



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

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- 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

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 2nd 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
Projected Surplus/(Deficit)			\$52,080

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%
Total Revenue.....	\$625,691,692	\$88,804,244	14.2%	\$92,257,141	15.4%

General Fund Revenue Year-End Projections

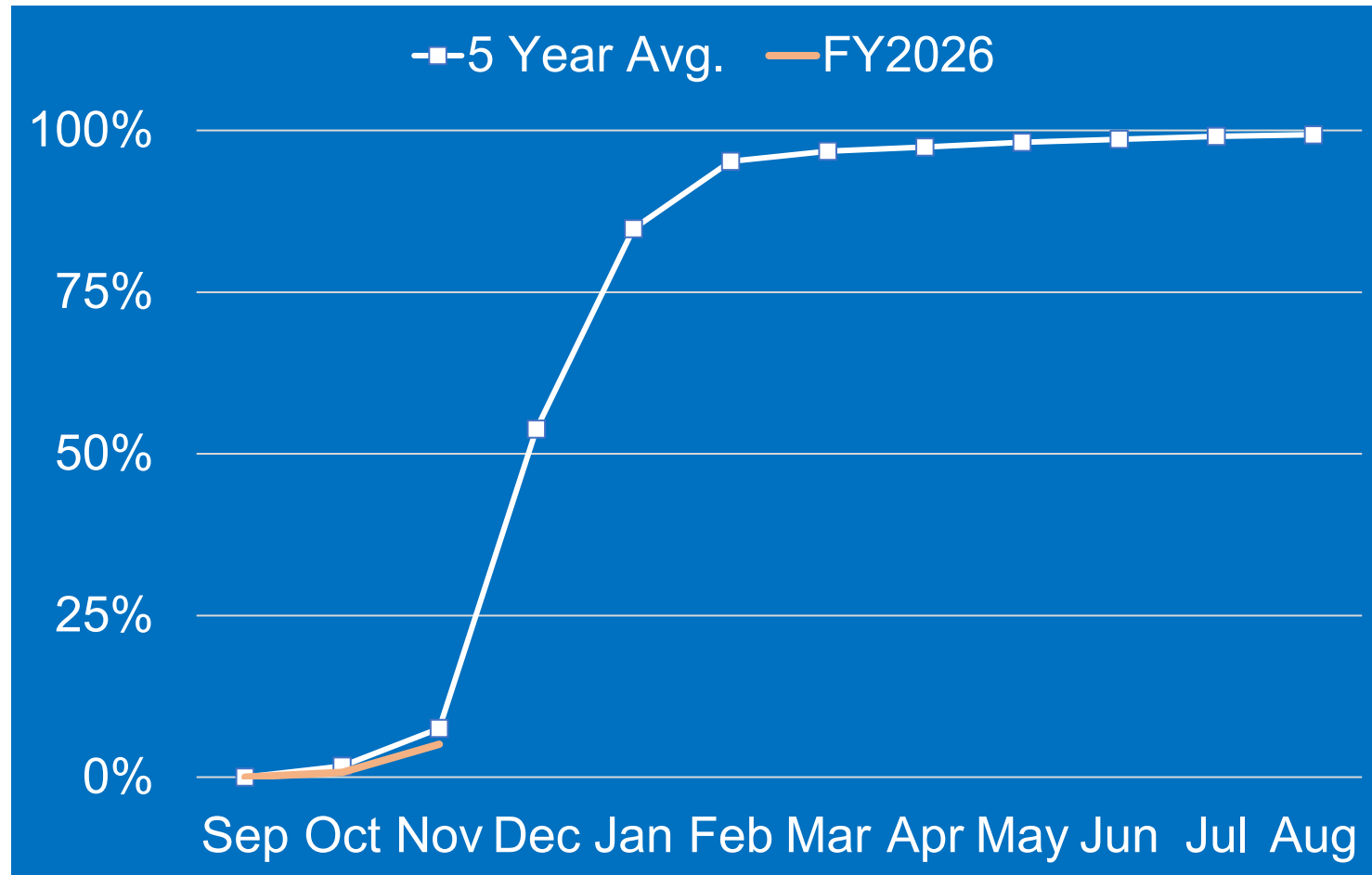
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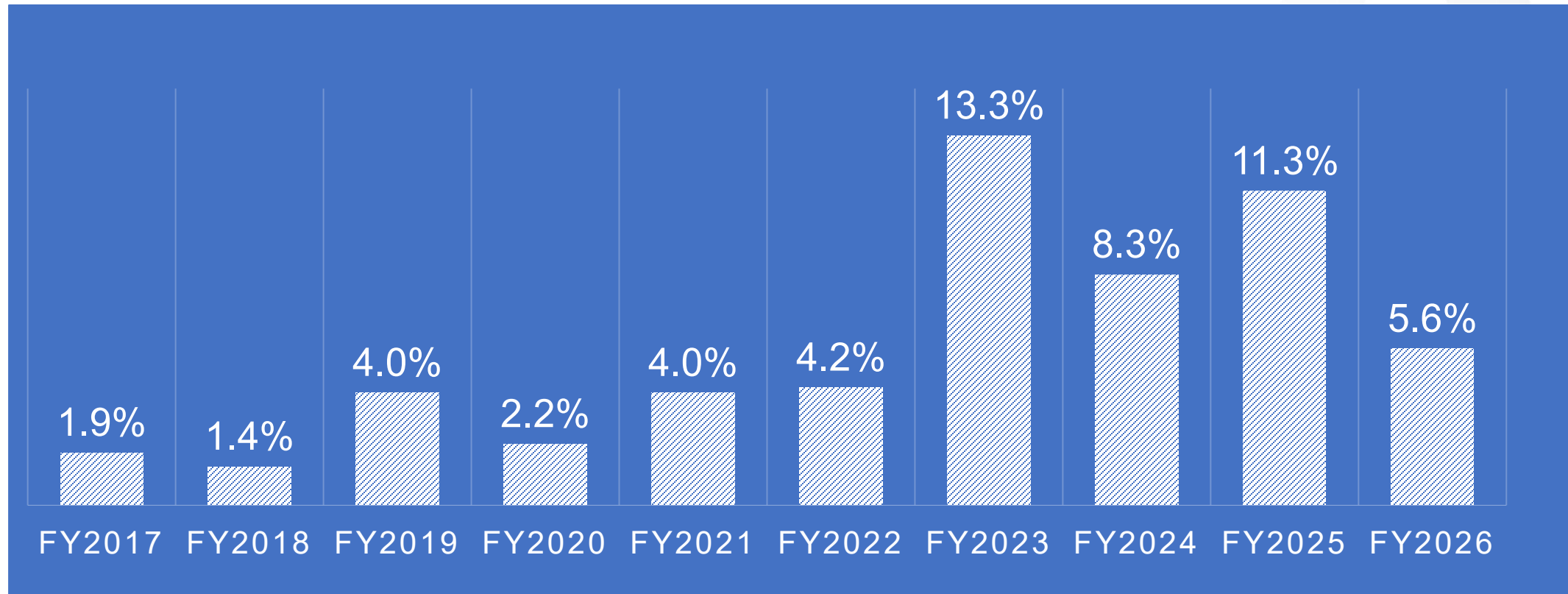
Category	FY 2026 Budget	FY 2026 Actuals	FY 2026 Year-End Projection	Projected Over/(Under) Budget
Property Taxes.....	\$304,878,594	\$13,717,528	306,233,033	1,354,439
Sales Taxes.....	146,725,816	35,162,502	146,129,164	(596,652)
Franchise Fees.....	61,742,911	13,825,529	58,615,051	(3,127,860)
Charges 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)
Total Revenue.....	\$625,691,692	\$88,804,244	\$621,481,168	(\$4,210,524)

