



Fiscal Year 2016 Year-End Financial Report

Presented to City Council January 23, 2017

Strategic Goal 6

Set the Standard for Sound Governance and Fiscal Management



FY 2016 Year-End Financial Report

- *All figures presented are preliminary and unaudited (as of January 5, 2017)*
- *Figures being reported cover the time period of September 1, 2015 to August 31, 2016*



FY 2016 Year-End Closing

- *Office of the Comptroller has finalized initial year-end closing*
- *BKD Audit Firm currently in process of year-end audit*
- *Comprehensive Annual Financial Report (CAFR) completed February 2017*



FY 2016 General Fund Summary

	FY 2015 Actuals	FY 2016 Actuals*
Revenues	\$362,061,883	\$373,593,742
Expenses	\$352,506,904	*\$371,852,908
Surplus/(Deficit)	\$9,554,979	\$1,740,834

*Includes City Council authorized use of \$5,942,000 from prior year-end savings



Recap

FY 2015 year-end savings	\$9.55M
City Council authorizes the use of year-end savings	(\$5.94M)
City Council adopts budget to increase fund balance	\$1.28M
Subtotal – net increase to fund balance	\$4.89M

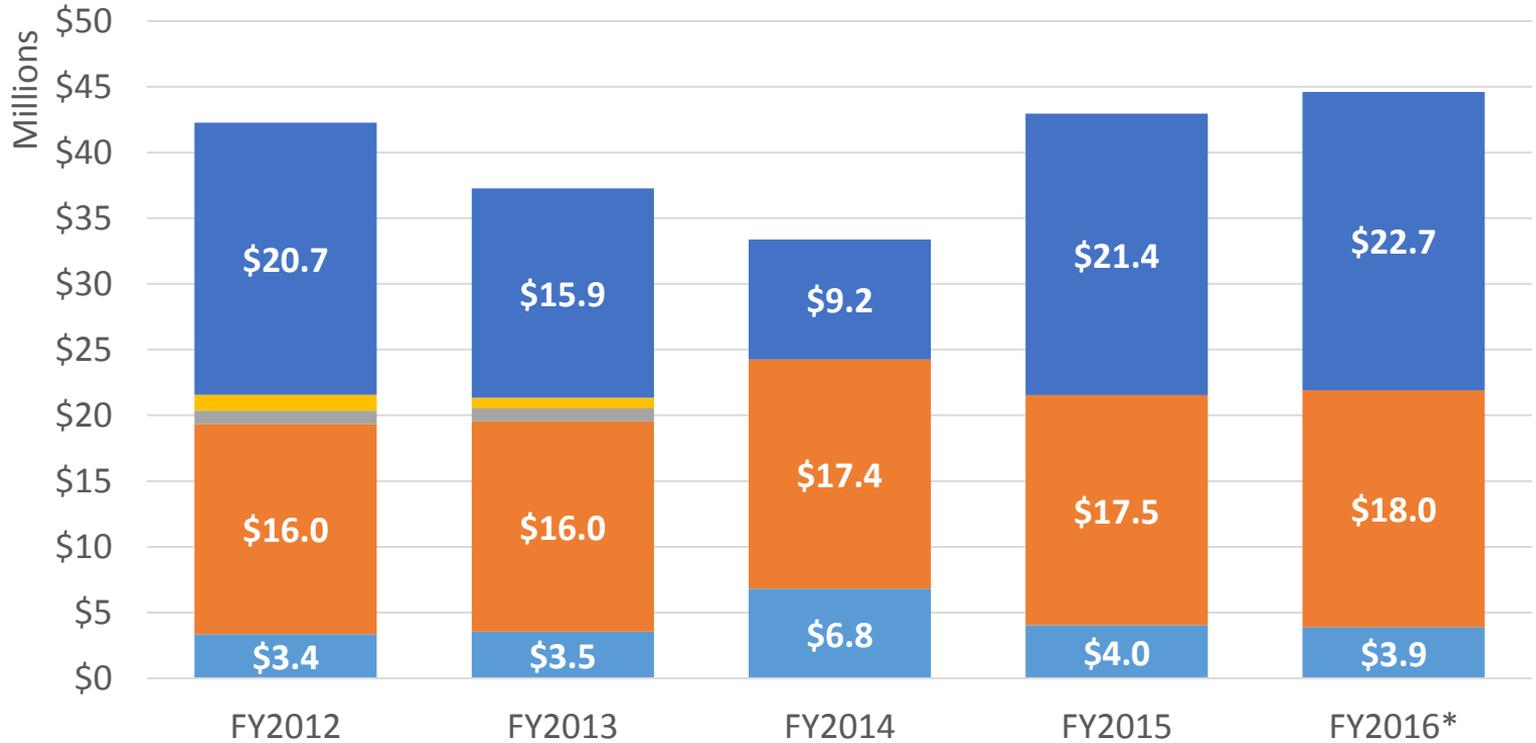
	FY 2016 Budget	FY 2016 Actuals*	FY 2016 Net
Revenues	\$368.75M	\$373.59M	\$4.84M
Expenditures	\$373.41M	\$371.85M	\$1.56M

