



# **1<sup>st</sup> Quarter Budget Report**

**January 27, 2009**

**Bill Studer**

**Deputy City Manager**

**Financial and Administrative Services**





# Key Economic Indicators:

- Unemployment
- **Peso Devaluation**
- **Sales Tax Revenue**
- **Sales Tax Revenue Comparison**
- **Homes Sales**

# Unemployment

December 2007- December 2008



National Unemployment Rate – December: 7.2%

## Dec 2007

Employment: 278,400

Unemployment: 16,300

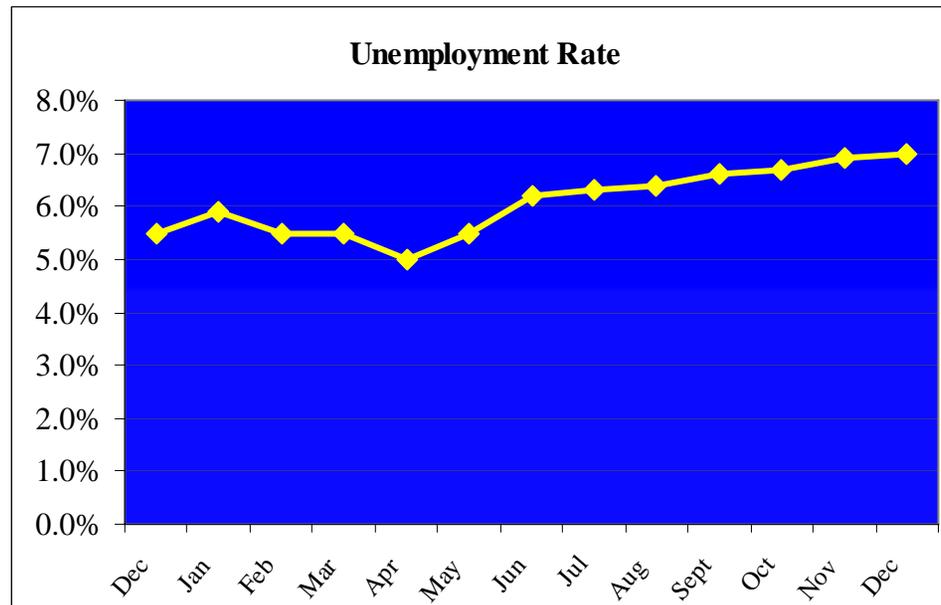
Unemployment Rate: 5.5%

## Dec 2008 - Estimated

Employment: 281,000

Unemployment: 21,100

Unemployment Rate: 7.0%

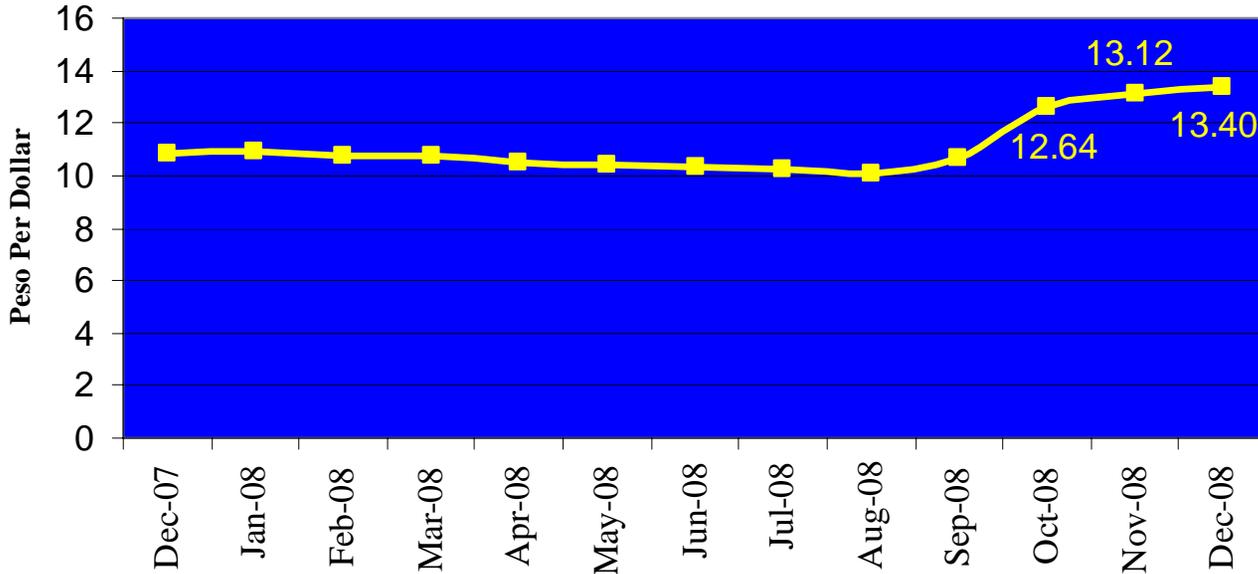




# Peso Devaluation

## December 2007-December 2008

**Mexico Exchange Rate Period Average**



Dec-07	10.8447
Jan-08	10.9076
Feb-08	10.7678
Mar-08	10.7328
Apr-08	10.5146
May-08	10.4361
Jun-08	10.3269
Jul-08	10.2163
Aug-08	10.1110
Sep-08	10.6466
Oct-08	12.6367
Nov-08	13.1208
Dec-08	13.3974



