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CITY MANAGER
Dionne Mack

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**NEWS
RELEASE**

07/08/2025

City of El Paso Presents FY2026 Budget

Plan Focused on Community Priorities, Financial Stability

EL PASO, Texas—The City of El Paso presented its proposed Fiscal Year 2026 Budget, a fiscally responsible and balanced plan that expands tax breaks for seniors and individuals with disabilities, and aligns with the priorities of the City Council and the community.

The proposal illustrates a strategic commitment to long-term financial stewardship, responds to economic challenges, and ensures the delivery of essential public services. It prioritizes public safety, health, infrastructure, and competitive employee wages and benefits to attract and retain a skilled workforce critical to the community's success.

"This proposed budget demonstrates our continued commitment to being good stewards of public resources while delivering meaningful services to our residents," said Dionne Mack, City Manager. "We are proud to recommend a plan that provides tax relief for our most vulnerable residents, strengthens our public safety departments, and supports the workforce that keeps El Paso running."

"Our focus remains on fiscal sustainability and long-term financial planning," said Robert Cortinas, Chief Financial Officer and Deputy City Manager of Public Finance. "By reducing reliance on reserve funds and maintaining essential service levels without staffing cuts, this proposed budget reflects sound financial management and community-focused priorities."

The proposed FY 2026 budget totals approximately \$1.4 billion, with \$624 million allocated to the General Fund, primarily funded through property taxes. City Council is scheduled to vote on the adoption of the budget on August 19, 2025. The fiscal year begins on September 1, 2025.

KEY BUDGET HIGHLIGHTS

Property tax relief: The budget proposes to maintain the current property tax rate of \$0.761405 per \$100 valuation. To provide additional relief, the plan proposes increasing the Homestead exemptions for seniors over 65 and disabled individuals to \$45,000. This increase, along with existing homestead exemptions, results in an average annual property tax savings of \$380 for eligible homeowners, providing meaningful relief to residents on fixed incomes.

Public safety: Nearly 80 percent of the \$24.8 million General Fund increase is dedicated to public safety. The budget increases funding for the Police and Fire departments to support new academies, replace aging vehicles, and invest in critical infrastructure. Police Department investments will help restore staffing levels to pre-COVID standards. The Fire Department budget includes funding for firefighter and emergency call taker staffing, expanded contractual services, and the opening of two new fire stations.

Code Enforcement: The budget includes the establishment of a new Code Enforcement Department that consolidates multiple enforcement divisions within the city government to improve customer service and operational efficiency through cross-training and extended enforcement hours.

Infrastructure Investment: The budget prioritizes infrastructure investment with \$10 million allocated for street resurfacing, \$250,000 for more street striping, \$1.5 million for the Vision Zero intersection safety program, and \$8 million for vehicle replacements and facility improvements.

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Media Contact: Laura Cruz-Acosta
Strategic Communications Director
Cruz-AcostaLA@elpasotexas.gov
915.212.1071



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Workforce Compensation: The budget includes the second phase of the compensation strategy ensuring competitive and equitable wages for employees to support quality service delivery. This phase will implement pay plan adjustments for Professional and Managerial levels and provide a 1 percent across-the-board increase for non-uniform employees. Phase one completed in February 2025, centered on increasing the minimum wage for employees to \$15.75 per hour.

Fiscal Management: In a demonstration of prudent fiscal management, the plan includes debt service property tax rate that will be the lowest since 2012. The budget also maintains the current level of City services without a hiring freeze or forced across-the-board staffing reductions. Reduces the amount of reserve funds used to balance the budget to \$4 million, down from the \$7.2 million used in FY 2025 to achieve a no new revenue tax rate.

Community Engagement: The budget process was strengthened by extensive community engagement efforts, which included a series of workshops and surveys, ensuring that the budget reflects the diverse priorities and needs of El Paso residents.

KEY DATES

- **July 7–8, 2025:** Budget Presentations (completed)
- **July 31, 2025:** Presentation of Certified Property Values and Introduction of Proposed Tax Rate
- **August 12, 2025:** Public Hearing on Budget and Tax Rate
- **August 19, 2025:** City Council Adoption of the FY 2026 Budget and Tax Rate

PROPOSED BUDGET OVERVIEW

- **Total Budget:** \$1.4 billion (3.8% increase from FY 2025)
- **General Fund:** \$624.4 million (4.1% increase)
- **Special Revenue & CDBG Funds:** \$183.7 million (includes federal and state grants)
- **Restricted Funds** (Airport, Sun Metro, Environmental Services, Internal Services): \$429.5 million
- **Debt Service:** \$121.3 million
- **Capital Projects:** \$24.3 million

For more information about the FY 2026 budget, visit www.ElPasoTexas.gov/OMB/Tax-and-Budget/.

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