FY 2016 year-end savings	\$6.40M
Net increase to fund balance over last two years	\$11.29M

*Preliminary unaudited as of 1/5/2017



General Fund - Fund Balance



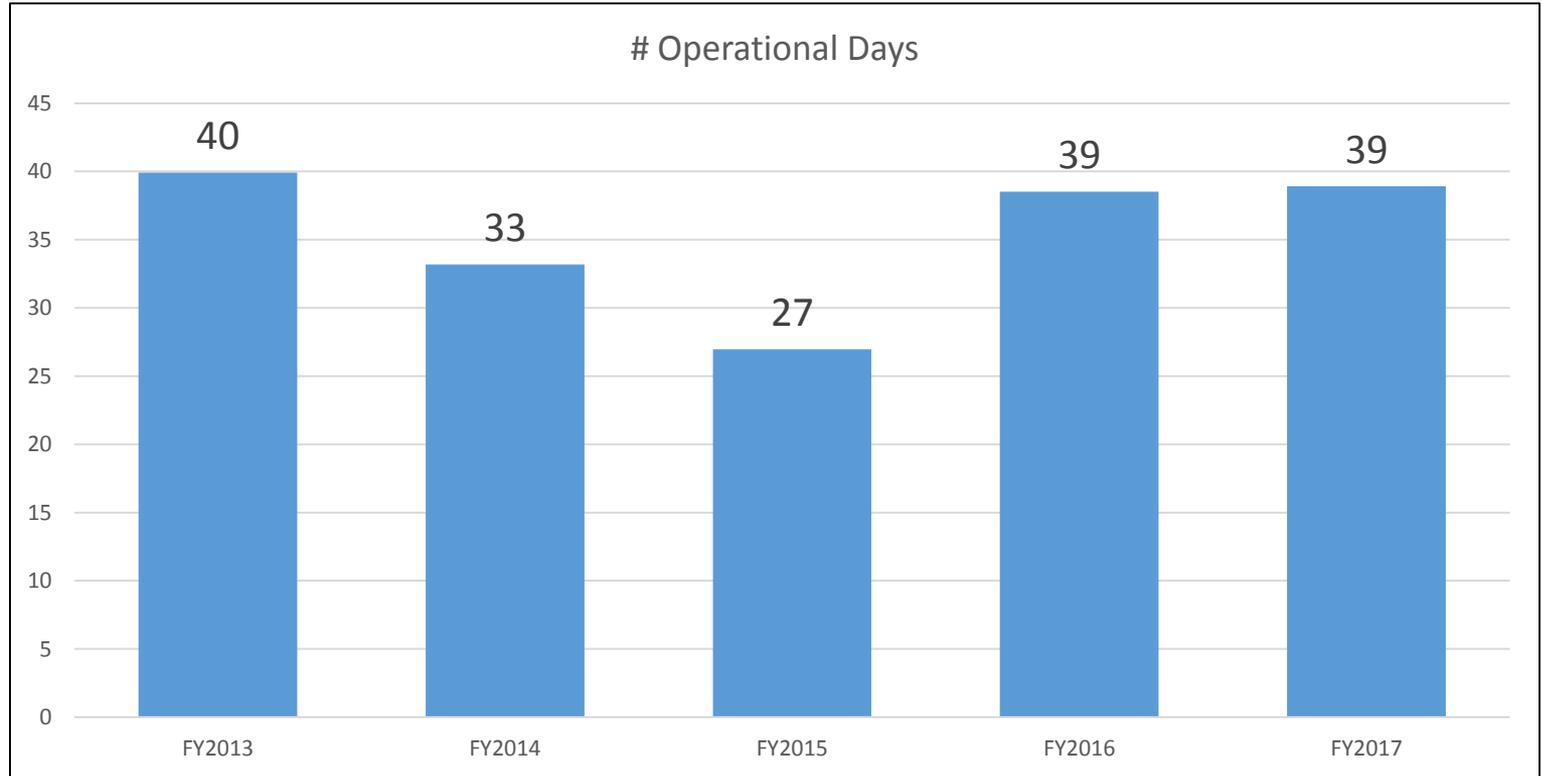
■ Nonspendable ■ Restricted ■ Committed ■ Assigned ■ Unassigned

