



CITY OF EL PASO

# FY 2026 1st Quarter Financial Report

February 03, 2026

# Agenda

- Summary
- Revenue Comparisons
- Expense Comparisons



# FY 2026 Budget Focus

## Adopted August 18, 2025

- Improving engagement and transparency
- Maintaining/improving **service delivery** by offering competitive wages and benefits
- Additional **tax relief** for seniors and disabled homesteads
- Focus on developing **structurally balanced** budgets (decreased use of Fund Balance)
- Identifying **new revenue** for the General Fund (termination of TIRZ #9)
- Maintaining **infrastructure investment**, including pay-go for streets, facilities, and vehicles

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# Current Year Revenue (Sep – Nov)

Overall revenue is down, \$3.4 million, or 3.7% compared to the same time last year, primarily driven by:

- Property tax collections decrease of \$4.8 million (majority of revenue collected in 2<sup>nd</sup> Quarter)
- City sales tax revenue is up \$3.2 million

# Current Year Expense (Sep – Nov)

Overall expenditures are up by \$5.1 million, or 4.3% compared to same time last year, primarily driven by:

- Personal services (salaries, benefits, and taxes) increase of \$3.3 million
- Information Technology citywide contracts increase of \$1.3 million
- Materials and supplies increase of \$963K (ammunition, vehicle maintenance, library books)

# General Fund Year-End Total Projection

Category	FY 2026 Budget	FY 2026 Actuals (Sep-Nov)	Year-End Projection
Revenue	\$625,691,692	\$88,804,244	\$621,481,168
Expenses	\$625,691,692	\$123,539,454	\$621,429,088
<b>Projected Surplus/(Deficit)</b>			<b>\$52,080</b>

Revenue projection includes no use of fund balance (Adopted Budget approved \$3.25 million)

# General Fund Revenue

## Year-To-Date Comparison

Category	FY 2026 Budget	FY 2026 Actuals (Sep-Nov)	FY 2026 % Total Collected	FY 2025 Actuals (Sep-Nov)	Budget/Actuals % Variance
Property Taxes.....	\$304,878,594	\$13,717,528	4.5%	\$18,603,780	6.6%
Sales Taxes.....	146,725,816	35,162,502	24.0%	33,583,810	23.9%
Franchise Fees.....	61,742,911	13,825,529	22.4%	14,857,875	25.3%
Charges For Services.....	35,249,668	7,156,581	20.3%	8,026,893	23.1%
Fines And Forfeitures.....	6,960,004	1,587,412	22.8%	1,690,404	23.8%
Licenses And Permits.....	12,089,877	2,975,553	24.6%	3,246,338	26.3%
Intergovernmental .....	3,926,915	271,255	6.9%	342,027	9.4%
Interest.....	2,500,000	536,750	21.5%	1,011,917	10.4%
Rents And Other.....	12,647,750	2,122,510	16.8%	2,575,319	20.0%
Operating Transfers In.....	38,970,157	11,448,625	29.4%	8,318,777	21.3%
<b>Total Revenue.....</b>	<b>\$625,691,692</b>	<b>\$88,804,244</b>	<b>14.2%</b>	<b>\$92,257,141</b>	<b>15.4%</b>

# General Fund Revenue Year-End Projections

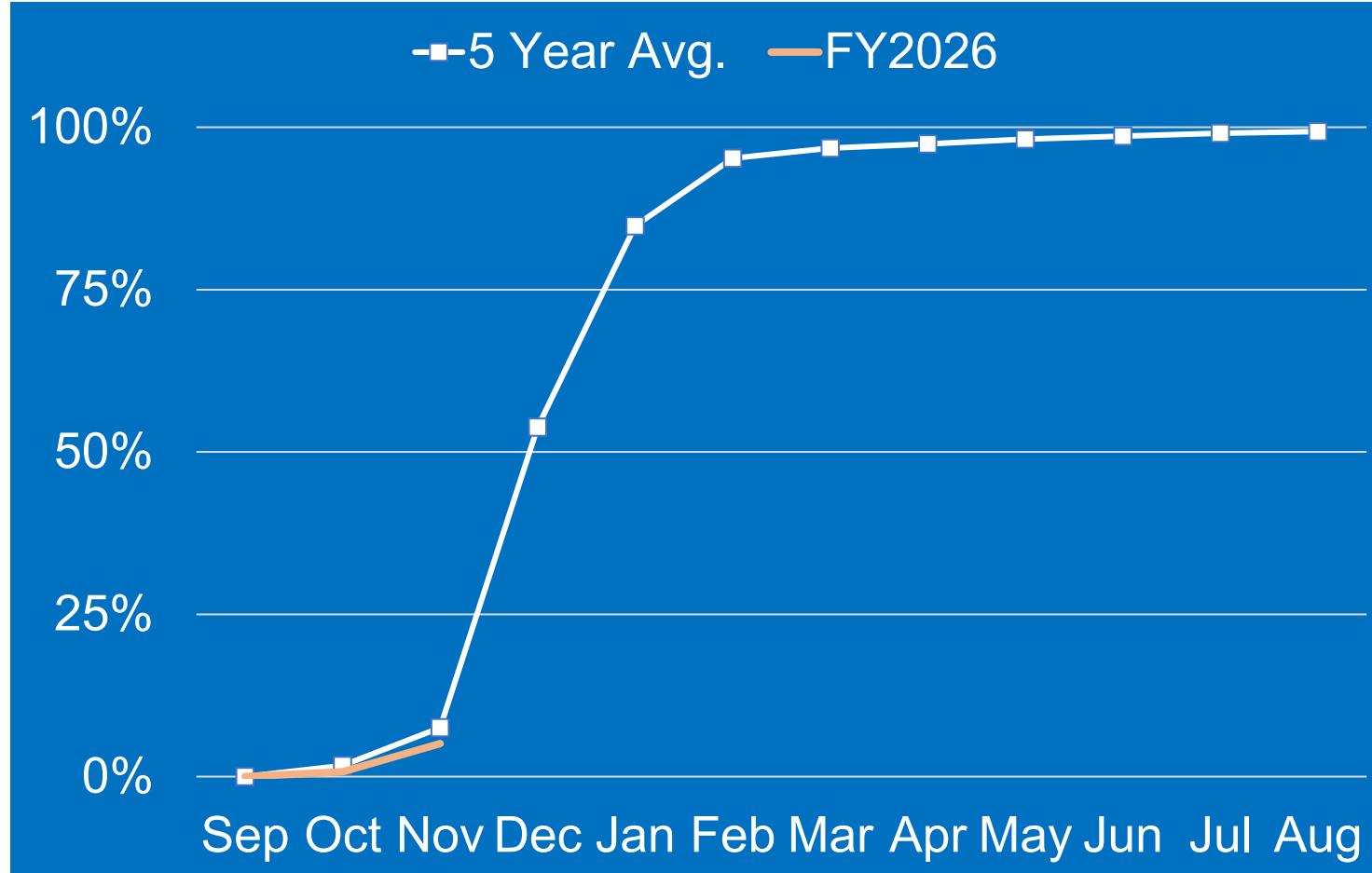
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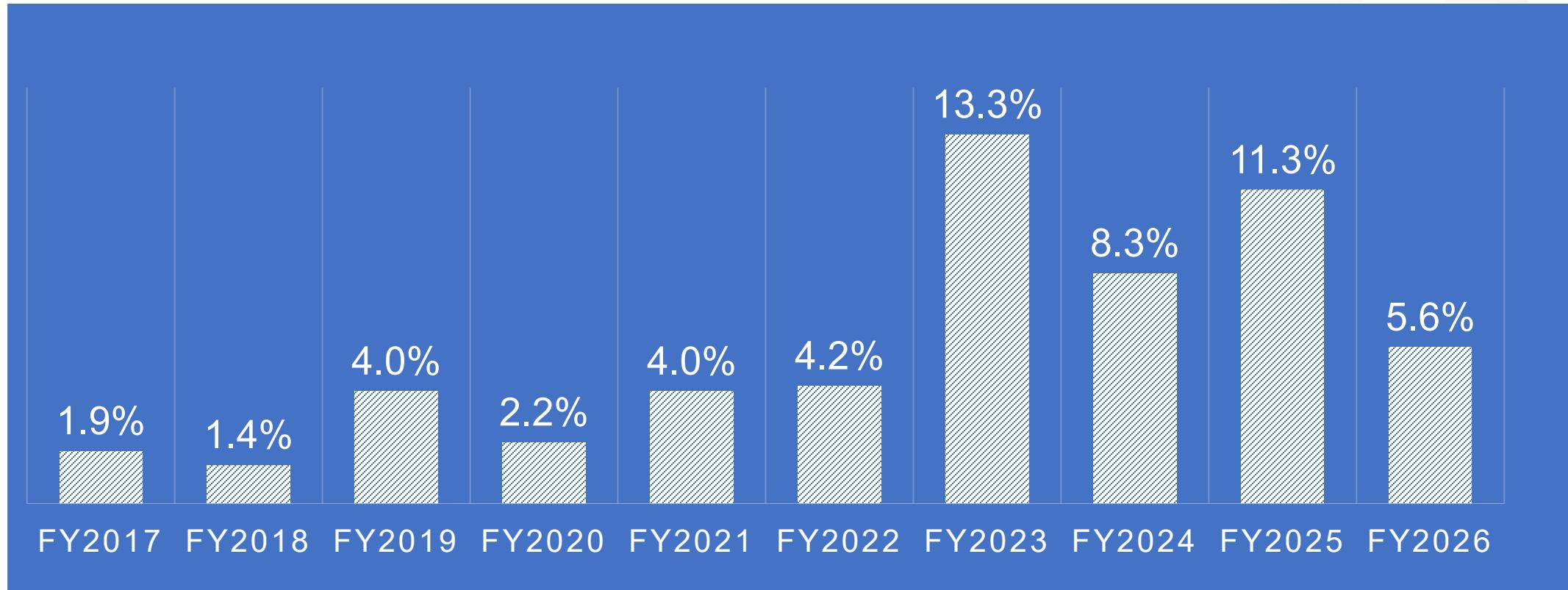
Category	FY 2026 Budget	FY 2026 Actuals	FY 2026 Year-End Projection	Projected Over/(Under) Budget
Property Taxes.....	\$304,878,594	\$13,717,528	306,233,033	1,354,439
Sales Taxes.....	146,725,816	35,162,502	146,129,164	(596,652)
Franchise Fees.....	61,742,911	13,825,529	58,615,051	(3,127,860)
Charges For Services.....	35,249,668	7,156,581	34,788,400	(461,268)
Fines And Forfeitures.....	6,960,004	1,587,412	6,447,735	(512,269)
Licenses And Permits.....	12,089,877	2,975,553	12,045,729	(44,148)
Intergovernmental .....	3,926,915	271,255	4,054,771	127,856
Interest.....	2,500,000	536,750	2,500,000	-
Rents And Other.....	12,647,750	2,122,510	11,979,430	(668,320)
Operating Transfers In.....	38,970,157	11,448,625	38,687,855	(282,302)
<b>Total Revenue.....</b>	<b>\$625,691,692</b>	<b>\$88,804,244</b>	<b>\$621,481,168</b>	<b>(\$4,210,524)</b>

