



FY 2017 3RD QUARTER REPORT

PREPARED BY THE OFFICE OF MANAGEMENT & BUDGET

The following report provides year-to-date revenues and expenses with projected year-end forecast

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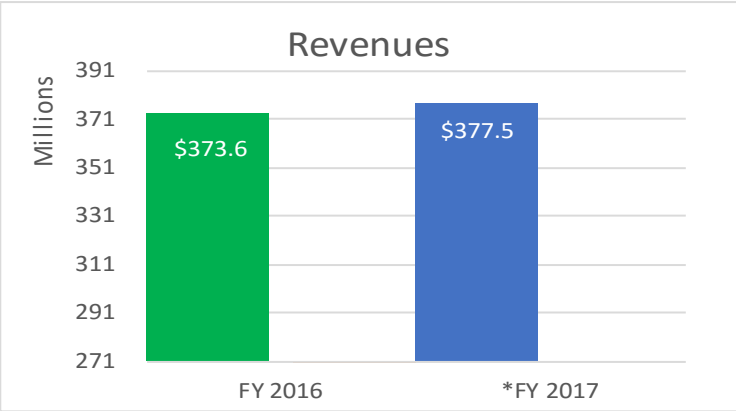
General Fund Summary

The year-end projected revenues are estimated at \$377,455,493, while year-end expenditures are estimated at \$377,442,575 which would result in a surplus of \$12,918.

Revenues

FY 2016	*FY 2017
373,593,742	377,455,493

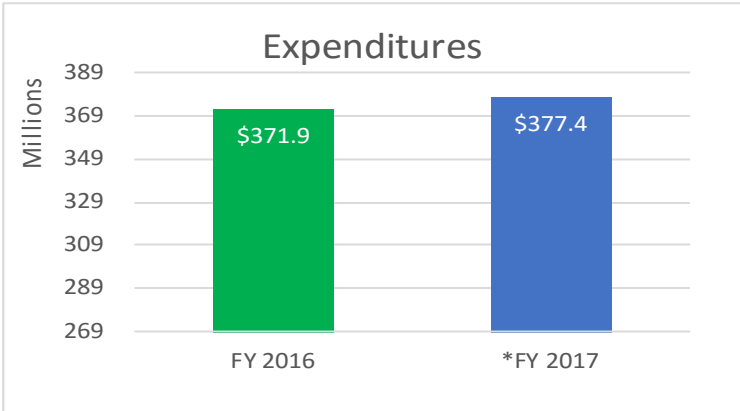
*FY 2016 Year-End Actual and FY 2017 Projected Year-End Actual



Expenditures

FY 2016	*FY 2017
371,852,908	377,442,575

*FY 2016 Year-End Actual and FY 2017 Projected Year-End Actual



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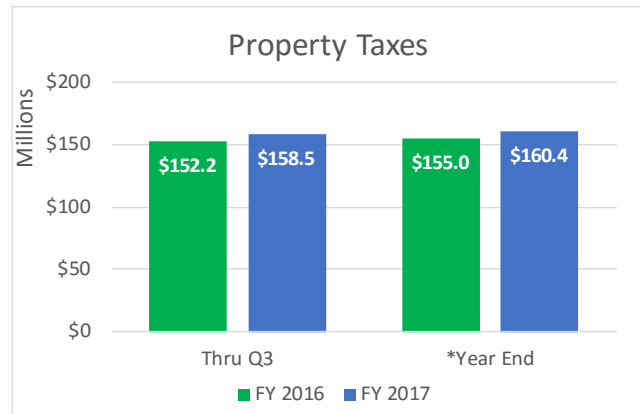
General Fund Revenue Summary

Total General Fund revenues collected through the 3rd Quarter (September-May) are \$311,692,286 representing an increase of \$4,623,981 compared to same period last year.

