

**FY 2027
Preliminary Budget**

**Community
Meetings**

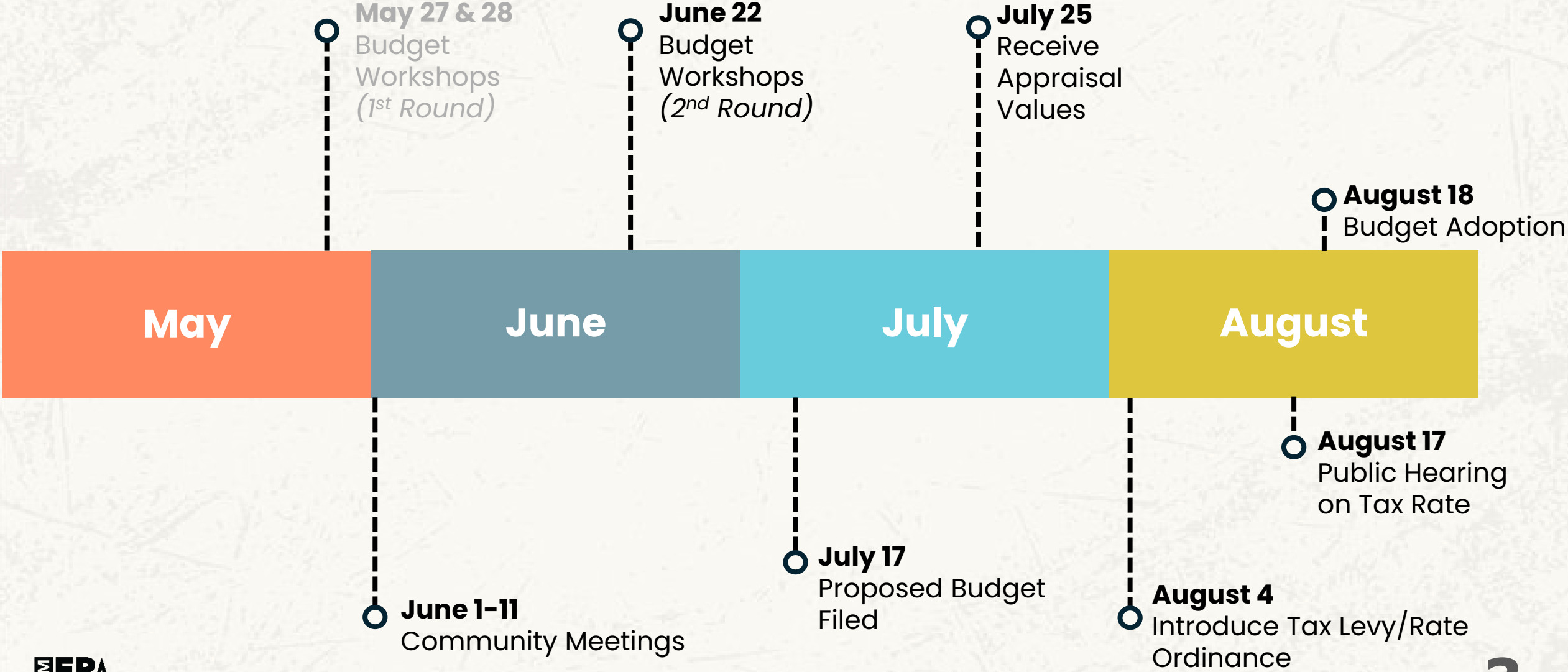


Agenda

- **Budget Overview Presentation**
 - (~20 mins.)
- **Questions and Answers**
 - (~20 mins.)
- **Budget Simulation Tool**
 - (~20 mins.)