- FY 2026 Budget includes \$3.25M Use of Fund Balance
- Year-End Projection includes no Use of Fund Balance

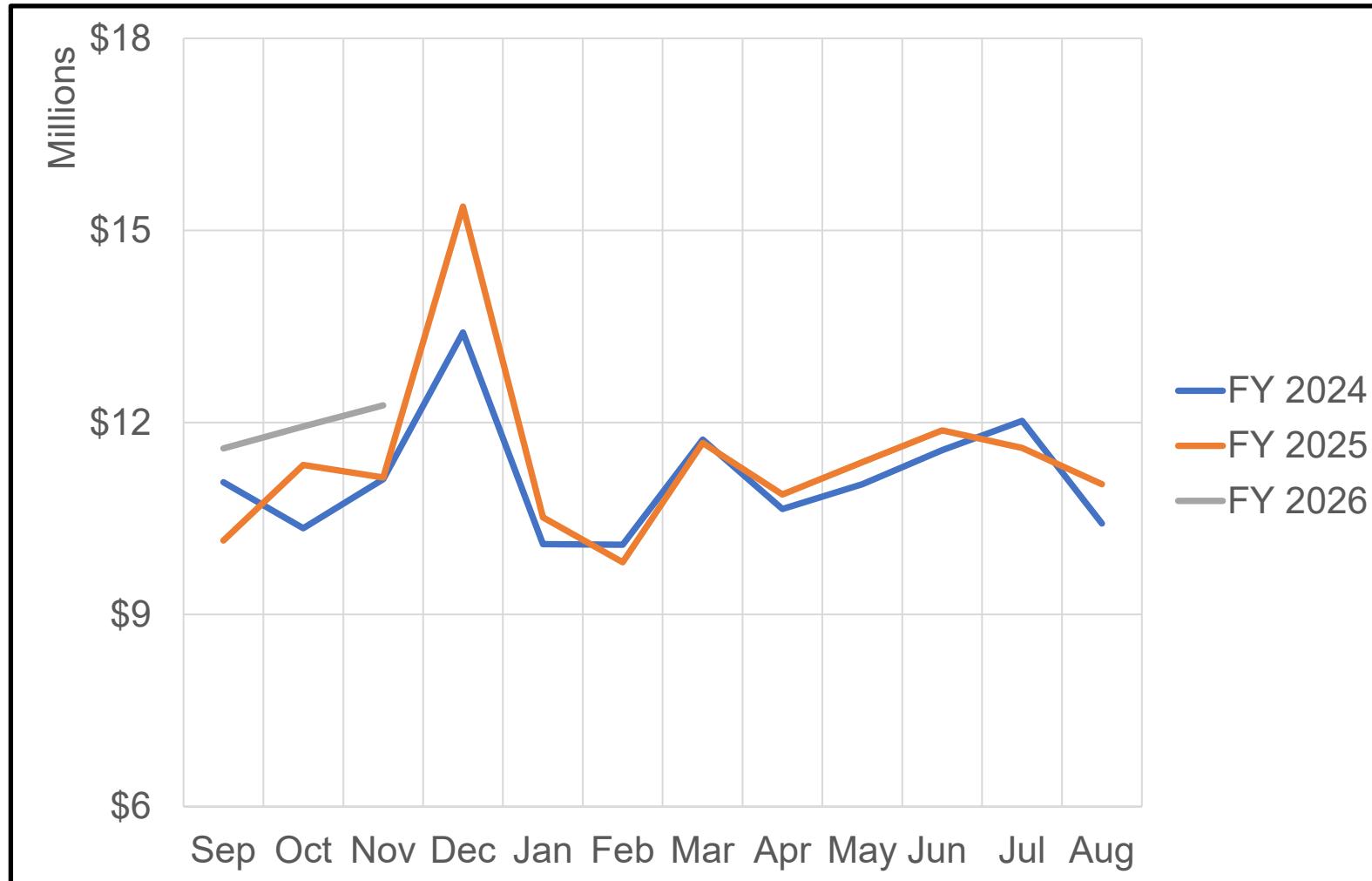
# Property Tax Collection %



# Property Valuation Growth



# City Sales Tax Collections



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# City Sales Tax Growth

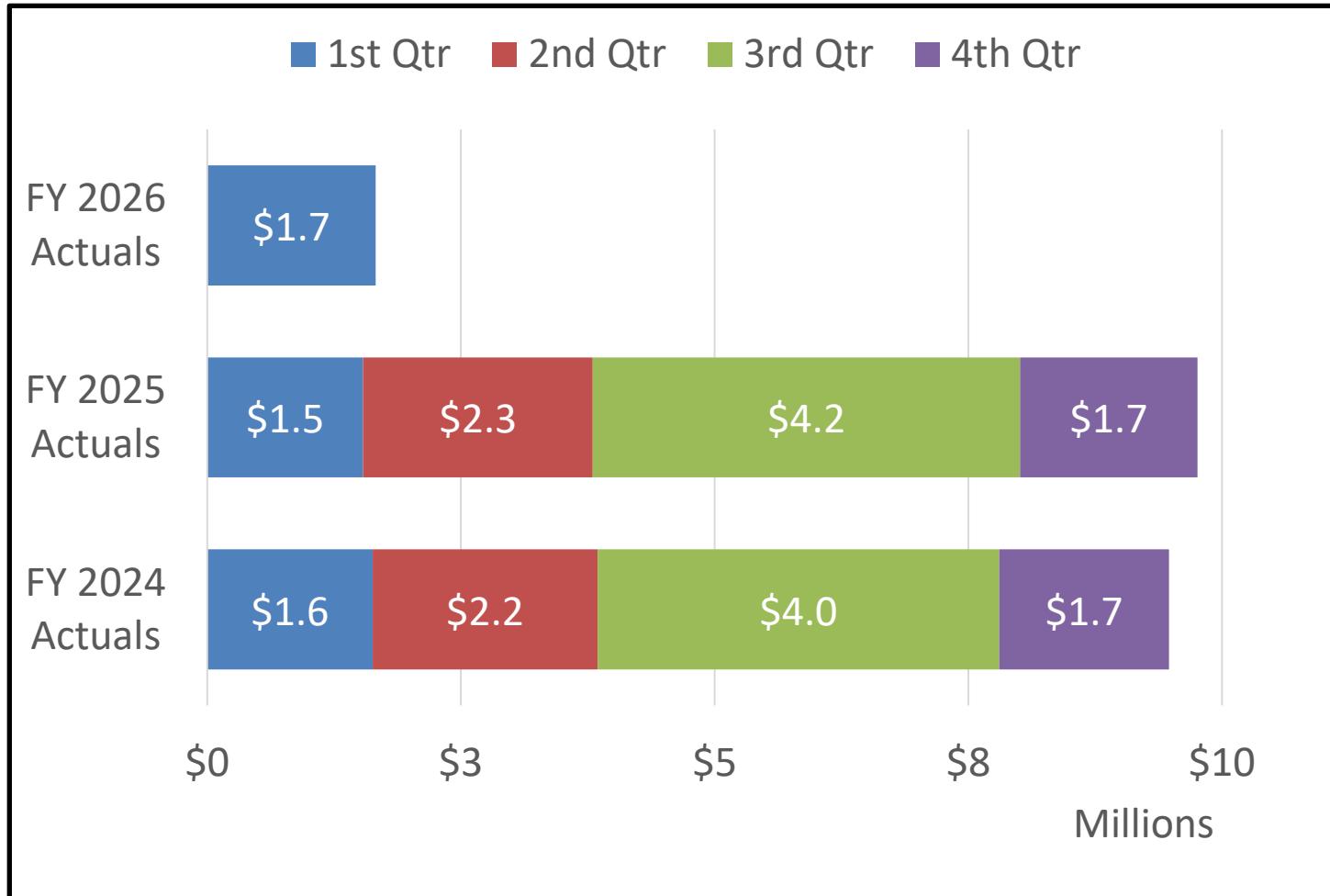
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MONTH	FY 2025	FY 2026	Sep-Nov \$ VARIANCE	Sep-Nov % VARIANCE
Sep	10,154,526	11,595,095	1,440,569	14.2%
Oct	11,336,315	11,938,020	601,705	5.3%