*Preliminary unaudited as of 1/5/2017

"Delivering Outstanding Services"



General Fund – Fund Balance



*Restricted and unassigned fund balance only

"Delivering Outstanding Services"



General Fund Revenues

REVENUE	FY 2016	FY 2016	FY 2016	Over/(Under) Budget	
	Adjusted Budget	Actual To Date	Actual To Date %	\$	%
Property Taxes	155,512,547	154,966,471	99.6%	(546,076)	-0.4%
Sales Taxes	85,173,174	85,269,622	100.1%	96,448	0.1%
Franchise Fees	50,707,193	51,525,944	101.6%	818,751	1.6%
Charges for Services	29,024,113	32,496,977	112.0%	3,472,864	12.0%
Fines and Forfeitures	12,084,048	10,649,107	88.1%	(1,434,941)	-11.9%
Licenses and Permits	12,574,325	13,993,068	111.3%	1,418,743	11.3%
Intergovernmental	400,871	349,877	87.3%	(50,994)	-12.7%
County Participation	469,169	469,169	100.0%	0	0.0%
Interest	100,000	85,405	85.4%	(14,595)	-14.6%
Rents and Other	1,672,791	1,496,104	89.4%	(176,687)	-10.6%
Other Sources (Uses)	21,028,974	22,291,998	106.0%	1,263,024	6.0%
	\$368,747,205	\$373,593,742	101.3%	\$4,846,537	3.1%



Revenue Highlights

- *Property Taxes – unfavorable variance due to total collections percentage slightly lower than prior year*
- *Sales Taxes – favorable variance due to both sales and mixed beverage taxes finishing right on target*
- *Franchise Fees – favorable variance is primarily the result of an increase in telecommunications activity*
- *Charges for Services – favorable variance due to Police Department reimbursed overtime*



Revenue Highlights

- *Fines and forfeitures – unfavorable variance due to decrease in ticket issuance and lower than projected amnesty impact*
- *Licenses and permits – favorable variance due to electrical, mechanical, roofing permits, and residential building permits*



General Fund Expenditures

EXPENDITURES	FY 2016	FY 2016	FY 2016	(Over)/Under Budget	
	Adjusted Budget	Actual To Date	Actual To Date %	\$	%
Goal 1 - Economic Development	1,777,782	1,494,903	84.1%	282,879	15.9%
Goal 2 - Public Safety	215,251,653	214,258,287	99.5%	993,366	0.5%
Goal 3 - Visual Image	7,479,727	7,062,869	94.4%	416,858	5.6%
Goal 4 - Quality of Life	35,708,258	35,929,635	100.6%	(221,376)	-0.6%
Goal 5 - Communication	11,489,192	9,927,583	86.4%	1,561,609	13.6%
Goal 6 - Sound Governance	55,993,163	57,690,010	103.0%	(1,696,847)	-3.0%
Goal 7 - Infrastructure	39,014,744	38,575,537	98.9%	439,207	1.1%
Goal 8 - Sustainability	6,692,051	6,914,084	103.3%	(222,033)	-3.3%
TOTAL EXPENDITURES	\$373,406,570	\$371,852,908	99.6%	\$1,553,662	0.4%



General Fund Expenditures

EXPENDITURES	FY 2016	FY 2016	FY 2016	(Over)/Under Budget	
	Adjusted Budget	Actual To Date	Actual To Date %	\$	%
Personal Services	275,290,459	273,168,329	99.2%	2,122,130	0.8%
Contractual Services	33,838,388	34,746,637	102.7%	(908,249)	-2.7%
Materials and Supplies	15,326,603	14,323,192	93.5%	1,003,411	6.5%
Operating	21,331,103	20,547,149	96.3%	783,953	3.7%
Non-Operating	6,257,208	6,718,680	107.4%	(461,472)	-7.4%
Intergovernmental	1,538,562	1,343,638	87.3%	194,924	12.7%
Other Uses	19,091,371	20,305,174	106.4%	(1,213,803)	-6.4%
Capital Outlay	732,876	700,108	95.5%	32,768	4.5%
TOTAL EXPENDITURES	\$373,406,570	\$371,852,908	99.6%	\$1,553,662	0.4%