FY 2027 Projected Budget Timeline



FY 2027 Budget Development

Fiscally Responsible Approach During Challenging Times

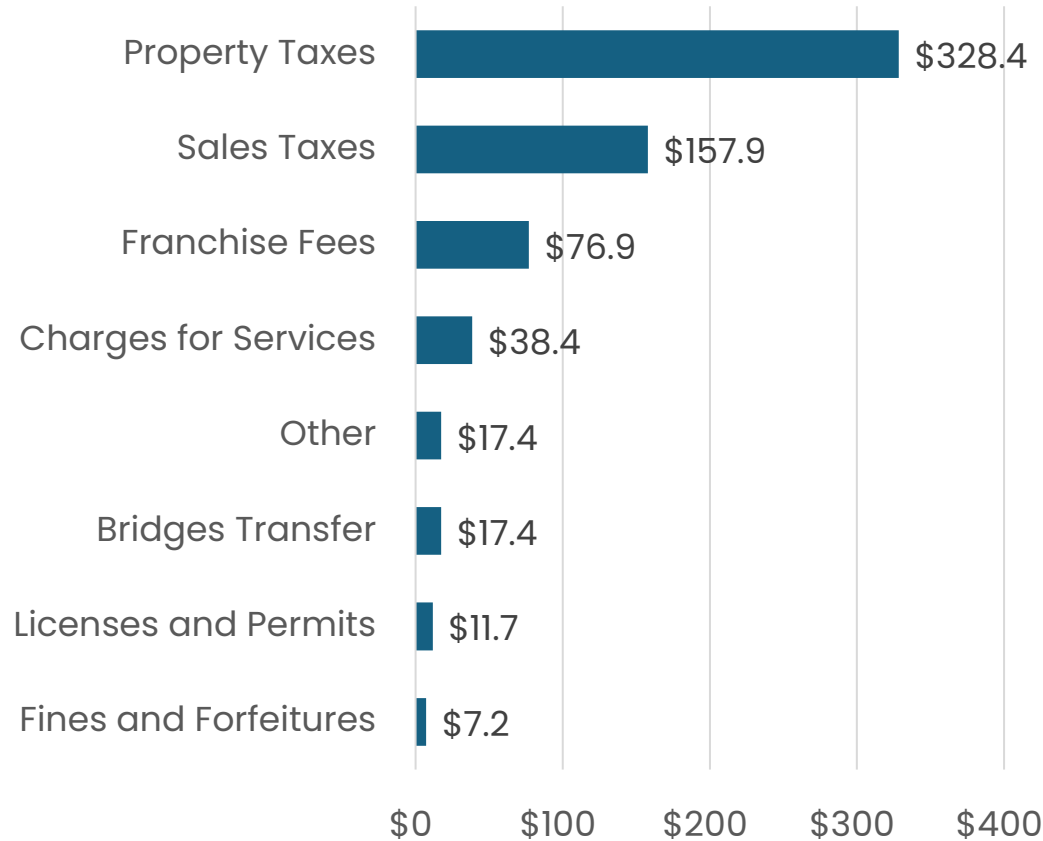
- Commitment to maintaining **high-quality public services**
- Focus on **long-term financial sustainability**
- Balanced all funds (General Fund, Special and Enterprise Funds)
- Fully resolves the projected shortfall of \$13.4 million on an ongoing basis while minimizing community and employee impacts, and still makes targeted investments

FY 2027 By Fund Category

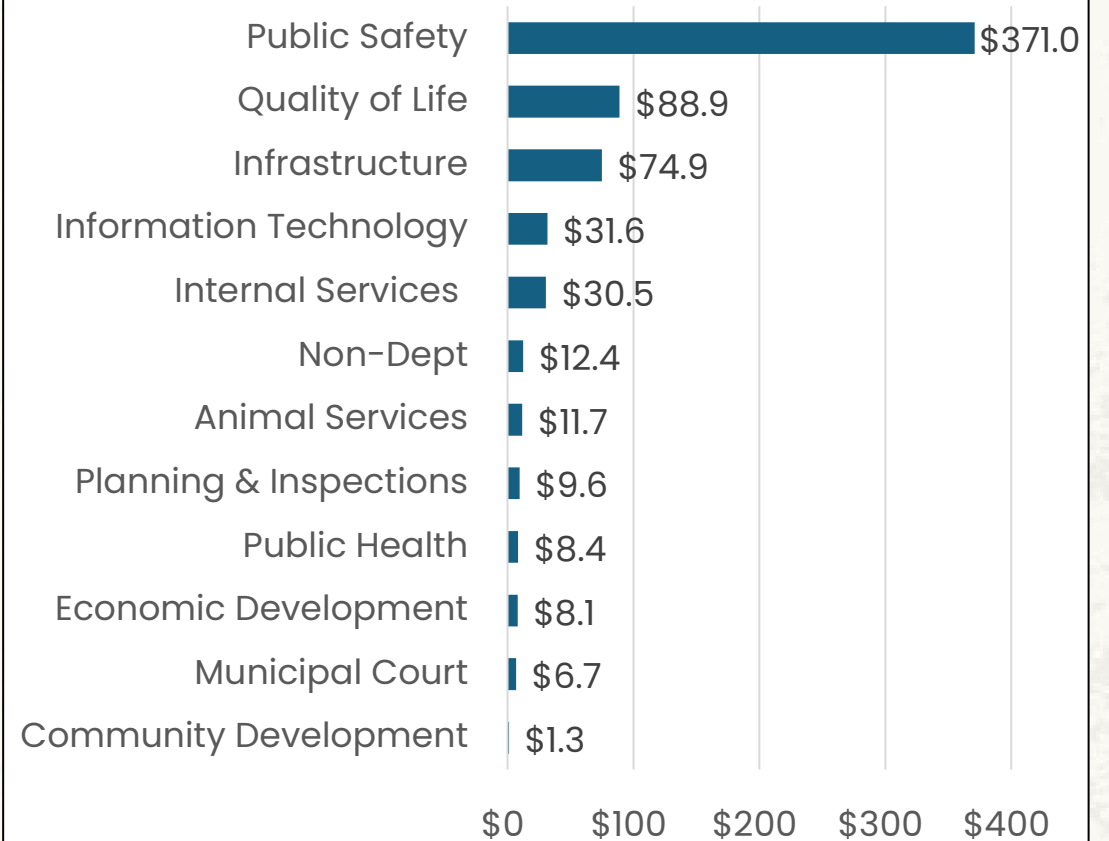
Fund Category	FY 2026 Adopted	FY 2027 Preliminary	\$ Variance	Variance Explanations
GENERAL FUND	625,691,692	655,320,318	29,628,626	Salaries, Staffing, Contracts, Utilities
SPECIAL REVENUE	171,141,197	157,734,143	(13,407,054)	Police, Econ. Dev., Health, Destination El Paso
INTERNAL SERVICE	99,538,818	104,070,092	4,531,274	Self Insurance Fund and Internal Service Fund
CDBG	13,360,121	13,356,623	(3,498)	Federal Community Dev. Block Grant
CAPITAL PROJECTS	24,279,870	25,733,876	1,454,006	HOT Capital, Pay-Go
ENTERPRISE	330,531,171	326,296,073	(4,235,098)	ESD, Aviation, Sun Metro, Bridges
DEBT SERVICE	117,904,539	122,910,868	5,006,329	Estimated principal and interest for FY2027
ALL FUNDS	\$1,382,447,408	\$1,405,421,994	\$22,974,586	