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

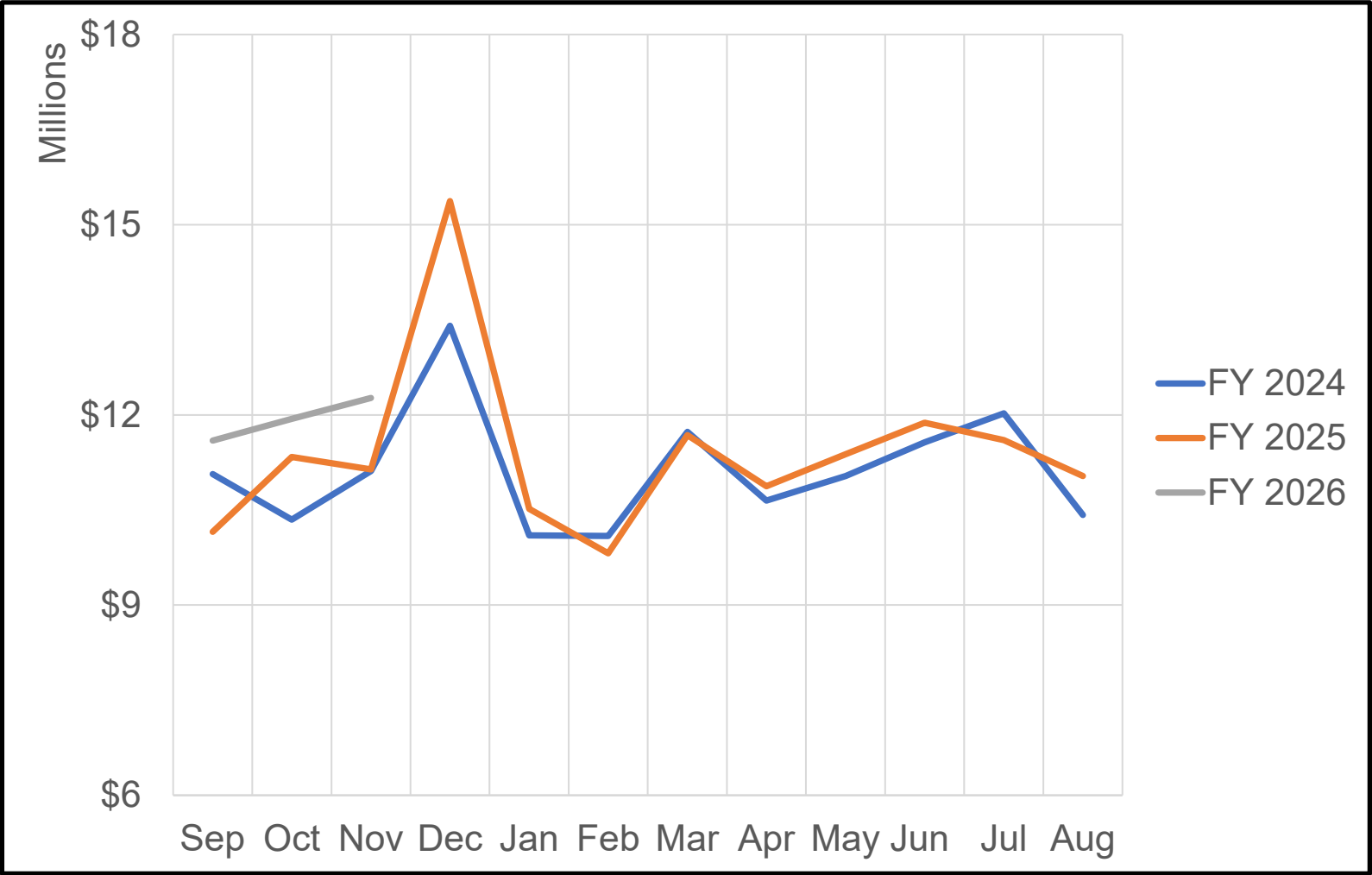
Property Tax Collection %



Property Valuation Growth



City Sales Tax Collections



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City Sales Tax Growth

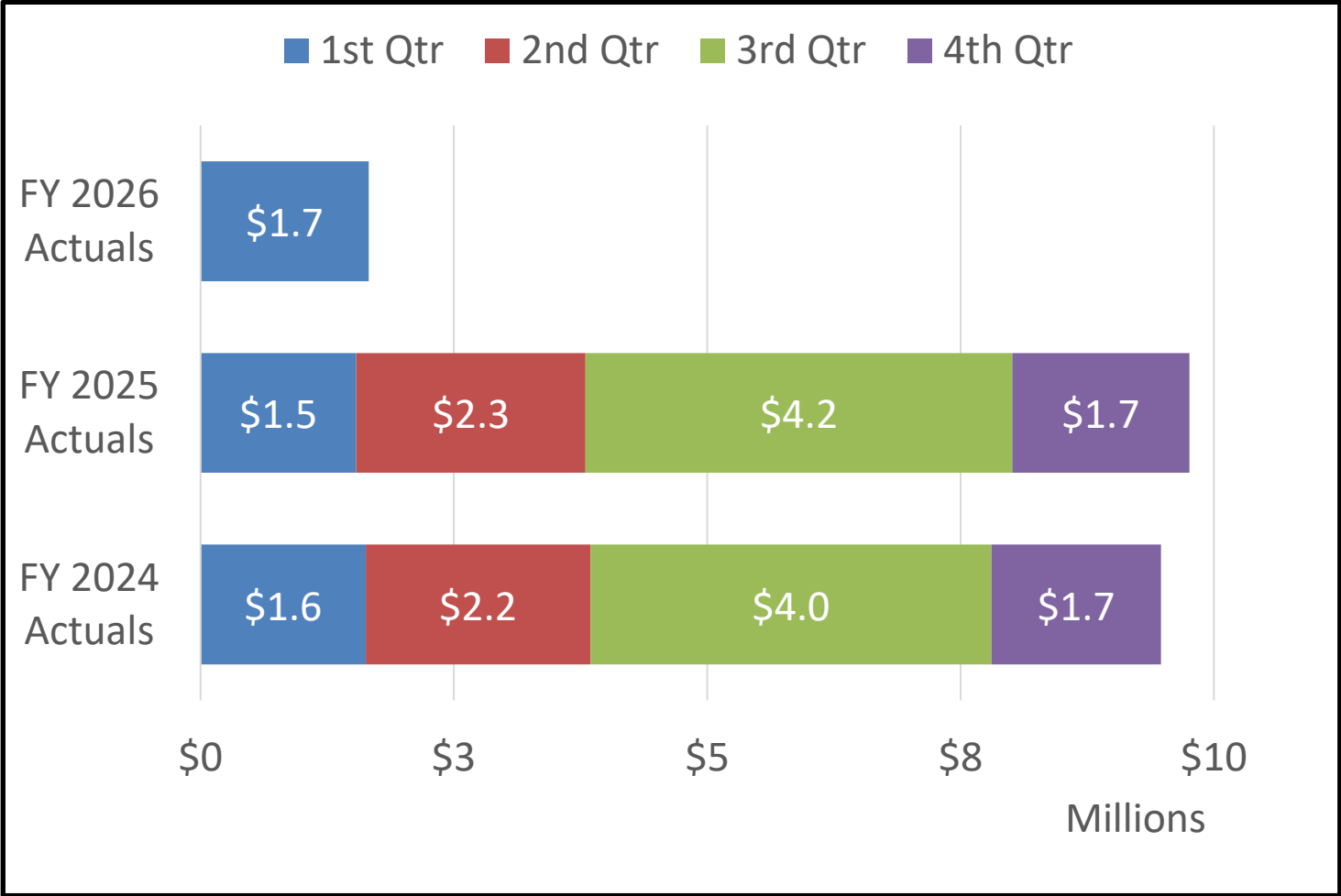
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MONTH	FY 2025	FY 2026	Sep-Nov \$ VARIANCE	Sep-Nov % VARIANCE
Sep	10,154,526	11,595,095	1,440,569	14.2%
Oct	11,336,315	11,938,020	601,705	5.3%
Nov	11,138,909	12,267,275	1,128,365	10.1%
Dec	15,372,624			
Jan	10,516,516			
Feb	9,816,627			
Mar	11,680,540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