FY 2017 Adjusted Budget	FY 2017 Actual YTD	FY 2017 Actual YTD %	FY 2016 Actual YTD %	FY 2016 Actual YTD
382,256,649	311,692,286	81.5%	82.2%	307,068,304

Property Taxes		
	FY 2016	FY 2017
Thru Q3	152,231,828	158,508,443
% Collected	99.0%	98.8%
Budget	155,512,547	160,411,640
*Year End	154,966,471	160,406,791

*FY 2016 Year-End Actual and FY 2017 Projected Year-End Actual



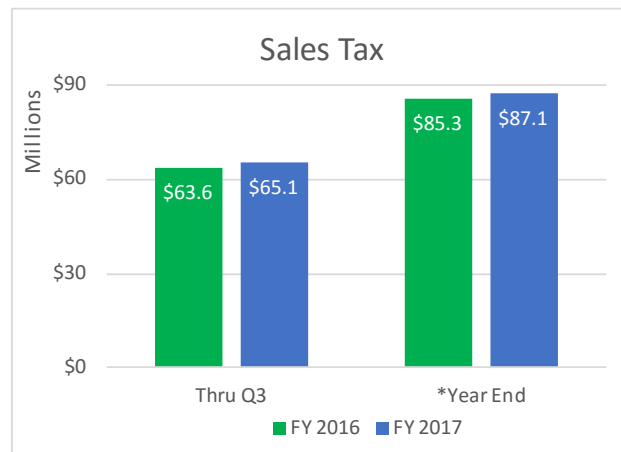
Collection rate as a percent of levy is 98.4%, slightly above the five-year average of 98.2%. Collection rate as a percent of budget is 98.8%.

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Sales Taxes

	FY 2016	FY 2017
Thru Q3	63,616,372	65,086,157
% Collected	74.6%	72.3%
Budget	85,173,174	89,998,184
*Year End	85,269,622	87,093,191

*FY 2016 Year-End Actual and FY 2017 Projected Year-End Actual

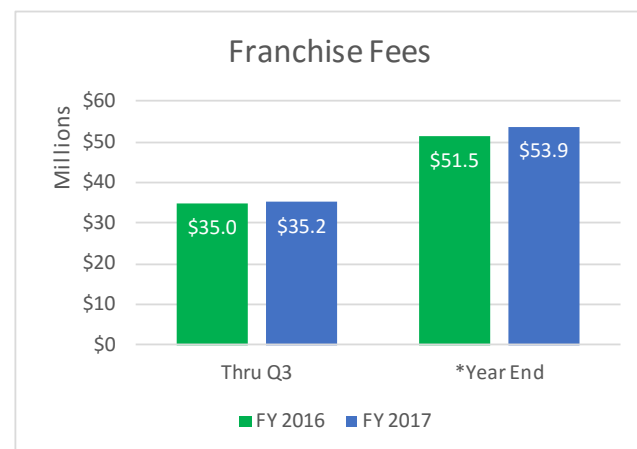


Category includes sales tax, mixed beverage tax, and bingo tax. The total sales tax revenues collected through 3rd quarter increased \$1,469,785 or 2.3% compared to same period last year. State sales tax audits have increased by \$1.3M, and current period collections are down by \$33k compared to same period last year. During FY 2017- 2018 budget process, sales tax has been underperforming recently after several years of stable growth. As a result, Sales Tax is projected under budget by **(\$3,042,103)** or **(3.5%)**. Mixed beverage tax increased \$108,947 or 6.5%.

Franchise Fees

	FY 2016	FY 2017
Thru Q3	34,966,682	35,163,658
% Collected	67.9%	65.1%
Budget	50,707,193	53,985,339
*Year End	51,525,944	53,883,125