FY 2027 General Fund

Where the Money Comes From (\$655.3 Million)

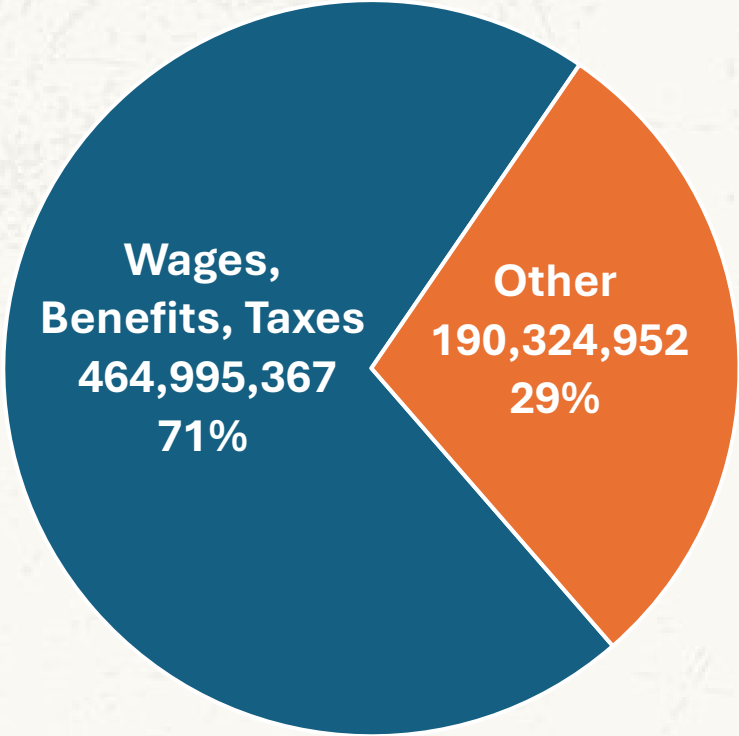


How the Money is Invested (\$655.3 Million)



FY 2027 General Fund

\$655.3 Million



Wages, Benefits, Taxes		
Police (Uniform and Non-Uniform)	\$180.7M	39%
Fire (Uniform and Non-Uniform)	\$146.0M	31%
Non-Uniform (Excluding Police and Fire)	\$138.3M	30%

Largest investment is our workforce:

- **Fire and Police** uniform salary and staffing increases in accordance with their current collective bargaining agreements
- **Non-Uniform employees** \$0.50 increase in minimum wage (from \$15.75 to \$16.25), or at least 2.5%

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

Efficiencies + Adjustments

Cost Reduction Strategies

- **Vacancies**
 - 75% of vacant positions unfunded or will be deleted
- **Use of Non-General Fund Resources**
 - Utilized grant funds to cover a portion of Information Technology contract (Public Safety Focus)
- **Departmental Budgets**
 - Comprehensive reviews of expenditures and operational needs

Cost recovery efforts

- **Fee study** – Parks & Recreation and Planning & Inspections (June 22, 2026 discussion)
- **Real Estate leases** – reviewing expiring leases and market rate analysis
- Other user fee or revenue opportunities

