



County of El Paso FY2020-2021

Uncertainties during the Pandemic

Revenue/Expense Budget Scenarios

Budget Scenarios

- Revenue Scenarios Overview
- Expense Scenario Options – 4 Phase Approach
- What are our peers doing
 - National/State
- Discussion

Revenue Shortfall Scenarios

Revenue Category	FY2021 Budget	Revenue Shortfall Scenarios			
		2.7% **	5.1% **	7.6% **	10.2% **
Bingo Tax	\$ 21,000.00	\$ 1,050.00	\$ 2,100.00	\$ 3,150.00	\$ 4,200.00
Charges for services other	\$ 32,657,774.00	\$ 1,632,888.70	\$ 3,265,777.40	\$ 4,898,666.10	\$ 6,531,554.80
Fines	\$ 3,975,450.00	\$ 198,772.50	\$ 397,545.00	\$ 596,317.50	\$ 795,090.00
Interest	\$ 1,324,000.00	\$ 66,200.00	\$ 132,400.00	\$ 198,600.00	\$ 264,800.00
Integovernmental	\$ 7,281,434.00	\$ 364,071.70	\$ 728,143.40	\$ 1,092,215.10	\$ 1,456,286.80
Liscenses and permits	\$ 289,500.00	\$ 14,475.00	\$ 28,950.00	\$ 43,425.00	\$ 57,900.00
Miscellaneous	\$ 1,074,250.00	\$ 53,712.50	\$ 107,425.00	\$ 161,137.50	\$ 214,850.00
Mixed Beverage	\$ 2,500,000.00	\$ 125,000.00	\$ 250,000.00	\$ 375,000.00	\$ 500,000.00
Other Financing Sources	\$ 1,009,671.00	\$ 50,483.55	\$ 100,967.10	\$ 151,450.65	\$ 201,934.20
Property Tax (1.5%-5%)	\$ 197,342,894.00	\$ 2,960,143.41	\$ 4,933,572.35	\$ 7,400,358.53	\$ 9,867,144.70
Sales Tax	\$ 53,974,966.00	\$ 2,698,748.30	\$ 5,397,496.60	\$ 8,096,244.90	\$ 10,794,993.20
Vehicle Inventory Tax	\$ 35,000.00	\$ 1,750.00	\$ 3,500.00	\$ 5,250.00	\$ 7,000.00
Totals	\$ 301,485,939.00	\$ 8,167,295.66	\$15,347,876.85	\$ 23,021,815.28	\$ 30,695,753.70
Revenue category reductions for each account :		5%	10%	15%	20%
Except for Property Taxes which reductions are		1.50%	2.50%	3.75%	5%
** The percentage calculated above take into account overall revenue impacts					

Expense Scenario Options Summary

PHASE I – Covers up to 5.8% reduction in revenues	\$17.5M
PHASE II – Covers up to 7% reduction in revenues	\$ 3.5M
PHASE III - Covers up to 9.5% reduction in revenues	\$ 7.5M
PHASE IV – Covers up to 15.4% in revenue reduction	<u>\$17.9M</u>
	\$46.4M

Expense Scenario Options

PHASE I – Covers up to 5.8% reduction in revenues

- Operating/Capital

■ Delay/Defer Operating Equipment	\$ 1,500,000.00
■ Delay/Defer CIP contribution	\$ 8,000,000.00
■ Mobility Projects Delay/Bond	\$ 4,000,000.00
■ Storm Water Delay/Bond	<u>\$ 4,000,000.00</u>
	\$ 17,500,000.00

PHASE II – Covers up to 1.2% reduction in revenues

- Departmental 5% Operating Budget Reductions (exclusive of accounts above)

Expense Scenario Options

PHASE III - Covers up to 2.5% in revenue reduction
Utilize Emergency Reserve – up to \$7,500,000,

PHASE IV – ONLY in most severe circumstances, covers up to a 5.9% in revenue reduction

- Personnel

■ Hiring Freeze	\$ 1,500,000.00
■ CBA Reopen COLA/STEP (FY22)	\$ 2,200,000.00
■ TDCRS rate reduction 6%	\$ 3,200,000.00
■ Furloughs 10% PPP (non CBA)	<u>\$ 11,000,000.00</u>
	\$ 17,900,000.00

PHASES I-IV cover up to a 10.2% Revenue reduction (5% in Property Tax and 20% in all other categories)

National Actions

- ICMA Survey (mid July)

- 600 Respondents

WITHIN YOUR CURRENT FISCAL YEAR, WHICH OF THE FOLLOWING PERSONNEL ACTIONS HAVE YOU TAKEN TO MITIGATE BUDGETING CHALLENGES THAT HAVE OCCURRED AS A RESULT OF COVID-19 IMPACTS?

Hiring freeze	52%
Consolidation of responsibilities or functions	28%
Elimination of unfilled positions	27%
Salary freezes	26%
Furloughs	19%
Layoffs	11%

National Actions

- ICMA Survey (mid July)

- 600 Respondents

THUS FAR, HOW HAS THE COVID-19 CRISIS IMPACTED YOUR PLANS FOR THE FOLLOWING TYPES OF CAPITAL IMPROVEMENTS?

	Cancelled	Delayed
Public recreation spaces - e.g., parks, trails, plazas (n=555)	9%	51%
Other government facilities (n=559)	8%	46%
Roads, sidewalks (n=558)	5%	40%
Public safety facilities/equipment (n=543)	4%	33%
Water/sewer (n=513)	1%	24%
Hazard mitigation projects - e.g., levees, sea walls (n=444)	2%	16%
Transit (n=390)	3%	15%

National Actions

■ NACO Survey (197 response)



State/County Actions

- State of Texas – 5% Requested Budget Reduction
- Counties
 - Montgomery
 - Lean Budget/No new requests at all
 - Fort Bend
 - 20% Budget Cuts
 - Webb
 - Freeze all non-essential spending
 - Dallas
 - Discussions on cutting Sheriff Patrol
 - 10% Budget Cuts
 - Reductions in Workforce (200)
 - Bexar
 - Hiring Freeze
 - Halt Capital and Discretionary spending
 - Halt Economic Incentive spending and incentives



Questions?