



MAYOR
Oscar Leeser

CITY MANAGER
Tommy Gonzalez

CITY COUNCIL

District 1
Peter Svarzbein

District 2
Alexandra Anello

District 3
Cassandra Hernandez

District 4
Joe Molinar

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**NEWS
RELEASE**

08/01/2022

City of El Paso to Approve Largest Tax Rate Reduction in More Than 35 Years

City to Increase Investment in Taxpayer Priorities, Continue Tax Relief for Seniors and Residents with Disabilities

EL PASO, Texas— The El Paso City Council approved lowering the City’s tax rate by 4.49 cents—a savings of \$19.3 million to City taxpayers—while remaining focused on prioritizing the community’s needs.

City Manager Tommy Gonzalez and Chief Financial Officer Robert Cortinas presented the current year third quarter financial report and proposed budget updates for next year, including a tax rate ordinance that will lower the tax rate to 86.24 cents, per \$100.

This year’s budget will support:

- A net increase of 60 police officers and firefighters (29 police and 31 fire) in preparation for new police and fire stations and the purchase new police cars and fire equipment
- A \$10 million allocation for street resurfacing projects, plus another \$2.3 million for traffic safety and neighborhood traffic mitigation program
- Operating costs for the Children Museum, Mexican American Cultural Center, Penguin Exhibit at the Zoo, Joey Barraza and Vino Regional Park, all scheduled to open next year
- An aggressive plan to invest in the City workforce, by increasing the City minimum wage by 9 percent next year (in addition to the 7.2 percent minimum wage increase made in May 2022)
 - General Service employees will see an average increase of about 14 percent
- An increase in fixed costs and contracts due to inflationary impacts, such as information technology, janitorial, security, November election, appraisal services, and utilities

“Our leadership team has implemented annual financial mechanisms that pay for police and fire needs, streets, parks improvements, and equipment replacement. We have also been able to grow our financial reserves. But most importantly, we have listened to our resident and to our small businesses who continue to face economic challenges due to the lingering effects of the pandemic. This is why we are recommending almost \$20 million less in the city’s budget,” Gonzalez said. “We believe this tax relief will help our taxpayer and continue our efforts to fully recover as a community.”

The proposed City budget also responds to the community’s priorities identified through multiple outreach opportunities including the City’s Chime In Survey process, City Council requests, and other community surveys. The City’s approach to this year’s budget includes:

- Providing financial relief to taxpayers through strategic economic recovery
- Continuing our commitment to the community with the completion of bond projects (capital and operating costs) and providing exceptional services
- Investing aggressively in our workforce through compensation, benefits, and incentives
- Adding cost growths in contractual obligations and fixed costs due to current economic environment

—more—



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The City leadership, with Council direction, has developed a Strategic Economic Recovery plan to include:

- **No tax rate increase** for the last two years and tax decrease provided last year for 52,000 seniors & disabled
- Tax rate **decrease proposed** for upcoming budget
- State constitutional amendment increasing the amount of the **homestead exemption savings** from \$25,000 to \$40,000
- \$196 million in **savings on Texas Gas** costs (Winter Storm URI)
- \$28.3 million **savings on El Paso Electric** rate case settlement (about \$117 savings on the average residential bill)
- \$268 million in **new property tax revenue** for all taxing entities as a result of City Economic Incentive Agreements
- \$37 million for **rental and utility assistance**, \$29.4 million in Community Development from CARES and ARPA, and \$35.9 million for **small business assistance**

Additional important budget dates to note:

- August 16: Public Hearing on FY 2023 Budget
- August 23: Adopt FY 2023 Budget and Tax Rate

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