Recent Council Direction

- Analyze and seek opportunities for reasonable operational cost savings, while maintaining essential frontline city services

Budget Highlights

GOOD GOVERNANCE PILLAR:

Leadership that is responsive + reliable

Identify and implement sustainable fiscal opportunities to support community priorities

- Alignment with the recently **adopted Strategic Plan** ensures intentional focus on key community priorities
- Implementing **Program Based Budgeting** enhances transparency of all programs and services provided
- Reinforcing **long-term financial sustainability** ensures structural balance, operational efficiency, and responsible financial planning practices

Creating clear, accessible communication pathways for community input and engagement

- \$1.5M for November elections
- Enhance resident-and business-facing digital communication and transparency by improving access to information, EP311 service request visibility, and updates on city initiatives

Budget Priorities X Strategic Plan

Community Programs

	ECONOMIC MOBILITY	PUBLIC SAFETY	INFRASTRUCTURE	QUALITY OF LIFE	GOOD GOVERNANCE
Corporate Cross-Cutting Goal Areas	Create new international aviation route	Build: <ul style="list-style-type: none"> Police Department (PD) Central Regional Command PD/Fire Academy PD Headquarters 	Deliver Quick Build traffic safety projects that support <i>Vision Zero</i> initiative	Build: <ul style="list-style-type: none"> Neighborhood Improvement Program projects round 6 All Abilities Playgrounds 	Improve the public records request process to provide timely, accurate, and easy-to-access information
Communication Focus	Expand business support resources	Expand traffic safety outreach and education; Ensure Schools are <i>Safe Routes To School</i> certified	Complete Resler Dr. and Montwood Dr. extensions (connectivity)	Maintain all medians throughout the City; Complete projects identified within first year of facility repair program	Implement a Data Governance Plan to build city capacity for problem-solving and using data to improve residents' lives
Engagement Opportunities	Offer employer-aligned skills training	Reduce Priority 1 Officer Unavailable Time	Enhance the Sun Metro transit rider experience by implementing a complete route restructuring program	Provide equitable access to healthcare services (e.g., HIV, STD, TB testing, and vaccinations); Reduce and prevent the spread of vaccine-preventable diseases	Strengthen resident-facing digital communication, transparency, and service visibility
Financial Sustainability	Assess and improve the processing of building permit applications	Enhance DWI enforcement through a multipronged approach	Complete the Council two-year approved list of streets within Community Progress Bond	Develop and identify current, and future Parks and Recreation needs by prioritizing projects and investments	Reinforce procurement and contract processes to support competition, clarity, compliance, and vendor performance
	Provide tools and services to increase the supply of multi-family housing	Protect community against communicable diseases by facilitating early detection, contact tracing, intervention, & prevention strategies	Begin implementation of Climate Action Plan (solar lighting, 915 Treekeepers - tree plantings)	Provide youth & senior services to increase participation and program diversity in a safe environment	Implement a structured, organization-wide approach to risk management supporting safety and security for our residents and employees

Budget Highlights

ECONOMIC MOBILITY PILLAR:

Opportunity & prosperity that reflects El Paso

Activating workforce pathways toward livable wages

City of El Paso as employer

- \$3.2M in regular adjustments to wages tied to the cost of living and additional certifications
 - \$0.50 increase in minimum wage (from \$15.75 to **\$16.25**), or at least 2.5% effective September 20, 2026
- No increase to employee (non-uniform) healthcare contribution (9th consecutive year)

Budget Highlights

PUBLIC SAFETY PILLAR:

Protection and visibility are a baseline responsibility

Recruiting and retaining first responders

- \$7.1M uniform base wage and benefits increase according to Collective Bargaining Agreements
- \$9.4M public safety (Police and Fire) vehicles and equipment replacement
- Planned 3 academies with 90 graduates for Police Department
- Planned 2 academies (one graduating in FY2027) with 45 graduates for Fire Department
- Transferring 18 police department positions and 19 Firefighters from non general fund to general fund
- \$2.5M for Crisis Intervention Team and Public Safety P-25 Radio System agreements

Tax Relief

- Community-Oriented Policing Services (COPS) grant provides \$2.25M funding for 18 officers over three years
- SAFER (Staffing for Adequate Fire and Emergency Response) grant provides \$2.6M funding over a three-year period

Budget Highlights

PUBLIC SAFETY PILLAR:

Protection and visibility are a baseline responsibility

Focus on key transportation planning and traffic management

- Maintains funding for Neighborhood Traffic Management Program, Vision Zero, and lane striping
- \$310K for Signs & Markings and Traffic Engineering program contracts

Budget Highlights

INFRASTRUCTURE PILLAR:

People, places, and daily life that feels connected

Expanding street maintenance and roadway improvements

- \$10M for street maintenance
- \$4.9M citywide facility maintenance and improvements
- \$2.1M for street related heavy equipment vehicle replacement
- \$1.5M citywide vehicle replacement