Nov	11,138,909	12,267,275	1,128,365	10.1%
Dec	15,372,624			
Jan	10,516,516			
Feb	9,816,627			
Mar	11,680,540			
Apr	10,875,631			
May	11,378,683			
Jun	11,877,159			
Jul	11,600,432			
Aug	11,036,483			
<b>Total</b>	<b>\$136,784,445</b>	<b>\$35,800,390</b>	<b>\$3,170,640</b>	<b>9.7%</b>

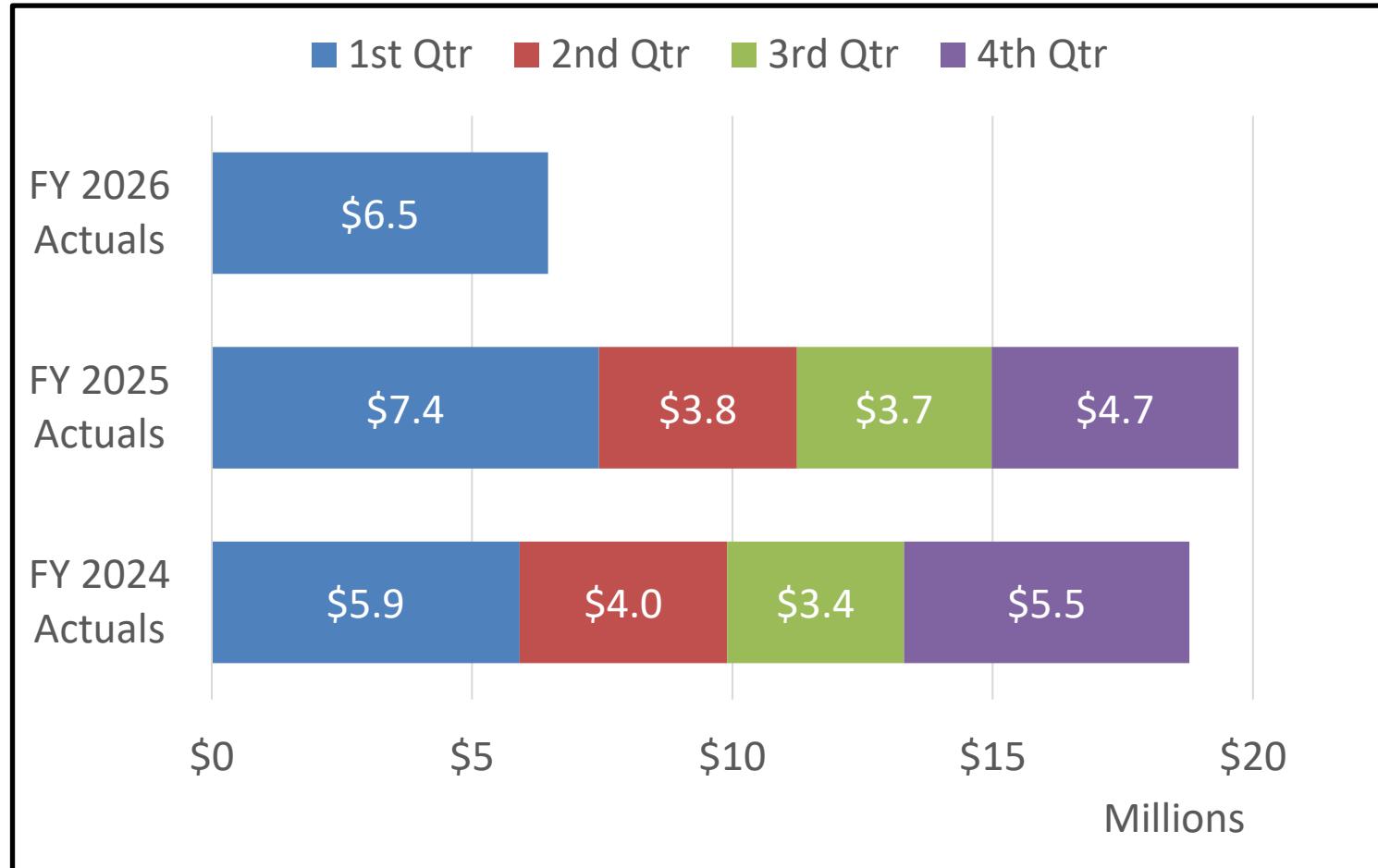
FY 2025 1<sup>st</sup> Quarter had a negative \$1.4M State audit adjustment due to a retailer reporting all their local/use tax based on their physical location in El Paso and not by “destination” (customer/ship location.)