Expenditure Variances

1. *Personal Services – favorable variance as a result of natural employee turnover and difficulty filling positions in Information Technology, Planning & Inspections, Public Health, and Zoo*
2. *Contractual Services – the unfavorable variance is due primarily to legal expenses for outside legal counsel (offset by revenue reimbursements from utility franchisees), and appraisal services performed by the Central Appraisal District*
3. *Materials & Supplies – favorable variance is the result of fuel savings in Police and Parks Depts., and vehicle maintenance supplies in the Fire Dept.*
4. *Operating Expenditures – favorable variance is the result of savings from improved processes related to disconnecting phone lines and wireless services. Unfavorable variance in water expenses, which were partially offset by a favorable variance in electricity expenses*
5. *Non-Operating Expenditures – unfavorable variance is the result of a potential HUD return of funds from the Emergency Solutions Grant (ESG) program due to audit findings*
6. *Intergovernmental – favorable variance is the result of unused funding for City grant match opportunities*



EXPENDITURES	FY 2016	FY 2016	FY 2016	(Over)/Under Budget	
	Adjusted Budget	Actual To Date	Actual To Date %	\$	%
Capital Improvement	6,467,590	5,294,107	81.9%	1,173,483	18.1%
City Attorney	3,960,788	3,680,347	92.9%	280,441	7.1%
City Manager	2,893,192	2,852,665	98.6%	40,527	1.4%
Community Development	522,448	1,038,043	198.7%	(515,595)	-98.7%
Economic Development	1,777,782	1,494,903	84.1%	282,879	15.9%
Fire	97,267,111	96,878,973	99.6%	388,138	0.4%
Human Resources	2,068,125	1,962,702	94.9%	105,423	5.1%
Information Technology	11,489,192	9,927,583	86.4%	1,561,609	13.6%
Library	8,964,491	8,964,301	100.0%	190	0.0%
Mayor and Council	1,275,010	1,203,315	94.4%	71,695	5.6%
MCAD	2,432,127	2,420,785	99.5%	11,342	0.5%
Municipal Clerk	5,564,714	5,364,277	96.4%	200,437	3.6%
Non-Departmental	36,870,888	39,382,364	106.8%	(2,511,476)	-6.8%
Office of the Comptroller	2,025,168	2,048,015	101.1%	(22,847)	-1.1%
Parks	20,138,073	20,557,770	102.1%	(419,697)	-2.1%
Planning and Inspections	7,479,727	7,062,869	94.4%	416,858	5.6%
Police	117,984,542	117,379,314	99.5%	605,228	0.5%
Public Health	6,169,603	5,876,041	95.2%	293,562	4.8%
Purchasing	1,335,277	1,196,325	89.6%	138,952	10.4%
Streets and Maintenance	32,547,154	33,281,430	102.3%	(734,276)	-2.3%
Zoo	4,173,567	3,986,779	95.5%	186,788	4.5%
	\$373,406,570	\$371,852,908	99.6%	\$1,553,662	0.4%

“Delivering Outstanding Services”



Expenditure Variances

- *Capital Improvement – favorable variance due primarily to the transfer of the resurfacing function back to Street and Maintenance (Streets and Maintenance over budget due to same reason)*
- *Information Technology – favorable variance due to 1) employee turnover and difficulty filling vacancies and 2) savings from improved processes related to disconnecting phone lines and wireless services*
- *Non-Departmental – the unfavorable variance is due primarily to legal expenses for outside legal counsel (offset by revenue reimbursements from utility franchisees), transfer cash from GF to Cash Reserve fund to meet requirements of Charter Section 7.4, and appraisal services performed by the Central Appraisal District*
- *Community Development – unfavorable variance is the result of a potential HUD return of funds from the Emergency Solutions Grant (ESG) program due to audit findings*
- *Parks & Recreation – unfavorable variance due to increase in water expenses*
- *Fire – favorable variance due to savings in vehicle maintenance supplies*
- *Police – favorable variance due to savings in fuel and unused funding for City grant match opportunities*



Questions?



