



CITY OF EL PASO

Public Hearing on the Budget

8/18/2025

Public Hearing on the FY 2026 Proposed Budget

- Proposed Budget was filed on July 18, 2025 and posted on the City's website in accordance with Section 102.005 of the Texas Local Government Code
- On August 6, 2025, in the El Paso Times and El Paso Diario, in accordance with the City Charter and Section 102.0065(a) of the Texas Local Government Code, the City published notice of public hearing regarding the FY2026 Budget adoption

Agenda

1. Budget Focus, Impacts from Prior Years and Challenges
2. FY 2026 General Fund Requested to Proposed Budget
3. Budget Resolution
4. Property Tax Rates, Impact, Debt Service, Outstanding Debt
5. Changes from Preliminary
6. Next Steps



FY 2026 Budget Focus

- Improving engagement, transparency and accountability in the process
- Addressing impacts from prior year budgets and current challenges
- Maintaining/improving **service delivery** by offering competitive wages and benefits
- Additional **tax relief** for seniors and disabled homesteads
- Focus on developing **structurally balanced** budgets
- Identifying **new revenue** for the General Fund
- Maintaining **infrastructure investment**, including pay-go for streets, facilities, vehicles, and equipment

Improving Engagement and Transparency

FY 2026 Budget Process

- ✓ • **March** – 5 Year Forecast and Strategic Budget Development session
- ✓ • **April/May** – Community Budget Workshops
- ✓ • **July 7 – 8** Budget Presentations
- ✓ • **July-Aug** – Community Budget Engagement Meetings
- ✓ • **July 31** – Council Meeting – Certified Property Values and Introduce Tax Rate
- ✓ • **August 12** – Council Meeting - Public Hearing on the Tax Rate
- ✓ • **August 18** – Council Meeting - Public Hearing on the Proposed Budget
 - **August 19** – Council Meeting –Budget and Tax Rate Adoption

Budget Process Improvements

Improving Engagement/Transparency

- new** • Council Strategic Budget Development Session
- new** • 18 Community Meetings throughout all districts (April – Aug)
 - Chime – In Survey: highest participation ever
- new** • Program Based Budget pilot project
- new** • 31 Department Budget presentations

