



Budget Update

November 22, 2022

AGENDA

- Budget Overview
- Primary Cost Driver and Revenue
- Recent Revenue Impacts
- Recent Recognitions

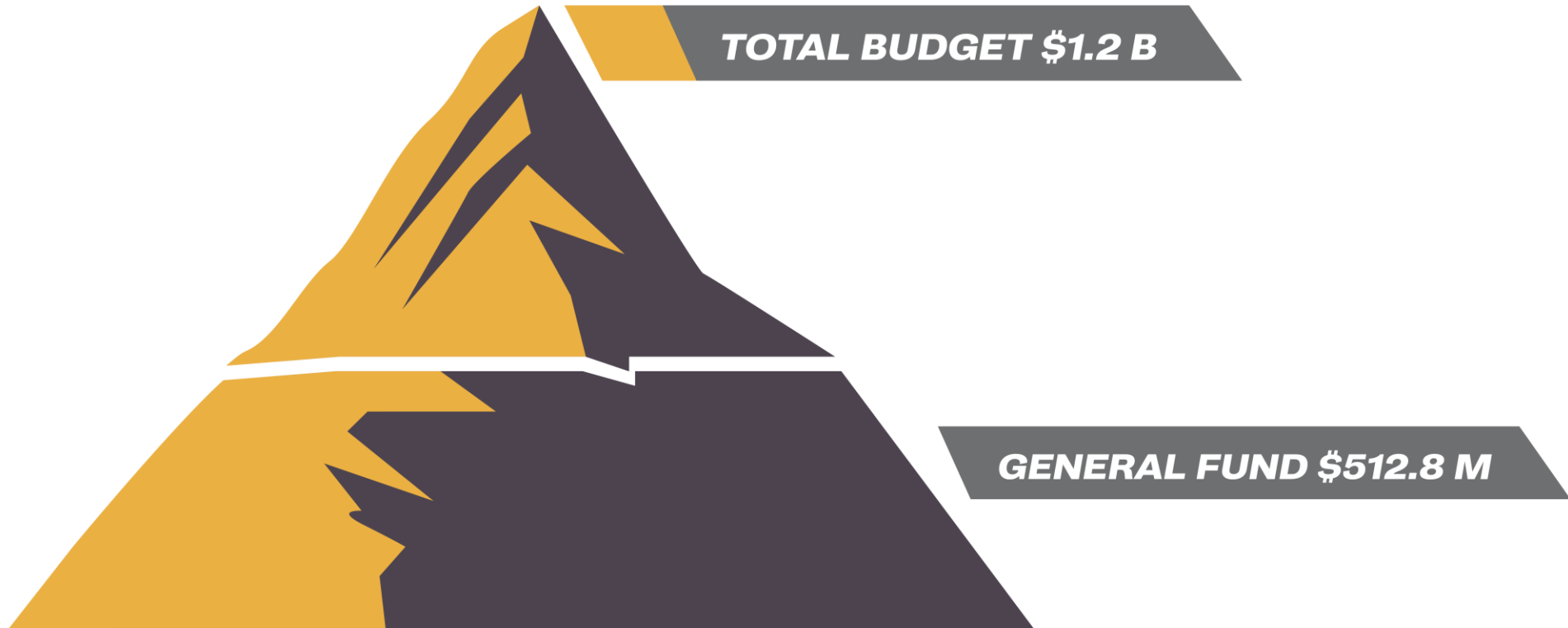


Budget Overview



- Overall City Budget includes seven different fund types
- **General Fund** is the primary operating fund and accounts for only **44%** of the overall Budget
- Other funds accounting for the remaining 56% of the budget include: business-type activities (airport, mass transit, etc), revenue restricted for specific purposes, federal grants, capital projects, and internal services functions (ex. health fund, fleet management)

