

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: OMB

AGENDA DATE: May 12, 2009

CONTACT PERSON/PHONE: David R. Almonte, 541-4777

DISTRICT(S) AFFECTED: All Districts

SUBJECT:

Approve required budget transfer to reduce general fund appropriations to reflect the projected revenue shortfall for FY 2009. These are Phase II reductions as presented to Financial Services LRC on 4-30-09.

BACKGROUND / DISCUSSION:

As reported in second quarter budget presentations to Council on April 7, 2009 city general fund revenue projected at a \$13.9 million shortfall. In order to comply with the City's budget policy requirements of a balance of revenue and appropriations and the need to make mid-year adjustments to ensure this occurs, OMB is requesting approval of a budget transfer reducing general fund appropriations accordingly. This will result in an overall reduction of the City's general fund appropriations by approximately \$4,127,325.

PRIOR COUNCIL ACTION:

On February 10, 2009, Council approved general fund 1st Quarter reductions of \$7,065,688.

AMOUNT AND SOURCE OF FUNDING:

General Fund appropriations will be reduced based on the provided attachment. The reduced amount will be transferred to non-departmental as a transfer to fund balance.

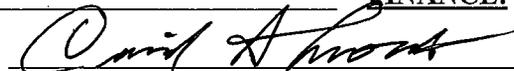
BOARD / COMMISSION ACTION:

Reductions were presented to the Fiscal Affairs Legislative Review Committee on April 30, 2009.

*****REQUIRED AUTHORIZATION*****

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD: _____



(Example: if RCA is initiated by Purchasing, client department should sign also)
Information copy to appropriate Deputy City Manager

APPROVED FOR AGENDA: _____

CITY MANAGER: _____

DATE: _____

Transfers

Department	DeptID	Description	Account	Description	2nd Phase Decrease Amount
Special Items	99010273	Special Items	507002	Fund Balance Transfer	(4,127,374.72)

TOTAL

GF Phase II Reductions FY2009

Department	DeptID	Description	Account	Description	2nd Phase Decrease Amount
CD	71010277	Neighborhood Svc Cons Program	501000	Uniform Salaries and Wages	(28,435)
CD	71010277	Neighborhood Svc Cons Program	501124	City Pension	(3,312)
CD	71010277	Neighborhood Svc Cons Program	501129	FICA City	(1,763)
CD	71010277	Neighborhood Svc Cons Program	501130	FICA Med	(412)
City Attorney	03010021	Attorneys and Paralegals	501000	Uniform Salaries and Wages	(48,190.38)
City Attorney	03010021	Attorneys and Paralegals	501124	City Pension	(5,629.20)
City Attorney	03010021	Attorneys and Paralegals	501129	FICA City	(2,804.82)
City Attorney	03010021	Attorneys and Paralegals	501130	FICA Med	(655.90)
City Manager	15010716	Internal Audit	501000	Non-Uniform Wages & Salaries	(49,643.00)
City Wide Benefits	99010273	Special Items	501140	Retirees/Health Plan	(1,000,000.00)
Dev Svcs	36010318	BPI Admin	502110	Title Search Services	(3,000)
Dev Svcs	36010318	BPI Admin	502201	Billing/Collection Agency	(3,000)
Dev Svcs	36010117	Comm Inspect	502212	Security Contracts	(2,000)
Dev Svcs	36010318	BPI Admin	502300	Equip Maint	(5,000)