# Texas Gas Franchise Fee



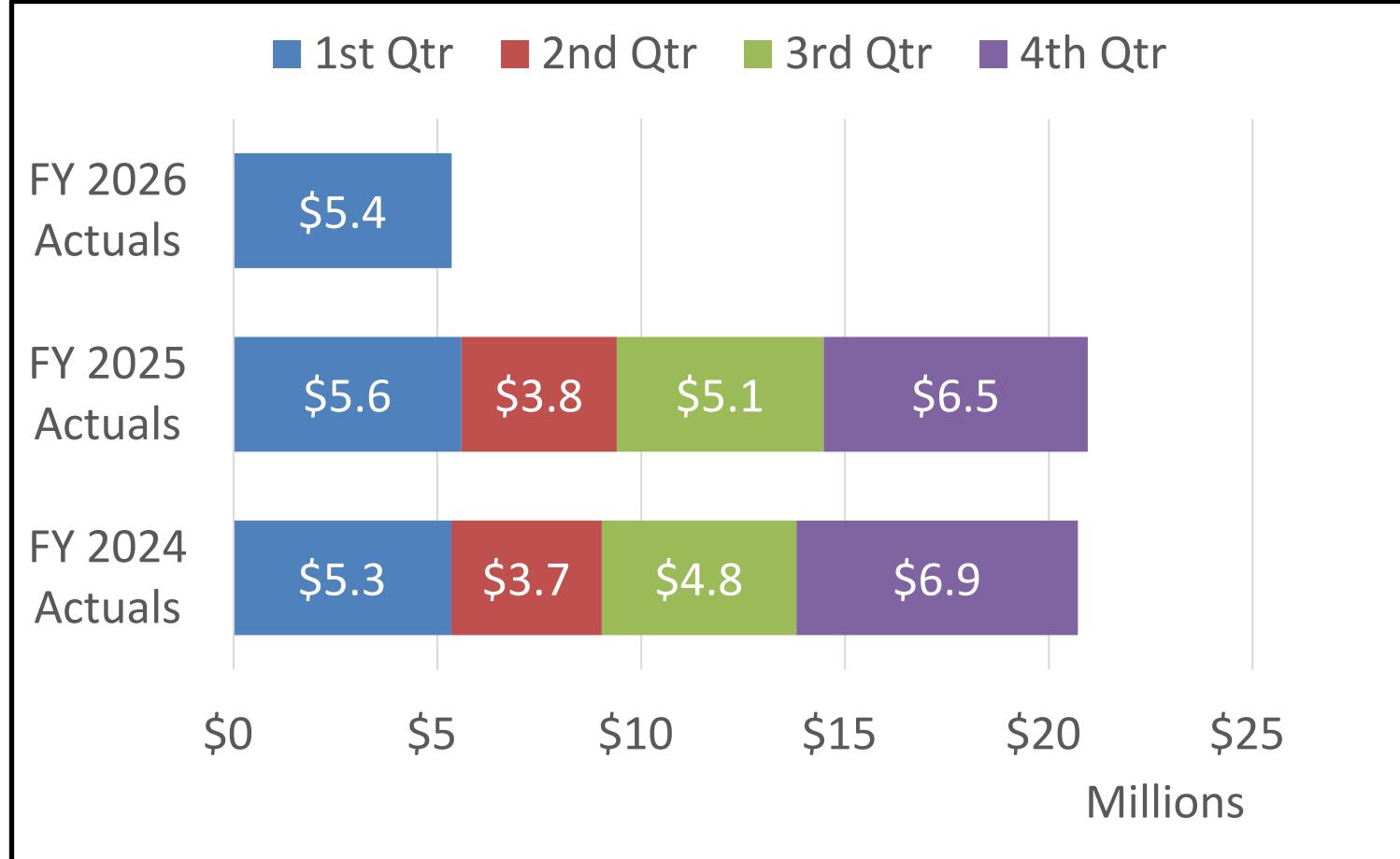
- Franchise fee paid quarterly
- Franchisee has 45 days after end of the period to submit payment to the City
- 1<sup>st</sup> quarter payment based upon gross receipts for the three-month period ending September 30, 2025

# EP Electric Franchise Fee



- Franchise fee paid quarterly
- Franchisee has 45 days after end of the period to submit payment to the City
- 1<sup>st</sup> quarter payment based upon gross receipts for the three-month period ending September 30, 2025