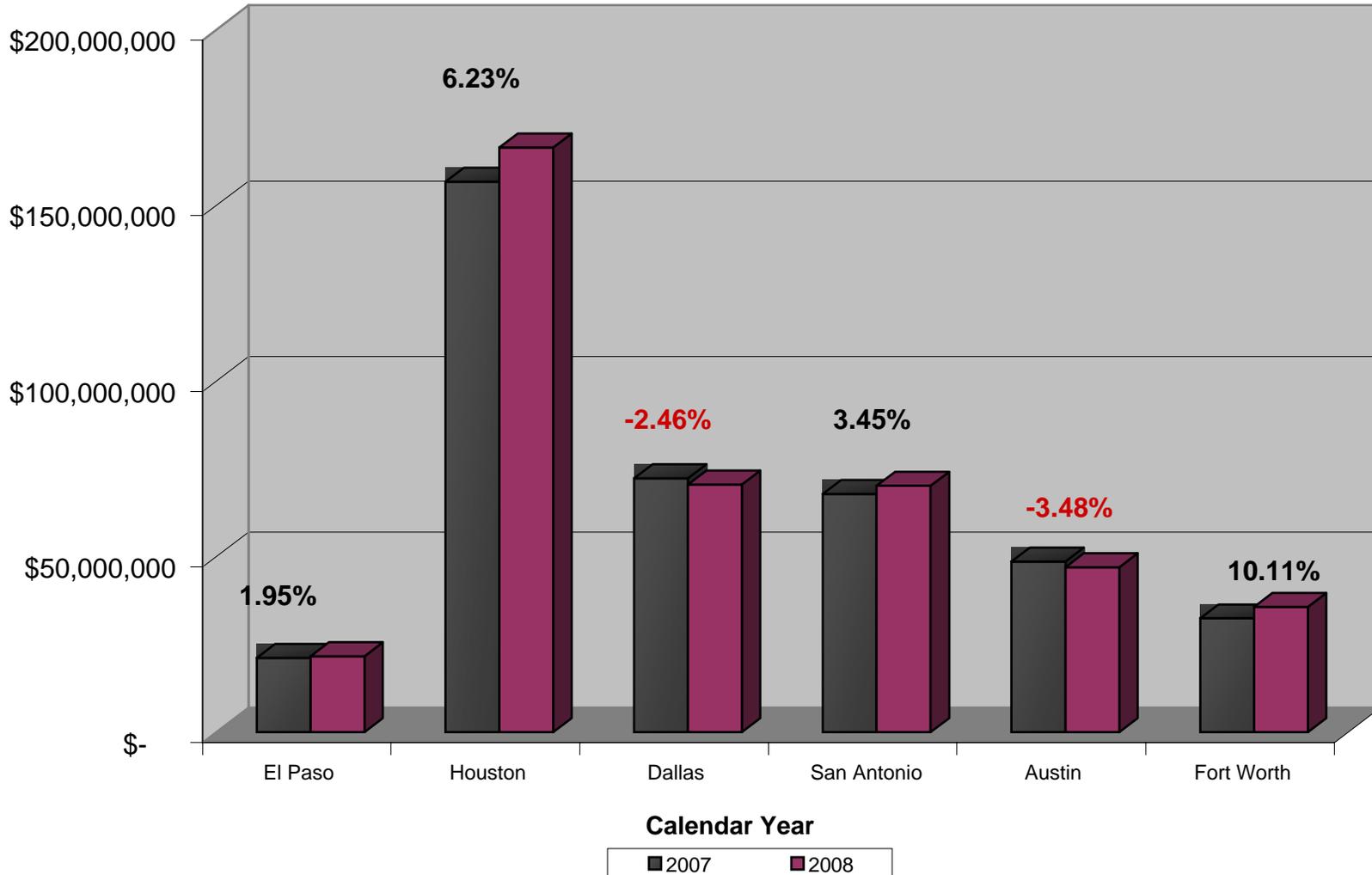
## Sales Tax Revenue

<b>Period</b>	<b>FY 2008</b>	<b>FY 2009*</b>	<b>% Increase FY06 / FY07</b>	<b>% Increase FY07 / FY08</b>	<b>% Increase FY08 / FY09</b>
1	5,228,597	5,451,378	12.79%	8.33%	4.26%
2	5,145,669	5,260,795	21.27%	10.75%	2.24%
3	5,669,373	5,866,268	11.82%	2.71%	3.47%
4	5,140,430	5,018,850	11.06%	7.12%	-2.37%
5	5,244,627	5,197,278	9.42%	4.33%	-0.90%
6	8,057,767		5.97%	9.42%	
7	4,906,402		7.97%	6.66%	
8	4,901,912		6.97%	3.80%	
9	6,315,491		11.80%	2.67%	
10	5,227,844		-5.10%	10.53%	
11	5,333,521		9.74%	1.80%	
12	6,236,817		16.92%	-2.43%	
	67,408,450	26,794,569			

