



City of El Paso

FY2009 Proposed Budget Overview

Joyce Wilson, City Manager

FY 2009 Proposed Budget

		Adopted FY08/ Proposed FY08
• All Funds	\$692,905,740	4.37%
• General Fund	\$317,667,496	8.92%
		Adjusted FY08/ Proposed FY09
• General Fund	\$317,667,496	4.41%

Driving Factors

- Escalating and unstable fuel prices
- Police and Fire Collective Bargaining Contracts, staffing increases, and expense inflation
- Debt Service requirements
- Full year funding for new facilities
- Full year impact of City Public Health Department
- Compensations increases
- Sensitivity to the need to keep taxes low and control overall government costs

FY2009 Proposed All Funds Revenue

<i>Revenue Source</i>	<i>Adopted FY07</i>	<i>Adopted FY08</i>	<i>City Mgr's Proposed FY09</i>	<i>Difference FY08/09</i>
TAXES	\$260,575,484	\$287,695,913	\$304,921,601	5.99%
FRANCHISES	\$55,773,732	\$58,122,391	\$60,825,665	4.65%
SERVICE REVENUES	\$93,574,225	\$97,469,782	\$106,518,207	9.28%
OPERATING REVENUES	\$100,029,624	\$100,478,475	\$107,967,933	7.45%
NON-OPERATING REVENUES	\$22,872,549	\$28,633,147	\$28,487,391	-0.51%
INTERGOVERNMENTAL REVENUES	\$37,909,322	\$43,023,542	\$34,123,975	-20.69%
TRANSFERS IN	\$46,388,518	\$48,491,160	\$50,060,968	3.24%
<i>Grand Total</i>	\$617,123,454	\$663,914,410	\$692,905,740	4.37%

FY2009 Proposed General Fund Revenue

<i>Revenue Source</i>	<i>Adopted FY07</i>	<i>Adopted FY08</i>	<i>City Mgr's Proposed FY09</i>	<i>Difference FY08/09</i>
TAXES	\$176,609,198	\$187,239,567	\$199,067,906	6.32%
FRANCHISES	\$40,892,116	\$40,815,451	\$43,139,604	5.69%
SERVICE REVENUES	\$9,148,996	\$7,620,470	\$9,746,660	27.90%
OPERATING REVENUES	\$25,225,258	\$24,454,015	\$31,992,485	30.83%
NON-OPERATING REVENUES	\$5,735,223	\$5,329,305	\$7,454,175	39.87%
INTERGOVERNMENTAL REVENUES	\$777,258	\$802,186	\$2,917,064	263.64%
TRANSFERS IN	\$23,479,070	\$25,399,796	\$23,349,602	-8.07%
<i>Grand Total</i>	\$281,867,119	\$291,660,790	\$317,667,496	8.92%

General Fund revenues do not include utilization of fund balance.

FY 2009 Preliminary Tax Rate

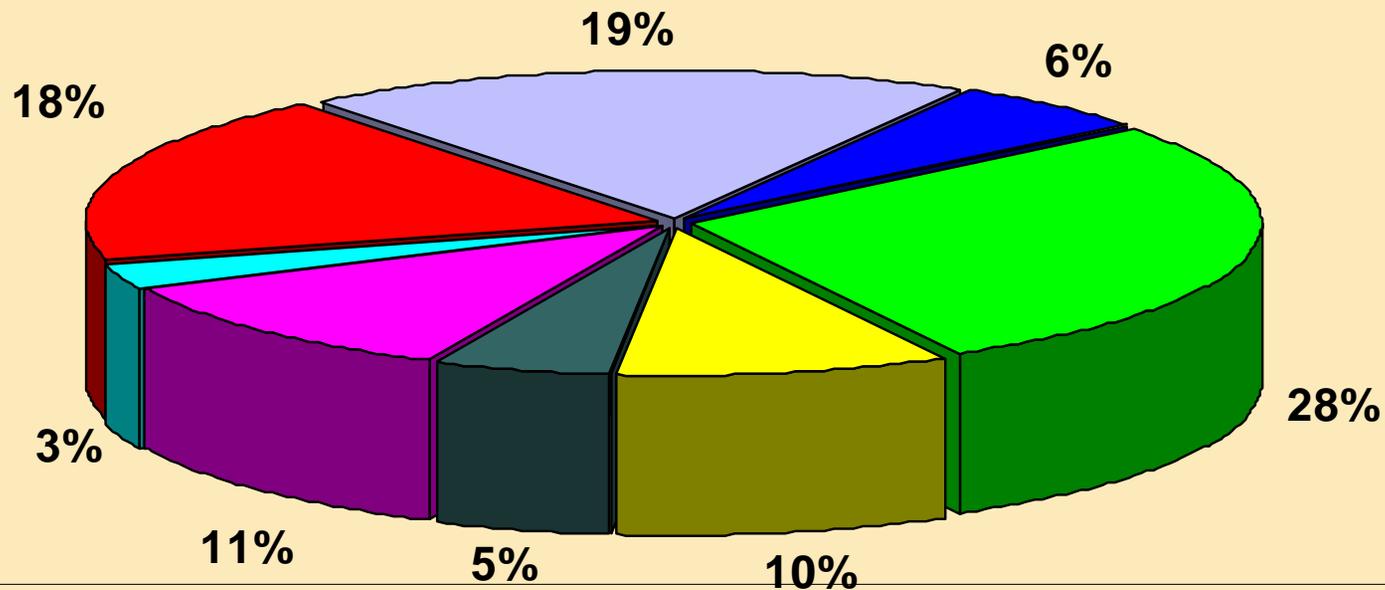
	FY 2008 Adopted	FY2009 Proposed
Estimated O&M Tax Levy	0.453	0.445
<u>Estimated Debt Tax Levy</u>	<u>0.218</u>	<u>0.209</u>
Estimated Proposed Tax Rate	0.671	0.654
Estimated Effective Tax Rate		0.651

Based on an analysis of the Preliminary Valuation Rec'd 6/6/2008 of \$30,051,174,200.