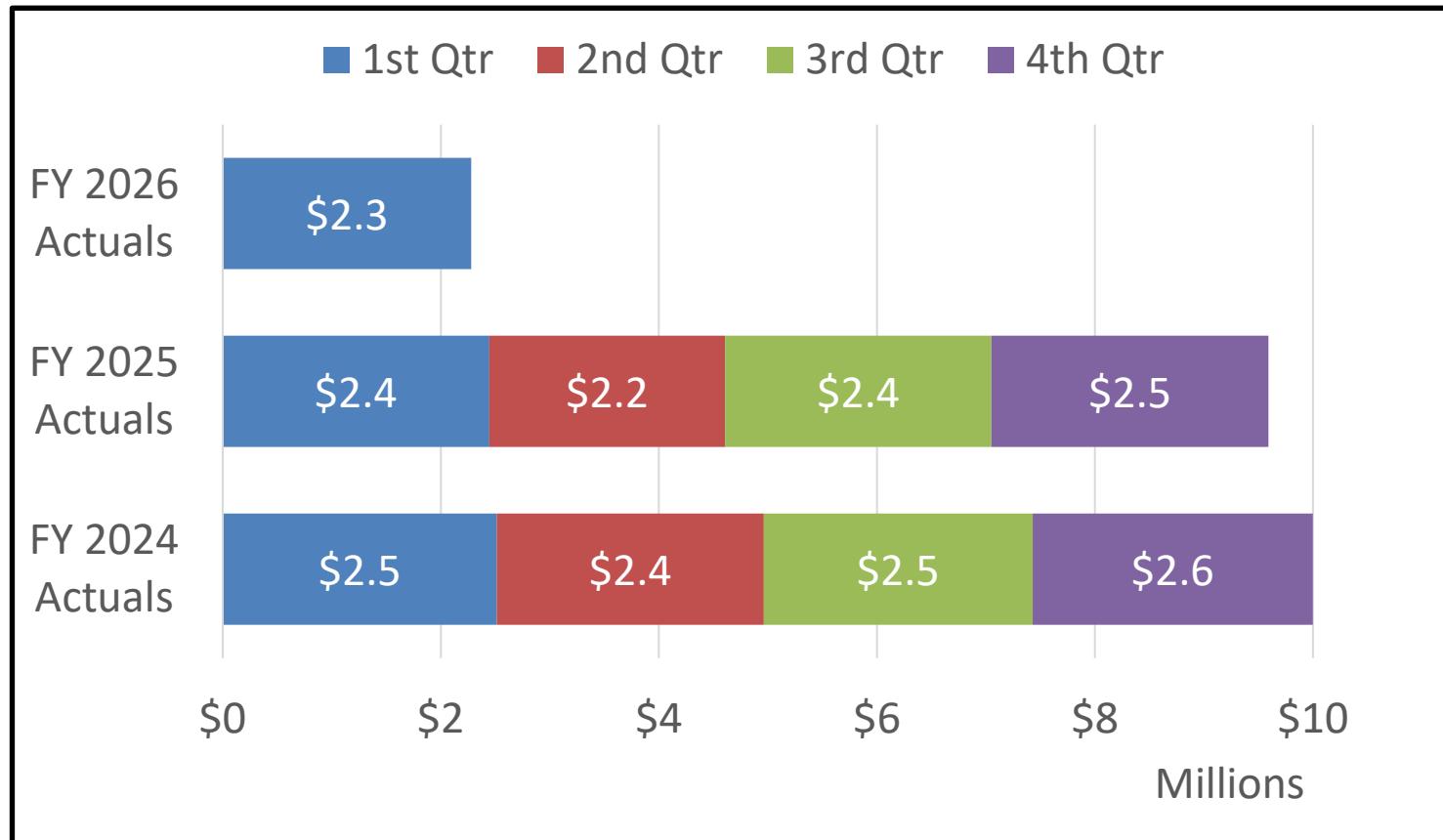
# EP Water Franchise Fee



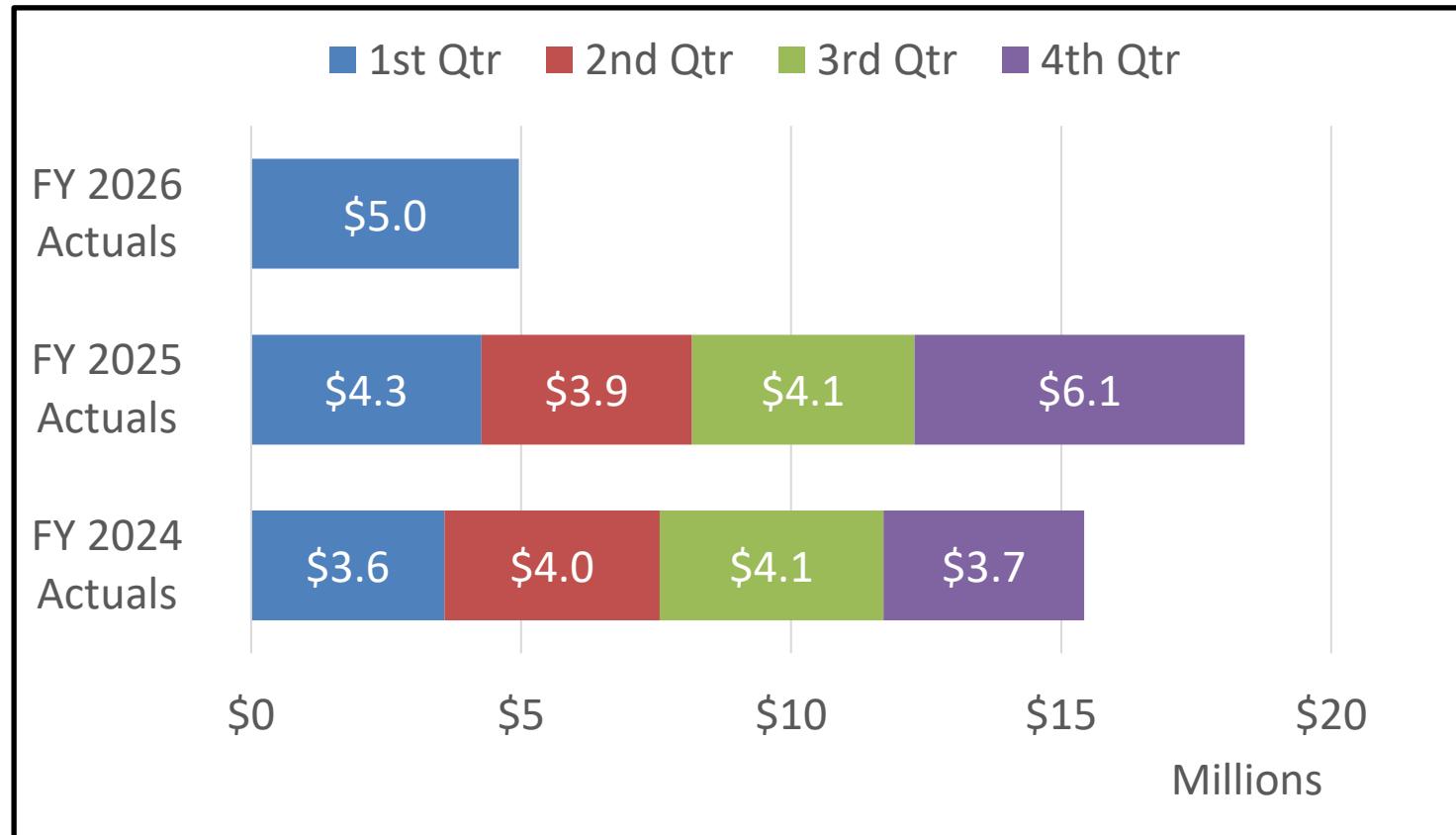
- Franchise fee paid monthly
- Franchisee has 30 days after end of the period to submit payment to the City
- 1<sup>st</sup> quarter payment based upon gross receipts for the three-month period ending September 30, 2025

# Licenses and Permits

## Planning & Inspections Dept



# Bridges Transfer to General Fund



# General Fund Expenses

## Year-To-Date Comparison

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Category	FY 2026 Budget	FY 2026 Actuals (Sep-Nov)	FY 2026 % Total Expended	FY 2025 Actuals (Sep-Nov)	FY 2025 % Total Expended
Personal Services .....	\$447,671,204	\$92,896,669	20.8%	\$89,613,607	20.7%
Contractual Services.....	64,716,549	14,673,902	22.7%	12,611,317	21.2%
Materials & Supplies.....	30,434,299	4,354,717	14.3%	3,941,034	12.8%
Operating.....	35,827,727	6,349,196	17.7%	7,011,711	23.0%
Non-Operating.....	1,844,122	310,156	16.8%	338,832	15.5%
Intergovernmental.....	1,575,530	301,913	19.2%	237,950	19.0%
Transfers.....	43,471,312	4,615,632	10.6%	4,592,278	9.8%
Capital.....	150,948	37,267	24.7%	68,369	6.3%
<b>Total Expenditures.....</b>	<b>\$625,691,692</b>	<b>\$123,539,454</b>	<b>19.7%</b>	<b>\$118,415,099</b>	<b>19.5%</b>