Cumulative percentage increase is 1.38%

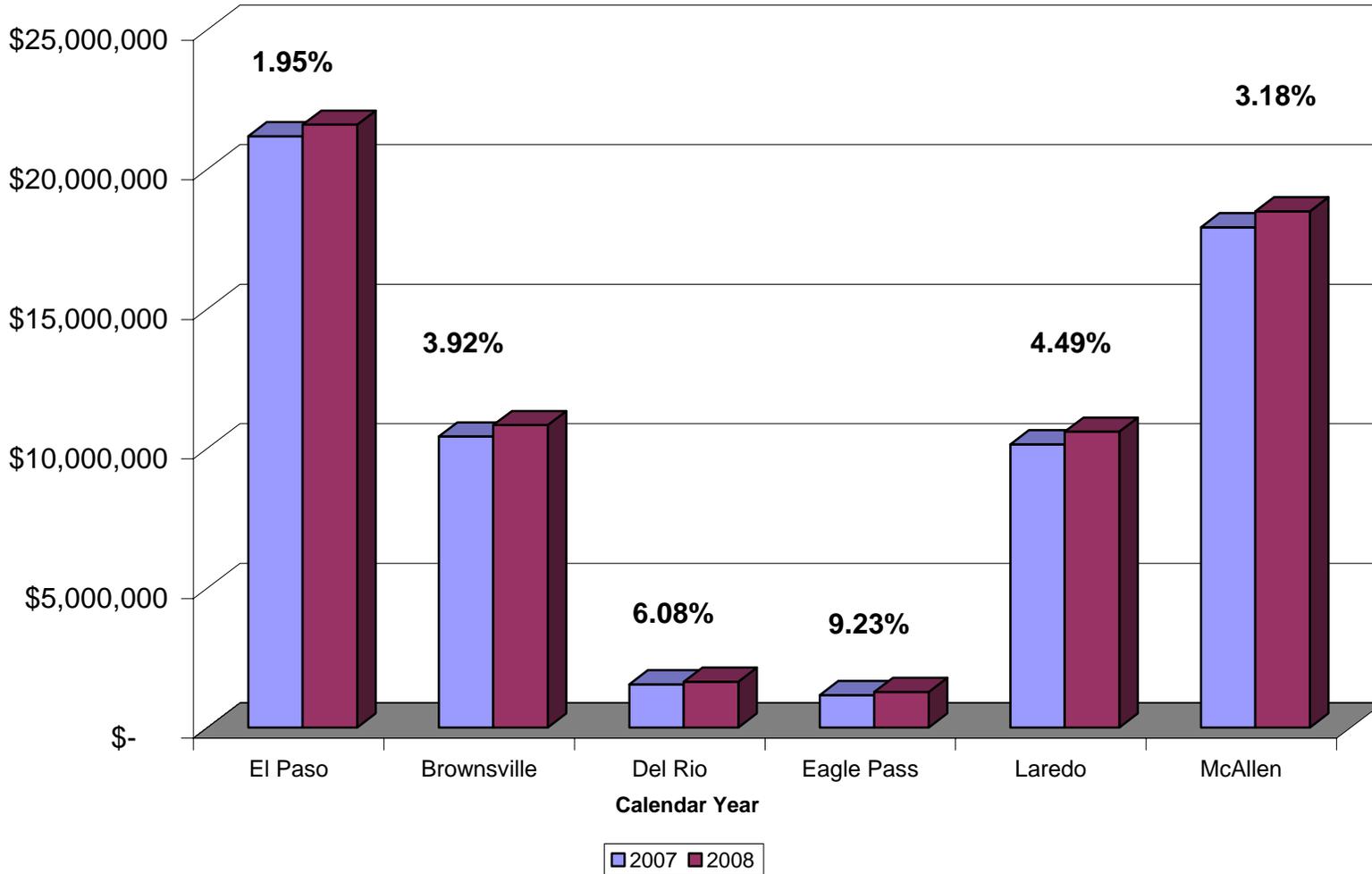


## Sales Tax Comparison of Major Texas Cities Sept - Dec 2008





### Sales Tax Comparison Border Cities Sept- Dec 2008





# Home Sales

December 2007 to December 2008

## 2007

Sales: 362

Average Price: \$153,600

Median Price: \$133,500

Total Listings: 4,625

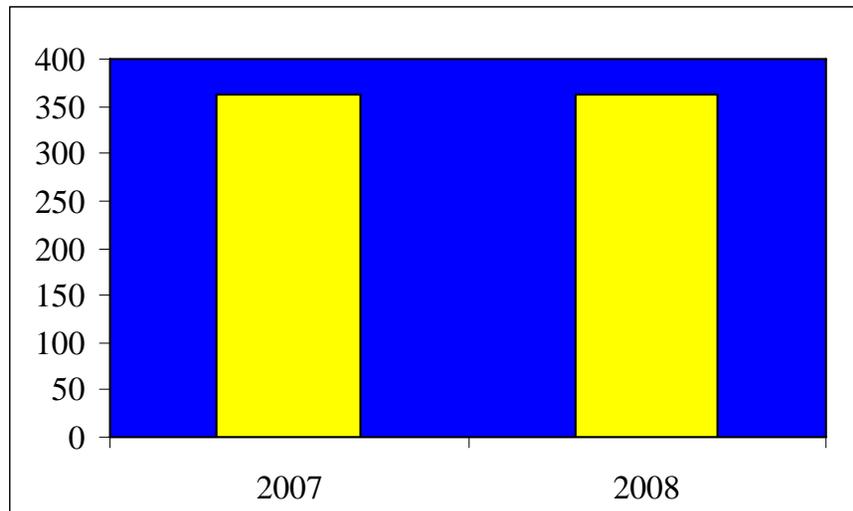
## 2008

Sales: 363

Average Price: \$159,900

Median Price: \$136,300

Total Listings: 4,454





# **Fiscal Year 2009**

## **General Fund Analysis- First Quarter**



## Fiscal Year 2009

### General Fund Analysis- First Quarter

<b>Beginning Undesignated Fund Balance</b>	<b>\$19,098,542</b>
<b>Year End Revenue Projection</b>	<b>\$308,863,161</b>
<b>Year End Expenditure Projection</b>	<b>\$317,366,159</b>
<b>Budget Adjustments</b>	<b>(\$7,065,688)</b>
<b>Adjusted Year End Projection*</b>	<b>\$310,300,471</b>
<b>Projected Ending Fund Balance**</b>	<b>\$16,411,232</b>

Beginning undesignated fund balance is based on preliminary 2008 CAFR

\*December analysis will provide a more reliable measure of adjustment, as some expenditure reductions were anticipated.

\*\*Includes deduction of \$1,000,000 for Building Improvements, and \$250,000 for Northwind.



## FY2009 General Fund Revenues

<b>Adjusted Budget FY2009</b>	<b>Collected through First Quarter</b>	<b>Year End Projection</b>