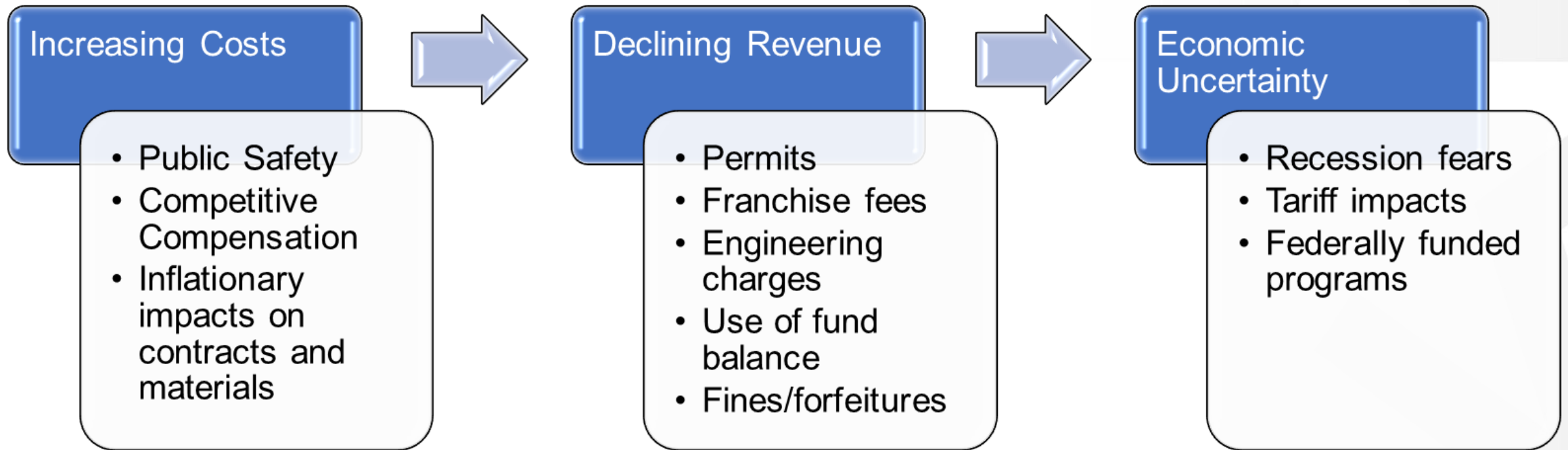


Prior Year Budget Decision Impacts and Current Challenges

Impacts from Prior Years Budgets

- Prior years (FY 2024 and 2025) Council direction to not increase taxes, resulted in:
 - Decreased funding for vehicles and facility improvements (\$3 million)
 - Utilized one-time revenue to balance the budget (\$7.2 million)
 - Increased vacancy savings, impacting ability to fill all positions (\$6.5 million)