# General Fund Expenses

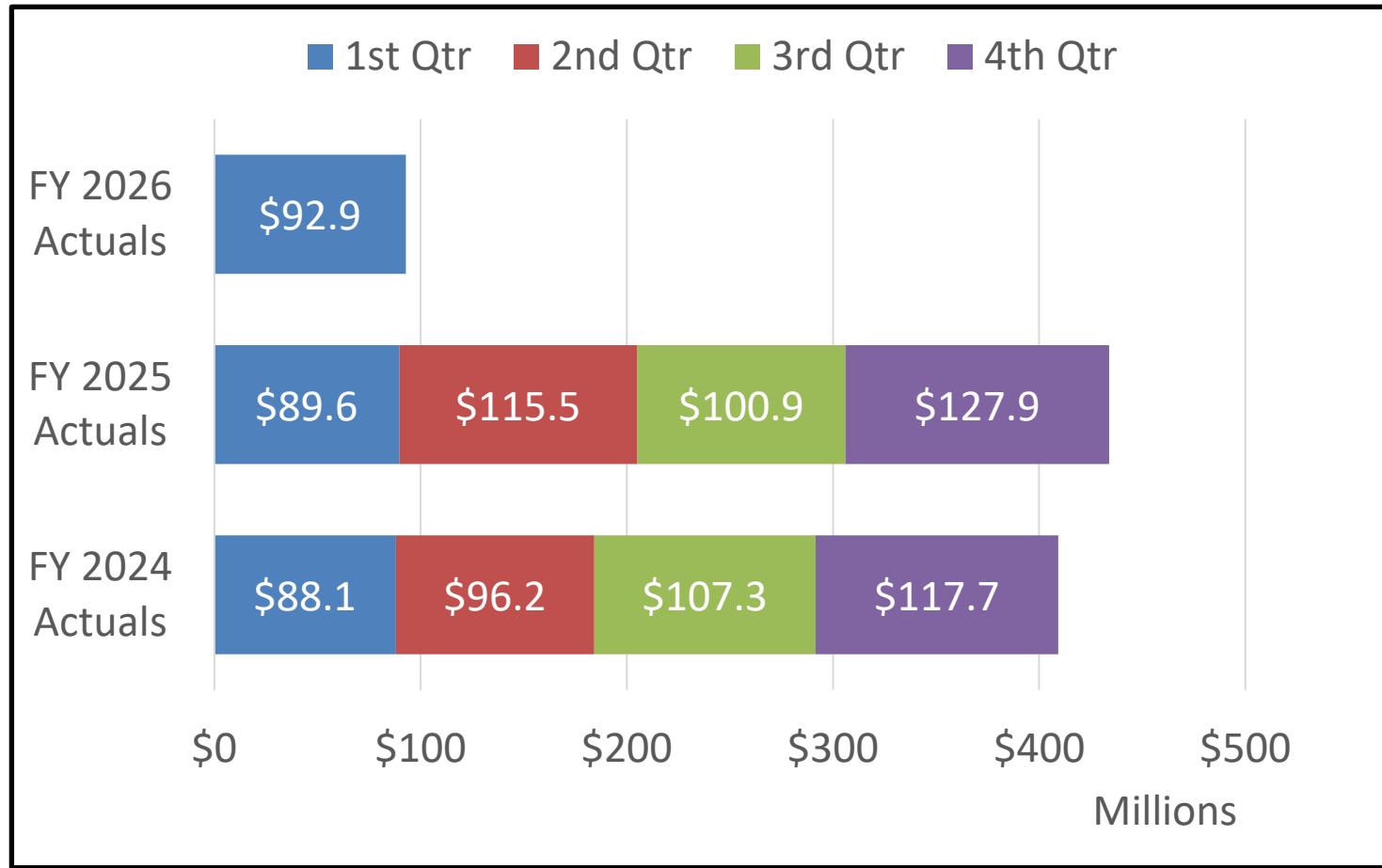
## Year-End Projections

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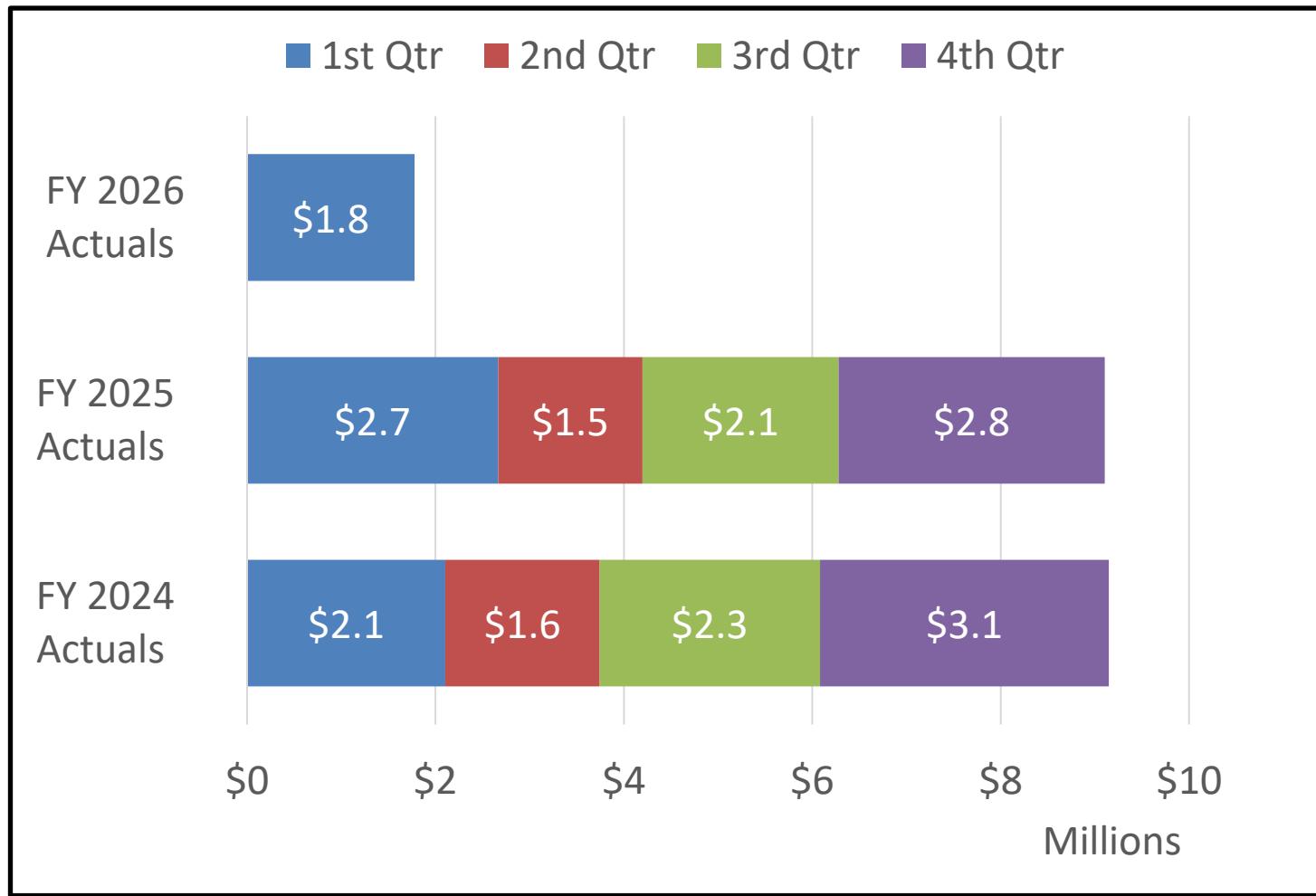
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Category	FY 2026 Budget	FY 2026 Actuals	FY 2026 Year-End Projection	Projected (Over)/Under Budget
Personal Services .....	\$447,671,204	\$92,896,669	\$446,823,394	847,810
Contractual Services.....	64,450,373	14,673,902	65,363,316	(912,943)
Materials & Supplies.....	30,650,399	4,354,717	29,257,694	1,392,705
Operating.....	35,877,803	6,349,196	33,283,064	2,594,739
Non-Operating.....	1,844,122	310,156	1,513,099	331,023
Intergovernmental.....	1,575,530	301,913	1,467,943	107,587
Transfers.....	43,471,312	4,615,632	43,471,312	(0)
Capital.....	150,948	37,267	249,266	(98,318)
<b>Total Expenditures.....</b>	<b>\$625,691,692</b>	<b>\$123,539,454</b>	<b>\$621,429,088</b>	<b>\$4,262,604</b>