<b>\$318,210,570</b>	<b>\$48,457,293</b>	<b>\$308,863,161</b>

Total General Fund Revenues are projected to be under budget by **(\$9,347,409)**



## Tax Revenues

Adjusted Budget FY2009	Collected through First Quarter	Year End Projection
\$196,869,725	\$23,639,203	\$195,488,875

**Budget Exceeds Projection by (\$1,380,850)**

- **Sales Tax** is under budget projection by (\$2,649,385)
- **Property Tax** collections projected \$1,331,032 over budget.



## Franchise Fees

Adjusted Budget FY2009	Collected through First Quarter	Year End Projection
\$43,033,913	\$10,040,292	\$41,850,137

**Budget Variance (\$1,183,776)**

- **El Paso Water Utilities** revenue projected to be **(\$668,650)** under budget estimate.
- **Time Warner** revenue is projected to be **(\$283,677)** under budget estimate.
- **Telecom** is projected to be under **(\$128,167)** under budget estimate.



## Charges for Services

Adjusted Budget FY2009	Collected through First Quarter	Year End Projection
\$21,404,542	\$4,307,569	\$19,224,644

**Budget Variance (\$2,179,896)**

- **Ambulance service fees** account for (\$490,122) of the projected decrease amount.
- **Building permits** are under budget by (\$352,746).
- **Health service fees** are projected under budget by (\$275,914).
- **Parks and Recreation service fees** are projected under budget by (\$746,311).