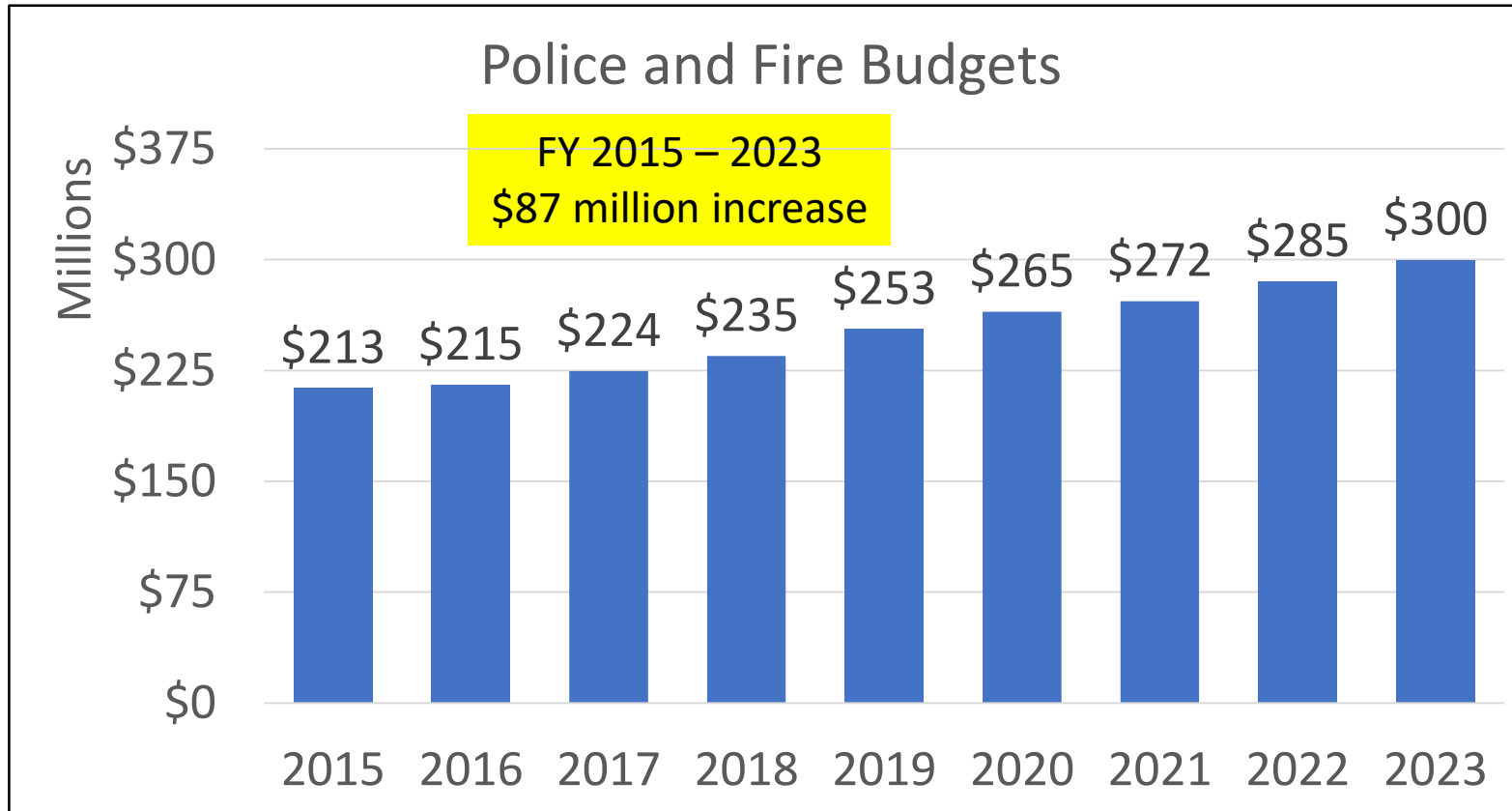
FY 2023 All Funds Budget \$1.2B



FY 2023 General Fund



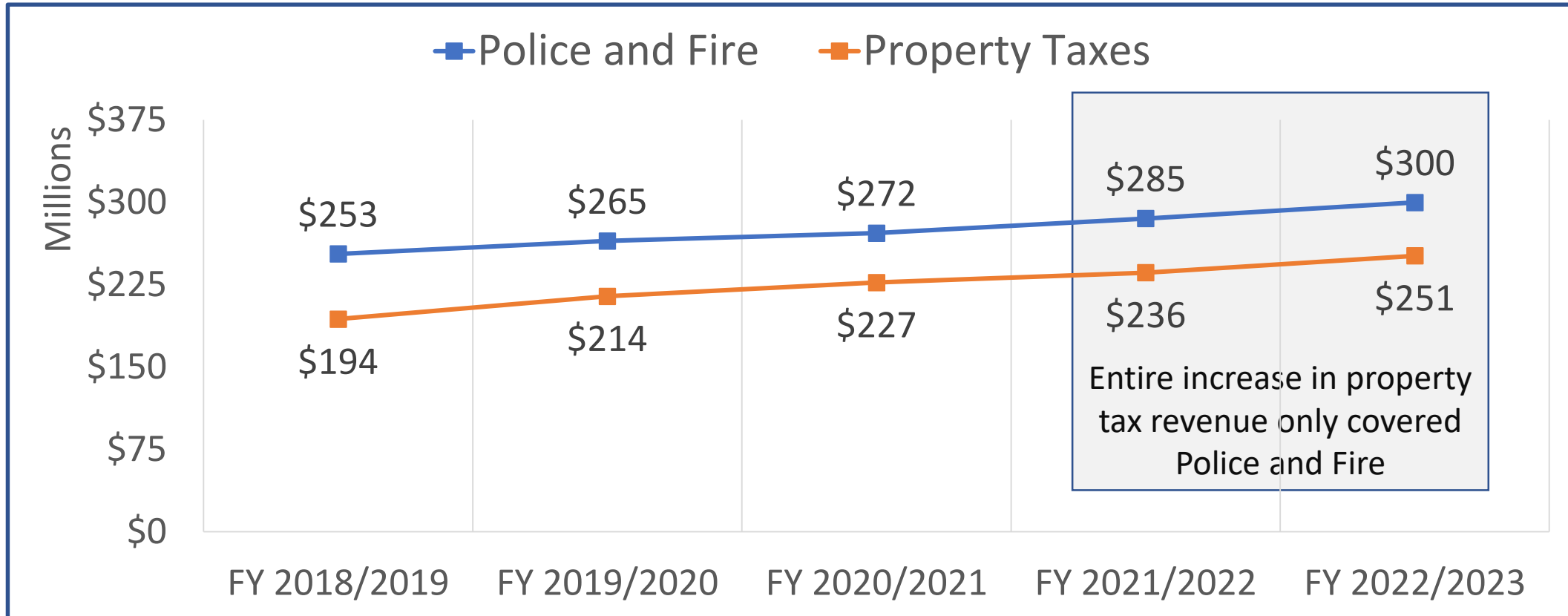
Primary Operating Cost Drivers



- Since FY 2015
 - Police and Fire increases are equivalent to 23.5 cents on the tax rate
 - Actual operating tax rate has only increased by 13 cents

FY 2023 General Fund

Primary Cost Driver and Revenue Source



Sales Tax Revenue

Reporting Month

September 2022 ✓

\$10.98M

Revenue

3.37%

Year-Over-Year Change

3.37%

YTD Variance

Monthly Sales Tax Revenue



\$10.98M

FY23 YTD

\$110.28M

FY23 Budget

Fiscal Year Tax Data



Recent Revenue Impacts

Providing Tax Relief

Property Tax Exemptions (Discounts)



- Seniors discount on property taxes
 - \$18.2 million in savings annually for over 53,000 seniors and disabled
 - Exemption (discount) has increased by 42% since 2016, from \$30,000 up to \$42,500
- \$12.8 million in savings for over 21,000 disabled veterans and spouses
- \$5.4 million in savings for 131,000 homesteads

Recent Impacts From State Actions



- \$6 million negative impact
 - \$3.0 million annually used for median maintenance on State-controlled roads
 - \$2.5 million lost annually since 2019 due to state legislation related to telecommunication franchise fees
 - \$500K lost annually for Red Light Camera program due to state legislation
- 1.5 cent impact on tax rate

Recent Impacts – Federal Gov't

- \$2.8 million annually from Bridge revenue dedicated to P3 with Customs & Border Protection (overtime costs)
 - 7/10th of a cent impact on the tax rate
- City financing immigration crisis - \$7.28 million pending to be reimbursed
- Impact on tax rate

Examples of Revenue not Collected by the City

- Transfers to help offset General Fund and help property tax rate
 - City owned utilities – for ex. San Antonio receives \$392 million and Austin receives \$150 million
- Transportation User or Street Maintenance Fees
 - City of Austin - \$125 million for mobility and transportation (street maintenance)
- Sales tax collection on residential gas and electricity
 - 774 Texas cities currently impose the tax, El Paso does not

Recent National Recognitions

The top 15 under-the-radar cities to live in Texas (2023)

