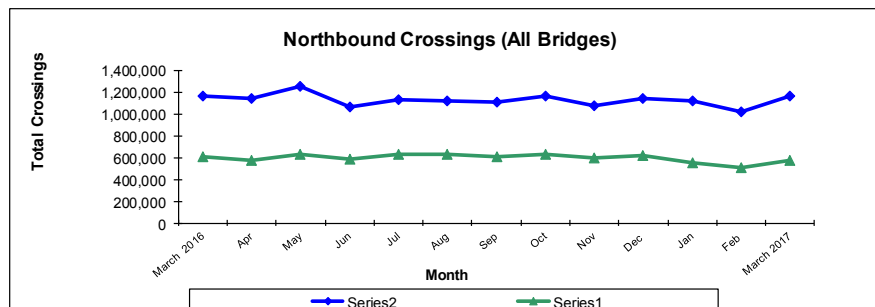
Source: Texas Comptroller's Office



\*mycpa.state.tx.us, Retail Trade Summary Report

\*Gross Sales (All Industries) in 2017 are projected to surpass the **\$12.2 billion** mark for the first time in El Paso Economic history!  
Total Gross Retail Trade Sales as of Q3 2016 were over **\$7 billion**

## Northbound Crossings (all bridges) 22,532,172 million northbound crossings YTD



Source: Customs & Border Protection

**CAPITAL IMPROVEMENT PROGRAM (CIP)  
BUDGET TRANSFER REPORT  
SECOND QUARTER FY 2017**

Date Completed	Fund	Amount	Project	Division	BT #	JUSTIFICATION	FUNDING SOURCE
12/6/2016	4690, 4710, 4500, 4560	\$205,864	PCP12ST020	99999, 28300, 28310, 28340	2017-0270	CID proposes to transfer appropriations of \$205,863.99 to project PCP12ST020 Pasodale Phase IV. Additional funds needed to complete the project. Funding is from 2006, 2009, 2010 and 2012-2013 COs.	CO 2006 ISSUE, CO 2009 ISSUE, CO 2010 ISSUE, FY12-13CO'S CIP PLAN
12/7/2016	4510, 4560	\$298,281	PCP14ST003	28320, 28340	2017-0271	CID proposes to increase approp by \$298,281 for project PCP14ST003 Pebble Hills Arterial Lighting. Additional funds needed for the project. Funding source from 2010 and 2012-2013 COs is in accordance with paragraph 8 of resolution	CO 2010 ISSUE, FY12-13CO'S CIP PLAN
12/13/2016	4800	\$2,885	PCP13PRKC05	29010	2017-0295	CID proposes to transfer \$2,885 to fund an electrical easement for the Payo Real Spray Park from various completed projects in accordance with paragraph 8 of the budget resolution. Funding Sources is 2012 QOL.	GOP 2012 QUALITY OF LIFE
12/13/2016	4800	\$1,996	PCP13ZO0B03	29020	2017-0308	CID proposes to transfer \$1,996.00 to purchase two refrigerators for the new Wildlife Theatre. Funding Sources is 2012 QOL and is in accordance with paragraph 8 of the budget resolution.	GOP 2012 QUALITY OF LIFE
12/19/2016	4950	\$179,400	PCP15TRAN02	38170	2017-0309	CID proposes to increase appropriations by \$179,400.00 for project PCP15TRAN02 Downtown Ped Wayfinding. Funding source is reimbursed expenditures TXDOT and is in accordance with paragraph 13 of the budget resolution.	Capital Projects-TxDot
12/19/2016	4970	\$35,343	PCP09MT0070B	38230	2017-0322	CID proposes to appropriate \$35,342.69 for funding for Wren Rd Recon. Funding source is reimbursed expenditures from PSB for waterline relocation and associated costs, is in accordance with paragraph 13 of budget resolution	Other Outside Sources
12/22/2016	4950	\$3,279,666	PCP10TRAN110	38170	2017-0175	CID proposes to realign approp by \$3,279,665.68 for Winn Rd project to align with FPAA. Funding source is reimbursed expenditures from TXDOT and is in accordance with paragraph 13 of the budget resolution.	Capital Projects-TxDot
12/22/2016	4950	\$174,850	PCP06ST022B0, PCP14TRAN07, PCP14TRAN10, PCP14TRAN02	38170	2017-0319	CID proposes to adjust appropriations to closeout the TXDOT portion for several projects. The funding source is TXDOT reimbursables.	Capital Projects-TxDot
1/3/2017	4800	\$38,000	PCP15NIPD2A	29010	2017-0324	CID proposes to transfer appropriations of \$38,000 to project PCP15NIPD2A Manhattan Heights. Additional funding needed to complete the project.	GOP 2012 QUALITY OF LIFE
1/4/2017	4930	\$30,159	PLI080010, PCP08LI010, P10PA0020	38150, 17140	2017-0323	CID proposes to adjust appropriations to close out Internally Funded projects in fund 4930.	Capital Projects-Internal
1/4/2017	4950	\$1,241,640	PCP10TRAN010, PCP11MT030	38170, 38280	2017-0334	CID proposes to adjust appropriations to closeout the TXDOT portion for several projects. The funding source is TXDOT reimbursables.	Capital Projects-TxDot

