



Fire Collective Bargaining

CONFIDENTIAL

5/29/2026



Agenda

- Labor Market Analysis – HR
- FY 2027 Preliminary General Fund Budget – CM Office

Regional Labor Market Differences

	Population (2024)	Median Household Income (2024)	Median Earnings FT Year-Round Workers (2024)	Median Home Value (2024)	Median Monthly Owner Cost (Housing, 2024)	Regional Price Parity (Cost-of- Living, 2021)	Bond Rating (S&P)
Austin	979,539	\$93,658	\$74,325	\$555,300	\$2,128	98.0	AAA
Phoenix	1,642,323	\$81,332	\$56,132	\$420,700	\$1,443	103.3	AA+
Fort Worth	963,194	\$79,507	\$58,616	\$303,000	\$1,676	99.2	AAA
Dallas	1,307,930	\$70,518	\$55,385	\$320,700	\$1,488	103.0	AA+
Albuquerque	562,218	\$68,317	\$57,836	\$291,500	\$1,237	95.5	AAA
Corpus Christi	317,419	\$67,394	\$51,221	\$210,400	\$1,237	92.6	AA/AA-
San Antonio	1,479,835	\$65,056	\$50,140	\$235,700	\$1,223	94.7	AAA
Houston	2,328,253	\$64,813	\$54,269	\$277,800	\$1,390	98.6	AA
El Paso	680,130	\$59,745	\$46,395	\$184,500	\$1,060	89.9	AA
Median (Excluding El Paso)	1,135,562	67,856	54,827	284,650	1,314	97.1	AAA
El Paso Variance from Median	-13.7%	38.0%	35.6%	95.1%	62.0%	1.0%	El Paso: Strong Financial Rating
El Paso Rank	7 of 9	9 of 9	9 of 9	9 of 9	9 of 9	9 of 9	5 th (Tied 1 of 3)

Source: U.S. Census Bureau American Community Survey (ACS) 2020–2024 5-Year Estimates; U.S. Bureau of Economic Analysis Regional Price Parities; S&P Bond Ratings



Economic Research Institute (ERI)

GEOGRAPHIC DIFFERENTIALS CALCULATED RELATIVE TO EL PASO, TEXAS WITH INDEX = 1.000*

Comparison Cities	National Salary Levels						National Salary Levels					Average
	\$25,000	\$30,000	\$35,000	\$40,000	\$45,000	Average	\$25,000	\$30,000	\$35,000	\$40,000	\$45,000	Local
	Local Salary Levels						Matching Local Adjustment Indices					Index
Austin, TX	30,245	36,176	42,337	48,515	54,483	\$42,351	1.210	1.206	1.210	1.213	1.211	1.210
Dallas, TX	29,012	34,912	40,950	46,999	53,077	\$40,990	1.160	1.164	1.170	1.175	1.179	1.171
EL PASO, TX	25,000	30,000	35,000	40,000	45,000	\$35,000	1.000	1.000	1.000	1.000	1.000	1.000
Houston, TX	28,463	34,415	40,688	46,985	53,222	\$40,755	1.139	1.147	1.163	1.175	1.183	1.164
San Antonio, TX	27,473	32,817	38,213	43,612	48,845	\$38,192	1.099	1.094	1.092	1.090	1.085	1.091
Albuquerque, NM	30,503	34,494	39,361	44,292	49,202	\$39,570	1.220	1.150	1.125	1.107	1.093	1.131
Phoenix, AZ	34,640	38,140	42,931	47,815	52,493	\$43,204	1.386	1.271	1.227	1.195	1.167	1.234
Fort Worth, TX	28,010	33,666	39,376	45,090	50,727	\$39,374	1.120	1.122	1.125	1.127	1.127	1.125
Corpus Christi, TX	26,615	31,907	37,332	42,766	48,107	\$37,345	1.065	1.064	1.067	1.069	1.069	1.067

* Source: Economic Research Institute (ERI) Geographic Assessor data as of 01/01/2026.



COMPARATIVE ANALYSIS – 2026

ADJUSTED FOR GEOGRAPHIC DIFFERENTIALS CALCULATED RELATIVE TO EL PASO, TEXAS

Bi-Weekly Amounts Reported			Current FY 2026 Data					
Municipality	Pay Plan FY	Geographic Factor	FIREFIGHTER					
			Base Minimum	Base Maximum	Adjusted Minimum	Adjusted Minimum Rank	Adjusted Maximum	Adjusted Maximum Rank
Albuquerque	2026	1.131	1,746	2,444	1,543	9	2,161	9
Austin	2026	1.210	2,539	4,286	2,099	5	3,543	1
Dallas	2026	1.171	2,900	3,784	2,476	1	3,231	3
El Paso	2026	1.000	1,948	3,022	1,948	6	3,022	4
Fort Worth	2026	1.125	2,684	3,731	2,386	3	3,317	2
Houston	2026	1.164	2,259	3,178	1,941	7	2,730	6
Phoenix	2026	1.234	2,094	2,947	1,697	8	2,388	8
San Antonio	2026	1.091	2,666	3,119	2,443	2	2,858	5
Corpus Christi	2026	1.067	2,359	2,768	2,211	4	2,594	7

* Source: Economic Research Institute (ERI) Geographic Assessor data as of 01/01/2026.