*FY 2016 Year-End Actual and FY 2017 Projected Year-End Actual



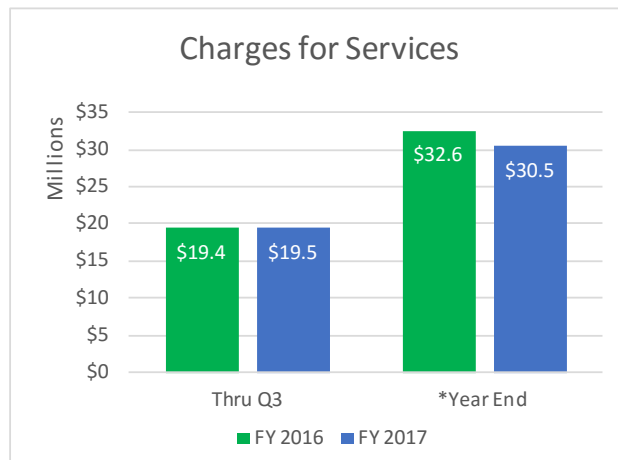
Franchise fees received from El Paso Water Utility are trending positively due to rate increase for water sales; this corresponds with increases in City expenditures. AT&T is underperforming due to decline in landlines and next year's budget has been adjusted accordingly.

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Charges for Services

	FY 2016	FY 2017
Thru Q3	19,444,339	19,480,692
% Collected	59.7%	63.9%
Budget	29,024,113	30,501,123
*Year End	32,588,994	30,542,654

*FY 2016 Year-End Actual and FY 2017 Projected Year-End Actual

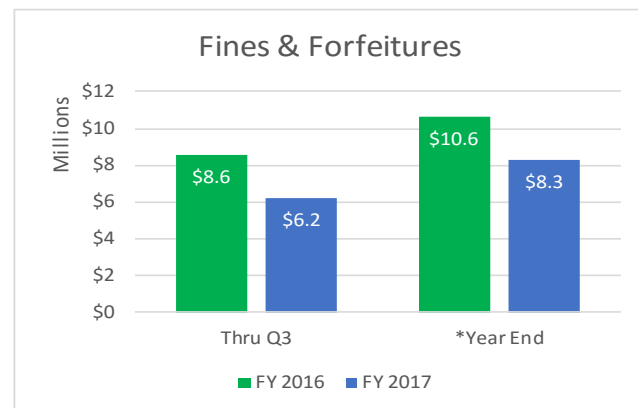


Examples of accounts in this category include: ambulance revenue, indirect costs, reimbursed expenses, and engineering charges. The revenue from this category is \$36k higher than the same period last year due to timing of indirect cost recovery posting.

Fines & Forfeitures

	FY 2016	FY 2017
Thru Q3	8,556,345	6,215,830
% Collected	80.3%	57.3%
Budget	12,084,048	10,841,457
*Year End	10,649,107	8,320,044

*FY 2016 Year-End Actual and FY 2017 Projected Year-End Actual



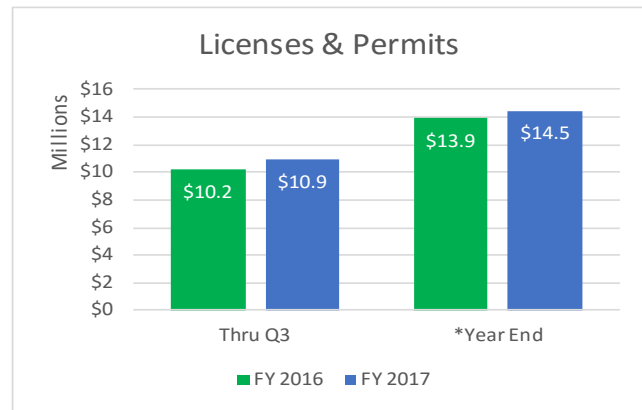
Fines & forfeiture revenue continues to underperform compared to budget. Traffic ticket issuance down is (11.32%) compared to same period prior year. Year-to-date revenue illustrates a decrease of (\$2,340,515) or (27.4%) compared to same period prior year. During Fiscal Year 2016 revenues included an amnesty period (February 22, 2016 - March 5, 2016) that generated over \$1.5M.

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Licenses & Permits

	FY 2016	FY 2017
Thru Q3	10,225,049	10,912,760
% Collected	73.6%	84.2%
Budget	12,574,325	12,956,767
*Year End	13,901,051	14,475,850

*FY 2016 Year-End Actual and FY 2017 Projected Year-End Actual



Total license and permit revenue reflects an increase of \$687,711 or 6.7% compared to same period prior year. Roofing permits are the primary driver, exceeding expectations with a year-to-date increase of \$551,733 or 74.9%.