Dev Svcs	36010318	BPI Admin	502302	Print Shop Alloc-Interfund Svc	(5,000)
Dev Svcs	36010117	Comm Inspect	504414	Professional Licenses & Member	(1,500)
Dev Svcs	36010116	Plan Review	503117	Equip maint Sup-Low Cost Items	(2,000)
Dev Svcs	08010034	Planning Admin	504201	Travel Expenses - Employees	(940)
Dev Svcs	08010335	Plan Review	504201	Travel Expenses - Employees	(4,060)
Economic Dev	72010268	ED Administration	501011	PT-Temp Salaries	(20,403.07)
Economic Dev	72010268	ED Administration	501130	FICA Med	(295.84)
Economic Dev	72010268	ED Administration	501129	Fica City Match	(1,264.99)
Economic Dev	72010268	ED Administration	501124	Pension	(2,376.96)
Engineering	35010046	Eng-Construction Insp	503001	Gasoline Unleaded	(10,000)
Fire	22010100	FD Emergency Operations	503120	Uniforms & Apparel Supplies	(6,902)
Fire	22010096	Fire Fighting Training	503107	Photography/Film/Video Supply	(1,000)
Fire	22010104	Fire Prevention	503107	Photography/Film/Video Supply	(1,000)
Fire	22010320	Logistics	502204	Environmental Contracts	(5,000)
Fire	22010100	FD Emergency Operations	503101	Equipment Purchase	(4,160)
General Svcs	31010326	Facility Personnel	501002	Overtime	(17,300)
General Svcs	31010327	Facility Support	502304	Mail Room Charges	(10,000)
General Svcs	31010325	Facility Maint	503001	Fuel Unleades	(5,250)
General Svcs	31010325	Facility Maint	503120	Uniforms	(2,200)
General Svcs	31010325	Facility Maint	503200	Bldg Maint Supplies	(48,700)
General Svcs	31010325	Facility Maint	504201	Travel	(1,000)
General Svcs	31010325	Facility Maint	504412	Seminars/Continuing Education	(800)
Health	41010127	Environmental Food	501000	Salary	(17,335)
Health	41010127	Environmental Food	501124	Pension	(2,020)
Health	41010127	Environmental Food	501129	Fica City Match	(1,087)
Health	41010127	Environmental Food	501130	Fica Med	(254)
Health	41010127	Environmental Food	504412	Seminars Continuing Education	(3,000)
Health	41010132	Animal Regulation	501000	Salary	(27,626)
Health	41010132	Animal Regulation	501124	Pension	(3,218)
Health	41010132	Animal Regulation	501129	Fica City Match	(1,732)
Health	41010132	Animal Regulation	501130	Fica Med	(405)
Health	41010132	Animal Regulation	502116	Promotional Services	(5,300)
Health	41010132	Animal Regulation	503001	Gasoline-Unleaded	0
Health	41010132	Animal Regulation	503103	Publications & Subs	(200)
Health	41010132	Animal Regulation	503123	Safety Gear	(5,742)
Health	41010132	Animal Regulation	504201	Travel Expenses - Employees	(4,095)
Health	41010132	Animal Regulation	504412	Seminars Continuing Education	(8,265)
Health	41010132	Animal Regulation	504414	Professional Licenses & Member	(1,000)
Health	41010135	STD Clinics	504201	Travel Expenses - Employees	(3,000)
Health	41010135	STD Clinics	504412	Seminars Continuing Education	(51)
Health	41010140	Dental	501000	Salary	(19,169)
Health	41010140	Dental	501124	Pension	(2,233)
Health	41010140	Dental	501129	Fica City Match	(1,202)
Health	41010140	Dental	501130	Fica Med	(281)
Health	41010140	Dental	502116	Promotional Services	(990)