FY2009 Proposed All Funds Appropriations by Function

<i>Function</i>	<i>Adopted FY08</i>	<i>City Mgr's Proposed FY09</i>	<i>Difference FY08/09</i>
GENERAL GOVERNMENT	\$38,728,115	\$40,571,628	5%
PUBLIC SAFETY	\$188,321,335	\$193,570,001	3%
QUALITY OF LIFE SERVICES	\$64,559,437	\$66,432,025	3%
GENERAL SERVICES	\$30,256,242	\$34,698,828	15%
DEVELOPMENT & INFRASTRUCTURE SVCS	\$94,316,926	\$77,937,631	-17%
PUBLIC HEALTH & WELFARE	\$24,885,711	\$19,722,076	-21%
NON-DEPARTMENTAL	\$126,899,480	\$128,456,358	1%
TRANSPORTATION	\$95,947,164	\$131,517,193	37%
<i>Grand Total</i>	\$663,914,410	\$692,905,740	4.37%

FY2009 Proposed All Funds Appropriations by Function



General Government	Public Safety	Quality of Life Services
General Services	Development & Infrastructure	Public Health & Welfare
Non-Departmental	Transportation	

FY2009
Proposed
All Funds

<i>Department</i>	<i>Adopted FY08</i>	<i>City Mgr's Proposed FY09</i>	<i>Difference FY08/09</i>
AIRPORT	\$40,615,708	\$50,739,008	25%
CITY ATTORNEY	\$5,140,238	\$5,190,088	1%
COMMUNITY AND HUMAN DEVELOPMENT	\$16,320,291	\$15,587,233	-4%
CPAC-CVB - EL PASO PERFORMING ARTS CENTER	\$10,385,000	\$11,004,143	6%
CITY MANAGER	\$1,817,566	\$1,943,054	7%
PUBLIC HEALTH	\$24,885,711	\$19,722,076	-21%
MUSEUMS & CULTURAL AFFAIRS	\$3,742,797	\$4,300,426	15%
DEVELOPMENT SERVICES	\$6,496,310	\$6,288,137	-3%
ECONOMIC DEVELOPMENT	\$2,901,534	\$2,702,489	-7%
ENGINEERING	\$3,751,113	\$3,785,304	1%
ENVIRONMENTAL SERVICES	\$51,361,669	\$52,856,966	3%
FINANCIAL SERVICES	\$2,992,615	\$3,207,475	7%
FIRE	\$72,007,952	\$78,664,852	9%
GENERAL SERVICES	\$30,256,242	\$34,698,828	15%
HUMAN RESOURCES	\$2,022,538	\$2,346,367	16%
INFORMATION TECHNOLOGY	\$9,709,938	\$11,479,086	18%
INTERNATIONAL BRIDGE	\$0	\$17,251,841	100%
LIBRARY	\$8,879,430	\$9,080,791	2%
MAYOR AND COUNCIL	\$1,341,808	\$1,359,306	1%
METROPOLITAN PLANNING OFFICE	\$1,589,486	\$1,673,393	5%
MUNICIPAL CLERK	\$5,965,463	\$5,961,394	0%
NON - DEPARTMENTAL	\$126,899,480	\$128,456,358	1%
OFFICE OF MANAGEMENT AND BUDGET	\$2,909,286	\$1,871,845	-36%
PARKS AND RECREATION	\$20,884,034	\$21,781,909	4%
POLICE	\$116,313,383	\$114,905,149	-1%
PUBLIC TRANSIT - SUN METRO	\$53,741,970	\$61,852,951	15%
STREET	\$32,707,834	\$15,007,224	-54%
TAX	\$3,927,129	\$4,510,524	15%
ZOO	\$4,347,885	\$4,677,523	8%
Grand Total	\$663,914,410	\$692,905,740	4.37%

**ALL FUNDS
Authorized
Positions**

<i>Department</i>	<i>Adopted FY 2008</i>	<i>Proposed FY 2009</i>	<i>Difference/ (Decrease)</i>
Airport	241.60	241.90	0.30
City Attorney	39.20	39.20	0.00
City Manager	19.00	19.10	0.10
Community and Human Development	57.75	58.55	0.80
Development Services	135.10	135.10	0.00
Economic Development	14.78	14.78	0.00
Engineering Services	83.00	88.12	5.12
Environmental Services	308.40	330.90	22.50
Financial Services	54.80	58.80	4.00
Fire	976.24	962.40	(13.84)
General Services	143.40	146.40	3.00
Human Resources	38.70	42.20	3.50
Information Technology	56.00	65.00	9.00
International Bridges	0.00	54.54	54.54
Library	193.01	193.01	0.00
Mass Transit - Sun Metro	671.10	669.46	(1.64)
Mayor and Council	25.00	25.00	0.00
Metropolitan Planning Organization	13.00	12.00	(1.00)
Municipal Clerk	96.30	95.20	(1.10)
Museums & Cultural Affairs	59.66	63.00	3.34
Non - Departmental	3.00	3.35	0.35
Office of Management and Budget	30.40	30.05	(0.35)
Parks and Recreation	377.07	389.82	12.75
Police	1771.85	1747.15	(24.70)
Public Health	417.01	354.30	(62.71)
Street	349.80	260.00	(89.80)
Tax	24.00	24.50	0.50
Zoo	107.20	107.20	0.00
<i>FTE Grand Total</i>	<u>6,306.37</u>	<u>6,231.03</u>	<u>(75.34)</u>

