

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: Members of Council

AGENDA DATE: July 19, 2022

CONTACT PERSON NAME / PHONE NUMBER:

Rep. Isabel Salcido, 915-212-0005

Rep. Cassandra Hernandez, 915-212-0003

Rep. Claudia L. Rodriguez, 915-212-0006

Rep. Henry Rivera, 915-212-0007

DISTRICT(S) AFFECTED: All

STRATEGIC GOALS: Goal 6: Set the Standard for Sound Governance and Fiscal Management

SUBJECT:

Discussion and action to direct the City Manager to identify additional budget adjustments to further reduce the proposed property tax rate for the next fiscal year and present the recommendations no later than the August 1, 2022 Special City Council Meeting.

BACKGROUND / DISCUSSION:

In the last several fiscal years, the City Council has held the line on taxes. For the last three years, the City Council adopted the same tax rate, meaning that there has been no tax rate increase during that time. Specifically, the Council adopted budgets without an increase in the property tax rate. Additionally, last year the City Council unanimously approved an increase to the tax exemption amounts for seniors and the disabled community which provided additional tax savings and much needed tax relief last year to our 52,000 senior and disabled homesteads.

On April 26, 2022 the City Council unanimously voted to direct the City Manager to develop a FY 2023 Budget with a reduction in the property tax rate, while not impacting the delivery of services to the community, in order to minimize the financial impact on taxpayers while continuing to execute our COVID19 economic recovery plan.

While the Proposed Budget for next year accomplishes the Council's commitment to a lower tax rate, the continued impact being experienced from unprecedented inflation has continued to financially impact our residents and businesses.

Therefore, although the City only makes up 29% of the overall property tax bill, it is critical that the Council is proactive by exploring all potential budget adjustments in an effort to ease the burden on our taxpayers.

PRIOR COUNCIL ACTION:

August 18, 2020: City Council adopted a property tax rate of .907301, leading to no tax rate increase

August 24, 2021: City Council adopted a property tax rate of .907301, leading to no tax rate increase

April 26, 2022: City Council unanimously approved directing the City Manager to develop an FY 2023 budget with a property tax rate reduction

AMOUNT AND SOURCE OF FUNDING:

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:

(If Department Head Summary Form is initiated by Purchasing, client department should sign also)