1/4/2017	4800, 4680	\$14,126	PCP13PRKA08, PCP12PRK01C0	29010, 38320	2017-0335	CID proposes to transfer appropriations within the project for corrections to BT2016-0431 and BT2014-0898	GOP 2012 QUALITY OF LIFE, CO 2013 ISSUE
1/10/2017	4950	\$1,300,000	PCP15TRAN03	38170	2017-0351	CID proposes to increase appropriations of \$1,300,000 to project PCP15TRAN03 Street Median/Prkwy Structure. Funding source is reimbursed expenditures from TXDOT and is in accordance with parag 13 of budget resolution. Council approved on 11/01/2016.	Capital Projects-TxDoT
1/18/2017	4690	\$110,000	PCP15TRAN07	28900	2017-0369	CID proposes to transfer approp of \$110,000.00 to PCP15TRAN07 Vicount Hike & Bike project. Additional funds needed to complete project. Funding is from 2006 CO's and in accordance with paragraph 8 of budget resolution.	CO 2006 ISSUE
1/18/2017	4800	\$12,664	PCP13PRKA10	29010	2017-0370	CID proposes to transfer approp of \$12,663.57 to PCP13PRKA10 Johnson Basin project. Additional funds needed to complete project. Funding is from 2012 QOL and in accordance with paragraph 8 of budget resolution.	GOP 2012 QUALITY OF LIFE
1/24/2017	4970	\$296,253	PPW00350070	38170	2017-0352	CID proposes to adjust appropriations to closeout the TXDOT portion for project PPW00350070. The funding source is TXDOT reimbursables.	Other Outside Sources
2/6/2017	4690	\$24,000	PCP08PA01GGG0	99999	2017-0344	CID proposes to transfer appropriations of \$24,000.00 to project PCP08PA01GGG0 Travis Wall Park wall. Additional funds needed to complete the project. Funding source is from 2006 CO's completed project PCP14MF020.	CO 2006 ISSUE
2/8/2017	4950	\$2,659,698	PCP12SRTS010, PCP12SRTS020, PCP12SRTS030, PCP12SRTS040, PCP12SRTS050, PCP12SRTS060, PCP12SRTS070, PCP12SRTS080, PCP12SRTS090	35150, 38170, 38280	2017-0272	CID proposes to adjust appropriations to closeout the TXDOT portion for several projects. The funding source is TXDOT reimbursables.	Capital Projects-TxDoT
2/8/2017	4930	\$300,000	PIF16PRK01, PIF16PRK02, PIF16PRK03, PCP13PRKA27	38290	2017-0398	\$300k increase in funding for spray parks: Westside Comm PIF16PRK01, Braden Aboud PIF16PRK02, Marty Robbins PIF16PRK03, and Salvador Rivas PCP13PRKA27 per council's approval 12/6/16.	Capital Projects-Internal
2/8/2017	4800	\$12,176	PCP13ZOOD11	29020	2017-0428	CID proposes to transfer approp of 12,175.68 to PCP13ZOOD11-Support Elements Zoo Wide Project. Funds needed to pay for trash cans.	GOP 2012 QUALITY OF LIFE
2/8/2017	4800	\$227,397	PCP13ZOO-OWNREP	29020	2017-0431	CID proposes to transfer approp of \$227,397 to PCP13ZOO-OWNREP Zoo RepAdmin project. Funds needed for two project managers handling Zoo's QOL projects. Funds from 2012 QOL is in accordance with parag 8 of budget resolution	GOP 2012 QUALITY OF LIFE
2/20/2017	4800	\$1,917,256	PCP13PRKA23A	29010	2017-0430	CID proposes to transfer approp of \$1,917,256.47 to PCP13PRKA23A NE Regional Park Phase II. Funds needed for subproject tracking from Phase I. Funding is from 2012 QOL and is in accordance with paragraph 8 of budget resolution. No impact on overall project budget.	GOP 2012 QUALITY OF LIFE



2/20/2017	4800	\$973,196	PCP16NIPD1A, PCP16NIPD1B, PCP16NIPD1C, PCP16NIPD2A, PCP16NIPD2B, PCP16NIPD3A, PCP16NIPD3B, PCP16NIPD3C, PCP16NIPD3D, PCP16NIPD4A, PCP16NIPD4B, PCP16NIPD5A, PCP16NIPD6A, PCP16NIPD6B, PCP16NIPD6C, PCP16NIPD7A, PCP16NIPD7B, PCP16NIPD7C, PCP16NIPD8A, PCP16NIPD8B	29010	2017-0459	CID proposes to transfer approp of \$973,196 for Round 3 NIP Projects approved by City Council 1/24/17. Funding source is from balances Round 1, 2012 QOL. The budget is in accordance with paragraph 8 of budget resolution. Projects are tied to the Master NIP project.	GOP 2012 QUALITY OF LIFE
2/22/2017	4800	\$325	PCP13ZOOD11	29020	2017-0473	CID proposes to transfer approp of 325.45 to PCP13ZOOD11-Support Elements Zoo Wide Project. Funds needed to pay for trash cans.	GOP 2012 QUALITY OF LIFE