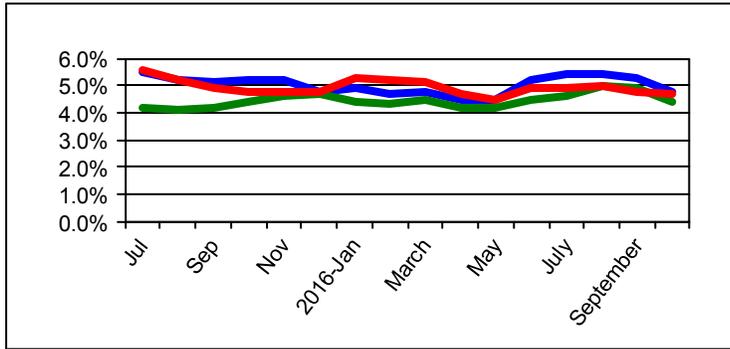
City Council Authorized Use of Fund Balance

- *Jan. 25 - \$3.3M for Westside Pool and Splash pads in District 1, 7, and 8*
- *Feb. 9 - \$640K for ADA improvements, two roof repairs, and Armijo pool repair*
- *Mar. 8 - \$2.0M for park playground equipment*



El Paso, TX Economic Indicators (Q3 2016)

Unemployment Rate Trend (not seasonally adjusted)



Source: Bureau of Labor Statistics

El Paso Population

El Paso MSA: 850,321

City of El Paso: 678,007

Source: Census.gov

Unemployment Rate

(not seasonally adjusted)

	Oct 15	Oct 16	Change
El Paso	5.2%	4.8%	-0.4%
Texas	4.4%	4.4%	0.0%
U.S.	4.8%	4.7%	-0.1%

Source: BLS.gov

Wage Rates Median (Mean)

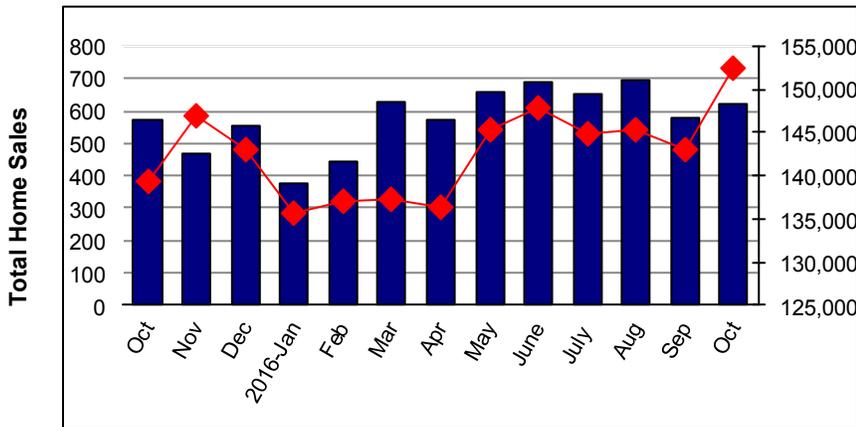
	May 2014	May 2015	Change		2015	2016	Change
El Paso	\$12.48 (\$17.51)	\$12.70 (\$17.78)	+\$0.22 (+\$0.27)	Median HH Income	\$40,170	\$41,088	+\$918
Texas	\$16.18 (\$21.79)	\$16.61 (\$22.38)	+\$0.43 (+\$0.59)	Civilian Labor Force	346,594	353,974	+7,380
U.S.*	\$17.09 (\$22.71)	\$17.40 (\$23.23)	+\$0.31 (+\$0.52)	Employment	328,938	336,987	+8,049

*Bureau of Labor Statistics— OES Data released February 2016

Sources: Texas Labor Market Profile , ACS & Alteryx

Workforce

Residential Activity



■ Home Sales
◆ Median Home Price

Source: Texas A&M Real Estate Center

Permits

2015 total permits
(single, multifamily, commercial)

2,218 *\$1,932,700
104 *\$1,095,500
1,869 *\$984,800

2016 total permits (as of Oct. 2016)
(single, multifamily, commercial)

1,964 *\$2,197,800
113 *\$911,800
798 *\$825,200

Source: Texas A&M Real Estate Center

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

El Paso Apartment Data

Total November Units added (includes only complexes with 50+units): 208 units
Avg. Square Feet: 840 sq. ft.
Effective Rent: \$752
Asking Rent: \$764
Occupancy: 91.0% (November 2016)

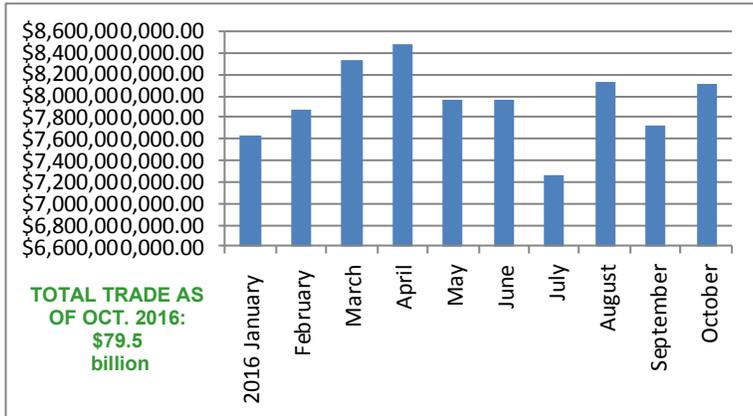
Source: ALN Apartment Data, Inc.