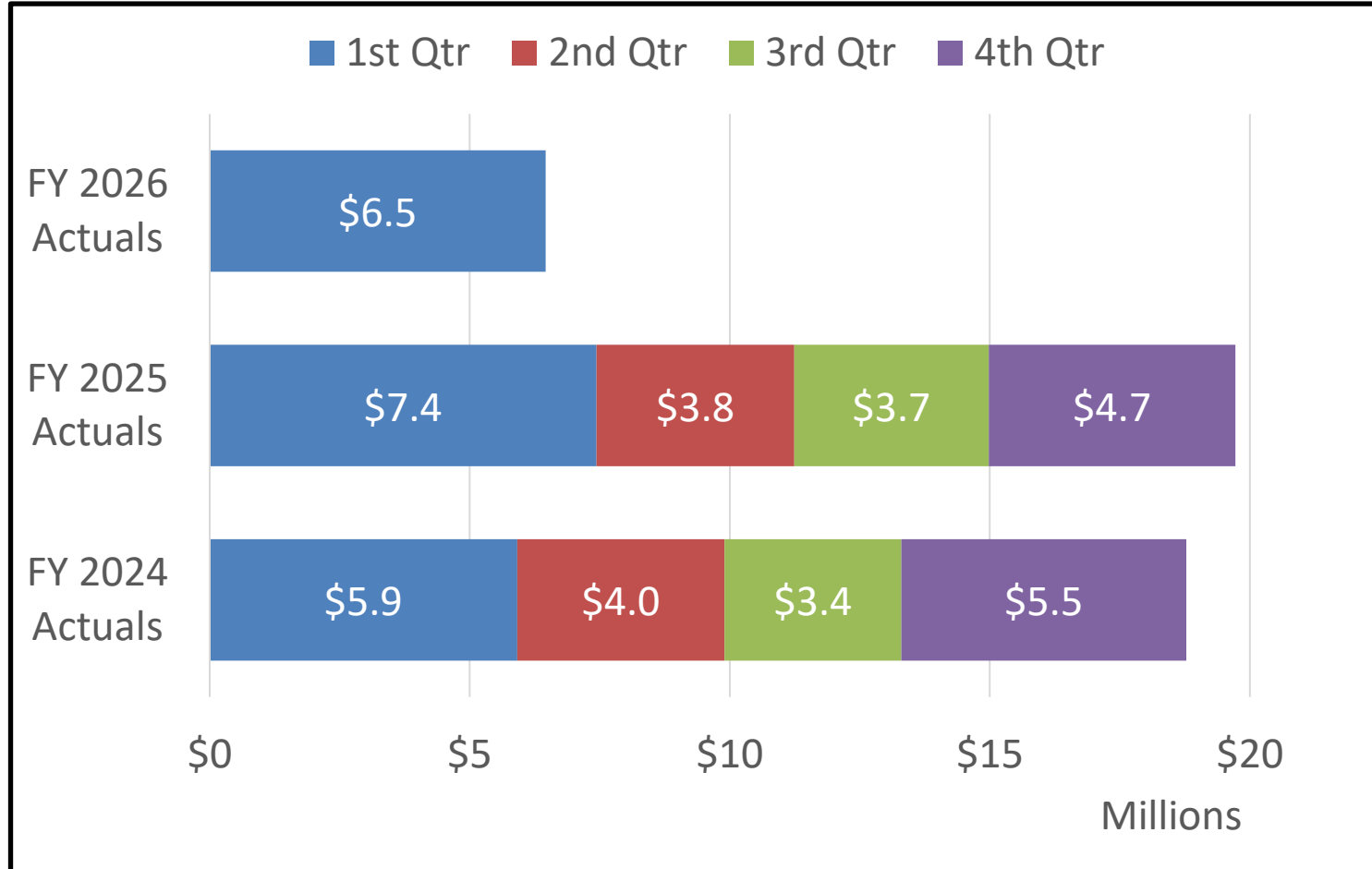
FY 2025 1st Quarter had a negative \$1.4M State audit adjustment due to a retailer reporting all their local/use tax based on their physical location in El Paso and not by “destination” (customer/ship location.)