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General Fund Expense Summary

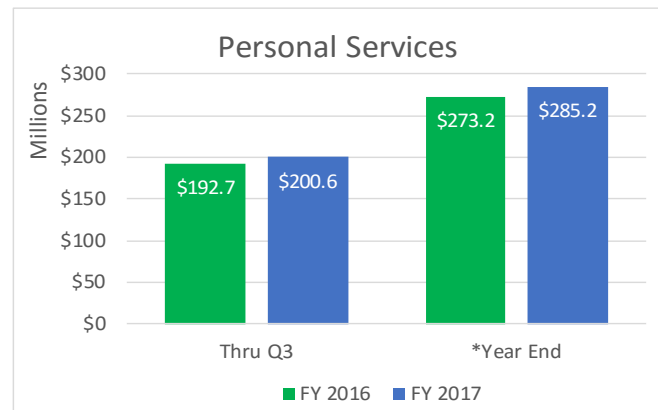
Total General Fund expenses through the 3rd Quarter (September-May) are \$261,475,048 representing an increase of \$5,076,097 compared to same period last year.

FY 2017 Adjusted Budget	FY 2017 Actual YTD	FY 2017 Actual YTD %	FY 2016 Actual YTD %	FY 2016 Actual YTD
381,005,929	260,626,772	68.4%	68.7%	255,561,948

Personal Services

	FY 2016	FY 2017
Thru Q3	192,745,644	200,602,647
% Expensed	70.6%	69.9%
Budget	275,042,097	287,156,132
*Year End	273,168,329	285,234,256

*FY 2016 Year-End Actual and FY 2017 Projected Year-End Actual



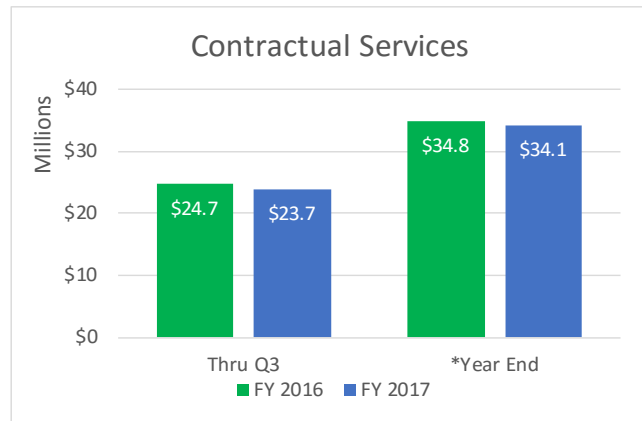
This category makes up 75% of the budget and includes salaries, benefits, and taxes. Cost related to personal services increased \$7,857,003 compared to same period last year. Police and Fire collectively bargained pay increases, new officers, civilian compensation increases, and healthcare costs for employees and retirees, are the primary drivers for the upsurge.

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Contractual Services

	FY 2016	FY 2017
Thru Q3	24,694,763	23,743,612
% Expensed	70.6%	69.9%
Budget	34,856,952	34,959,305
*Year End	34,766,253	34,088,311