El Paso, TX Economic Indicators (Q3 2016)

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 Q3
El Paso	91.3	90.4
Albuquerque	95.6	94.3
Austin	96	96.3
Dallas	96.1	103.2
Fort Worth	102.8	101.7
Houston	98.2	99.4
Las Cruces	97.4	98.6
Phoenix	95.9	98.6
Tucson	92.8	94.1
San Antonio	87.3	85.4

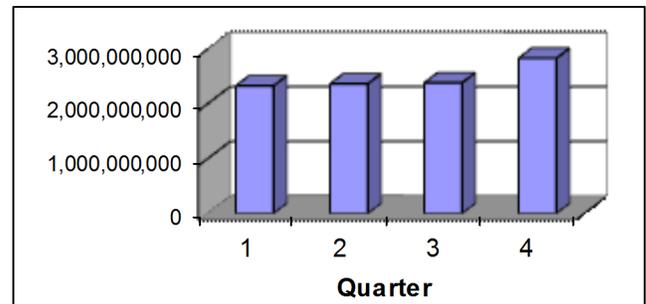
*Data released October 2016

El Paso International Airport October Flight Activity

	2015	2016	Change
Carriers	5	6	+1
Daily Departures	47	49	+2
Freight (in tons)	8,250	6,824	-17.3%
Nonstop cities	12	12	0
Passengers	244,840	248,987	+1.7%
Daily Seats	5,114	5,480	+366

*El Paso International Airport, October traffic report totals

El Paso MSA Gross Retail Trade Sales Source: Texas Comptroller's Office



Total Gross
Retail Trade Sales 2015
\$9,902,240,978

*mycpa.state.tx.us, Retail Trade Summary Report 2015

October Passenger Market by Airline

	2015	2016
Southwest	49.39%	47.35%
American	30.92%	32.01%
U.S. Airways	1.82%	0%
Delta	8.10%	8.11%
Allegiant	0.00%	2.54%
United	9.77%	9.99%

October 2016 Total Passengers: 248,987

Source:
El Paso International Airport

Hotel Industry El Paso

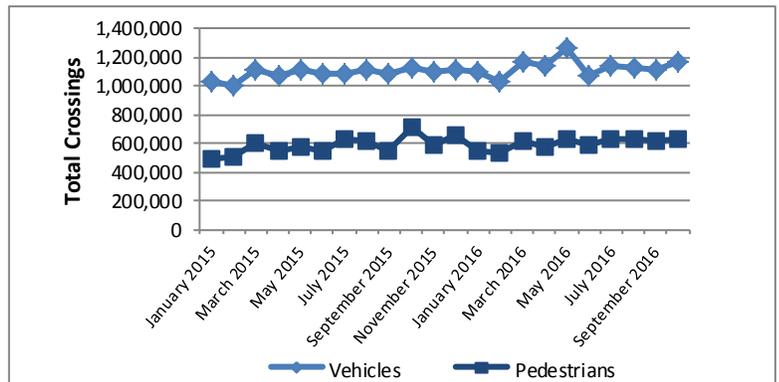
	Sep. 2015	Sep. 2016
Hotel Occupancy	68.1%	65.3%
Total Hotels	79	81
Total Rooms	8,997	9,200
Hotel Revenue, Sept. YTD 2016:	\$135M	

Note: Revenue in Millions

Sources:
Destination El Paso,
Market Texas Tourism website
October data not yet available

Northbound Crossings (all bridges)