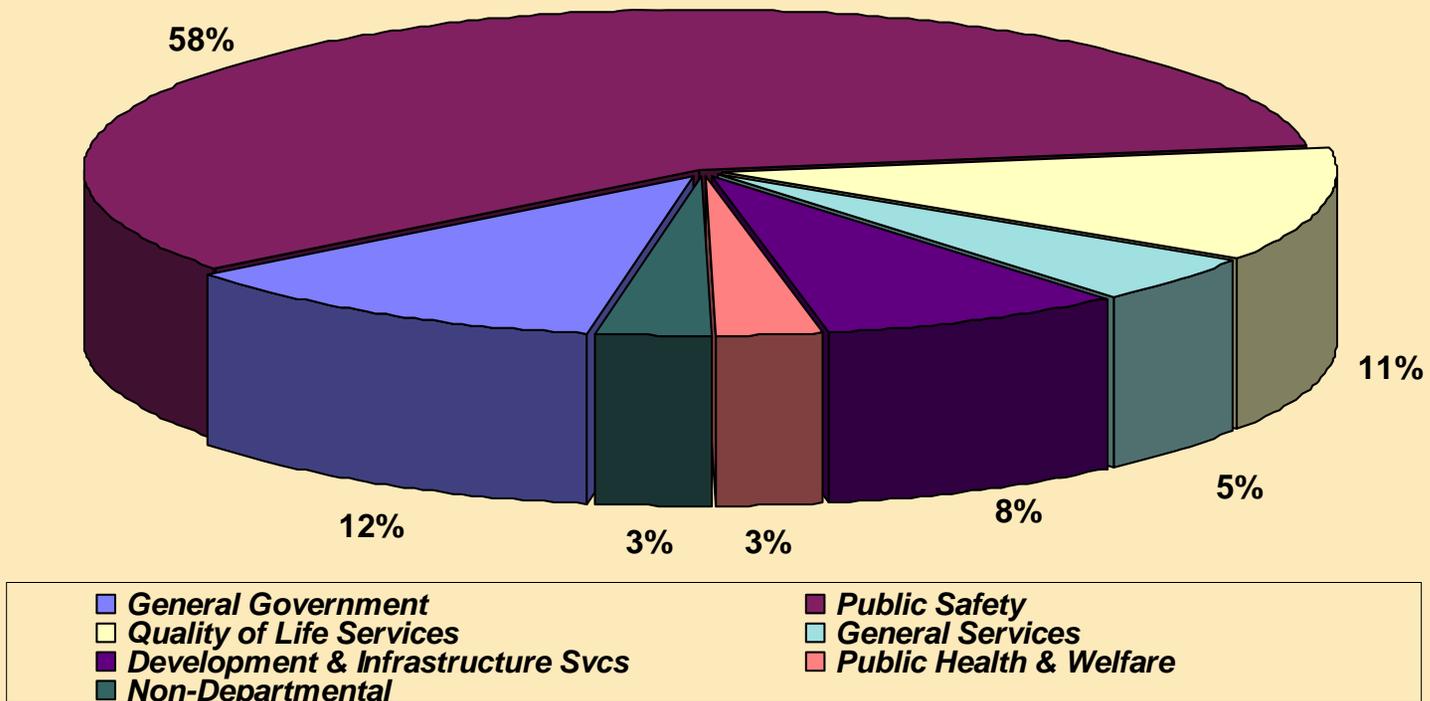
All Funds Key Variances

- ***General Services \$3.4 million***
 - Fuel and utilities
- ***Environmental Services \$1.3 million***
 - Fuel increases, fleet maintenance, and Health related operations
- ***Information Technology \$1.7 million***
 - Capital Funding and the newly established Time Warner Public Education, Governmental (PEG) Fund
- ***Sun Metro \$8.3 million***
 - Proposed service expansions and \$6 million due to fuel costs

FY2009 Proposed General Fund Appropriations by Function

<i>Function</i>	<i>Adopted FY08</i>	<i>Adjusted Budget as of 4/30/08</i>	<i>City Mgr's Proposed FY09</i>	<i>Difference Adjusted FY08/ Proposed FY09</i>
GENERAL GOVERNMENT	\$34,819,633	\$36,469,762	\$37,249,468	2.1%
PUBLIC SAFETY	\$173,812,209	\$173,862,209	\$184,287,061	6.0%
QUALITY OF LIFE SERVICES	\$30,516,771	\$30,852,205	\$36,672,552	18.9%
GENERAL SERVICES	\$14,802,742	\$15,464,145	\$15,634,972	1.1%
DEVELOPMENT & INFRASTRUCTURE SVCS	\$25,402,567	\$25,860,627	\$25,080,665	-3.0%
PUBLIC HEALTH & WELFARE	\$0	\$6,785,094	\$9,337,968	37.6%
NON-DEPARTMENTAL	\$12,306,868	\$14,960,780	\$9,404,810	-37.1%
<i>Grand Total</i>	\$291,660,790	\$304,254,822	\$317,667,496	4.41%

FY2009 Proposed General Fund Appropriations by Function



FY2009	<i>Department</i>	<i>Adopted FY08</i>	<i>Adjusted Budget as of 4/30/08</i>	<i>City Mgr's Proposed FY09</i>	<i>Difference Adjusted FY08/ Proposed FY09</i>
Proposed General Fund	CITY ATTORNEY	\$4,755,157	\$4,957,386	\$4,879,833	-1.56%
	COMMUNITY AND HUMAN DEVELOPMENT	\$582,835	\$582,835	\$596,186	2.29%
	CITY MANAGER	\$1,817,566	\$1,853,261	\$1,943,054	4.85%
	PUBLIC HEALTH	\$0	\$6,785,094	\$9,337,968	37.62%
	MUSEUMS & CULTURAL AFFAIRS	\$2,250,904	\$2,306,104	\$2,410,161	4.51%
	DEVELOPMENT SERVICES	\$6,496,310	\$6,569,970	\$6,288,137	-4.29%
	ECONOMIC DEVELOPMENT	\$1,951,534	\$2,061,286	\$1,973,582	-4.25%
	ENGINEERING	\$3,751,113	\$3,960,513	\$3,785,304	-4.42%
	FINANCIAL SERVICES	\$2,795,576	\$2,892,865	\$2,971,226	2.71%
	FIRE	\$68,877,904	\$68,877,904	\$75,260,845	9.27%
	GENERAL SERVICES	\$14,802,742	\$15,464,145	\$15,634,972	1.10%
	HUMAN RESOURCES	\$2,022,538	\$2,259,216	\$2,346,367	3.86%
	INFORMATION TECHNOLOGY	\$9,709,938	\$10,768,118	\$10,934,416	1.54%
	LIBRARY	\$7,952,769	\$8,128,219	\$8,481,959	4.35%
	MAYOR AND COUNCIL	\$1,341,808	\$1,341,358	\$1,359,306	1.34%
	MUNICIPAL CLERK	\$5,178,963	\$5,114,414	\$5,016,394	-1.92%
	NON - DEPARTMENTAL	\$12,306,868	\$14,960,780	\$9,404,810	-37.14%
	OFFICE OF MANAGEMENT AND BUDGET	\$1,319,424	\$1,294,729	\$1,314,766	1.55%
	PARKS AND RECREATION	\$16,389,792	\$16,377,792	\$21,648,473	32.18%
	POLICE	\$104,934,305	\$104,984,305	\$109,026,216	3.85%
STREET	\$15,155,144	\$15,330,144	\$15,007,224	-2.11%	
TAX	\$3,927,129	\$3,927,129	\$4,510,524	14.86%	
ZOO	\$3,340,471	\$3,457,255	\$3,535,773	2.27%	
	<i>Grand Total</i>	\$291,660,790	\$304,254,822	\$317,667,496	4.41%

Proposed General Fund	<i>Department</i>	<i>Adopted FY 2008</i>	<i>Proposed FY 2009</i>	<i>Difference Increase/ (Decrease)</i>
Authorized Positions	City Attorney	38.00	38.00	0.00
	City Manager	19.00	19.10	0.10
	Community and Human Development	8.00	8.00	0.00
	Development Services	135.10	135.10	0.00
	Economic Development	14.78	14.78	0.00
	Engineering Services	81.00	85.12	4.12
	Financial Services	52.80	51.30	(1.50)
	Fire	940.74	922.90	(17.84)
	General Services	45.80	48.80	3.00
	Human Resources	37.70	41.20	3.50
	Information Technology	56.00	63.77	7.77
	Library	188.91	188.91	0.00
	Mayor and Council	25.00	25.00	0.00
	Municipal Clerk	96.30	95.20	(1.10)
	Museums & Cultural Affairs	46.23	46.83	0.60
	Office of Management and Budget	21.90	21.40	(0.50)
	Parks and Recreation	256.96	383.52	126.56
	Police	1682.91	1662.89	(20.02)
	Public Health	0.00	137.12	137.12
	Street	297.00	259.00	(38.00)
	Tax	24.00	24.50	0.50
	Zoo	106.20	106.20	0.00
	<i>FTE Grand Total</i>	<u>4,174.33</u>	<u>4,378.64</u>	<u>204.31</u>