FY 2026 Budget Challenges



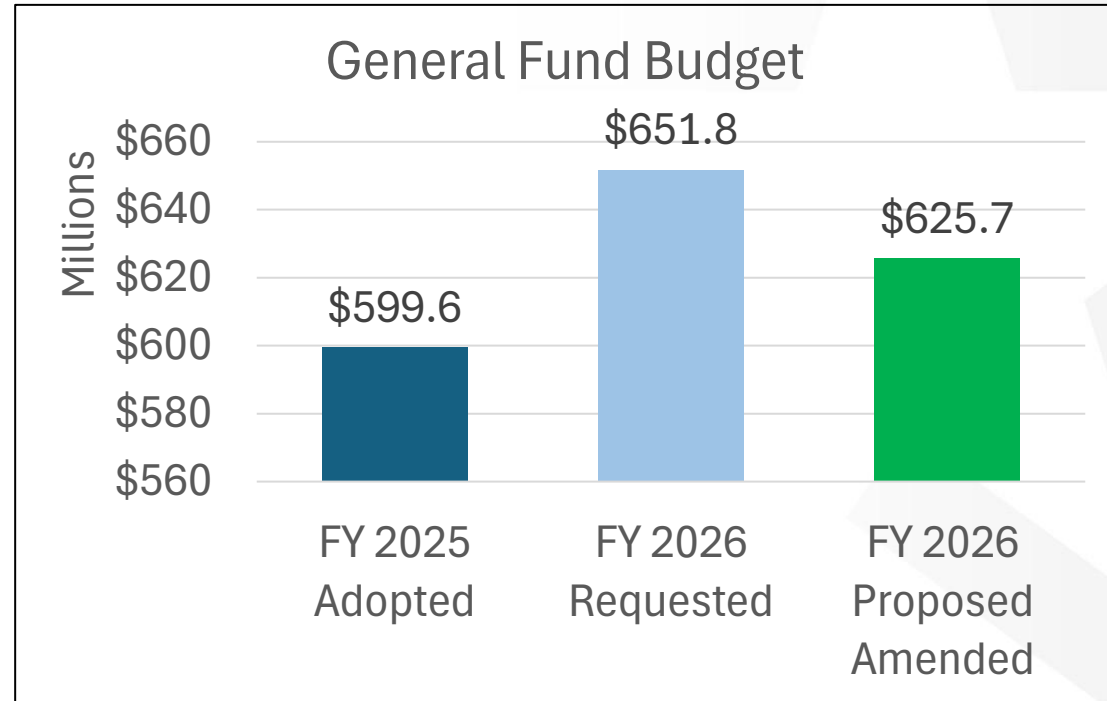
FY 2026 Budget

All Funds Budget Comparison

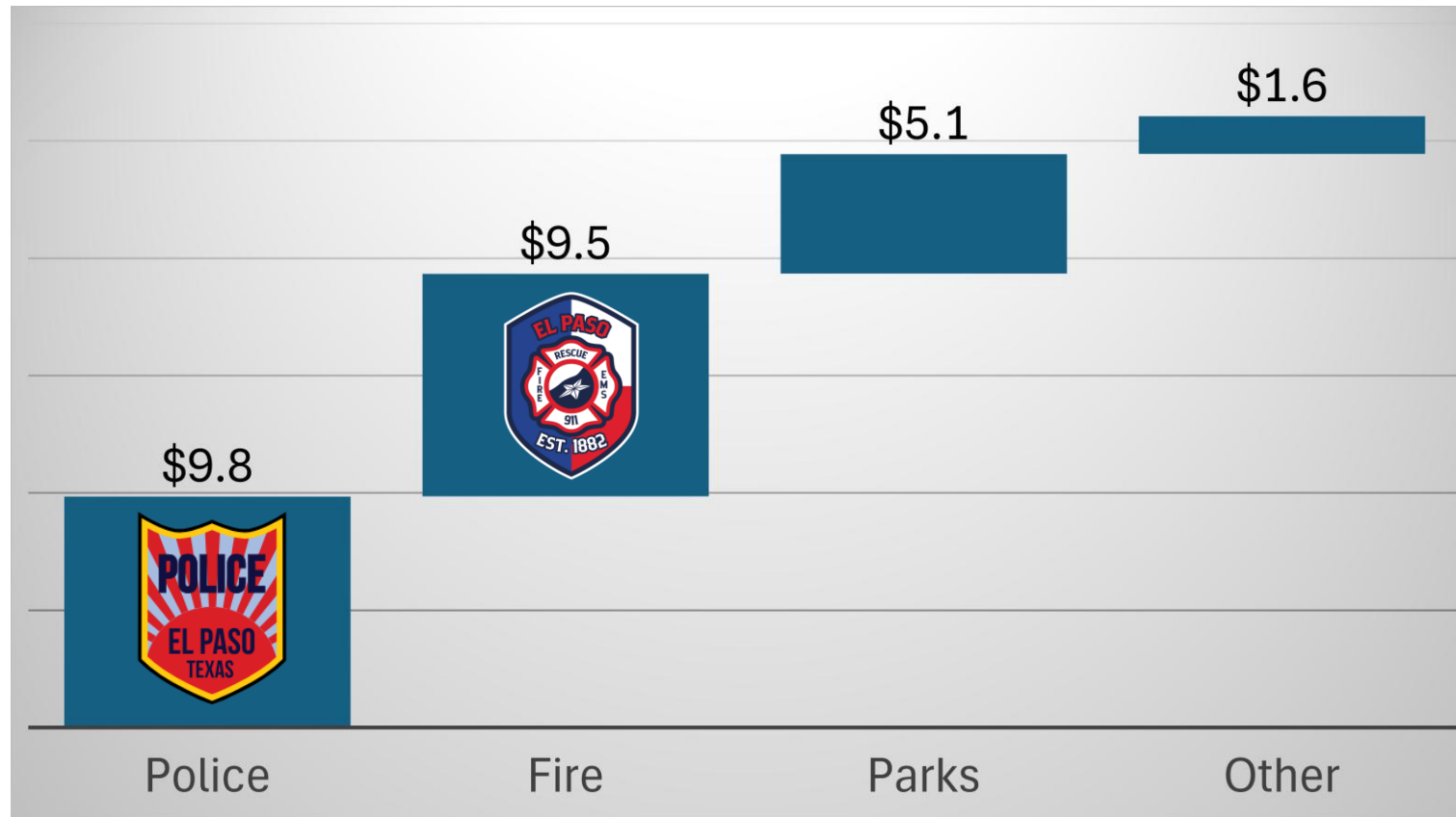
Fund Type	FY 2025	FY 2026	\$ Variance	% Variance
GENERAL GOVERNMENT	599,635,163	625,691,692	26,056,528	4.3%
CAPITAL PROJECTS	23,852,044	24,279,870	427,826	1.8%
CDBG	12,881,680	13,360,121	478,441	3.7%
DEBT SERVICE	120,983,893	117,904,539	(3,079,354)	-2.5%
ENTERPRISE	321,110,483	330,531,171	9,420,689	2.9%
INTERNAL SERVICE	100,958,044	99,538,818	(1,419,226)	-1.4%
SPECIAL REVENUE	153,626,610	171,141,197	17,514,587	11.4%
TOTAL	\$1,333,047,917	\$1,382,447,408	\$49,399,491	3.7%

FY 2026 General Fund Requested to Proposed

- Initial FY 2026 General Fund budget showed a \$51 million increase from the current year
- \$26.1 million in efficiencies and reductions to balance the budget
- Remaining \$26.1 million increase for next year is due public safety, compensation, contracts, and utilities