## Municipal Court Fines

<b>Adjusted Budget FY2009</b>	<b>Collected through First Quarter</b>	<b>Year End Projection</b>
<b>\$15,226,446</b>	<b>\$2,929,551</b>	<b>\$13,883,837</b>

**Budget exceeds projection by (\$1,342,609)**

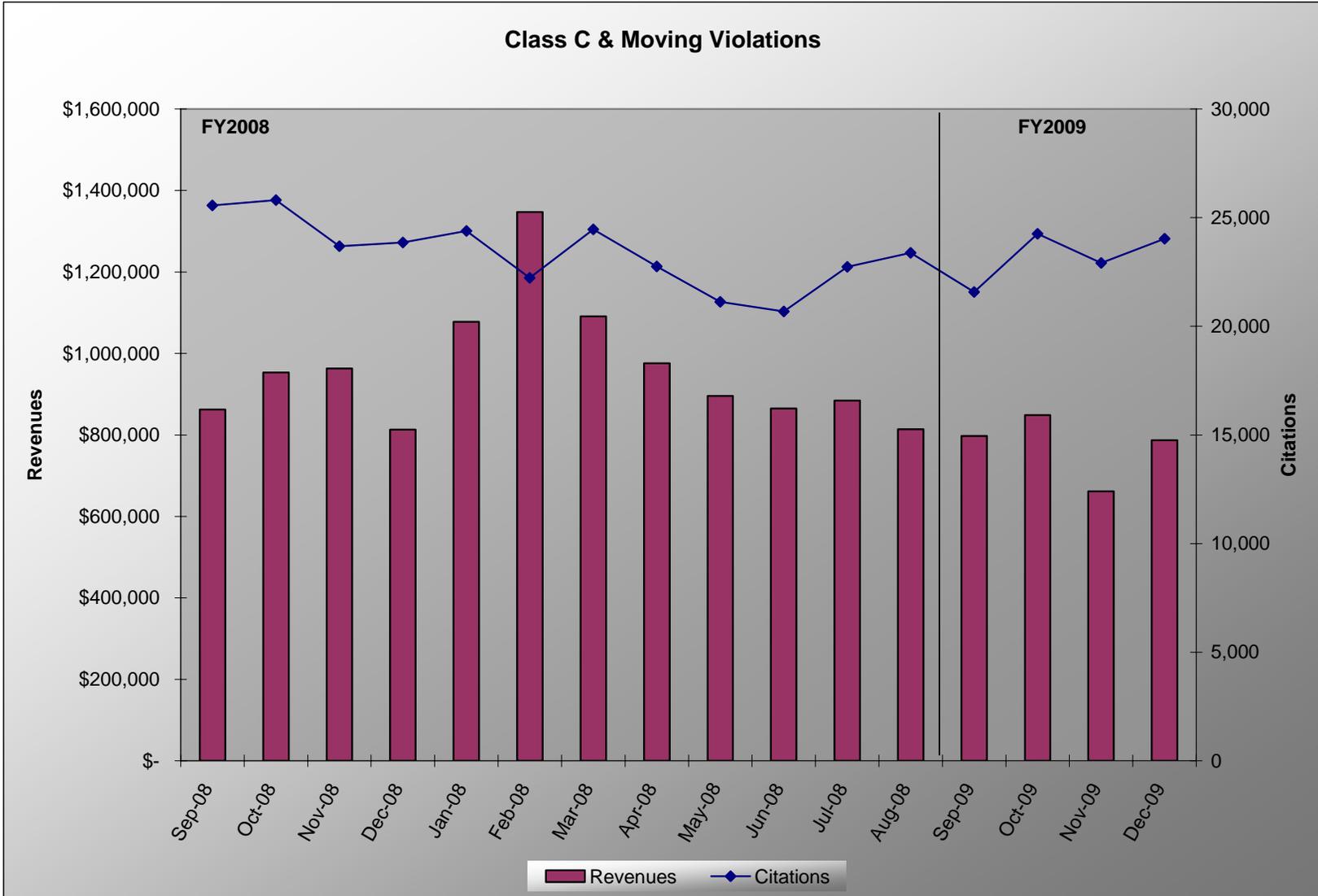
**Moving Violations & Forfeitures** under budget by **(\$562,878)**.