General Fund Key Variances

- ***Tax Office \$580,000***
 - Majority due to increased contribution to CAD Budget
- ***Police and Fire Department \$10,474,852***
 - Collective Bargaining, prisoner custody, and fuel costs
- ***Health Department \$9,337,968***
 - Full year impact not including impact to other departments
- ***Parks and Recreation \$5,258,681***
 - Transfer of User fee \$4.2 million and \$880,853 in growth

Storm Water RedOak Presentation November 21, 2006

City of El Paso TEXAS

EL PASO WATER UTILITIES PUBLIC SERVICE BOARD

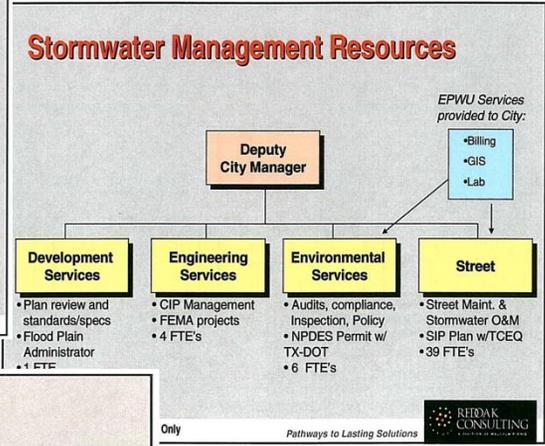
Stormwater Feasibility Assessment

Project Briefing
November 21, 2006

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Pathways to Lasting Solutions



Stormwater Revenue Required

- **Operating & Maintenance (O&M)**
 - \$3 PLUS Million currently – Range of \$3 to \$9 Million
- **Debt Service**
 - 4.5% Interest
 - \$9 Million annually on \$102 Million Storm 2006 CIP
 - \$3 Million annually on \$40 Million Annual CIP
 - Debt service increases with subsequent year CIPs
- **Operating Reserves**
 - 12.5% of O&M
- **Debt Service Coverage**
 - Revenue Bond - 20 year / 1.50 coverage
 - General Obligation – 25 Year / 1.30 coverage

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REDDAK CONSULTING

Pathways to Lasting Solutions

Annual Stormwater Costs by Division

Division	FTEs	O&M	CIP
Development	1	\$50,000	
Engineering	4	600,000	
Environmental	6	300,000	
Storm 2006			
Street	39	1,528,000	
Overhead @32%		793,000	
Annual CIP			40,000,000
Total	50	\$3,271,000	\$40,000,000
3x* *		\$9,813,000	

* Based upon ultimate costs and level of service. For illustration purposes only.

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Pathways to Lasting Solutions

Stormwater Budget/Resources – Street*

FY07 Operating Budget	Equipment
• Total \$1,528,343 and 39 FTE's;	• Water Truck 1
Salaries & Benefits \$1,231,238	• Dump Truck 2
Contracts \$190,560	• Ford Crew 4
Materials & Supplies \$297,060	• Slope Mower 2
	• Grader 3
	• Vactor 5
	• Pumps 5
	[The City has 4 decentralized maintenance yards.]

*NOTE: The total Street Budget is \$16 Million of which Stormwater is a part. Also in the Street Budget is \$1.4 Million for Street Sweeping which has not been allocated to Stormwater. Street receives free landfill services for approx. 50,000 tons annually @\$26/ton.

Source: City of El Paso, FY 2007 Proposed Budget, Development & Infrastructure Services

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Pathways to Lasting Solutions

Current Stormwater Functions*

Functions (Division)	City	EPWU	Dist.#1
Stormwater Management (Street)	✓		
Street Maintenance (Street)	✓		
Compliance and Permit (Environmental)	✓		
CIP (Engineering)	✓		
Subdivision Plan Review (Development)	✓		
Laboratory Services		✓	
GIS	✓		
Billing	✓		
Drainage / Agricultural Canal	✓	✓	✓

*Ongoing interaction with county, state, and federal entities, e.g., TX-DOT, Fort Bliss.

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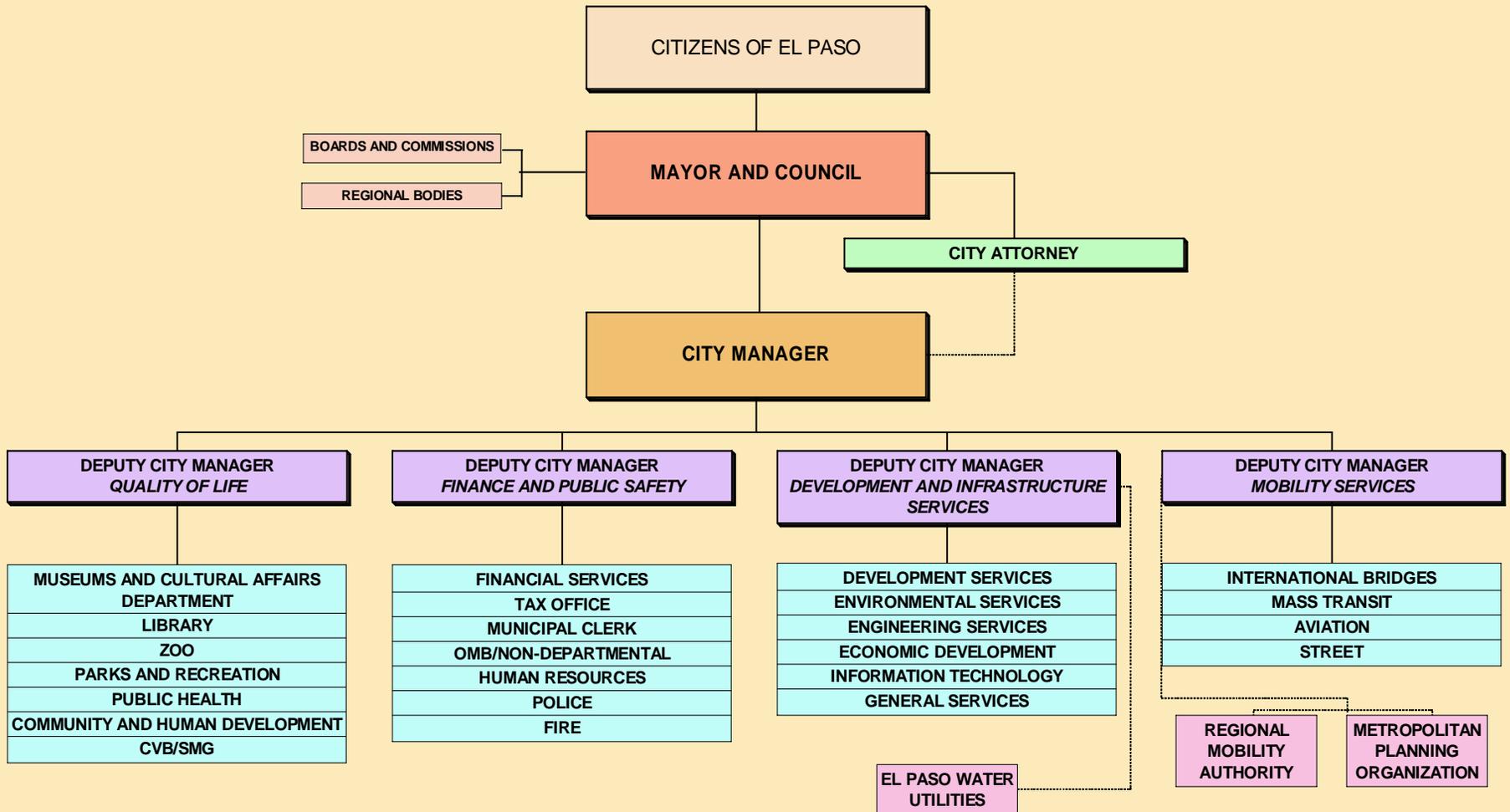
Pathways to Lasting Solutions