FY 2026 General Fund Cost Drivers



- Overall General Fund increase of \$26.1 million from prior year
- Police and Fire equal \$19.3 million increase, almost 75% of the total FY 2026 General Fund increase

Developing Structurally Balanced Budgets

Use of One-Time Revenue to Balance the Budget

	FY 2024 Budget	FY 2025 Budget	FY 2026 Budget
Revenue	\$568,320,424	\$592,435,163	\$622,441,692
Expenses	\$573,320,424	\$599,635,163	\$625,691,692
Use of Fund Balance (one-time revenue)	\$5,000,000	\$7,200,000	\$3,250,000

Additional Tax Relief for Over 65 and Disabled Homesteads

Property Tax Relief

- Over 65 and Disabled exemption has been increased from \$42,500 to \$45,000
- 57,240 homesteads currently have one of these exemptions
- Equates to a 20% reduction on the avg. tax bill
- Tax savings increases by \$18, from \$324 to \$342



Property Tax Exemptions

City Cost for Exemptions				
Category	FY 2025	FY 2026	\$ Change	% Change
Over 65/Disabled	16,647,153	18,294,441	1,647,288	9.9%
Homestead	4,840,309	4,957,971	117,662	2.4%
Total	\$21,487,462	\$23,252,413	\$1,764,950	8.2%

Applying for Exemption(s)

- <https://epcad.org/> to check exemption status or to apply for available exemptions, or
- Call the Central Appraisal District Deeds and Exemptions department at (915) 780-2136

Maintaining and Improving Service Delivery

Budget Highlights



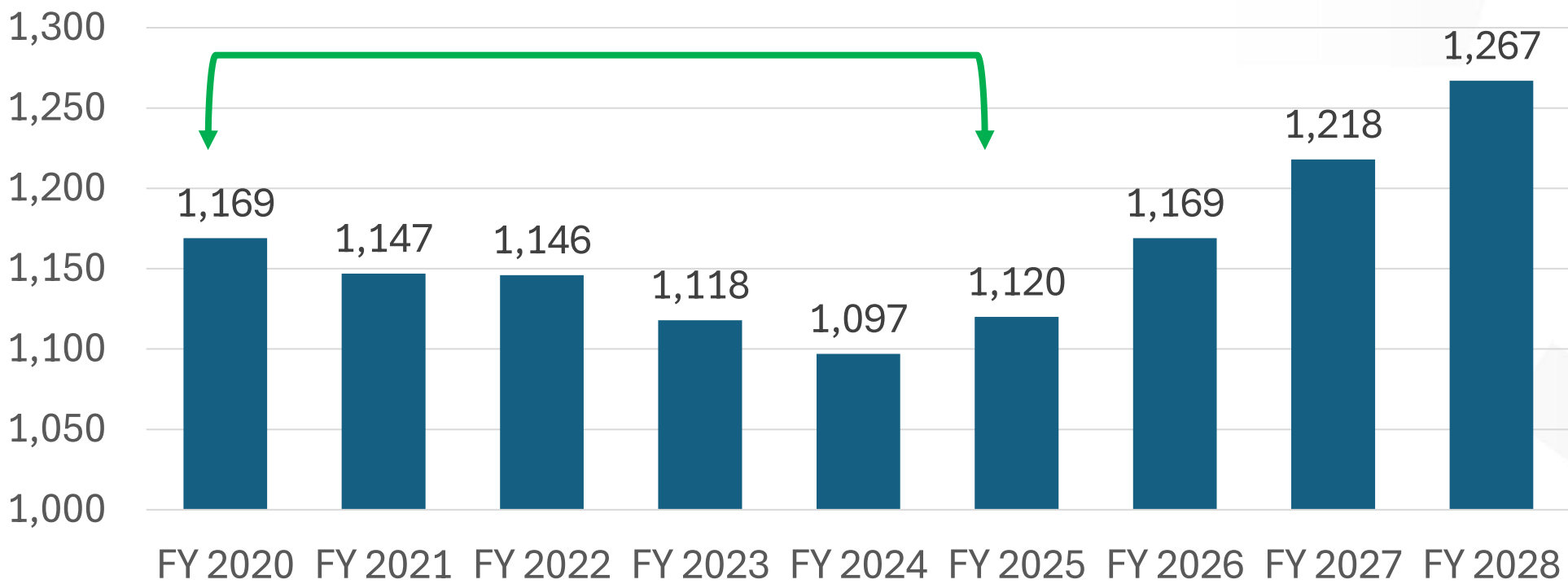
- Three Police Officer Training Academies
- Six Public Safety Call Taker academies (911)
- 48 Firefighters transferred from expiring grants to the General Fund