Texas Gas Franchise Fee



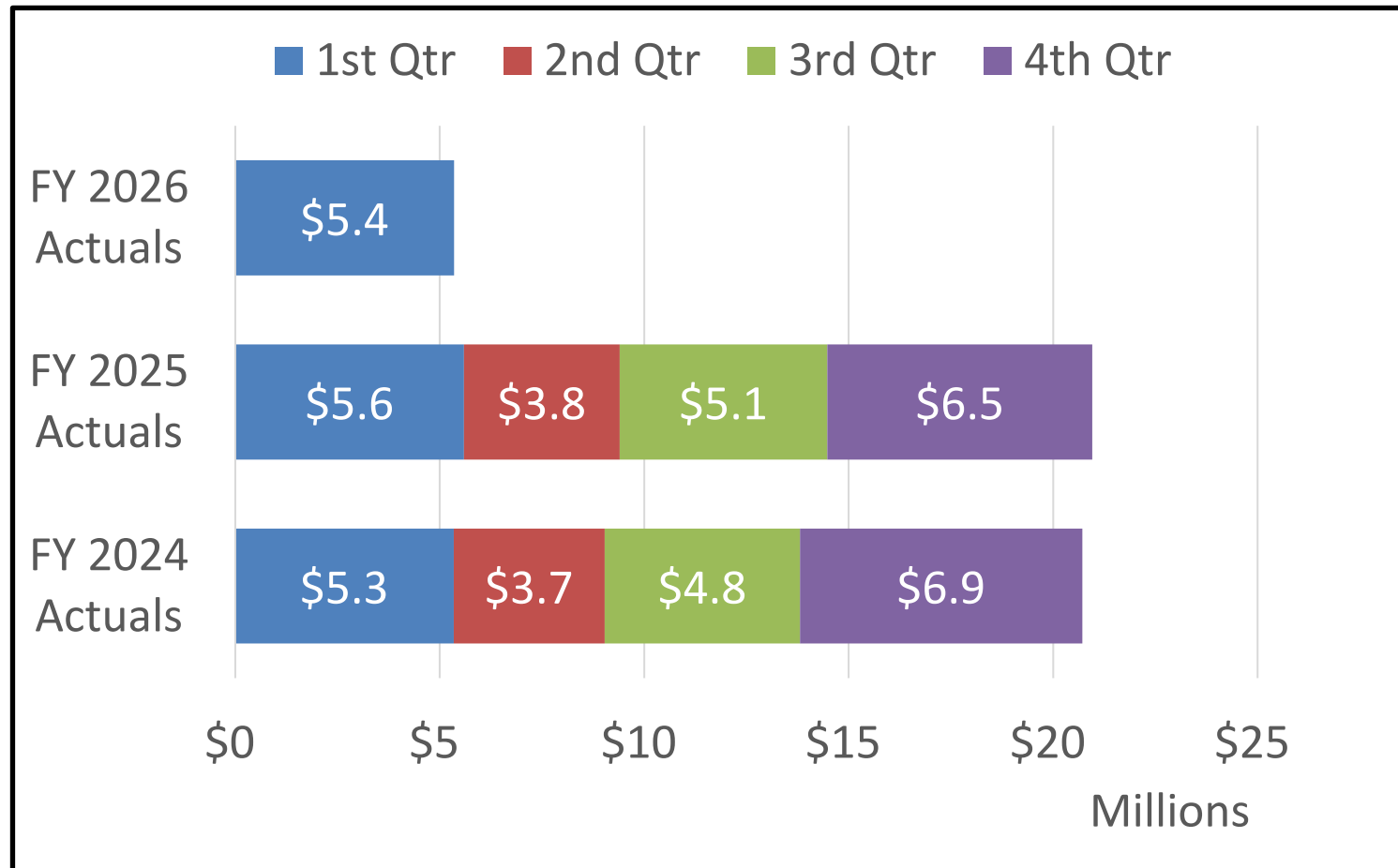
- Franchise fee paid quarterly
- Franchisee has 45 days after end of the period to submit payment to the City
- 1st quarter payment based upon gross receipts for the three-month period ending September 30, 2025