Storm Water

StormWater Transfer		6 Month	Full year	FTE's
O&M Costs	Streets	\$760,515	\$1,521,030	37
	Engineering	\$116,431	\$254,148	4
	Environmental Svcs.	\$130,741	\$261,482	6
		\$1,007,687	\$2,036,660	
Capital Equipment			\$4,329,000	40 pcs.
Other Costs	Fuel		\$130,000	
	Maintenance		\$320,000	
Total Savings			\$6,815,660	
Landfill Fees (New Income)		\$0	\$500,000	

City of El Paso Organization Chart

FY2009



FY2009 Priorities

Public Safety

- Strategies for recruitment and retention
- Strategies to control overtime
- Create efficiencies
- Completion and implementation of Fire Department's Strategic Plan
- Considerations for collaboration with regional law enforcement agencies

FY2009 Priorities

Mobility Services

Aviation

- Complete all FY2009 major capital projects
- Coordinate with ED and stakeholders to advance projects such as the industrial parks and resort hotel
- Critical attention to impact of air flight reductions

Sun Metro

- 40 New fixed route buses
- SMART express & a downtown circulator system
- Address rising fuel costs due expiration of contract

FY2009 Priorities

Mobility Services

International Bridges

- Focus on capital projects and operations
- Economic Development Opportunities
- Binational planning and coordination

Street Department

- Infrastructure maintenance
- Prioritization of the capital improvement plan

FY2009 Priorities

Development and Infrastructure Services

- Completion of IT strategic investment plan
- Focus on energy conservation and fuel efficient vehicles
- Finalize outstanding land use reforms
- Develop RFP for City's Comprehensive Plan
- Continue to complete capital improvement plan
- Implement environmental sustainability initiative
- Expansion of recycling efforts
- Improve overall cleanliness and aesthetics of the community
- Economic and redevelopment agenda

FY2009 Priorities

Quality of Life Services

- Completing QOL bond projects and develop operations plans for FY2010
- Full implementation of Public Art Program
- Maintain current service levels
- Ensure the stability and implementation of the Public Health Department
- Implement second phase of Neighborhood Capital Improvement Program

Compensation

- Competency increases – 2%
- Merit increases of 1.5% for top 15% of workforce.
- Employer contribution increase for the employee health benefit program
- GS Market Adjustment of 2% with proposed effective date of January 4, 2009
- Bus Fare Program – Encourage City employees to use public transit

FY2008 Highlights

- Completion of capital projects
- Opening of several major new and renovated facilities
- Successful transfer of the stormwater function to PSB
- Successful integration of the public health function
- Accreditation of the Police Department
- Second Safest City for 2008
- Investment of approx. \$16.2 million in Street Infrastructure
- Over \$100 million in downtown investment
- Increase of \$525 billion in GMP
- Decline in unemployment from 5.6% to 5%
- Increase in median wage from \$10.57 to \$11.50

February 1991

“IRV THE LIQUIDATOR” JACOBS REFORMS.
THE AFFORDABLE WAR?
FEBRUARY 19, 1991 ■ \$3.00

EW

FINANCIAL
WORLD

HOW WELL
MANAGED
ARE THE

CITIES?

THE TEN BEST

Phoenix
Seattle
Portland
San Jose
Fort Worth
Baltimore
Dallas
Oklahoma City
San Diego
Milwaukee

**A REPORT ON
AMERICA'S 30
LARGEST
MUNICIPALITIES**

THE FIVE WORST

New Orleans
Washington, D.C.
El Paso
Philadelphia
Detroit



REPORT CARD

OPERATING TOOLS REPORT CARD:

Budgeting	C-
Infrastructure controls.....	F
Accounting.....	C+
Performance evaluations.....	D+
AVERAGE.....	D+

City: EL PASO 28 D+
1990 Est. Population: 504,412
Change since 1980: +18.6%
Size: 23
Mayor: SUZANNE AZAR

MAJOR SERVICES Percent of operating budget:

Police.....	30%
Fire.....	17%
Sanitation.....	10%
Streets.....	4%

OPERATING TOOLS REPORT CARD:

Budgeting.....	C-
Infrastructure controls.....	F
Accounting.....	C+
Performance evaluations.....	D+
AVERAGE.....	D+

COMMENT: Infrastructure controls non-existent. No current inventory of capital assets, no earmarked revenue for them, annual capital improvement program, no periodic condition reviews. "The city doesn't even know what direction it wants to head in," says director of small business institute. Example of civic leadership: When FW survey first returned, city stated that between 25% and 65% of roads are in fair condition. FW questioned the unusually wide range given. New answer came back from city: 10% in fair condition!

MEASURES OF FINANCIAL STRENGTH:

Moody's bond rating.....	A1
Unemployment.....	9.5%
Unfunded pension.....	Low
Debt burden.....	Moderate
Assessment timeliness.....	Poor
Percent of local revenue.....	99%

TAX STATUS: A low-tax city. Recently put in 0.5% sales tax for mass transit. Hotels are about 1% of industry in city, pay about 10% of its total taxes.

GENERAL COMMENTS: City infrastructure must support not only large official population, but significant population from south of the border, which spends much time in city. On positive side, Mexicans bring in spending money. Negative side: "They drive in our city, go to our parks, but they don't pay our taxes," says university president. Per capita income among lowest in U.S.—low even by Texas standards. Two biggest problems: education and water.