Budget Highlights

QUALITY OF LIFE PILLAR:

A city that is both livable and enjoyable

Enhance environments that make daily life livable and enjoyable through welcoming spaces

- \$1.5M for Parks & Recreation related amenity replacement and improvements
- \$1.5M increase in Animal Services operational costs
- \$920K for vehicles and heavy equipment for Eastside Sports Complex maintenance (*Funding from Public Improvement District*)

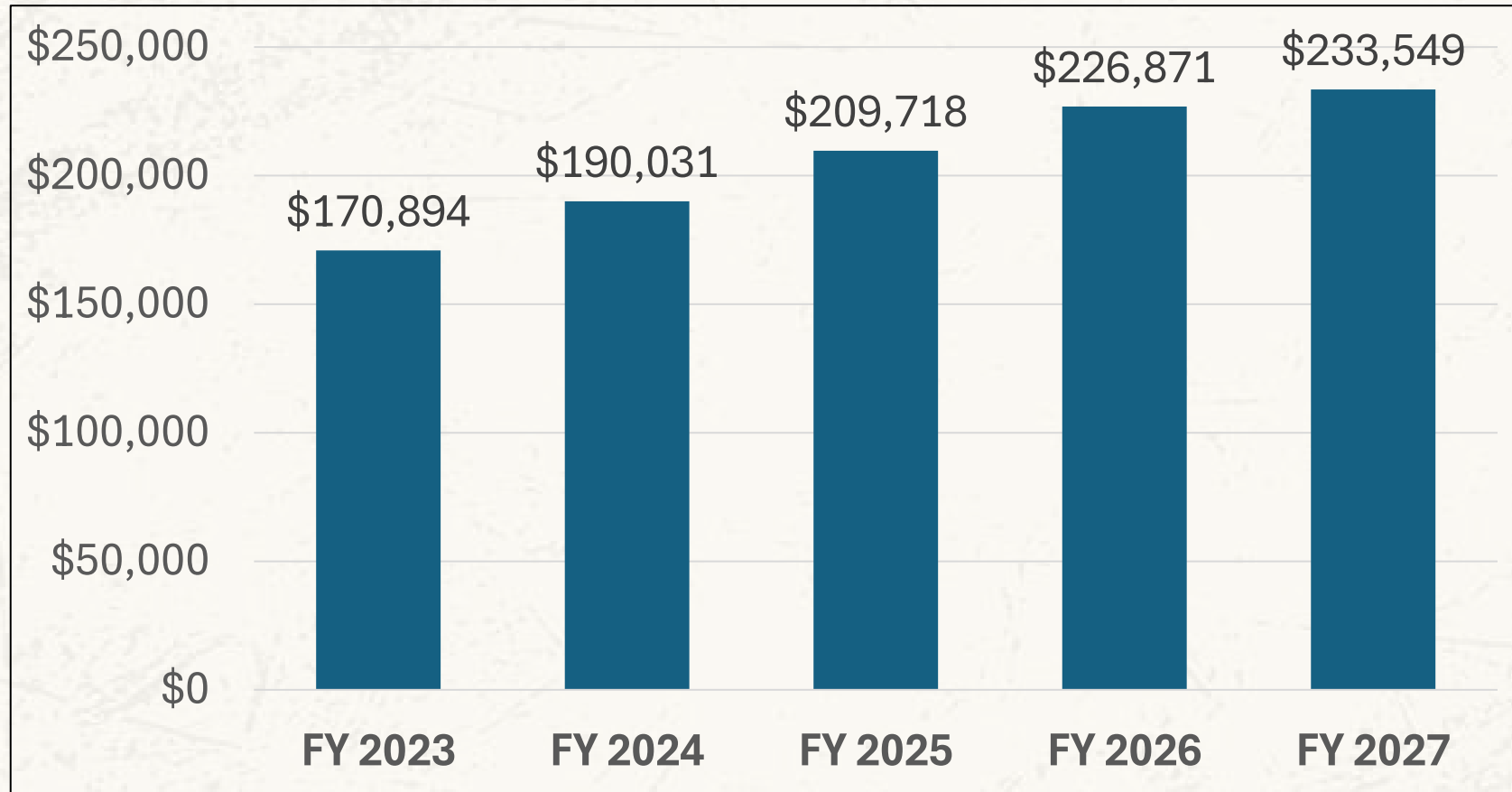
FY 2027 By Fund Category

Fund Category	FY 2026 Adopted	FY 2027 Preliminary	\$ Variance	Description of Fund
GENERAL FUND	625,691,692	655,320,318	29,628,626	Primary operating fund
SPECIAL REVENUE	171,141,197	157,734,143	(13,407,054)	Restricted to expenditures for specified purposes
INTERNAL SERVICE	99,538,818	104,070,092	4,531,274	Healthcare, Workers Comp. Fleet Fund
CDBG	13,360,121	13,356,623	(3,498)	Federal Community Dev. Block Grant
CAPITAL PROJECTS	24,279,870	25,733,876	1,454,006	HOT Capital, Pay-Go
ENTERPRISE	330,531,171	326,296,073	(4,235,098)	Airport, Env. Svcs, Sun Metro, Bridges, Tax
DEBT SERVICE	117,904,539	122,910,868	5,006,329	Payment of long-term debt principal, interest
ALL FUNDS	\$1,382,447,408	\$1,405,421,994	\$22,974,586	