EP Electric Franchise Fee



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

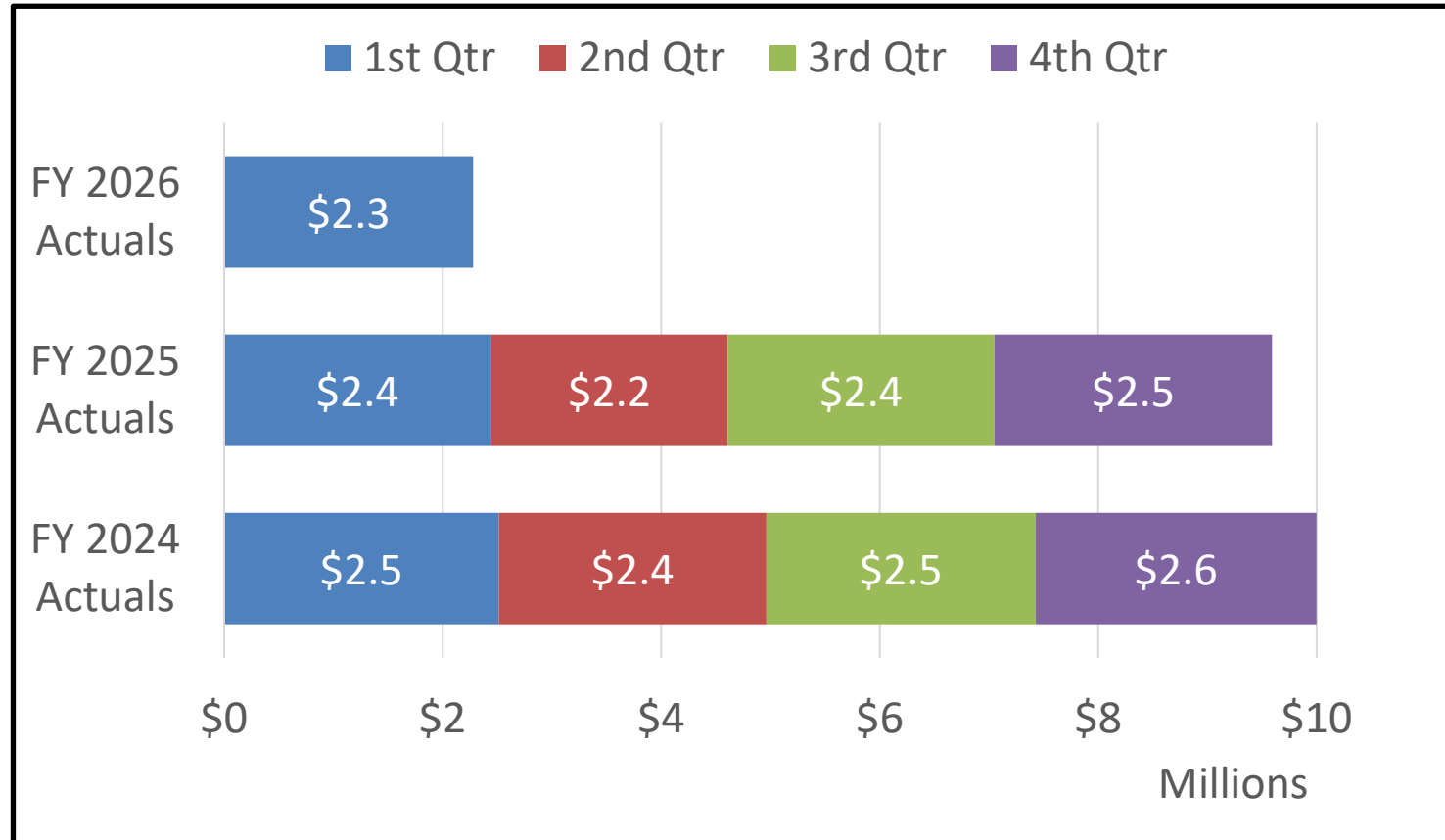
EP Water Franchise Fee



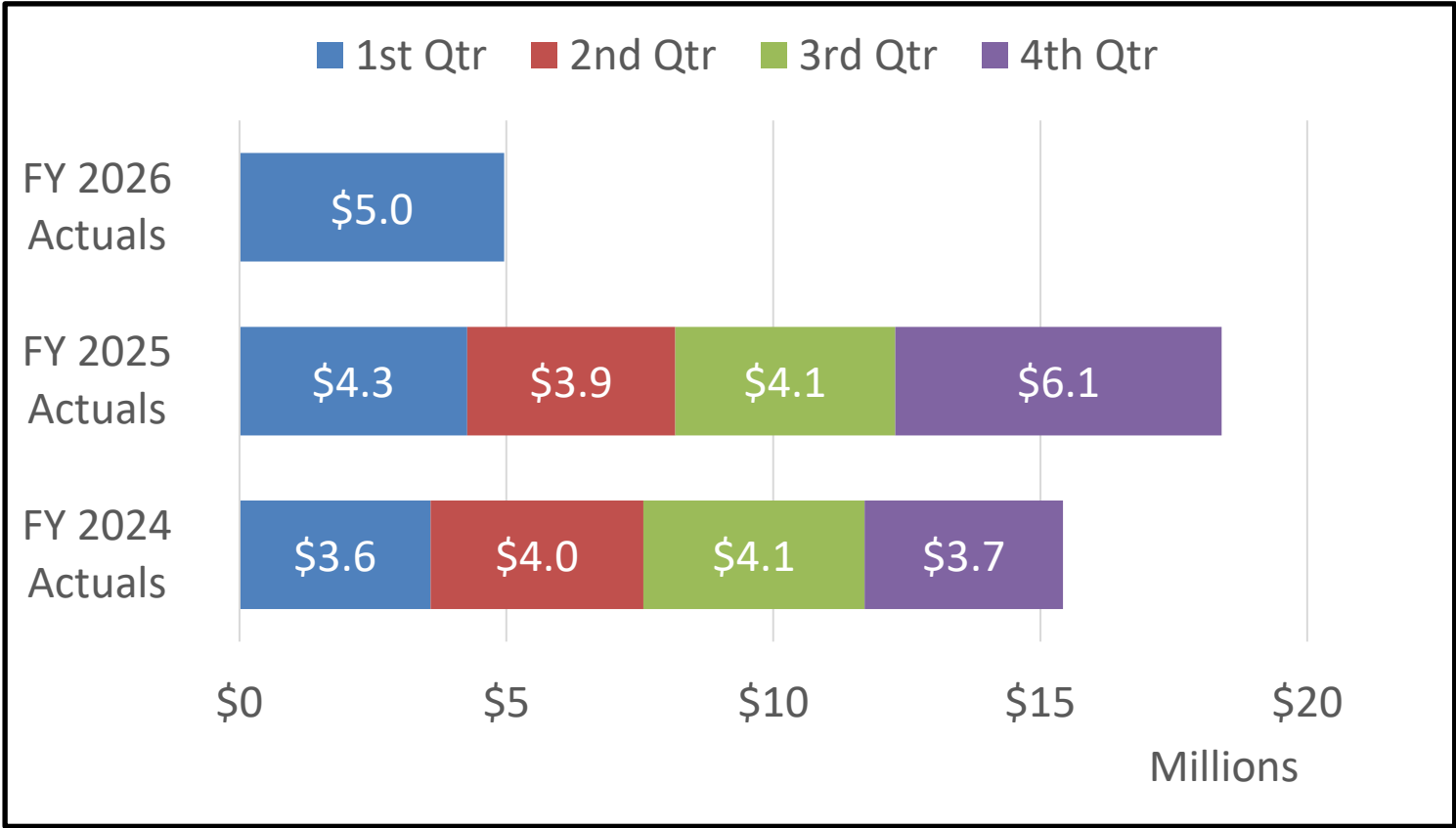
- Franchise fee paid monthly
- Franchisee has 30 days after end of the period to submit payment to the City
- 1st quarter payment based upon gross receipts for the three-month period ending September 30, 2025

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%
Total Expenditures.....	\$625,691,692	\$123,539,454	19.7%	\$118,415,099	19.5%

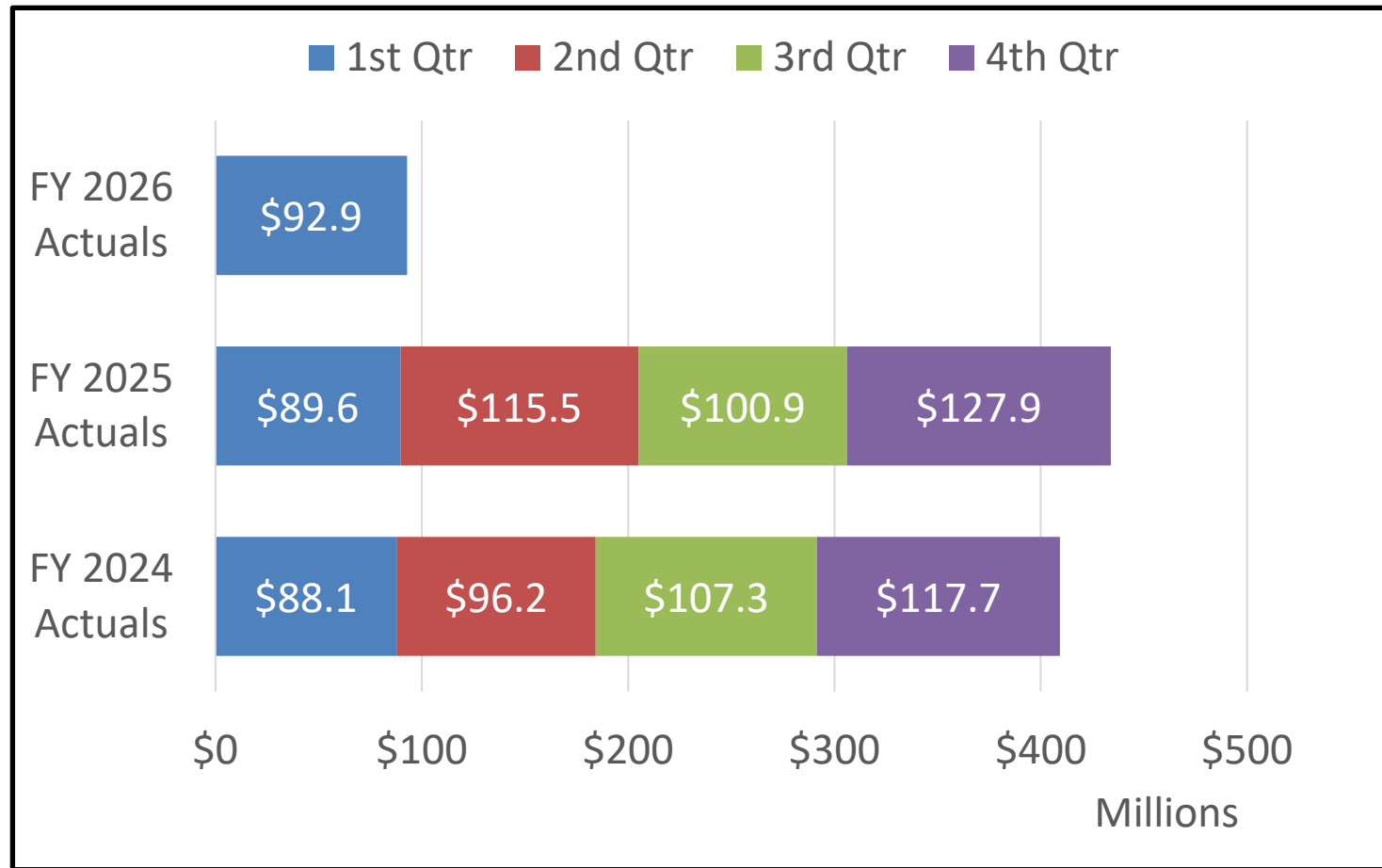
General Fund Expenses Year-End Projections