**Liability Insurance Violations** under budget by **(\$227,766)**.

**Parking Forfeitures/fines** under budget by **(\$96,065)**.



# Number of Citations vs. Revenues Collected





# International Bridge Revenue

**Adjusted Budget  
FY2009**

**\$11,371,764**

**Year End  
Projection**

**\$9,994,032**

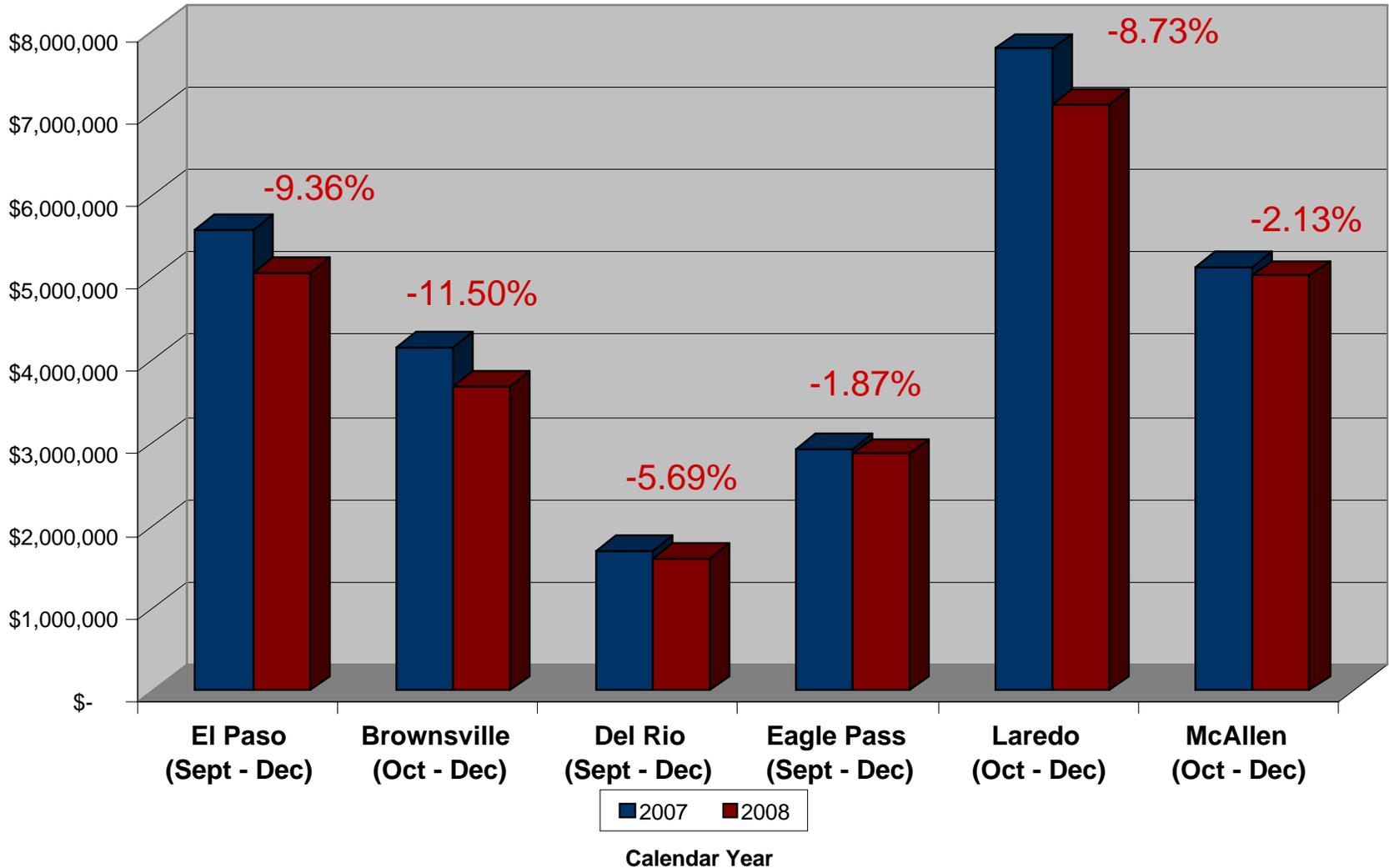
	1st QTR FY08	1st QTR FY09	Diff.	% Change
<b>Crossings</b>				
Santa Fe	1,037,987	889,922	(148,065)	-14.3%
Stanton	430,665	429,606	(1,059)	-0.2%
<b>Total Pedestrian</b>	<b>1,468,652</b>	<b>1,319,528</b>	<b>(149,124)</b>	<b>-10.2%</b>
Stanton	264,278	269,719	5,441	2.1%
Zaragoza	697,513	638,691	(58,822)	-8.4%
<b>Total Automobile</b>	<b>961,791</b>	<b>908,410</b>	<b>(53,381)</b>	<b>-5.6%</b>
<b>Zaragoza Commercial</b>	<b>88,715</b>	<b>83,261</b>	<b>(5,454)</b>	<b>-6.1%</b>
<b>Total Traffic</b>	<b>2,519,158</b>	<b>2,311,199</b>	<b>(207,959)</b>	<b>-8.3%</b>
*Projected under budget by <b>(\$1,377,732)</b>				

NOTE: Pedestrian fee is \$0.35, Vehicle fee \$2.25 and Commercial fee is \$3.50 per axle.