City: PHILADELPHIA 29 D+
1990 Est. Population: 1,543,313
Change since 1980: -8.6%
Size: 5
Mayor: W. WILSON GOODE

MAJOR SERVICES Percent of operating budget:

Water and sewer.....	13%
Police.....	12%
Human services.....	10%
Public health.....	9%
Sanitation.....	7%
Fire.....	4%

OPERATING TOOLS REPORT CARD:

Budgeting.....	D
Infrastructure controls.....	D
Accounting.....	B+
Performance evaluations.....	F
AVERAGE.....	D+

COMMENT: Headlines make it appear city should have gotten an F for budgeting—but there's a significant mitigating factor. City says that state should be paying for court system; city has won litigation to that effect. So, state must take some responsibility for ongoing budget nightmare. As for performance evaluations, no excuses; eliminated because "they couldn't live up to promises in projections, so they dropped them," says director of government oversight organization.

MEASURES OF FINANCIAL STRENGTH:

Moody's bond rating.....	B
Unemployment.....	7.3%
Unfunded pension.....	High
Debt burden.....	Very high
Assessment timeliness.....	Poor
Percent of local revenue.....	80%

TAX STATUS: A moderately high-tax city. Legislature did pass local sales tax, but it requires state approval. The state has withheld that authority, accounting for \$45 million in revenue shortfall.

GENERAL COMMENTS: City is in deep trouble. Back-loaded labor agreements guarantee growing expenses even as productive labor base leaves city. City Council deserves share of blame. Refuses to work with mayor to raise new revenues. Also guilty: previous administration, which gave up crucial controls over pension and health benefits to powerful labor unions.

City: DETROIT 30 D
1990 Est. Population: 976,156
Change since 1980: -19.4%
Size: 9
Mayor: COLEMAN YOUNG

MAJOR SERVICES Percent of operating budget:

Police.....	33%
Public works.....	12%
Fire.....	11%
Public lighting.....	5%
Recreation.....	5%

OPERATING TOOLS REPORT CARD:

Budgeting.....	D
Infrastructure controls.....	C-
Accounting.....	D+
Performance evaluations.....	D
AVERAGE.....	D

COMMENT: Simply a mess. No revenue estimates. Some performance measures contained in mayor's budget; little attention paid. Annual report qualified for unreasonable revenue recognition. Scant condition reviews on infrastructure. "We used to do formal five-year financial forecasts," says a former supervising budget analyst. "But they were too depressing." One surprise: city has maintained a rainy day fund. Don't count on it lasting much longer.

MEASURES OF FINANCIAL STRENGTH:

Moody's bond rating.....	Baa
Unemployment.....	11.0%
Unfunded pension.....	High
Debt burden.....	Very high
Assessment timeliness.....	Excellent
Percent of local revenue.....	69%

TAX STATUS: A high-tax city. At maximum legal limit on all taxes. City even has trouble collecting taxes owed. Almost 9% of property taxes levied are uncollected; many other large cities in 3%-to-4% range.

GENERAL COMMENTS: U.S. census terrified city politicians; much state funding based on minimum of one million in population. Revised census figures will bring Detroit over that level, but city has still lost about half its population since 1950. Downtown a disaster area. City recently pressured into selling civic monument, Ford Auditorium, to local bank Comerica to stop bank from leaving town with its 1,200 jobs.

Financial Policies

- **City Investment Policies**
- **Debt Management Policies**
- **Budget Policies**
- **Internal Audit Function**



FY2009 City Manager's Proposed Budget

Budget Highlights

Revenue Detail

*David Almonte, Office of Management
and Budget*

Public Safety

Police

	Authorized	Filled	Census Population Estimates*	Officers per thousand (filled positions)
9/1/2008	1,348	1,131	665,897**	1.70
9/1/2007	1,349	1,100	665,897	1.65
9/1/2006	1,349	1,059	624,356	1.70
9/1/2005	1,349	1,086	614,261	1.77
9/1/2004	1,349	1,119	604,164	1.85
Regional Average – South - West South Central				2.1
West - Mountain				1.9

* Source: City of El Paso, Development Services, Long-Range Planning, Population Estimates, 2004 to 2007. **The most recent population estimate available is for 2007.