*FY 2016 Year-End Actual and FY 2017 Projected Year-End Actual

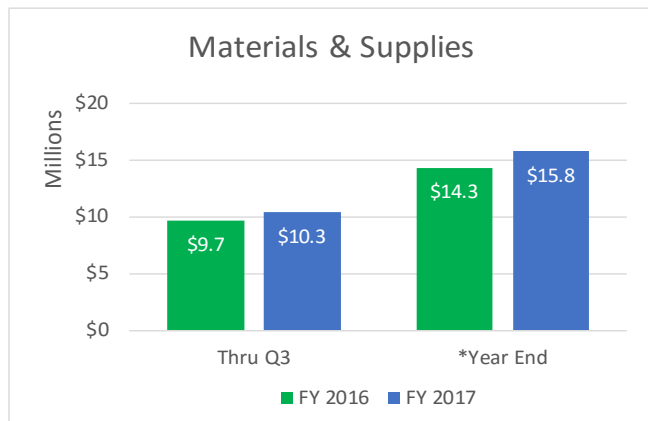


Year to date contractual services reflects a decrease of **(\$951,151)** compared to same period last year primarily due to additional contractual increases such as elections, janitorial and security. Information Technology reflects a decrease of **(\$2,255,759)** due to P25 public safety radio debt payment now expensed in the appropriate Non-Operating Expenditure category. Data processing contracts in Information Technology are higher due to timing of payments being posted. Vehicle Maintenance costs are \$246,655 higher primarily due to aging Police fleet.

Materials & Supplies

	FY 2016	FY 2017
Thru Q3	9,664,106	10,346,174
% Expensed	67.5%	64.2%
Budget	15,107,295	16,114,231
*Year End	14,323,192	15,758,024

*FY 2016 Year-End Actual and FY 2017 Projected Year-End Actual



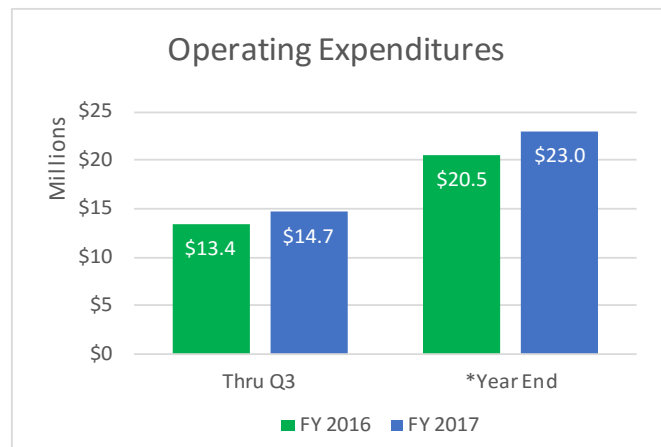
Year to date in materials and supplies reflects an increase of \$682,068 compared to same period last year. Police and Fire experienced an increase of \$173,508 due primarily to higher fuel costs. Streets & Maintenance reflect an increase of \$354,165 due primarily to maintenance supplies and building facility repairs (Street Light Maintenance duties now in house).

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Operating Expenditures

	FY 2016	FY 2017
Thru Q3	13,443,400	14,710,230
% Expensed	65.4%	66.8%
Budget	22,693,815	22,025,619
*Year End	20,547,149	22,979,328

*FY 2016 Year-End Actual and FY 2017 Projected Year-End Actual

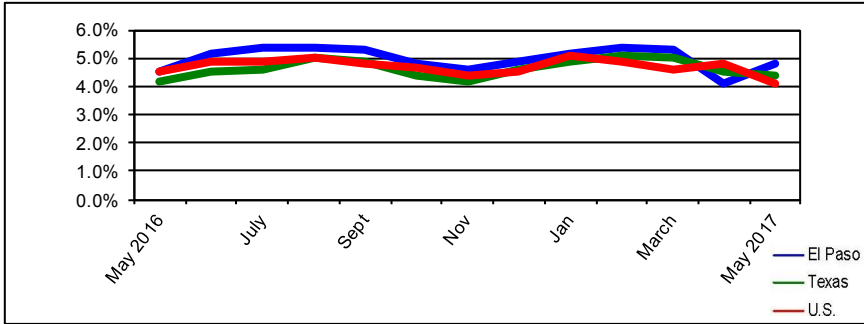


Operating expenditures reflects a year to date increase of \$1,266,830 or 9.42% compared to same period last year. The increase is due to utilities, primarily electricity and water (partially offset by franchise revenue).