GF Phase II Reductions FY2009

Department	DeptID	Description	Account	Description	2nd Phase Decrease Amount
Health	41010140	Dental	503103	Publications & Subs	(400)
Health	41010140	Dental	503123	Safety Gear	(2,500)
Health	41010140	Dental	504201	Travel Expenses - Employees	(3,000)
Health	41010140	Dental	504414	Professional Licenses & Member	(3,800)
Health	41010146	Laboratory	501000	Salary	(11,958)
Health	41010146	Laboratory	501124	Pension	(1,393)
Health	41010146	Laboratory	501129	Fica City Match	(750)
Health	41010146	Laboratory	501130	Fica Med	(175)
Health	41010146	Laboratory	502116	Promotional Services	(600)
Health	41010146	Laboratory	504201	Travel Expenses - Employees	(1,250)
Health	41010146	Laboratory	504412	Seminars Continuing Education	(300)
Health	41010146	Laboratory	504414	Professional Licenses & Member	(2,000)
Health	41010150	Epidemiology	503103	Publications & Subs	(400)
Health	41010150	Epidemiology	504201	Travel Expenses - Employees	(3,750)
Health	41010150	Epidemiology	504412	Seminars Continuing Education	(1,000)
Health	41010157	Administration	501000	Salary	(20,674)
Health	41010157	Administration	501124	Pension	(2,409)
Health	41010157	Administration	501129	Fica City Match	(979)
Health	41010157	Administration	501130	Fica Med	(303)
Health	41010157	Administration	503103	Publications & Subs	(1,000)
Health	41010157	Administration	504201	Travel Expenses - Employees	(4,000)
Health	41010157	Administration	504412	Seminars Continuing Education	(900)
Health	41010157	Administration	504414	Professional Licenses & Member	(3,000)
Health	41010162	Support Services	502226	Bldgs/Facilities Maint	(5,000)
Health	41010162	Support Services	504412	Seminars Continuing Education	(753)
Health	41010162	Support Services	504414	Professional Licenses & Member	(1,000)
HR	09010027	ADMINISTRATION	501000	NONUNIFORM WAGES	(20,564)
HR	09010027	ADMINISTRATION	502215	OUTSIDE CONTRACTS-NOC	(3,000)
HR	09010030	ORG. DEVELOP.	502302	PRINT SHOP ALL. INTER. SVC	(1,000)
HR	09010030	ORG. DEVELOP.	503103	PUBLICATIONS & SUBS.	(305)
HR	09010030	ORG. DEVELOP.	504203	MILEAGE ALLOWANCES	(100)
HR	09010027	Administration	502302	Print Shop	(1,000)
HR	09010029	Assessment Center	502103	Assessment Center	(3,370)
HR	09010029	Promotional Services	502116	Promotional Services	(2,630)
International Bridges	64010283	Internal Bridge Operations	507000	Interfund Transfers	(82,682)
Library	53010329	LIB-ADMIN	501000	NONUNIFORM WAGES	(16,860.00)
Library	53010201	LIB-ADMIN	502206	MAINT SVCS CON. JANITORIAL	(113,678.00)
Library	53010201	LIB-ADMIN	502302	PRINT SHOP ALL. INTER. SVC	(322.99)
Library	53010201	LIB-ADMIN	502411	LEASES NOC	(455.00)
Library	53010201	LIB-ADMIN	503100	OFFICE SUPPLIES	(5,220.50)
Library	53010201	LIB-ADMIN	503104	SUPPLIES COMPUTER EQUIP	(2,450.50)
Library	53010201	LIB-ADMIN	503116	RECREATIONAL SUPPLIES	(354.00)
Library	53010201	LIB-ADMIN	504000	PHONE	(1,200.00)
Library	53010201	LIB-ADMIN	504201	TRAVEL EXPENSES EMPLOY.	(871.00)
Library	53010201	LIB-ADMIN	504412	SEMINARS CONTINUING ED.	(919.00)
Library	53010201	LIB-ADMIN	504414	PROF. LICENSES & MEM.	(4,120.00)
Library	53010202	CATALOG_ORDER	502302	PRINT SHOP ALL. INTER. SVC	(279.01)
Library	53010202	CATALOG_ORDER	503100	OFFICE SUPPLIES	(10,000.00)
Library	53010207	CIELO VISTA	503100	OFFICE SUPPLIES	(2,500.00)
Library	53010207	CIELO VISTA	503116	RECREATIONAL SUPPLIES	(250.00)
Library	53010214	EASTSIDE REGION.	503100	OFFICE SUPPLIES	(2,500.00)
Library	53010214	EASTSIDE REGION.	503116	RECREATIONAL SUPPLIES	(250.00)
Library	53010329	LIB-MAIN	503116	RECREATIONAL SUPPLIES	(125.00)
Library	53010361	WESTSIDE REGION.	503100	OFFICE SUPPLIES	(2,500.00)
Library	53010361	WESTSIDE REGION.	503116	RECREATIONAL SUPPLIES	(250.00)
MCAD	55010299	ACR Admin	502211	Rec & Culture Contracts	(5,347)
MCAD	54010249	Art Admin	504409	Property Insurance	(11,063)
MCAD	54010252	History Museum	502212	Contractual	(4,239)
MCAD	54010252	History Museum	504004	Shipping	(2,000)
MCAD	54010252	History Museum	504414	Memberships	(50)
Municipal Court	11010011	Municipal Clerk Admin	502215	Outside Contracts - NOC	(1,000)
Municipal Court	11010011	Municipal Clerk Admin	502302	Print Shop Alloc Interfund Svc	(2,000)
Municipal Court	11010011	Municipal Clerk Admin	503100	Office Supplies	(6,644)
Municipal Court	11010011	Municipal Clerk Admin	504201	Travel Expenses Employees	(708)
Municipal Court	11010011	Municipal Clerk Admin	504406	Other Services/Charges Expense	(200)
Municipal Court	11010011	Municipal Clerk Admin	504412	Seminars Continuing Education	(2,092)
Municipal Court	11010332	Municipal Clerk Judiciary	503100	Office Supplies	(200)
Non-Dept	99010273	Special Items	503001	Gasoline	(500,000)
Non-Dept	99010273	Special Items	504405	Operating Contingency	(550,546)