Public Safety

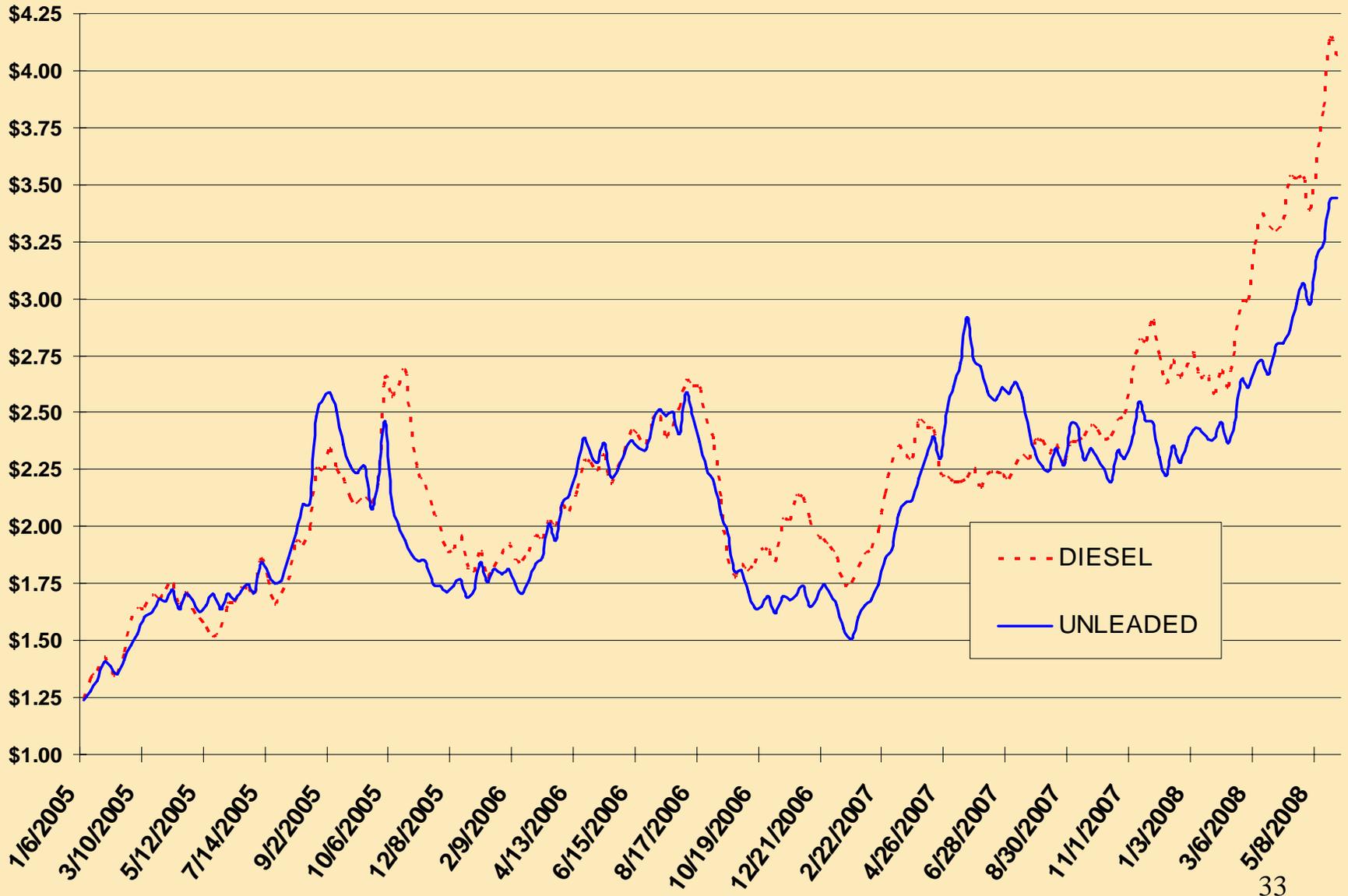
Fire

Fire Dept Name	HQ City	Population		Number Of Stations	Active Career Firefighters	Stations per 100,000 population	Rank	Fire Fighters per 1,000 population
		Estimates, US Census, American Community Survey for 2006	HQ State					
Fort Worth Fire Department	Fort Worth	637,178	TX	38	745	6.0	1	1.2
Austin Fire Department	Austin	717,100	TX	42	1,032	5.9	2	1.4
El Paso Fire Department	El Paso	596,189	TX	34	800*	5.7	3	1.3
Dallas Fire Department	Dallas	1,192,538	TX	55	1,630	4.6	4	1.4
Houston Fire Department	Houston	2,074,828	TX	88	3,345	4.2	5	1.6
Tucson Fire Department	Tucson	516,084	AZ	21	700	4.1	6	1.4
San Antonio Fire Department	San Antonio	1,273,374	TX	48	1,470	3.8	7	1.2
Phoenix Fire Department	Phoenix	1,429,637	AZ	46	1,290	3.2	8	0.9
Average						4.5		1.3

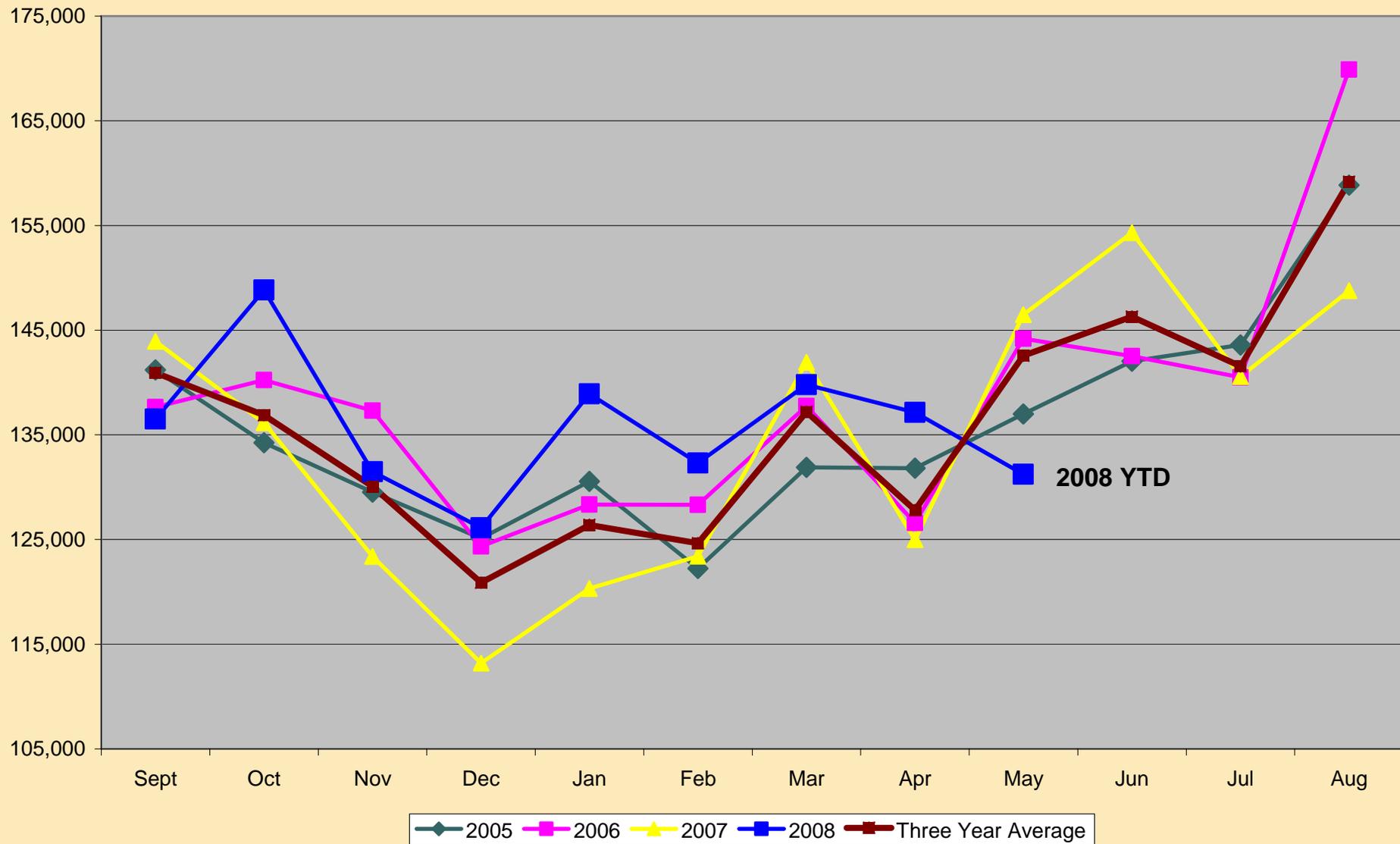
*Note: 870 filled positions are projected after current academy graduation.

Source: National Fire Department Census Database.