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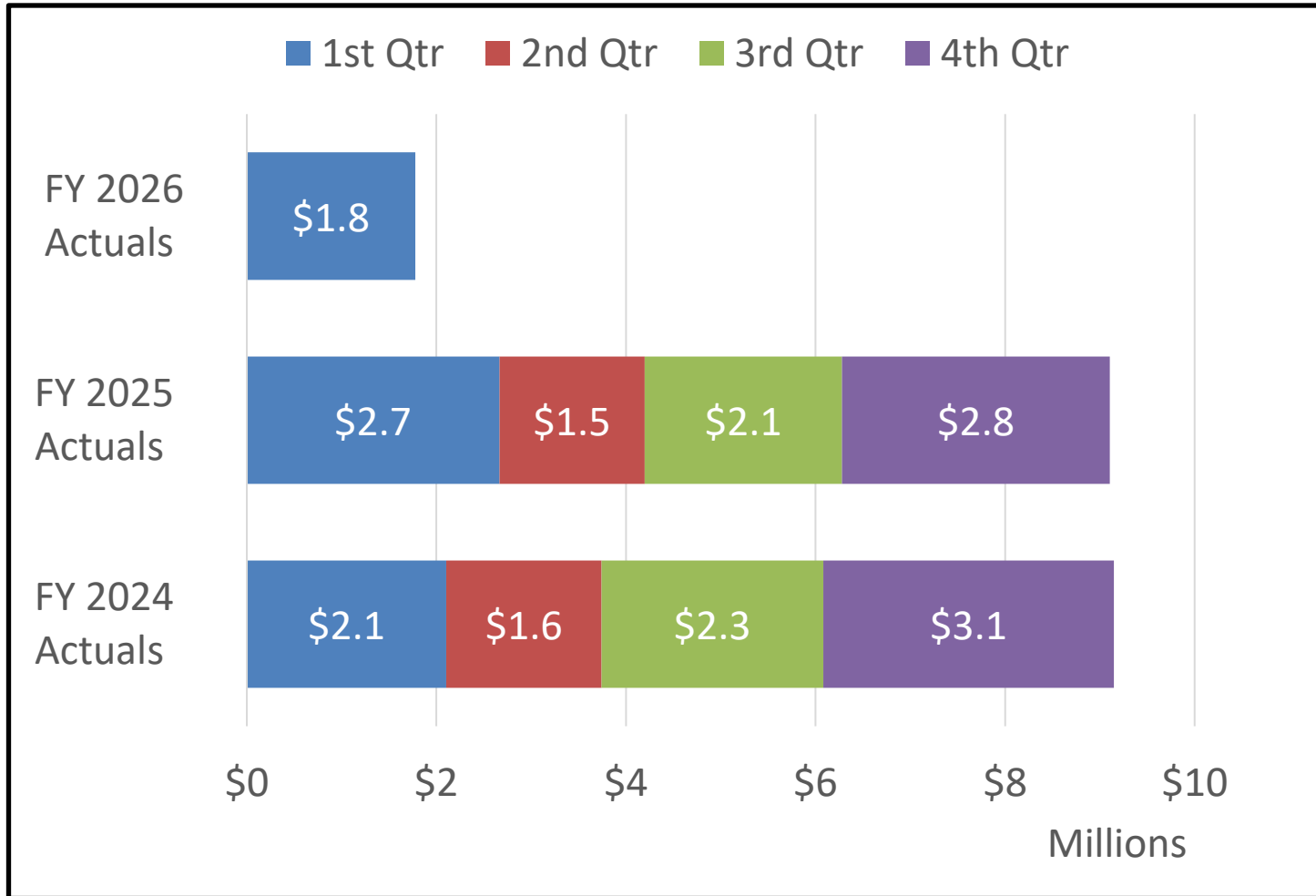
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Category	FY 2026 Budget	FY 2026 Actuals	FY 2026 Year-End Projection	Projected (Over)/Under Budget
Personal Services	\$447,671,204	\$92,896,669	\$446,823,394	847,810
Contractual Services.....	64,450,373	14,673,902	65,363,316	(912,943)
Materials & Supplies.....	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)
Total Expenditures.....	\$625,691,692	\$123,539,454	\$621,429,088	\$4,262,604