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 2017

Unemployment Rate (not seasonally adjusted)

	May 16	May 17	Change
El Paso	4.6%	4.8%	+0.2%
Texas	4.3%	4.4%	+0.1%
U.S.	4.5%	4.1%	-0.4%

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)

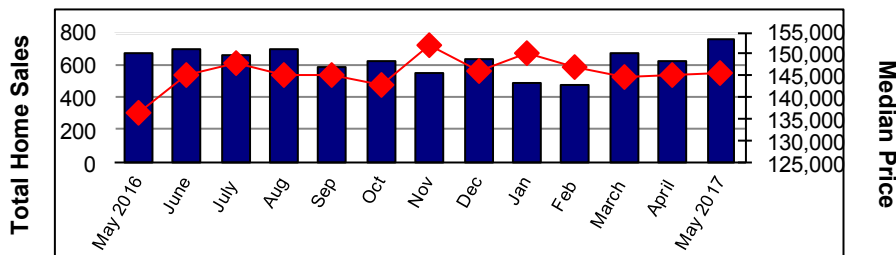
*Bureau of Labor Statistics— OES Data released on a yearly basis

Workforce

	2016	2017	Change
Median HH Income	\$40,170	\$41,578	+\$1,408
Civilian Labor Force	349,386	357,549	+8,163
Employment	333,479	340,565	+7,086

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

Residential Activity



■ Home Sales
◆ Median Home Price

El Paso Median Home Price (May 2017): \$147,000

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 May 2017)
(single, multifamily, commercial)

1200	\$958,200
52	\$454,600
458	\$585,700

Source: Texas A&M Real Estate Center

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

El Paso Apartment Data

Total May Units added (includes only complexes with 50+units): 117 units
Avg. Square Feet: 838 sq. ft.
Effective Rent: \$757
Asking Rent:\$766
Occupancy: 92.1% (May 2017)

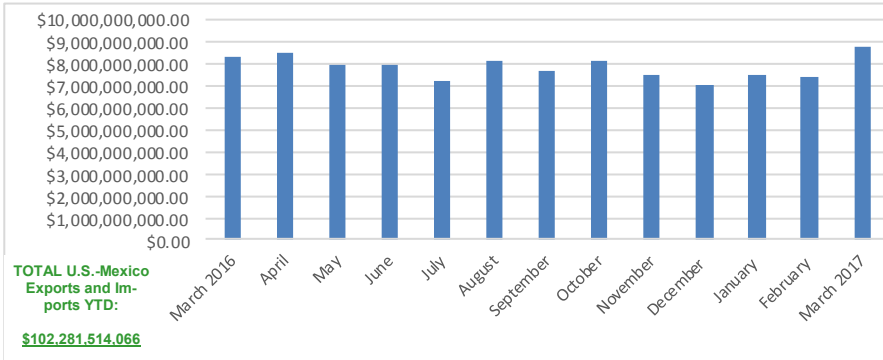
Source: ALN Apartment Data, Inc.



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 May Flight Activity

	2016	2017	Change
Carriers	5	5	0
Daily Departures	49	50	+1
Freight (Total in tons- 1 yr comparison)	6,678	7,286	+9.1%
Nonstop cities	12	13	+1
Passengers (YTD TOTALS)	1,066,998	1,121,060	+5.1%
Daily Seats	5,283	5,537	+254

*El Paso International Airport, May traffic report totals

Total Passenger Market by Airline (YTD)

	2016	2017
Southwest	48.82%	48.12%
American	32.75%	34.04%
Delta	7.43%	7.24%
Allegiant	0%	0%
United	10.53%	10.37%

May 2017 Total Passengers: 255,355

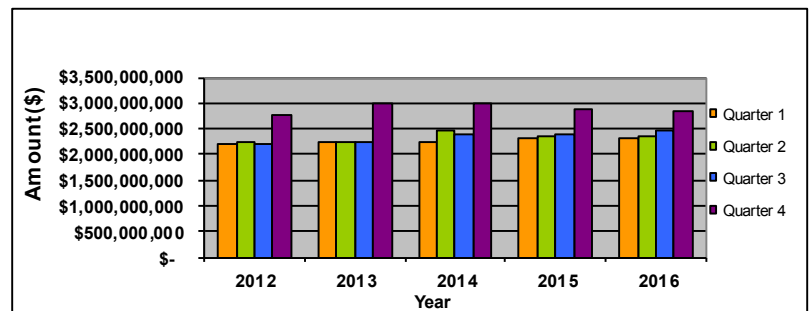
Source:
El Paso International Airport, May YTD