Budget Highlights



Police Dept. Uniform Staffing



Budget Highlights

- Two new fire stations to be completed 14301 Pebble Hills and 222 South Campbell



Budget Highlights

- Implements Phase 2 of Compensation Strategy
 - Increasing starting pay for Professional/Managerial Pay Plan
 - City Service Time adjustment – based on length of time in position and current salary
 - 1% Across-the-Board for eligible Non-Uniform employees
- No increase to employee healthcare premiums for eighth year
- Maintains Shape-It-Up Wellness Incentive of up to \$1,800
- Maintains Healthcare Spending Account of \$500 or \$1,000 for employees in the Consumer Driven Healthcare Plan

Maintaining Infrastructure and Capital Replacement

Annual Funding “Pay-Go”

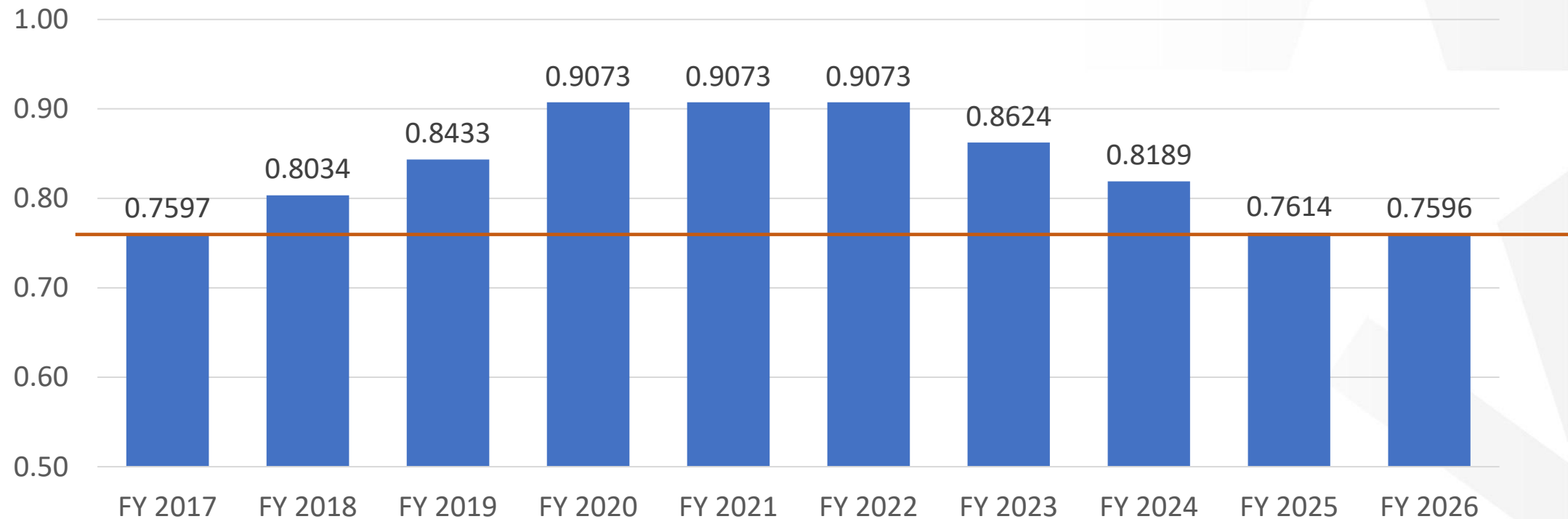
Category	FY 2024	FY 2025	FY 2026
Police Capital	\$4.2	\$4.2	\$4.2
Fire Capital	\$5.2	\$5.2	\$5.2
Park Amenities	\$1.0	\$1.0	\$1.5
Street Resurfacing	\$10.0	\$10.0	\$10.0
Facility Improvements	\$6.0	\$4.4	\$4.9
Vehicles/Heavy Equipment	\$5.0	\$3.6	\$3.6
Total	\$31.4	\$28.4	\$29.4
Annual Change		(\$3.0)	\$1.0