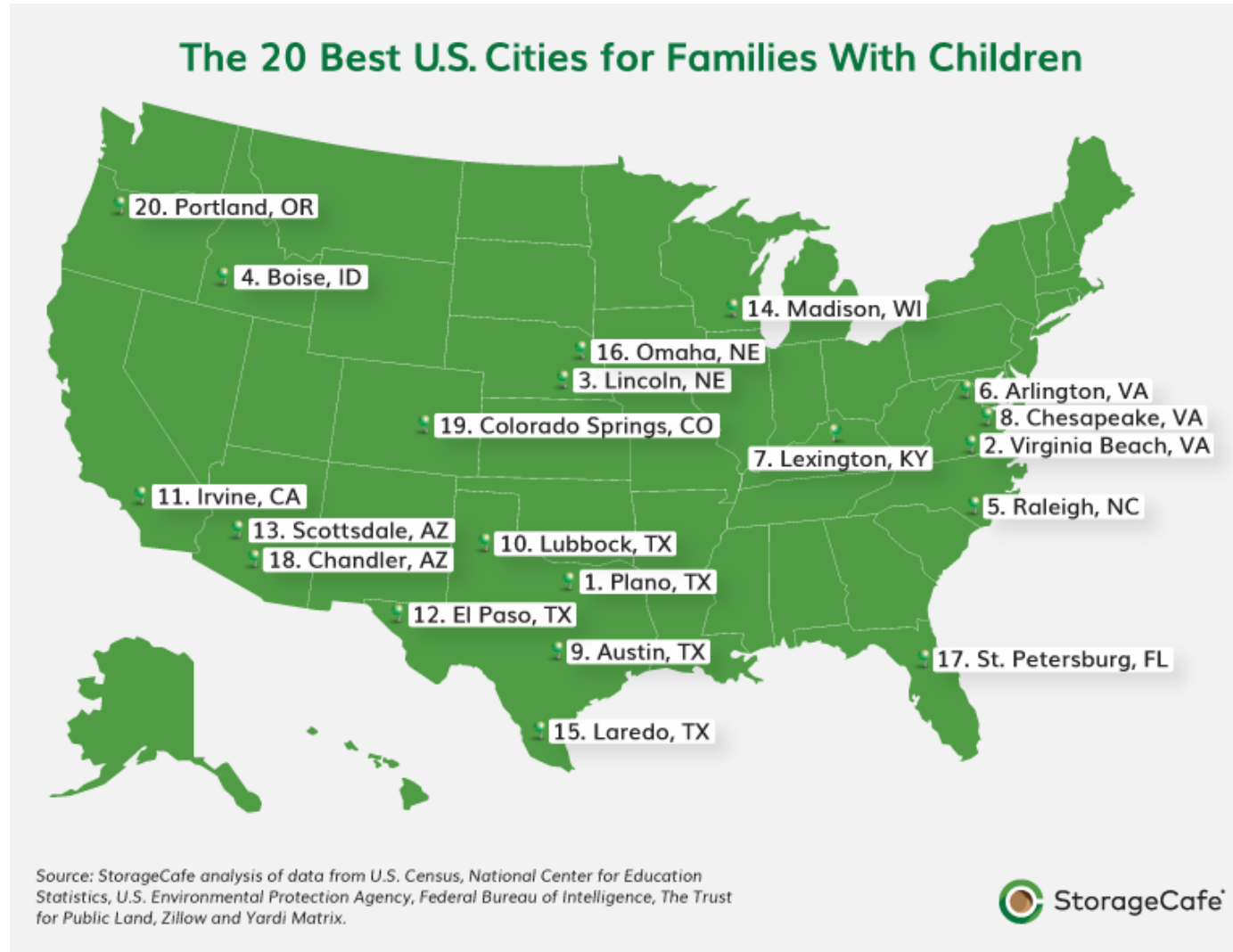


Border cities provide excellent value: Contrary to many of the popular fears about border towns, some of Texas' best cities in terms of home value and quality of life are just across the border from Mexico.

Source: [The Top 15 Under-the-Radar Cities in Texas: Report \(2023\) - Orchard](#)

Best Cities For Families With Children

16



[El Paso](#) - ranked high for safety, **registering the 6th-lowest crime rate**, and has excellent public schools. One of the biggest draws for any family is the city's affordability, with home prices hovering around \$200K, on average. Moreover, El Paso registers the **5th-lowest rent** in our ranking, with renters paying around \$980/month. Living here means you also pay less for food, and El Paso boasts the **5th-lowest cost of groceries** among the big cities.



Mission

Deliver exceptional services to support a high quality of life and place for our community



Vision

Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government



Values

Integrity, Respect, Excellence, Accountability, People