Hotel Industry El Paso		
	2016	2017
Hotel Occupancy (YTD)	64.6%	66.3%
*Census Prop	90	92
Total Rooms	9,325	9,509
Hotel Revenue, May 2017:	\$189M	

Note: Revenue in Millions

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

Annual Changes in Gross Retail Sales 2012-2016



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

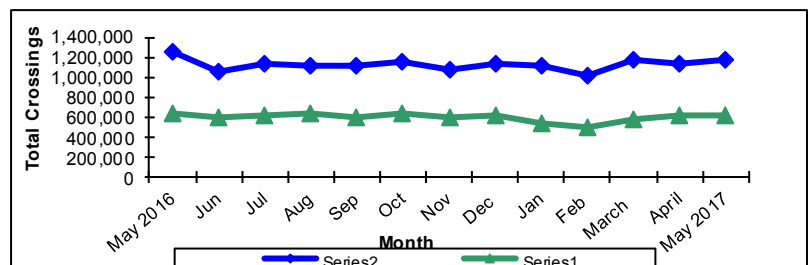
*Gross Sales (**All Industries**) in 2017 reached **\$27.8 billion** for El Paso in 2016. Total Gross **Retail Trade Sales**, as of Q4 2016, was over **\$9.9 billion**

El Paso Job Creation

El Paso County added over **12,100 jobs** (nonfarm) during 2016, an increase of 1.7% for the year which **outperformed** those of the State of Texas (1.6%). According to the Dallas Federal Reserve June Report, El Paso has added **3,000 jobs** (YTD) with strong growth in Education and Health Services, Professional and Business Services, and Leisure and Hospitality.

*dallasfed.org, Texas Labor Market Information

Northbound Crossings (all bridges) 22,595,428 million northbound crossings YTD



Source: Customs & Border Protection
YTD, May 2016-May 2017 (Pedestrian & Vehicle Crossings)