GF Phase II Reductions FY2009

Department	DeptID	Description	Account	Description	2nd Phase Decrease Amount
Non-Dept	99010273	Special Items	504411	Salary Adjustment Reserve	(1,032,918)
Parks	51010366	Parks Maintenance	501011	PT-Temp Salaries	(149,505)
Parks	51010365	Facilities	501011	PT-Temp Salaries	(37,702)
Parks	51010367	Athletics & Sports	501011	PT-Temp Salaries	(37,702)
Parks	51010366	Parks Maintenance	501129	FICA	(9,269)
Parks	51010365	Facilities	501129	FICA	(2,338)
Parks	51010367	Athletics & Sports	501129	FICA	(2,338)
Parks	51010366	Parks Maintenance	501130	FICA Med	(2,168)
Parks	51010365	Facilities	501130	FICA Med	(547)
Parks	51010367	Athletics & Sports	501130	FICA Med	(547)

**General Fund Adopted Appropriations By Department
& Proposed Reductions**

Departments	Adopted FY2009	Phase II Reductions
City Attorney	4,873,975	(57,280)
Community Development	595,186	(33,922)
Department of City Manager	1,933,445	(49,643)
Dept. of Museums & Cultural Affairs	2,347,729	(22,699)
Development Services	6,274,376	(26,500)
Economic Development	1,909,793	(24,341)
Engineering Services	3,768,613	(10,000)
Fire	74,819,409	(18,062)
General Services	15,629,942	(85,250)
Health	9,223,638	(181,498)
Human Resources	2,326,992	(31,969)
International Bridges	3,899,022	(82,682)
Library	8,470,606	(165,105)
Municipal Clerk	4,993,852	(12,843)
Non-Departmental	8,861,332	(3,083,464)
Parks & Recreation	21,486,742	(242,116)
	<u>315,826,293</u>	<u>(4,127,375)</u>

General Fund Reductions by Character

501 Salaries Wages & Employee Ben	(1,577,229)
502 Contractual Services	(183,211)
503 Material and Supplies	(625,003)
504 Operating Expenditures	(1,659,250)
507 Internal Transfers	(82,682)
Total	<u>(1,577,229)</u> <u>(183,211)</u> <u>(625,003)</u> <u>(1,659,250)</u> <u>(82,682)</u> <u><u>(\$4,127,375)</u></u>



Budget Overview

May 12, 2009

David Almonte,
Office of Management





Economic Update

National

- Gross Domestic Product - GDP
Decreased by 6.3% in 4th Qtr of 2008

- Unemployment
Unemployment Rate 9.0%
13,895,000 unemployed (Mar.'09)

- Housing
Home sales down 7.1% from March '08
Sales price down 12.4% from March '08

- Retail Sales
Retail and Food Service Sales down 9.4%



Economic Update

El Paso

- Unemployment

Unemployment Rate 8.2%

24,900 unemployed (March '09)

- Housing

Home sales increased 3.8% from March '08

Sales price decreased 2.1% from March '08

- Retail Sales

Retail and Food Service Sales decreased 1.59%

- Peso Devaluation

Mexico exchange rate increased in March from 14.61 to 14.65

Exchange rate increased 36.5% from March '08 to March '09



Projected General Fund Shortfalls

<u>City</u>	<u>Revenue Shortfall</u>	<u>% of General Fund</u>
Austin	45,300,000	7.29%
Albuquerque	20,000,000	4.21%
Dallas	100,000,000	9.14%
El Paso	14,074,507	4.46%
Houston	71,000,000	3.33%
Phoenix	270,000,000	22.50%
San Antonio	21,000,000	2.30%
Tucson	80,000,000	16.26%



Revenue Shortfall -*\$14.07 million*

Clearly evident in 1st Quarter that economy would impact El Paso, but to what degree

Economy and Peso Devaluation affect major revenue streams to the City:

- Sales Tax Erosion
- Development Fees
- Parks and Recreation Fees
- Municipal Court Fines
- International Bridge Revenues
- Interest Revenue

Proactive stance taken immediately



Reduction Plans



Departmental Reductions

Departments	Adopted FY2009	Phase II Reductions
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	<u>315,826,293</u>	<u>(4,127,375)</u>



Reduction Plans

First Quarter -

- Hiring Freeze Implemented
- General Fund Budget Reductions
 - 2% for Police and Fire Departments
 - 3% for all other General Fund Departments

First Quarter Budget Reductions : (\$7,065,688)

Second Quarter -

- Phase II Recommended Budget Reductions
- Service Impacts – Minimize impact with continuous vacancy reviews

Additional cuts have been avoided due to proactive measures taken throughout the fiscal year



Impact of Action

- No Layoffs
- Workload redistributed as vacancies occur
- Weekly review of critical vacancy needs
- Departments directed to hold the line on any expenditures not critical to core functions
- Slowdown in the response time to the public
- Planned reduction in two (2) regional library branch hours to pre-FY 2009 hours (close on Sundays)
- 4/10 Summer Work Week Pilot



Comments or Questions