FY 2027 General Fund Revenue

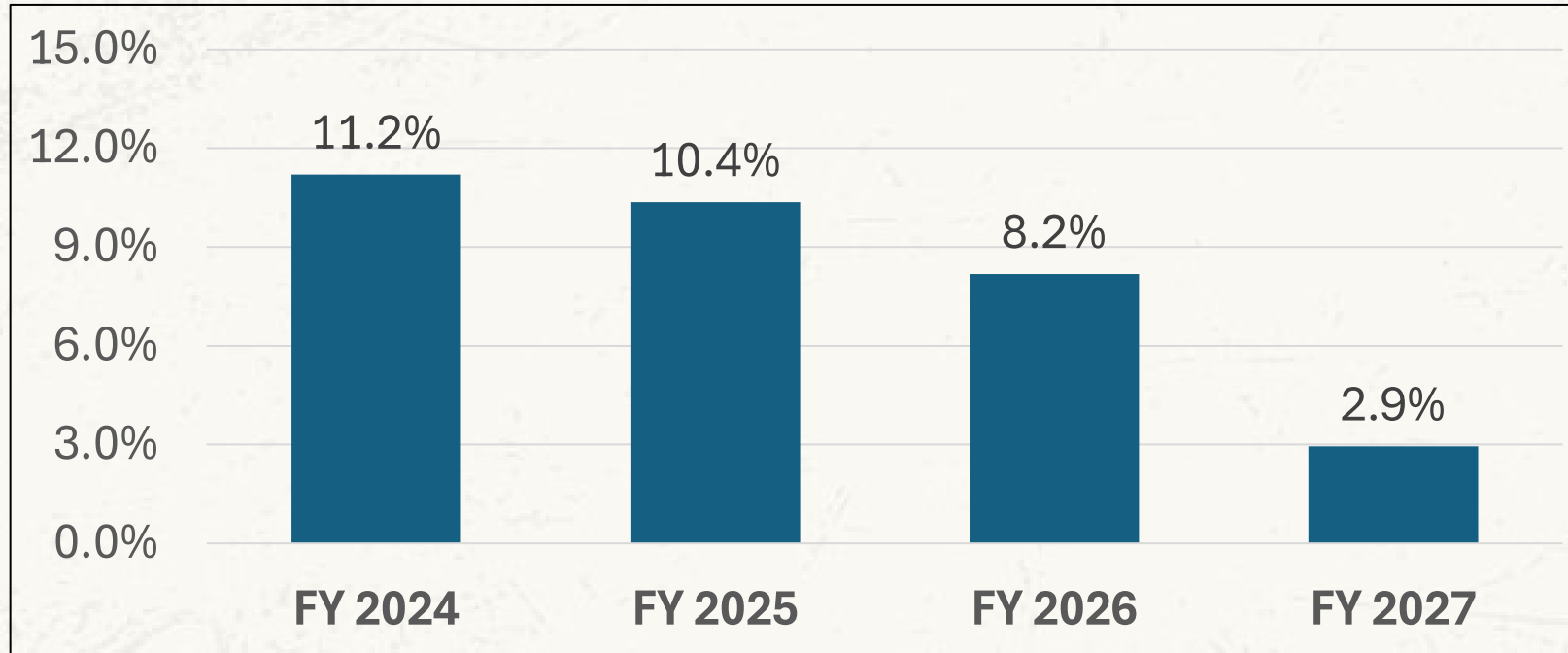
CATEGORY	FY 2026 ADOPTED	FY 2027 PRELIMINARY	\$ VARIANCE	
PROPERTY TAXES	304,878,594	328,449,568	23,570,974	based on valuation and tax rate
SALES TAXES	146,725,816	157,931,000	11,205,184	4.8% increase over FY 2026 projection
FRANCHISE FEES	61,742,911	61,115,800	(627,111)	Decrease in Time Warner and AT&T
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	

Average Single-Family Home Net Taxable Value



FY 2027 avg. value home is a projection based on the preliminary value received on April 30, 2026

% Change Average Single-Family Home *Net Taxable Value*



FY 2027 avg. value home is a projection based on the preliminary value received on April 30, 2026