Property Tax Rate, Debt, and Tax Bill

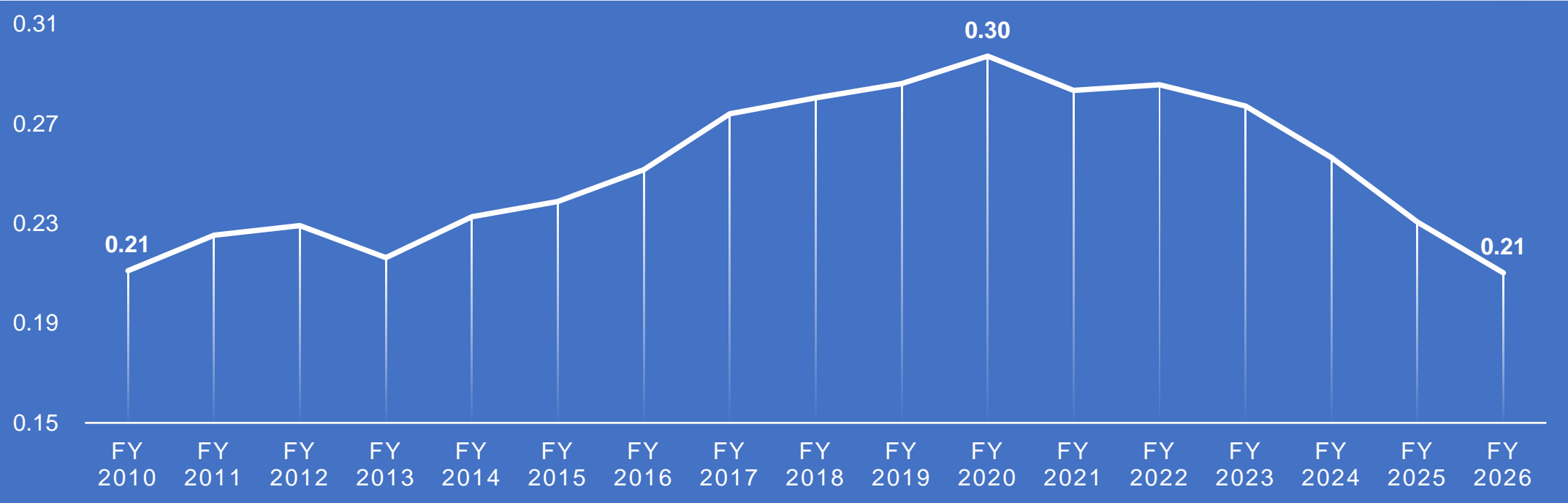
Property Tax Rates

	O & M	Debt	Total
FY 2025 Adopted	0.530850	0.230555	0.761405
FY 2026 Revised	0.549469	0.210180	0.759649