More than 17 million northbound crossings as of Oct. 2016



Source: Customs & Border Protection

**CAPITAL IMPROVEMENT PROGRAM (CIP)
BUDGET TRANSFER REPORT
FOURTH QUARTER FY 2016**

Date Completed	Fund	Amount	Project	Division	BT #	JUSTIFICATION	FUNDING SOURCE
6/27/2016	4740	\$5,381,128	PCP13ST003Y11, PCP17ST008, PCP17ST011, PCP16ST003, PCP13ST003	28900	2016-0678	CID proposes to transfer appropriations of \$5,372,439.00 to establish budgets to various projects as part of City Infrastructure Capital Plan. This plan was approved by Council on 3/8/2016. The funding source is from the 2013-2019 CO Street Infrastructure Master Project and is in accordance with paragraph 8 of the budget resolution. District Citywide	2012 STREET INFRASTRUCTURE
6/27/2016	4740	\$450,349	PCP13ST0004, PCP13ST004Y5	28900	2016-0736	CID proposes to transfer appropriations of \$450,349.00 for funds needed to set up PCP13ST00RY5 Unpaved ROW 2016 - Year 5 project. The funding source is from the 2013 Street Infrastructure Unpaved ROWS & Alleys Master project and is in accordance with paragraph 8 of the budget resolution.	2013 STREET INFRASTRUCTURE
6/14/2016	4690	\$32,537	PCP08NI020, PCP06ST0100, PCP13PRKA28	99999	2016-0737	CID proposes to transfer appropriations of \$ 32,537.00 for funds needed to complete multiple projects. The funding source is from the 469-CO 2006 Issue and is in accordance with paragraph 8 of the budget resolution.	CO 2006 ISSUE
6/21/2016	4950	\$141,278	PCP15TRAN04	38170	2016-0755	CID proposes to increase appropriations of \$ 141,278.01 for additional funds needed for TXDOT Edgemere / Rich Beem project. The funding source is reimbursed expenditures from TXDOT and is in accordance with paragraph 13 of the budget resolution. District 5	Capital Projects-TxDot
6/27/2016	4740	\$964,963	PCP16TRAN02, PCP13ST0003	28900	2016-0756	CID proposes to transfer appropriations of \$964,963.00 to establish budget to Riverbend Multimodal Improvement projects as part of City Infrastructure Capital Plan. This plan was approved by Council on 3/8/2016. The funding source is from the 2013-2019 CO Street Infrastructure Master Project and is in accordance with paragraph 8 of the budget resolution. District 8	2013 STREET INFRASTRUCTURE
6/22/2016	4800	\$200,000	PCP13PRKG01, PCP16NIP001	29010	2016-0773	CID proposed to increase appropriations of \$ 200,000 to fund the 3rd round Neighborhood Improvement Program project PCP16NIP001. The funding source is from 2012 QOL Master Project PCP13PRKG01. District Citywide	GOP 2012 QUALITY OF LIFE
7/5/2016	4740	\$6,449,671	PCP17ST003RS, PCP18ST003RS, PCP19ST003RS	28900	2016-0812	CID proposed to transfer appropriate of \$ 6,449,671.00 for Resurfacing Projects PCP17ST003RS, PCP18ST003RS, and PCP19ST003RS for FY 2017, FY 2018 and FY 2019, respectively. The reprogrammed funding source is from 2013 CO Street Infrastructure Master Project PCP13ST0003 taken to council 3/8/2016. District Citywide	2013 STREET INFRASTRUCTURE
7/11/2016	4740	\$14,086,622	PCP17ST003, PCP17ST001, PCP17ST002, PCP17ST004, PCP17ST005, PCP17ST006, PCP16ST002, PCP13ST0003	28900	2016-0846	CID proposes to transfer appropriations of \$14,086,622.00 to establish budgets to various projects as part of City Infrastructure Capital Plan. This plan was approved by Council on 3/8/2016. The funding source is from the 2013-2019 CO Street Infrastructure Master Project and is in accordance with paragraph 8 of the budget resolution. District Citywide	2013 STREET INFRASTRUCTURE
7/5/2016	4740	\$6,708,300	PCP17ST007, PCP17ST009, PCP17ST010, PCP17ST012, PCP17ST013, PCP17ST014, PCP17ST015, PCP13ST0003	28900	2016-0847	CID proposes to transfer appropriations of \$6,708,300.00 to establish budgets to various projects as part of City Infrastructure Capital Plan. This plan was approved by Council on 3/8/2016. The funding source is from the 2013-2019 CO Street Infrastructure Master Project and is in accordance with paragraph 8 of the budget resolution. District Citywide	2013 STREET INFRASTRUCTURE
8/2/2016	4950	\$1,824,000	PCP14TRAN08	38170	2016-0865	CID proposes to adjust appropriations to closeout Quite Zone TXDOT project. The project will be funded with COs - PCP13ST003Y11 project. The funding source is from TXDOT reimbursables. District Citywide	Capital Projects-TxDot
7/25/2016	4950	\$143,284	PCP06ST022E0	38170	2016-0867	CID proposes to reduce the budget for Isela Rubalcaba project by \$143,284.00 in order to align appropriation with TXDOT agreement. The funding source is from TXDOT reimbursables. District Citywide	Capital Projects-TxDot
8/2/2016	4640, 4540, 4650, 4080, 4560	\$107,682	PCP10MT020, PCP10ST140, PPA10070, PCP12ST020, PSTM06PW506, PCP14CHSITE, PPA10070, PCP12PRK01H0	38130, 31510, 38140, 17200, 31640, 28340	2016-0924	CID proposes to transfer appropriations of \$107,682.11 from multiple completed projects to cover costs not reimbursable by PSB. The funding source is from 1993A CO, 1998B CO, 200 CO's and 2000 GO's. District Citywide	CO 2000 ISSUE, CO 1993A ISSUE, CO 2001 ISSUE, GO 2000A ISSUE, FY 12-13CO'S CIP PLAN
7/25/2016	4950	\$200,000	PCP10TRAN60	38170	2016-0942	CID proposes to increase approp of \$200,000.00 for PCP10TRAN60 project Dyer RTS Ped Enhancements. The funding source is reimbursable from TXDOT reimbursables. The BT is in accordance with paragraph 13 of the budget resolution. District 4	Capital Projects-TxDot
8/3/2016	4970	\$664,737	PCP13ST003Y2C	38030, 38230	2016-0975	CID proposes to increase approp of \$664,737.35 for PCP13ST003Y2C Robinson St & Drainage Improvement. The funding source is reimbursable from PSB reimbursables. The BT is in accordance with paragraph 13 of the budget resolution. District 1	Other Outside Sources