Diesel and Unleaded Fuel Prices



General Fund Departments - Monthly Fuel Usage in Gallons



All Funds Fuel

<i>Department</i>	<i>Adopted FY08</i>	<i>City Mgr's Proposed FY09</i>	<i>Difference FY08/09</i>
AIRPORT	\$294,850	\$366,450	24%
CPAC-CVB	\$7,000	\$6,000	-14%
PUBLIC HEALTH	\$213,522	\$177,244	-17%
MUSEUMS & CULTURAL AFFAIRS	\$9,750	\$11,750	21%
DEVELOPMENT SERVICES	\$87,903	\$87,903	0%
ENGINEERING	\$41,000	\$41,000	0%
ENVIRONMENTAL SERVICES	\$4,007,801	\$5,422,673	35%
FINANCIAL SERVICES	\$2,500	\$1,000	-60%
FIRE	\$793,170	\$935,805	18%
GENERAL SERVICES	\$80,000	\$114,044	43%
INFORMATION TECHNOLOGY	\$9,500	\$16,000	68%
INTERNATIONAL BRIDGE	\$0	\$11,000	100%
LIBRARY	\$10,000	\$10,000	0%
MAYOR AND COUNCIL	\$3,000	\$3,000	0%
MUNICIPAL CLERK	\$625	\$1,000	60%
PARKS AND RECREATION	\$444,000	\$515,345	16%
POLICE	\$1,692,233	\$2,109,850	25%
PUBLIC TRANSIT - SUN METRO	\$4,865,963	\$11,437,077	135%
STREET	\$640,000	\$670,000	5%
ZOO	\$10,900	\$10,900	0%
<i>Grand Total</i>	\$13,213,717	\$21,948,041	66.10%

Proposed Fuel Reserve for General Fund of \$1,050,000

FY2009 Major Revenue Sources

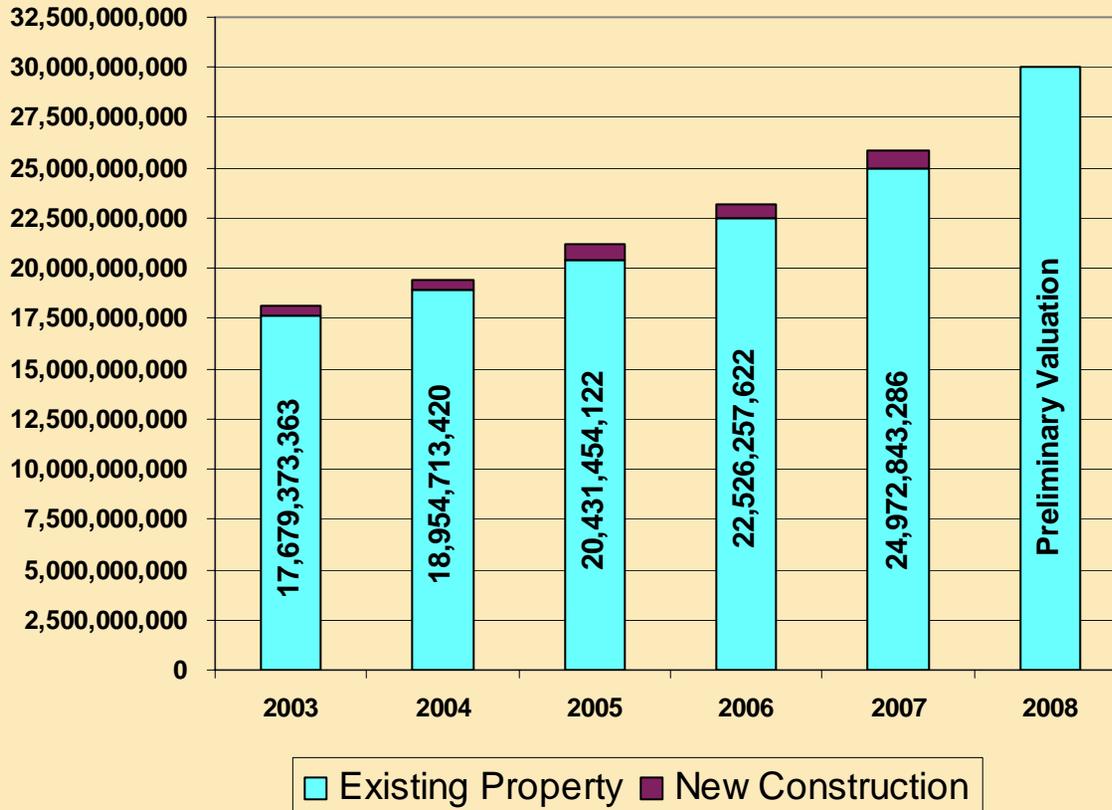
Source	Amount	% of Revenue Total
Property Tax (O&M)	\$124,837,579	39.3%
Sales Tax	\$70,991,022	22.3%
Franchise Fees	\$43,139,604	13.6%
Municipal Court Fines & Penalties	\$14,855,436	4.7%
Licenses and Permits	\$12,309,325	3.9%
International Bridge Transfer	\$11,371,764	3.6%
	<hr/>	<hr/>
	\$ 277,504,730	87.4%

General Fund Revenue Sources

	FY2008 Adopted	FY2008 Projected	FY2009 Proposed
Property Tax	\$117,141,768	\$117,658,445	\$124,837,579
Sales Tax	\$66,897,855	\$67,303,373	\$70,991,022
Franchise Fees	\$40,815,451	\$41,703,260	\$43,139,604
Municipal Court Fines & Penalties	\$12,812,012	\$14,169,677	\$14,855,436
Licenses and Permits	\$10,114,364	\$10,080,169	\$12,309,325
International Bridge Transfer	\$12,812,012	\$12,412,829	\$11,371,764

Certified Taxable Assessed Valuation

Certified Taxable Assessed Valuation



New Construction Amounts	
2003	454,717,763
2004	475,758,305
2005	766,666,087
2006	614,156,661
2007	882,257,181

Preliminary Valuation Rec'd 6/6/2008 of \$30,051,174,200

2008 Certified Preliminary Value Estimate

FY 2007 Certified Values	25,855,100,457	
New Construction, Real Property 2007	849,527,866	
Percentage Growth, New Construction, Real	3.29%	
		Increase over 2007 Certified Values
Preliminary Certified Value Estimates rec'd 6/6/08	30,051,174,200	16.23%
Preliminary Certified Values Reduced 5%	28,548,615,490	10.42%
Preliminary Certified Values Reduced 5.25%	28,473,487,555	10.13%
Preliminary Certified Values Reduced 5.50%	28,398,359,619	9.84%
Preliminary Certified Values Reduced 5.75%	28,323,231,684	9.55%
Preliminary Certified Values Reduced 6.0%	28,248,103,748	9.26%
Preliminary Certified Values Reduced 6.25%	28,172,975,813	8.96%
Preliminary Certified Values Reduced 6.50%	28,097,847,877	8.67%
Preliminary Certified Values Reduced 6.75%	28,022,719,942	8.38%
Preliminary Certified Values Reduced 7.0%	27,947,592,006	8.09%
2006 Percentage Change Preliminary to Certified	-7.45%	
2007 Percentage Change Preliminary to Certified	-6.08%	
Two Year Average	-6.77%	

Based on preliminary values received 6/6/2008

FY 2009 Preliminary Tax Rate

	FY 2008 Adopted	FY2009 Proposed
Estimated O&M Tax Levy	0.453	0.445
Estimated Debt Tax Levy	0.218	0.209
Estimated Proposed Tax Rate	0.671	0.654
Estimated Effective Tax Rate		0.651

Based on an analysis of the Preliminary Valuation Rec'd 6/6/2008 of \$30,051,174,200.

QUESTIONS AND REVIEW

