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**NEWS
RELEASE**

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City Council Adopts FY 2027 Budget

City Budget Maintains Essential Services and Provides Capacity for Public Safety

EL PASO, Texas—The El Paso City Council approved the City's Fiscal Year 2027 budget and adopted a property tax rate of \$0.798000 per \$100 of taxable value, approximately 1.1 cents below the introduced rate of \$0.809487.

The adopted budget includes approximately \$658.6 million in General Fund spending. For the average homestead, the City tax bill is estimated to increase by approximately \$105 annually, or \$8.75 per month.

By adopting the lower rate, Council reduced the estimated increase for the average homestead by approximately \$26.82 annually compared with the originally proposed rate.

The increase is driven by several significant financial pressures affecting the City at the same time:

- Police and Fire costs are increasing by a combined \$11.9 million to maintain first-responder staffing, readiness and existing public safety operations. This includes moving 18 Police positions and 19 firefighter positions from expiring federal funding into the General Fund.
- State-mandated property tax exemptions provide relief to eligible taxpayers but reduce the revenue available to support City services. The estimated revenue impact increases from \$21.6 million to \$33.4 million in FY 2027, an additional loss of approximately \$11.8 million.
- Required debt service is increasing by approximately \$4.3 million, primarily for previously approved capital investments, including voter-approved Community Progress Bond projects.
- The City must replace expiring federal funding and cover higher contractual, utility, fuel, technology, maintenance and employee benefit costs.

"We know any tax increase affects household budgets, and we took that concern seriously throughout this process," said City Manager Dionne Mack. "The City identified nearly \$27 million in recurring savings before asking residents for additional revenue. This budget maintains essential services while providing targeted financial capacity for public safety."

Public safety remains the largest area of General Fund investment at approximately \$371 million. The budget also includes \$10 million for street maintenance, \$4.9 million for citywide facility maintenance and improvements, \$1.5 million for parks and recreation amenity replacements and improvements, and \$9.4 million for Police and Fire vehicles and equipment.

The City's nearly \$30 million in recurring savings includes unfunding or identifying for deletion approximately 75 percent of vacant positions, securing \$2 million in FY 2027 debt-service savings through refinancing and completing comprehensive reviews of departmental spending and operational needs.

To support the lower tax rate, Council reduced the introduced budget by approximately \$6.5 million.

The FY 2027 budget does not use unrestricted General Fund balance to pay for ongoing operating expenses, marking the first time in three years that no use of fund balance is budgeted.

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