Market Analysis

Non-Uniform Positions

- Conducted on a limited basis
- 10 Market Cities
(El Paso County, Oklahoma City, Tucson)
- Evaluate Grade Minimum
- Compensation Philosophy: Lag Market
- Grade Placement

Market Analysis

Non-Uniform Positions

Why Some Positions Are Priced at Market



Market pricing is applied to positions where labor market conditions show **limited supply** of qualified talent relative to **employer demand**.



RESULT:





When fewer qualified candidates are available and multiple employers are competing for the same talent, market compensation increases to remain competitive and attract and retain the right talent.



MARKET-PRICED POSITIONS = HIGHER EXTERNAL COMPETITION DRIVEN BY SUPPLY AND DEMAND FACTORS.



FY 2027 Budget – Key Context

-  **Decreasing revenue** due to unfunded State mandates
-  **Reduced revenue authority** for the City due to State-imposed Property Tax Caps and potential for additional impacts in future legislative sessions
-  **Increasing costs** due to investments in public safety, increasing fixed costs and contractual obligations, and debt service for voter-approved capital projects
-  **Cost reduction strategies** implemented by unfunding or deleting 75% of vacant positions

Key Challenges

- **Budget increase driven primarily by:**
 - Loss of taxable value from State action
 - Need to sustain ongoing City operations and obligations
- **Increasing Costs**
 - Public Safety
 - Fixed costs and contractual obligations
 - Debt service for voter-approved bond projects
- **Loss of Revenue**
 - Unfunded State mandates (property tax exemptions)
 - No use of fund balance or one-time revenue
 - Expiring American Rescue Plan Act (ARPA) federal funding