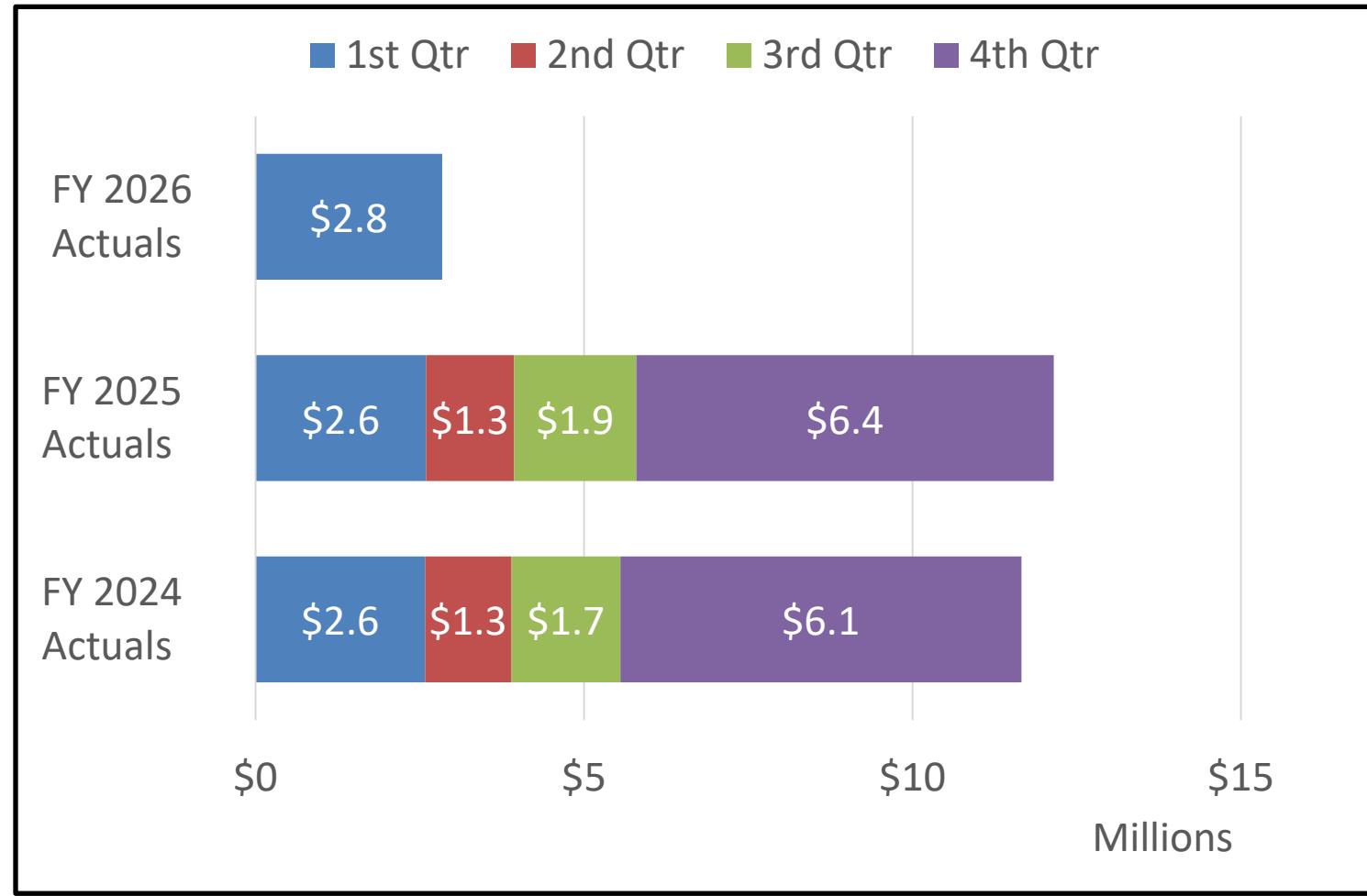
# Personal Services (Salaries, Benefits, Taxes)