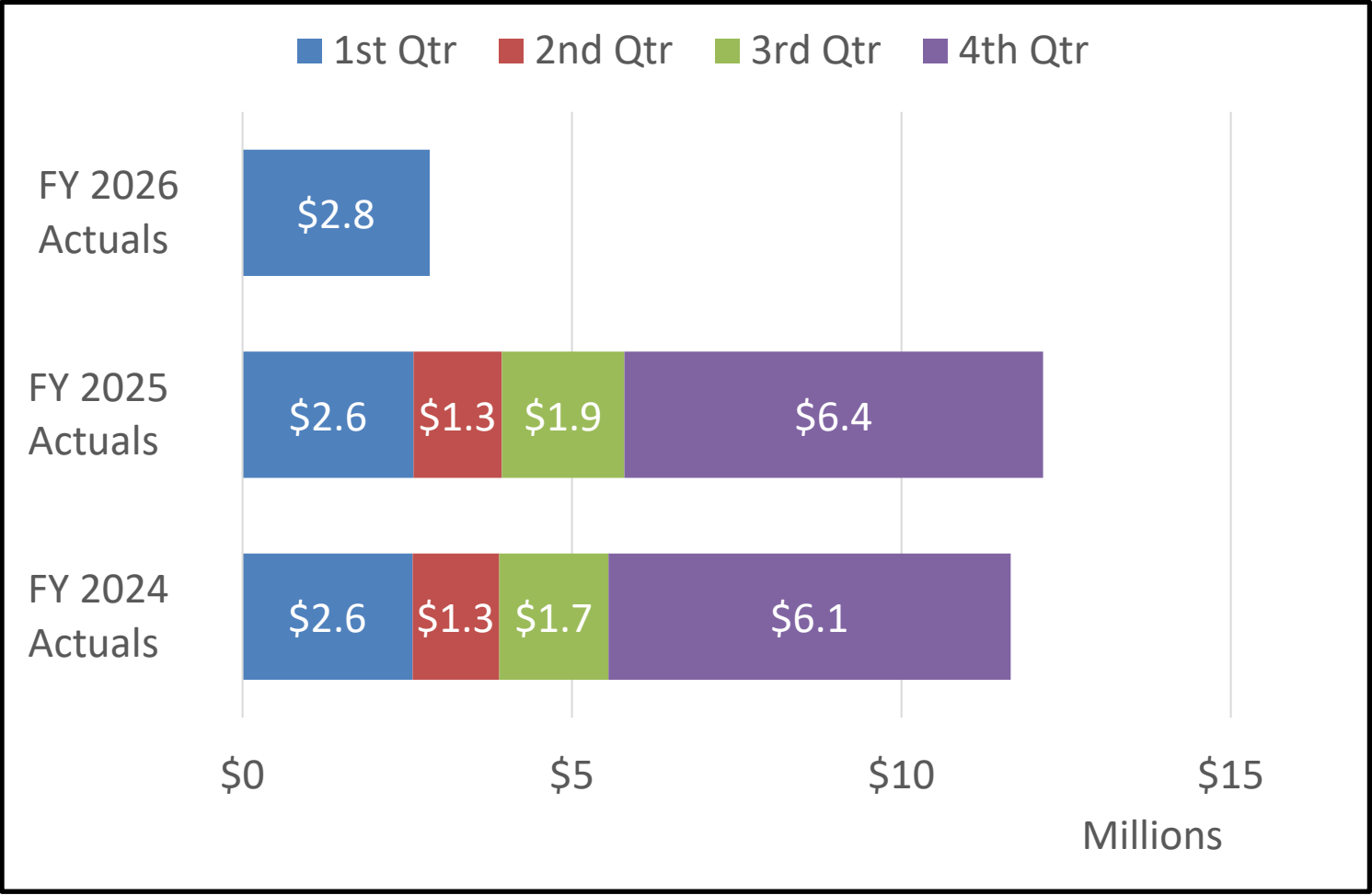
Personal Services (Salaries, Benefits, Taxes)