## Texas Cities: International Bridges

### Revenue Comparison: September - December (2007 - 2008)





# FY2009 General Fund Appropriations

<b>Adjusted Budget FY2009</b>	<b>Expended through First Quarter</b>	<b>Year End Projection</b>
<b>\$318,210,570</b>	<b>\$85,768,736</b>	<b>\$317,366,159</b>

**With Budget Adjustments:**

<b>\$311,144,882</b>	<b>\$85,768,736</b>	<b>\$310,300,471</b>
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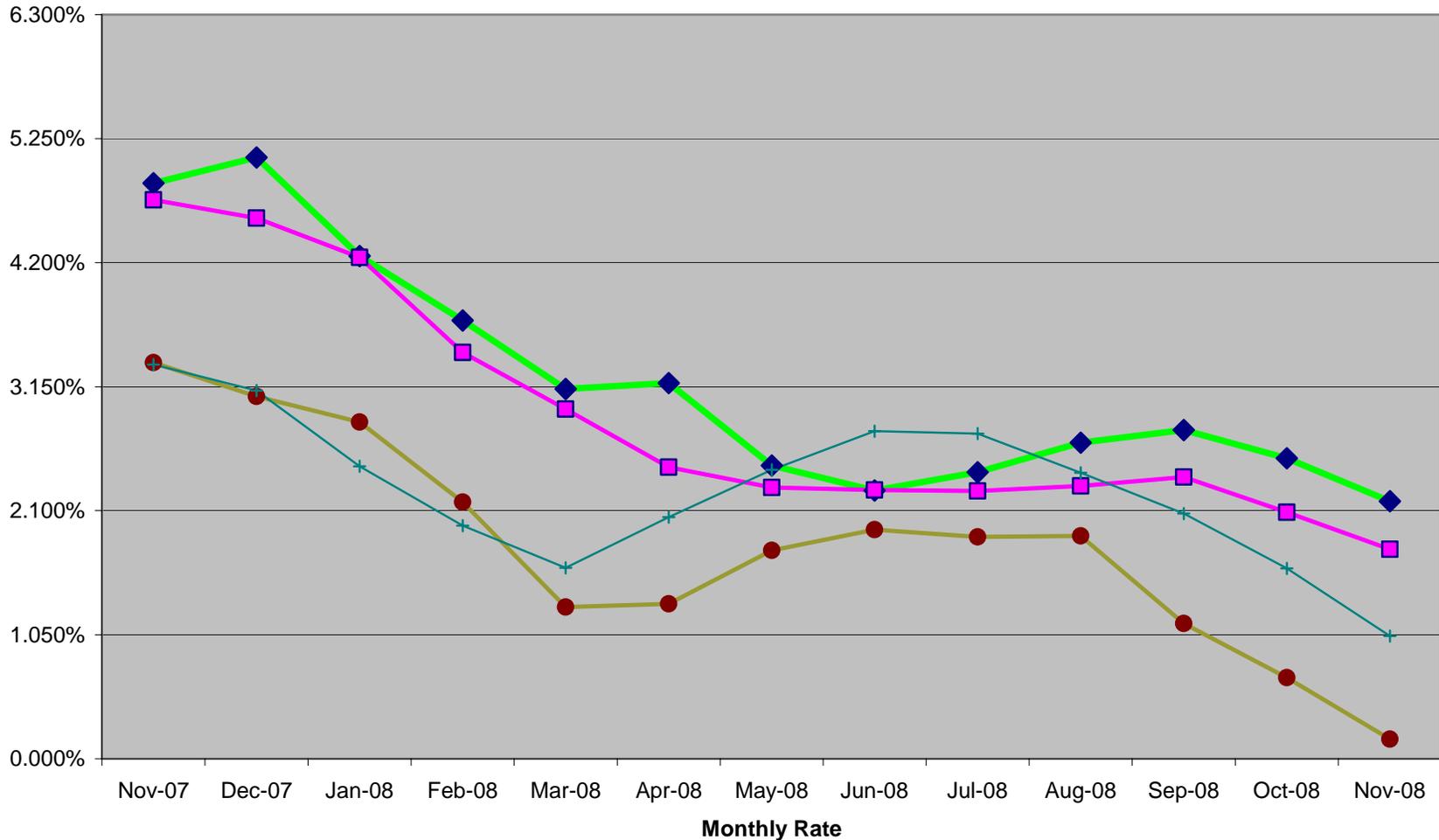
Total General Fund Expenditures are projected to be under budget by **\$844,411**.

Total Budget Adjustments are **(\$7,065,688)**.



# Treasury Services

Portfolio Performance Comparison for the Period November 2007 through November 2008