8/2/2016	4970	\$29,971	PCP13ST003Y1L	38230	2016-0976	CID proposes to increase approp of \$29,971.00 for PCP13ST003Y1L Quiet Zone & Waterline Improvement. The funding source is reimbursable from PSB reimbursables. The BT is in accordance with paragraph 13 of the budget resolution. District 3	Other Outside Sources
8/23/2016	4970	\$35,210	PCP16ST004	28190	2016-0940	CID proposes to increase approp of \$35,210.44 for PCP16ST004 project signal light at Talbot/Spur16. The funding source is reimbursable from Trans MT Commercial Prk. BT is in accordance with paragraph 8 of the budget resolution. Dist 1	Other Outside Sources
8/15/2016	4510	\$562,252	PCP10TRAN100, PCXP10TRAN70	28320	2016-0941	CID proposes to transfer appropriations of \$562,252.38 to properly record various Downtown Imprv project expenses in the CBD IV project. The funding source is from 2010 Transportation Funding Plan. District 8	CO 2010 ISSUE
8/9/2016	4690	\$80,289	P09PA0030, PCP06NA001D1FO, PCP16MF010	99999	2016-0983	CID proposes to increase approp of \$80,288.84 for PCP16MF010 Downtown Restrooms Facilities. The funding source is from the 2006 COs. The BT is in accordance with paragraph 8 of the budget resolution. District 8	CO 2006 ISSUE
8/15/2016	4640	\$82,318	PCP10MT020, PSTM06PW506	38130	2016-0988	CID proposes correct transferred appropriations of 82,318.36 between accounts on BT 2013-0924 for PSB unreimbursable costs.	CO 2000 ISSUE
8/11/2016	4740	\$677	PCP13ST0003, PCP16ST003	28900	2016-0992	CID proposes to transfer approp of \$677.15 to PCP16ST003CentralCurb Mod project from PCP13ST0003 ReconMaster Project. Funding source is from the 2013-2019COs and is in accordance with paragraph 8 of the budget resolution.District Citywide	2013 STREET INFRASTRUCTURE
8/29/2016	4970	\$430,003	PBE04ST1180, PBE04ST1170, PBE04ST1390, PBE04ST1270	38230	2016-1011	CID proposes to adjust appropriations to closeout completed projects for Montoya Heights, Montoya Heights Phase 1, Upper Valley Rd St & Drainage and Roseway Phase 1. The funding source is from PSB reimbursables. District Citywide	Other Outside Sources
8/23/2016	4690	\$4,081	PSTM06PW556, PCP12PRK01H0	28280, 99999	2016-1012	CID proposes to transfer approp of \$4,081.25 to PSTM06PW556 Sapien project from PCP12PRK01H0 Park Pond Group Project to cover budget overage due to JE# 0000438677 and JE# FY 11ACCRUA created by Comptroller's Office	CO 2006 ISSUE
8/31/2016	4710	\$82,209	PCP13LUTHER, PCP13PRKA10	99998, 28300	2016-1028	CID proposes to transfer approp of \$27,489.96 additional funds needed for sidewalk improvements at Johnson Basin Park PCP13PRKA10.The funding source is from 2009COs and is in accordance with paragraph 8 of the budget resolution.District 2	CO 2009 ISSUE