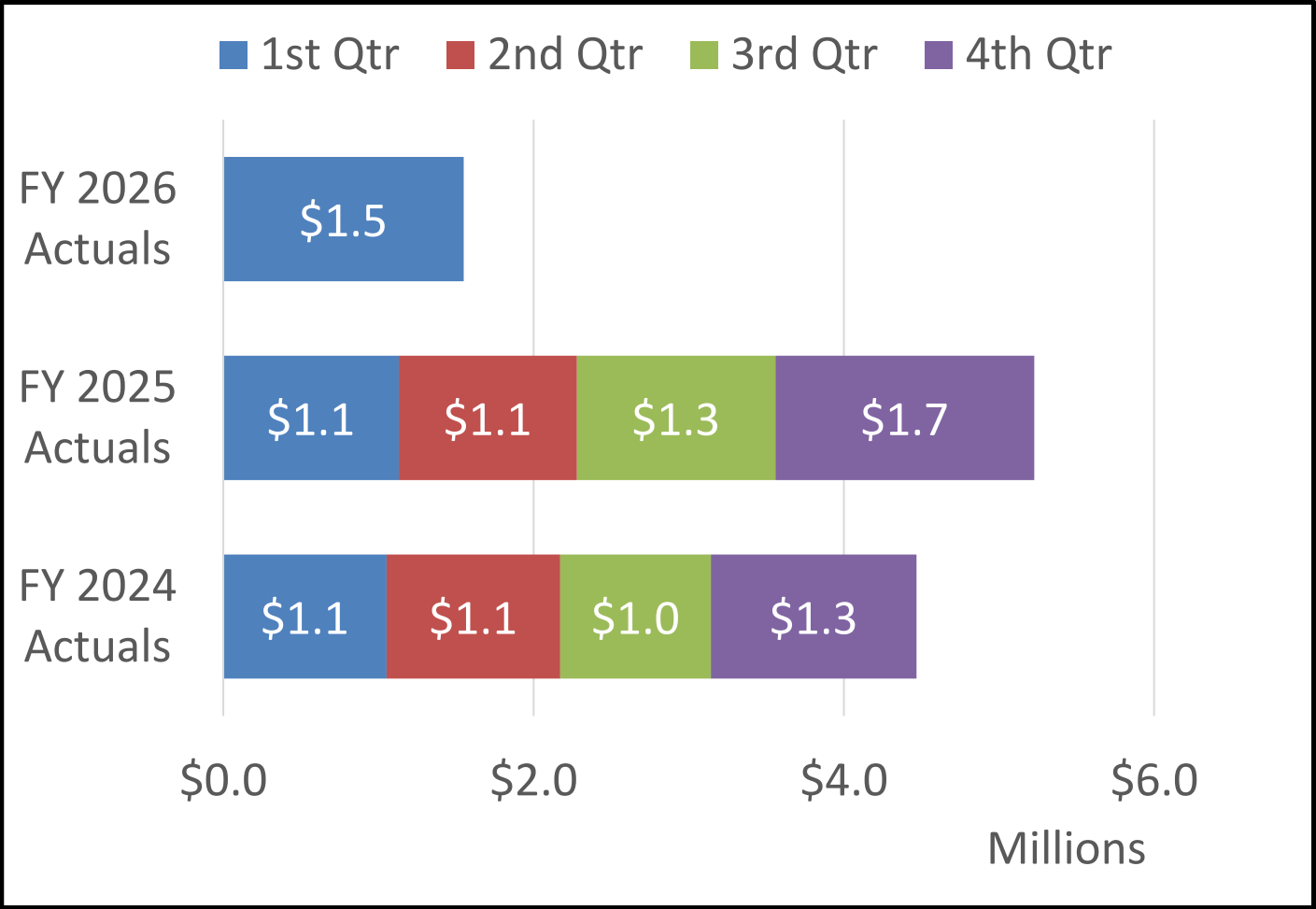
Electricity Expense



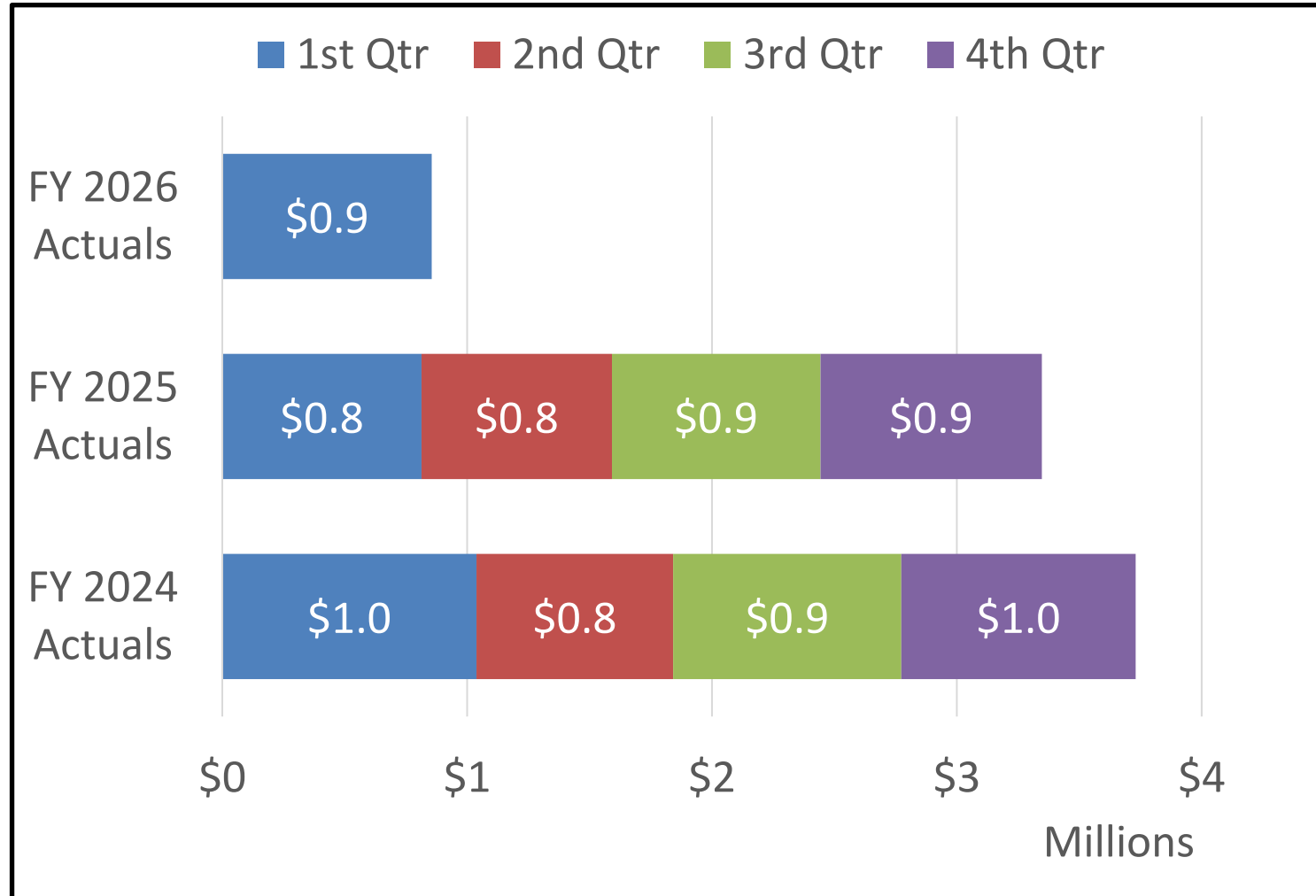
Water Expense



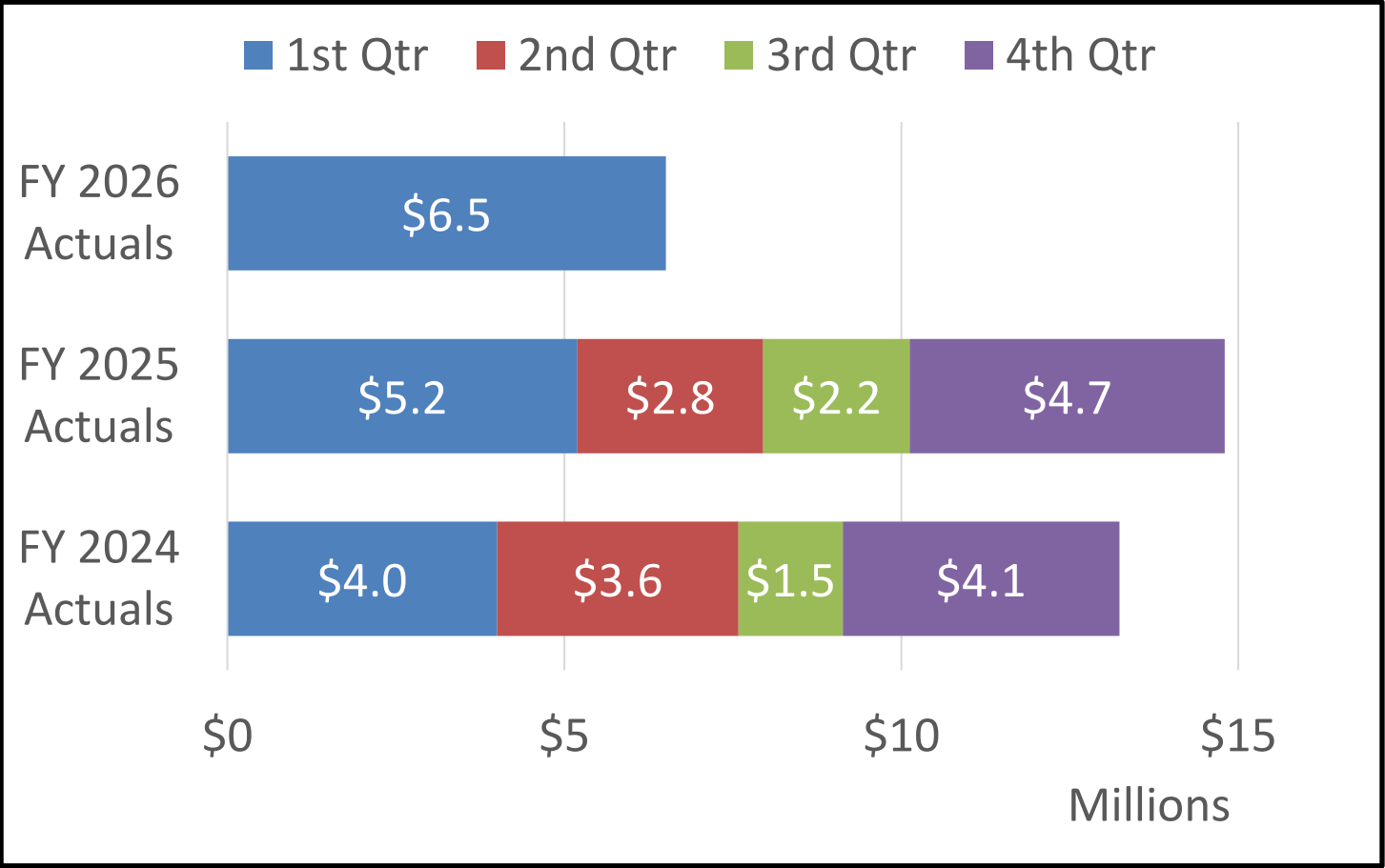
Vehicle Maintenance



Unleaded Fuel



Information Technology Citywide Contracts



General Fund

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Summary

- No action being requested
- Year-end projections based on historical trends, limited information (through 1st 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, **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