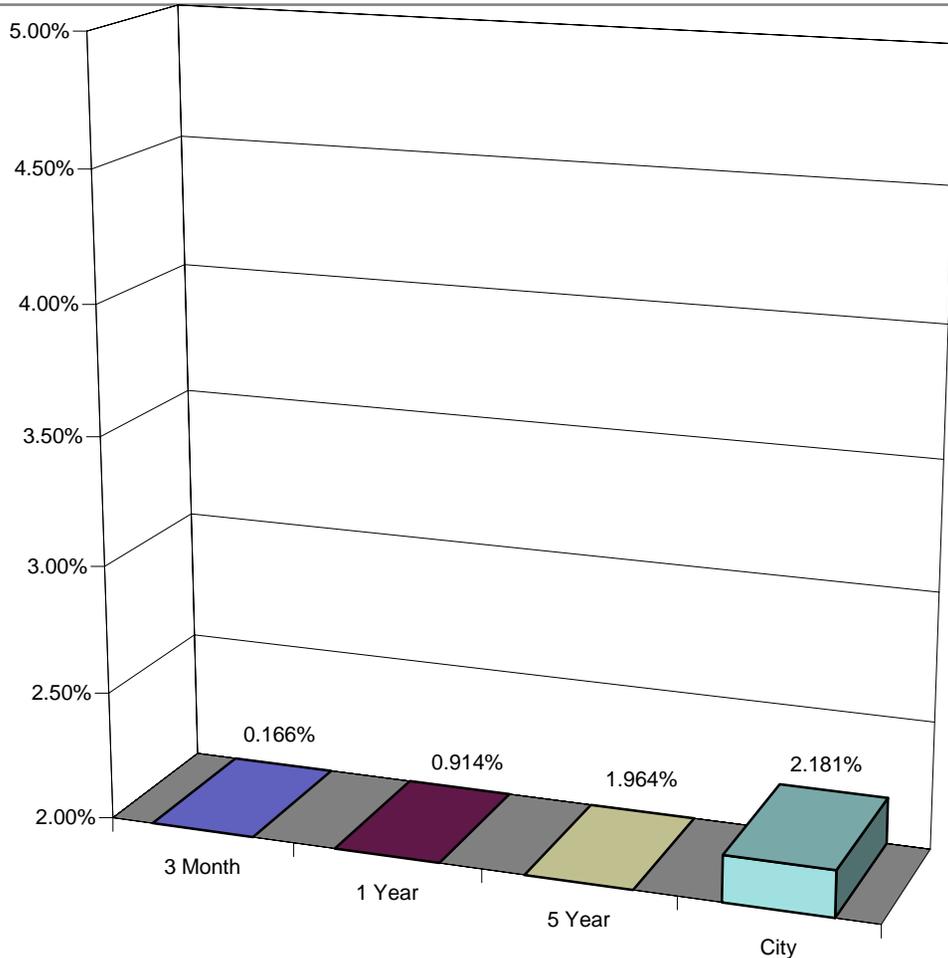


◆ City  
 ■ Mutual Funds  
 ● 3 Month TBill  
 + 2 Yr TNote



# Treasury Benchmark Yield Analysis

As of November 2008





# Corrective Action

- Hiring Freeze Implemented
- General Fund Budget Reductions
  - 3% for General Fund Departments
  - 2% for Police and Fire Departments
- Further adjustments may be required after mid-year if needed into 3<sup>rd</sup> Quarter



## General Fund Departmental Reductions

Departments	Adopted FY2009	Final Decrease
City Attorney	4,873,975	(140,508)
Community Development	595,186	(17,765)
Department of City Manager	1,933,445	(58,000)
Development Services	6,274,376	(90,660)
Economic Development	1,909,793	(57,294)
Engineering Services	3,768,613	(113,058)
Financial Services	2,964,197	(127,909)
Fire	74,819,409	(1,450,875)
General Services	15,629,942	(118,153)
Health	9,223,638	(276,582)
Human Resources	2,326,992	(53,237)
Information Technology	10,825,615	(331,619)
Library	8,470,606	(254,000)
Mayor & Council	1,316,806	(39,505)
Municipal Clerk	4,993,852	(118,548)
Museums & Cultural Affairs	2,347,729	(70,431)
Non-Departmental	8,861,332	(325,840)
Office of Management & Budget	1,309,433	(39,283)
Parks & Recreation	21,486,742	(644,614)
Police	108,944,356	(2,178,902)
Street Department	14,991,460	(450,000)
Tax	4,506,024	(44,962)
Zoo	3,452,772	(63,943)
<b>Grand Total</b>	<b>315,826,293</b>	<b>(7,065,688)</b>



## Departmental Reductions by Character

Personal Services	(\$2,978,320)
• PD & Fire - Salaries & Overtime	(\$1,682,620)
Contractual Services	(\$1,558,203)
• Parks and Recreation	(\$350,000)
Materials & Supplies	(\$1,101,495)
• Fire & PD Fuel	(\$500,000)
Operating Expenditures	(\$1,414,170)
• PD Prisoner Custody	(\$1,000,000)
<u>Non-Operating Expenditures</u>	<u>(\$13,500)</u>
Total	(\$7,065,688)



# Budgetary Shortfalls within the Region

<u>City</u>	<u>Shortfall</u>	<u>% of Budget</u>
<b>El Paso</b>	<b>\$9 million</b>	<b>2.9%</b>
Austin	\$15 million	2.4%
Albuquerque	\$20 million	4.2%
Fort Worth	\$20 - 24 million	3.7%
Tucson	\$44.7 million	9%
Houston	\$51 million	2.4%
Phoenix	\$270 million	22.5%



# Comments or Questions