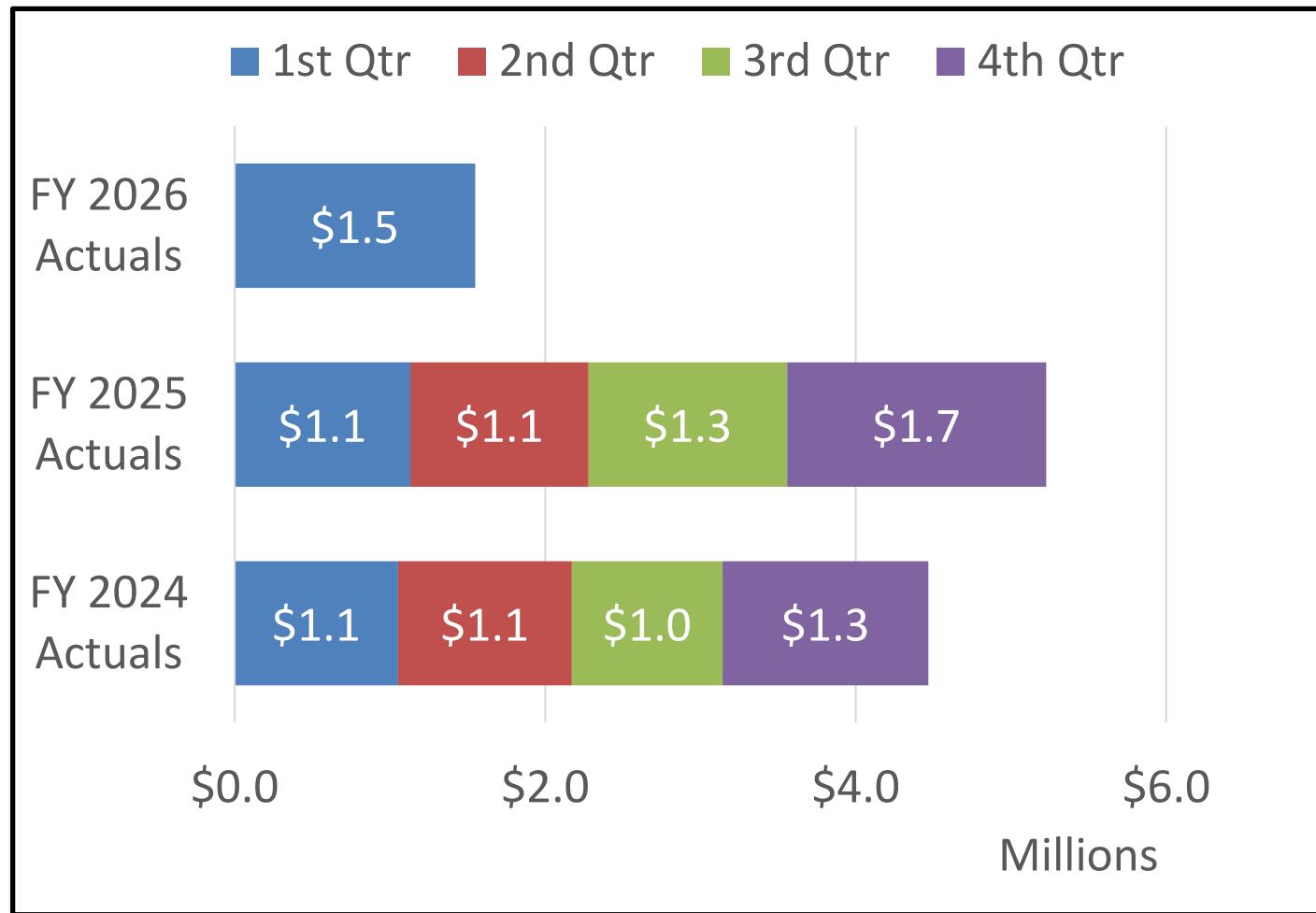
# Electricity Expense



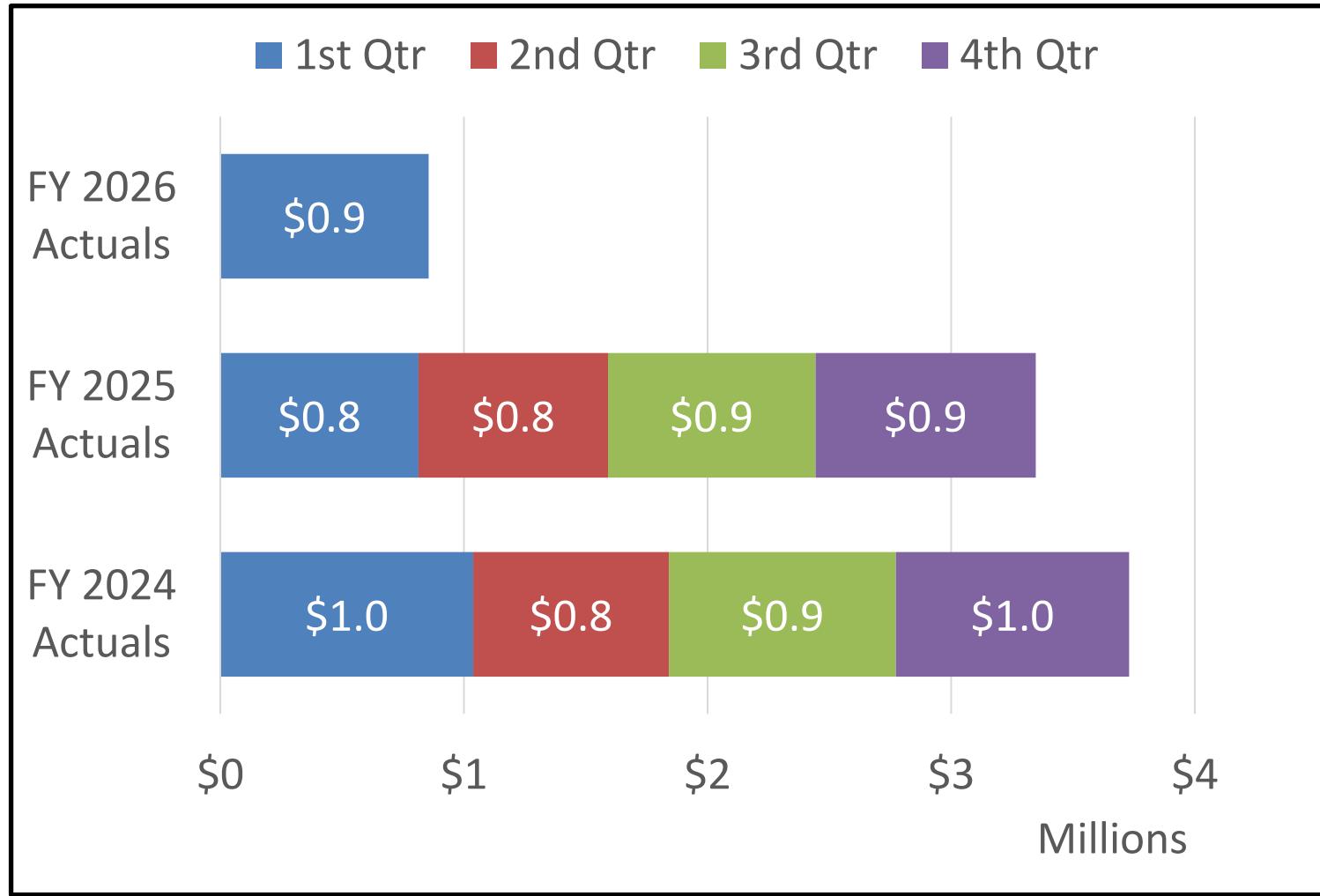
# Water Expense



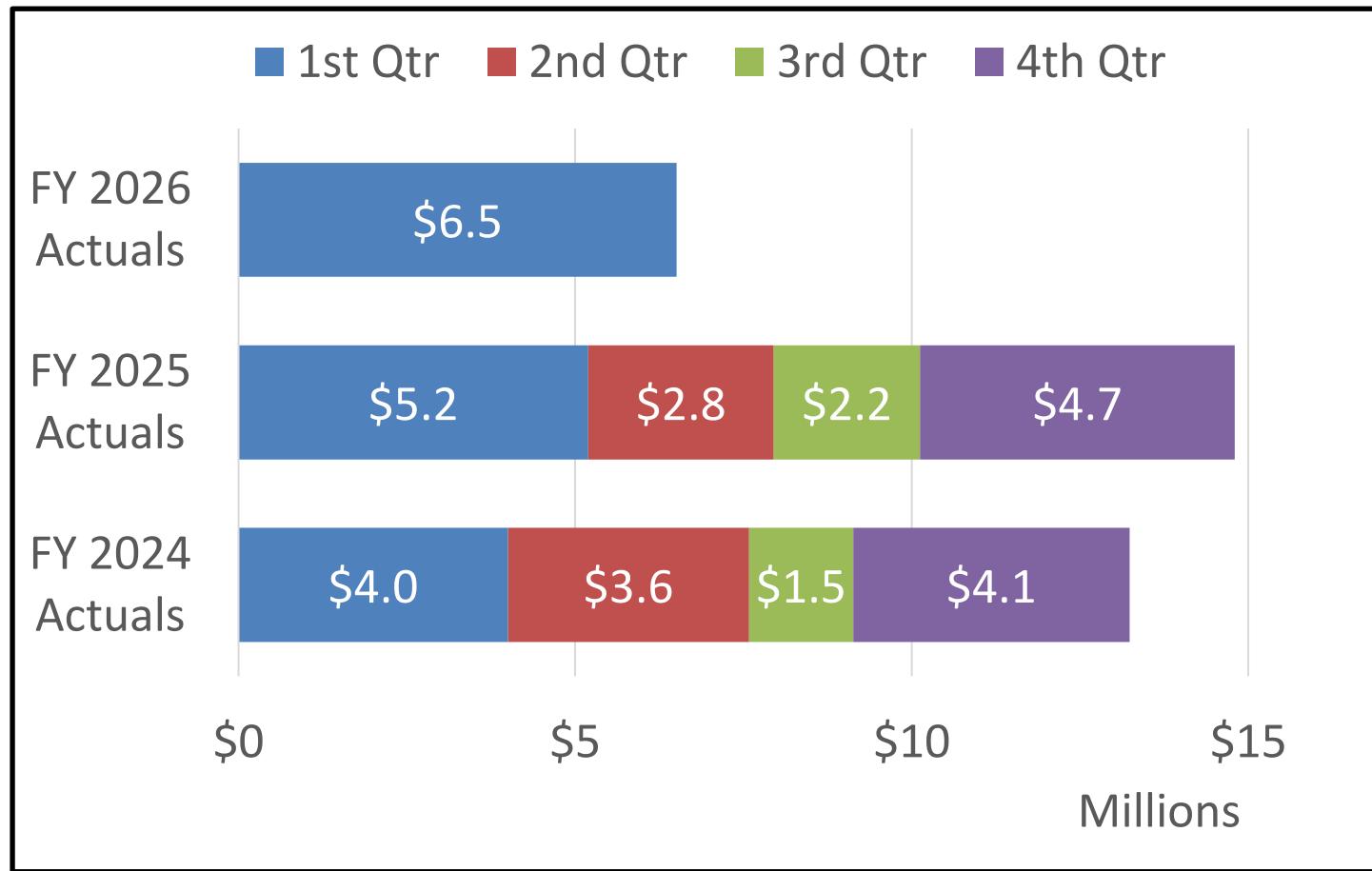
# Vehicle Maintenance



# Unleaded Fuel



# Information Technology Citywide Contracts



# General Fund Year-End Total Projection

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Revenue projection includes no use of fund balance (Adopted Budget approved \$3.25 million)

# Summary

- No action being requested
- Year-end projections based on historical trends, limited information (through 1<sup>st</sup> quarter), and uncertainty surrounding state, national, and worldwide economic situation
- No use of fund balance projected at this time
- Thus far, no unexpected or unplanned material expenses
- Multi-Year Forecast (5 Year) will be presented in near future

## 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

## MISIÓN



Brindar servicios excepcionales para respaldar una vida y un lugar de alta calidad para nuestra comunidad

## VISIÓN



Desarrollar una economía regional vibrante, vecindarios seguros y hermosos y oportunidades recreativas, culturales y educativas excepcionales impulsadas por un gobierno de alto desempeño



## VALORES

Integridad, **Respeto**, **Excelencia**, **Responsabilidad**, **Personas**