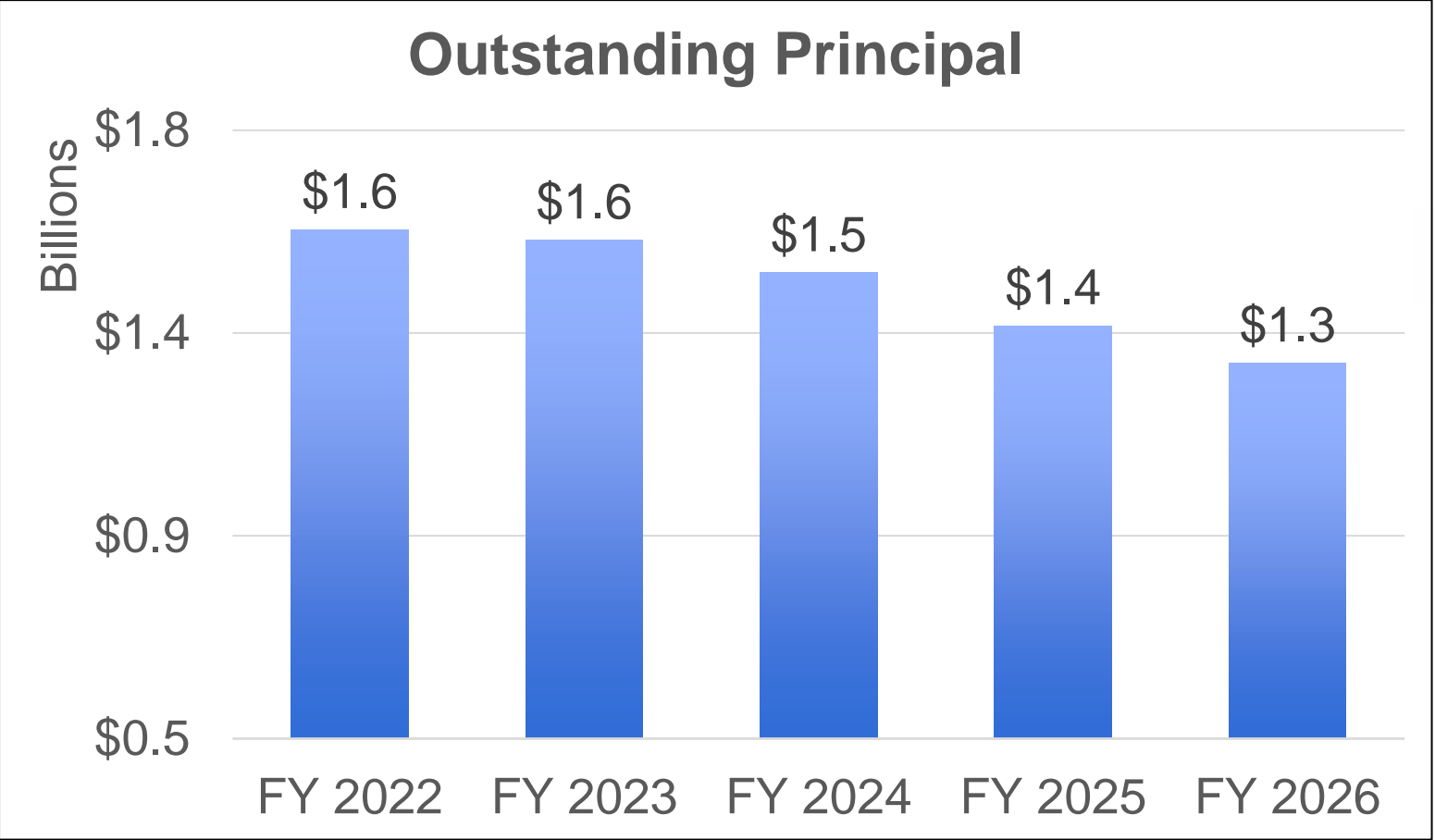
Property Tax Rate - Lowest in 10 years



Debt Service Property Tax Rate



Outstanding Debt



Tax Impact

	FY 2025	FY 2026 Revised
Avg. Value Home	\$209,718	\$221,191
Tax Rate	0.761405	0.759649
Avg. Tax Bill	\$1,597	\$1,680
Avg. Increase		\$83
Avg. Increase/month		\$7
% Change		5.2%

Property Tax Info

	Tax Year 2024	Tax Year 2025	Change
Total Tax Rate (per \$100 of value)	\$0.761405	\$0.759649	decrease of -\$0.001756 per \$100, or -0.23%
Average homestead taxable value	\$209,718	\$221,191	increase of 5.47%
Tax on average homestead	\$1,596.80	\$1,680.28	increase of \$83.48, or 5.23%
Total tax levy on all properties	\$402,995,991	\$421,196,897	increase of \$18,200,906, or 4.52%

Breakdown of Local Property Taxes

Visit <https://Texas.gov/propertytaxes> to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

Requested Council Action

Motion to postpone the final budget vote until August 19, 2025 at 9:00 am at City Council Chambers inside City Hall, 300 N. Campbell St., El Paso, TX 79901, 1st Floor (City 1)

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, **R**espect, **E**xcellence,
Accountability, **P**eople

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