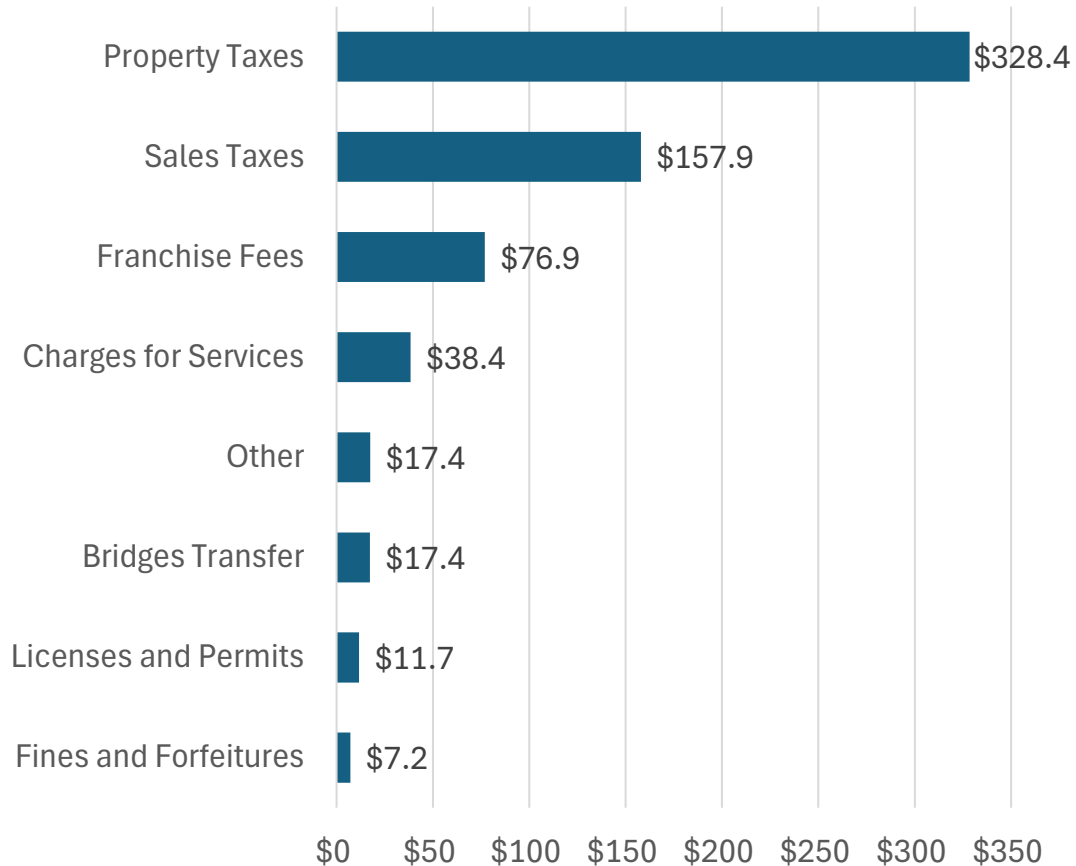


FY 2027 General Fund Revenue

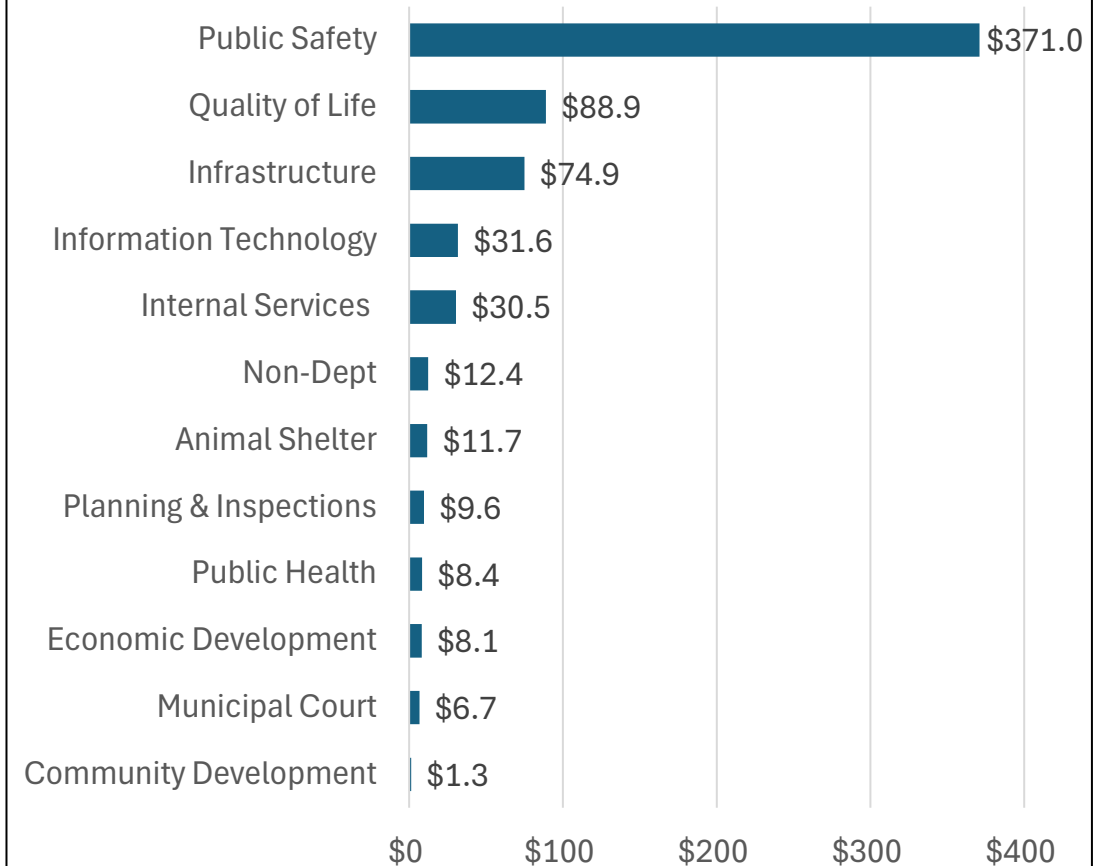
CATEGORY	FY 2026 ADOPTED	FY 2027 PRELIMINARY	\$ VARIANCE	
PROPERTY TAXES	304,878,594	328,449,568	23,570,974	based on valuation and tax rate
SALES TAXES	146,725,816	157,931,000	11,205,184	4.8% increase over FY 2026 projection
FRANCHISE FEES	61,742,911	61,115,800	(627,111)	Decrease in Time Warner and AT&T
CHARGES FOR SERVICES	35,249,668	35,384,174	134,507	
FINES AND FORFEITURES	6,960,004	7,217,685	257,681	
LICENSES AND PERMITS	12,089,877	11,706,365	(383,512)	Decrease in Res. Bldg. Permits and Hazmat Fees
INTERGOVERNMENTAL	3,926,915	3,812,969	(113,946)	Decrease in Health Interlocals
INTEREST	2,500,000	2,500,000	-	
RENTS AND OTHER	12,647,750	14,084,101	1,436,351	Transfer from Capital Projects
OPERATING TRANSFERS IN	38,970,157	33,118,656	(5,851,501)	One-time revenue: Fund balance and TIRZ
	\$625,691,692	\$655,320,318	\$29,628,627	