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

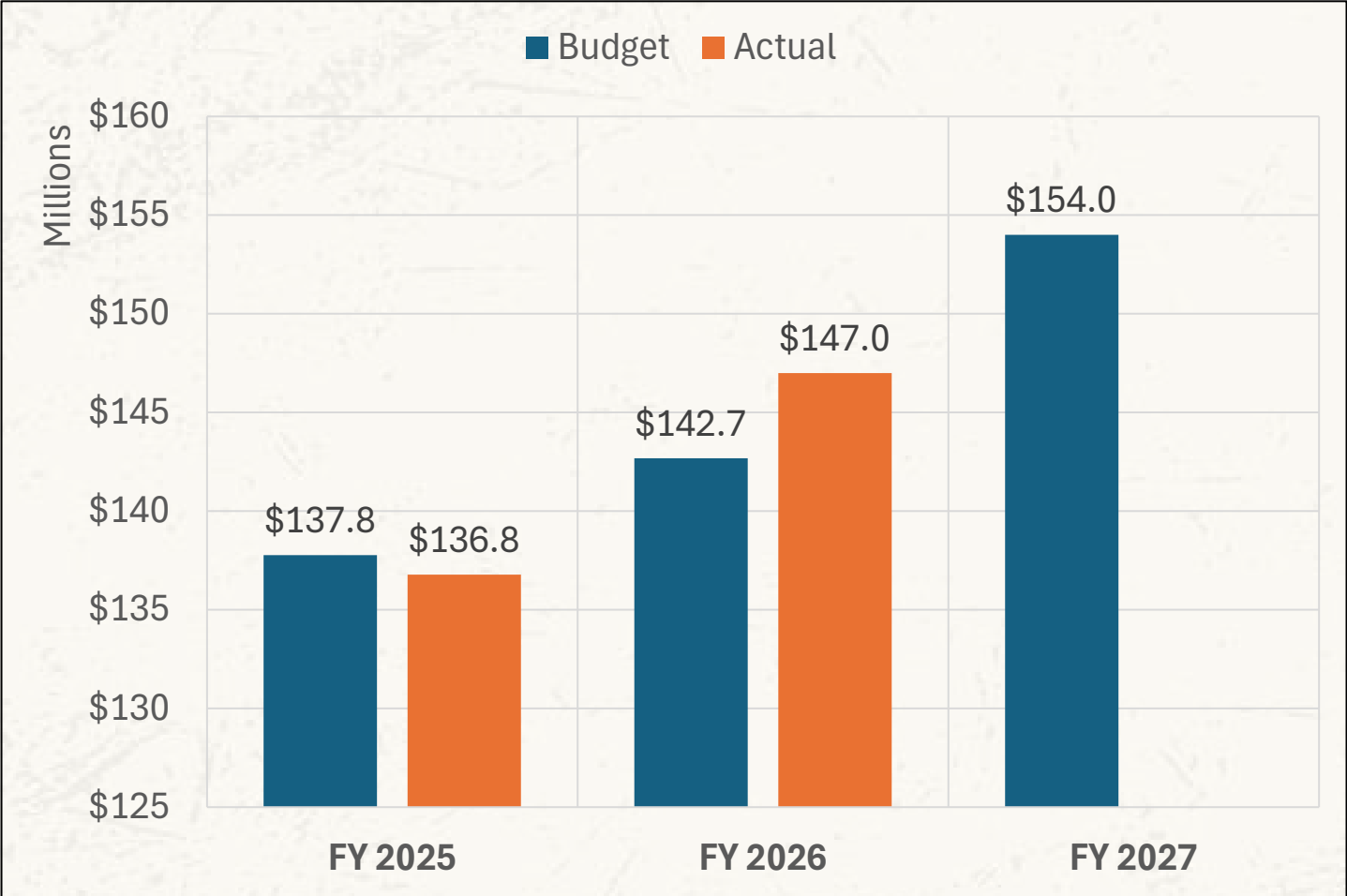
The average disabled veteran exemption increased from \$106K to \$116K

Voter-Approved Property Tax Rate Impact

	Tax Rate Impact	Annual Impact on \$233,549 Home
Business Personal Property Exemption (New)	1.26 cents	\$29.43
Disabled Veterans Exemption	0.63 cents	\$14.71
Voter - Approved Debt Service	0.88 cents	\$20.55
Total Impact	2.77 cents	\$64.69

For every \$100,000 of taxable value, the tax rate impact equals \$27.70 per year

Sales Tax



- FY 2026 year-to-date is up 9% (Sep-Feb) compared to prior year
- FY 2027 estimate is 4.8% increase over current year-end projection

Next Steps

- June 1-11 – **Community Presentations** in each District
- June 22-23 – **Budget Workshops** (Review Council Adjustments, Community feedback, and Fee Study)
- July 17 – **file Proposed Budget** with City Clerk
- July 30 – **Budget Workshop** (Present Certified Property Values and Ordinance Introducing Tax Rate)
- August 18 – **Adoption of Budget and Tax Rate**

Community Meetings

Monday, June 1 – 5:30 p.m.