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

Date Completed	Fund	Amount	Project	Division	BT #	Justification	Funding Source
3/6/2017	4560, 4800	\$8,971	PCP13PRKCO5, PCP13PRKA28, PCP13PRKA08, PCP13CTYHALL2	28340, 29010	2017-0505	Transfer \$8,970.93 to Pavo Real Spray Park project from various completed projects to run power to the facility. This is in accordance with paragraph 8 of the budget resolution.	FY12-13CO'S CIP PLAN, GOP 2012 QUALITY OF LIFE
3/6/2017	4800	\$1,097	PCP13ZOOA01	29020	2017-0506	Transfer between accounts of \$1,096.87 for the Zoo African Wetlands River Hog project to purchase IT equipment.	GOP 2012 QUALITY OF LIFE
3/7/2017	4800	\$1,917,256	PCP13PRKA23	29010	2017-0429	Transfer between accounts of \$1,917,256 for the Northeast Regional Park Improvements and Amenities to begin planning for phase II.	GOP 2012 QUALITY OF LIFE
3/7/2017	4800	\$220	PCP13ZOOB03	29020	2017-0532	Transfer between Zoo Wildlife Theater accounts of \$220 to purchase refrigerators placed at the exhibit. This is in accordance with paragraph 8 of the budget resolution.	GOP 2012 QUALITY OF LIFE
3/14/2017	4500, 4680, 4690	\$2,960	PCP08PA01GGG0, PCP08PA01CCC0, PCP10FI010, PCP10TRAN010, PCP08ST04D20	28310, 38320, 99999	2017-0553	Transfer \$2,960.37 to Travis White Rock Wall project from various completed projects to fund a boundary survey. This is in accordance with paragraph 8 of the budget resolution.	CO 2010 ISSUE, CO 2003 ISSUE, CO 2006 ISSUE
3/15/2017	4930	\$1,060,642	PCPTXDOTRFND	38290	2017-0356	Transfer of \$1,008,398 between funds for the TXDOT Refunds project and recognize \$52,244 in new refunds from TXDOT in fund 4930. This is the 1st of 2 requests related to moving the budget to the appropriate fund.	Capital Projects-Internal
3/20/2017	4950	\$1,008,398	PCPTXDOTRFND	38170	2017-0357	Reduce \$1,008,398 in the TXDOT Refunds project in fund 4950 already transferred to fund 4930. This is the 2nd of 2 requests related to moving the budget to the appropriate fund.	Capital Projects-TxDot
3/28/2017	4800	\$326,161	PCP13PRKD09	29010	2017-0579	Transfer between Polly Harris Senior Center accounts of \$326,161. This is in accordance with paragraph 8 of the budget resolution.	GOP 2012 QUALITY OF LIFE
4/10/2017	4510	\$80,000	PCP15TRAN04, PCP10TRAN120	28320	2017-0566	Transfer \$80,000 to Edgemere and Rich Beem Roundabout project from two completed transportation projects needed for additional design elements. This is in accordance with paragraph 8 of the budget resolution.	CO 2010 ISSUE
4/18/2017	4800	\$86,368	PCP13ZOOA01	29020	2017-0615	Transfer between accounts of \$2,479 for the Zoo African Wetlands River Hog project for locks and a refrigerator and transfer between accounts of \$83,889 to align the budget. This is in accordance with paragraph 8 of the budget resolution.	GOP 2012 QUALITY OF LIFE
4/19/2017	4740	\$6,257,139	PCP13ST002RSY4	28900	2017-0608	Transfer \$6,257,139 between accounts for the Year 4 Resurfacing project to setup funding for the resurfacing inspectors and move the remaining budget into an expense account. This is in accordance with paragraph 8 of the budget resolution.	2013 STREET INFRASTRUCTURE
4/25/2017	4950	\$2,000,000	PCP09MT0110	38170	2017-0674	Setup up \$2,000,000 TXDOT portion for the design of the Montana RTS project. Agreement approved by council on 4/14/2009. This is in accordance with paragraph 13 of the budget resolution.	Capital Projects-TxDot

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

Date Completed	Fund	Amount	Project	Division	BT #	Justification	Funding Source
4/27/2017	4970	\$186,353	PCP17ST018, PCP17ST019, PCP17ST020	32020	2017-0687	Setup up three school zone flasher installation projects funded by EPISD totaling \$186,353 per Traffic Signal Agreement executed 3/10/2017. This is in accordance with paragraph 8 of the budget resolution.	Other Outside Sources
5/2/2017	4800	\$1,878	PCP13ZOOD05	29020	2017-0700	Transfer between accounts of \$1,878 for the Zoo Animal Holding Building 1 project to purchase locks. This is in accordance with paragraph 8 of the budget resolution.	GOP 2012 QUALITY OF LIFE
5/15/2017	4560	\$3,490	PCP12FI030	28340	2017-0754	Transfer between accounts of \$3,490 for the Fire Station #5 project for investigative work on damage to an elevated concrete floor slab. This is in accordance with paragraph 8 of the budget resolution.	FY12-13 CO'S CIP PLAN
5/23/2017	2329, 4560, 4800	\$70,457	PCP13LIBA12, PCP13LIBA07	53060, 28340, 29040	2017-0769	Transfer \$70,457 to the Richard Burges Library project from completed Irvin Schwartz Library project to address funding gap. This is in accordance with paragraph 8 of the budget resolution and the QoL bond ordinance.	LIBRARY DONATIONS, FY12-13CO'S CIP PLAN, GOP 2012 QUALITY OF LIFE
5/31/2017	4950	\$262,636	PCP06ST022E0	38170	2017-0802	Reduce \$262,636 from the TXDOT portion of the Isela Rubalcaba project to align with the Local Project Advance Funding Agreement approved by council 10/21/2008.	Capital Projects-TxDot