FY 2027 General Fund

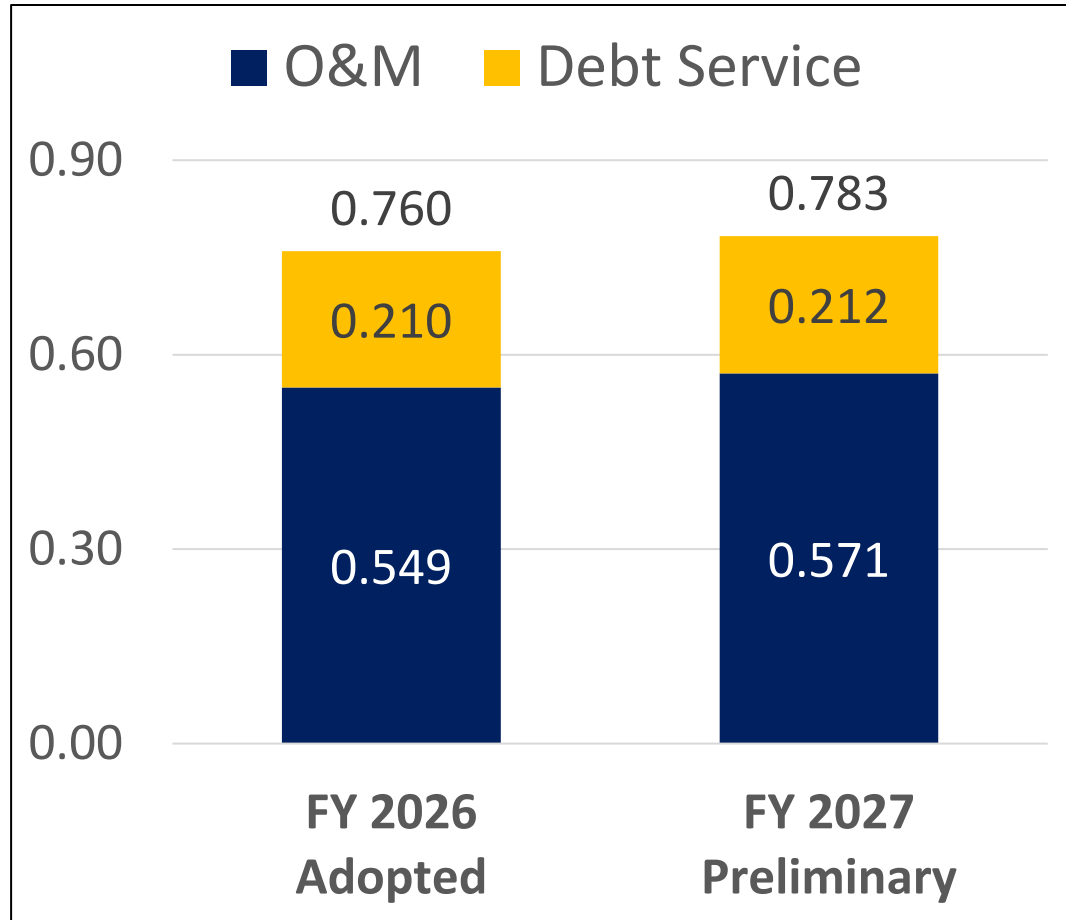
Where the Money Comes From
(\$655.3 Million)



How the Money is Invested
(\$655.3 Million)



Preliminary Property Tax Rate - Cents per \$100 Valuation



Impact Description	\$ Impact	Tax Rate Impact
Business Personal Property Exemption	\$7.20 million	1.26
Disabled Veterans Exemption	\$3.60 million	.63
Fund Balance	\$3.25 million	.57
One-Time TIRZ	\$2.00 million	.35
Debt Service	\$5.00 million	.88
Total	\$21.05 million	3.69

Preliminary Property Tax Impact Average Single-Family Home

	FY 2026 Avg. Tax Bill	FY 2027 Avg. Tax Bill	\$ Variance
Homestead	\$1,723	\$1,829	\$105.39
Over 65/Disabled	\$1,382	\$1,476	\$94.86
Disabled Veteran	\$915	\$923	\$7.81

The average disabled veteran exemption increased from \$106K to \$116K

City Council Direction

From 5/28/2026 – 1st Round of FY 2027 Budget Workshops

Conduct a further citywide operational efficiency review focused on Materials and Supplies, Outside Contracts, and Professional Services expenditures as part of the FY 2027 budget evaluation process, including analyzing and seeking opportunities for reasonable operational cost savings, while maintaining essential frontline city services.



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