Irving Schwartz Library
1865 Dean Martin Dr.

Tuesday, June 2 – 6 p.m.

Westside Regional Command Center
4801 Osborne Dr.

Tuesday, June 2 – 6 p.m.

Municipal Service Center, Cotton
Patch Rm
7968 San Paulo Dr.

Monday, June 8 – 5:30 p.m.

City Hall, Main Conf. Room, 2nd Floor
300 N. Campbell St.

Tuesday, June 9 – 6 p.m.

Memorial Senior Center
1800 Byron St.

Tuesday, June 9 – 6 p.m.

Northeast Regional Command Center
9600 Dyer St.

Wednesday, June 10 – 6 p.m.

Valle Bajo Community Center & Library
7380 Alameda Ave.

Thursday, June 11 – 6 p.m.

The Beast Urban Park
13501 Jason Crandall Dr.

Agenda

- **Budget Overview Presentation**
 - (*~20 mins.*)
- **Questions and Answers**
 - (*~20 mins.*)
- **Budget Simulation Tool**
 - (*~20 mins.*)

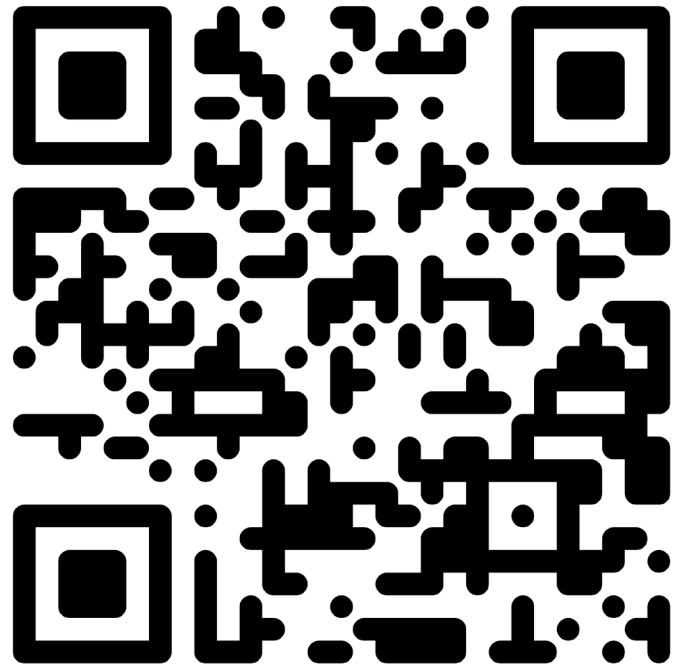


Agenda

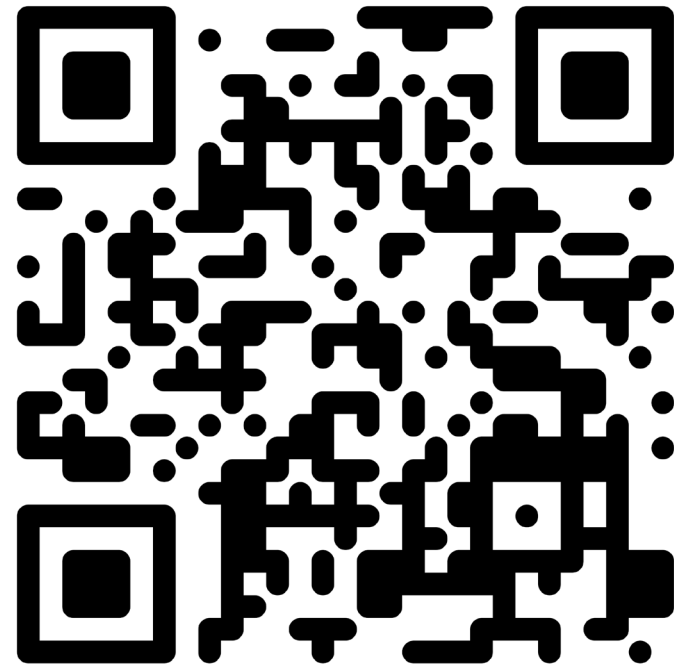
- **Budget Overview Presentation**
 - (~20 mins.)
- **Questions and Answers**
 - (~20 mins.)
- **Budget Simulation Tool**
 - (~20 mins.)



Budget Simulation Tool



Engage with the City of El Paso's Budget Simulation Tool!



¡Participe en el Simulador de Presupuesto FY 2027 de Fondo General de la Ciudad de El Paso!