

# Budget Update

May 15, 2018

# Budget Timeline

- **May 13**: Deadline to receive Council and Community budget input
- **June 11 – 21**: One-on-one Council Budget Briefings
- **July 9 – 12**: Goal Team Budget Presentations
- **July 25**: Received Certified Property Valuations from Central Appraisal District
- **July 30**: Special City Council meeting to review Certified Valuations and Introduce FY 2019 Tax Rate
- **August 7**: 1<sup>st</sup> Public Hearing on Tax Rate
- **August 14**: 2<sup>nd</sup> Public Hearing Tax Rate
- **August 21**: Council adopts FY 2019 budget and tax rate

# Public Input

Short survey to provide input

1,184 responses

Deadline was May 13<sup>th</sup>

[www.elpasotexas.gov/chimein](http://www.elpasotexas.gov/chimein)



# Budget Development

- Utilizing best practices on revenue and expenditure projections to avoid mid-year reductions or use of City reserves (surplus for each of the last three years has replenished the City's General Fund reserves by \$11.4 million)
- Addressing priorities identified by the Council and community, for example:
  - Public Safety (more Officers, Crisis Intervention Team, 911 Communications)
  - Streets (ADA improvements, street lighting, street repairs, signalized intersections, potholes)
  - Quality of Life (spray park amenities, more restrooms, changing tables, playground replacements)
- Investing in improving the quality of life for all El Pasoans
- Providing tax relief to homesteads, Over 65, and Disabled

# Public Safety





# Streets

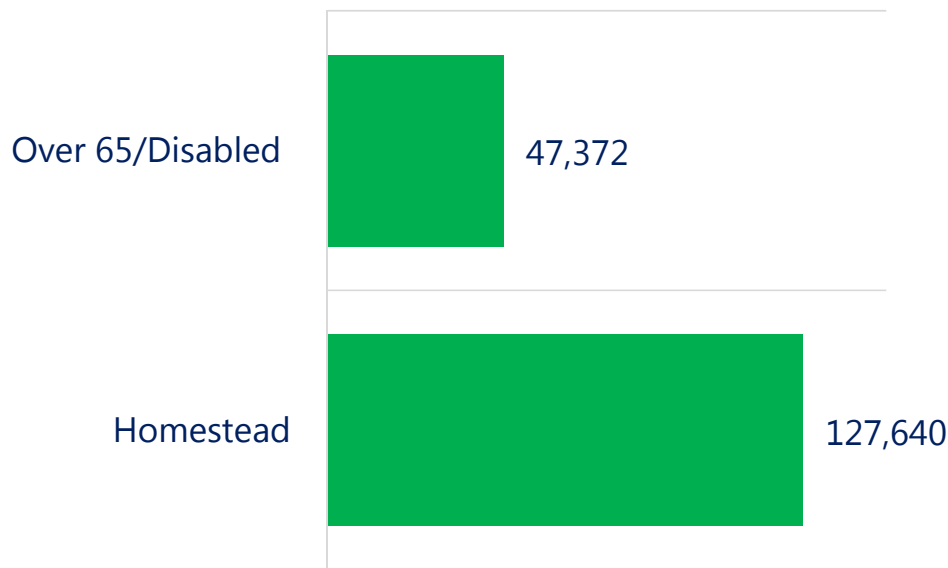


# Quality of Life



# Property Tax Exemptions

**# Exemptions - Households  
(FY 2018)**



**\$ Value of Exemptions (in millions)**



\* Over 65/Disabled exemption increased by \$10,000 in 2015 resulting in decrease of approximately \$3.2 million in property tax revenue



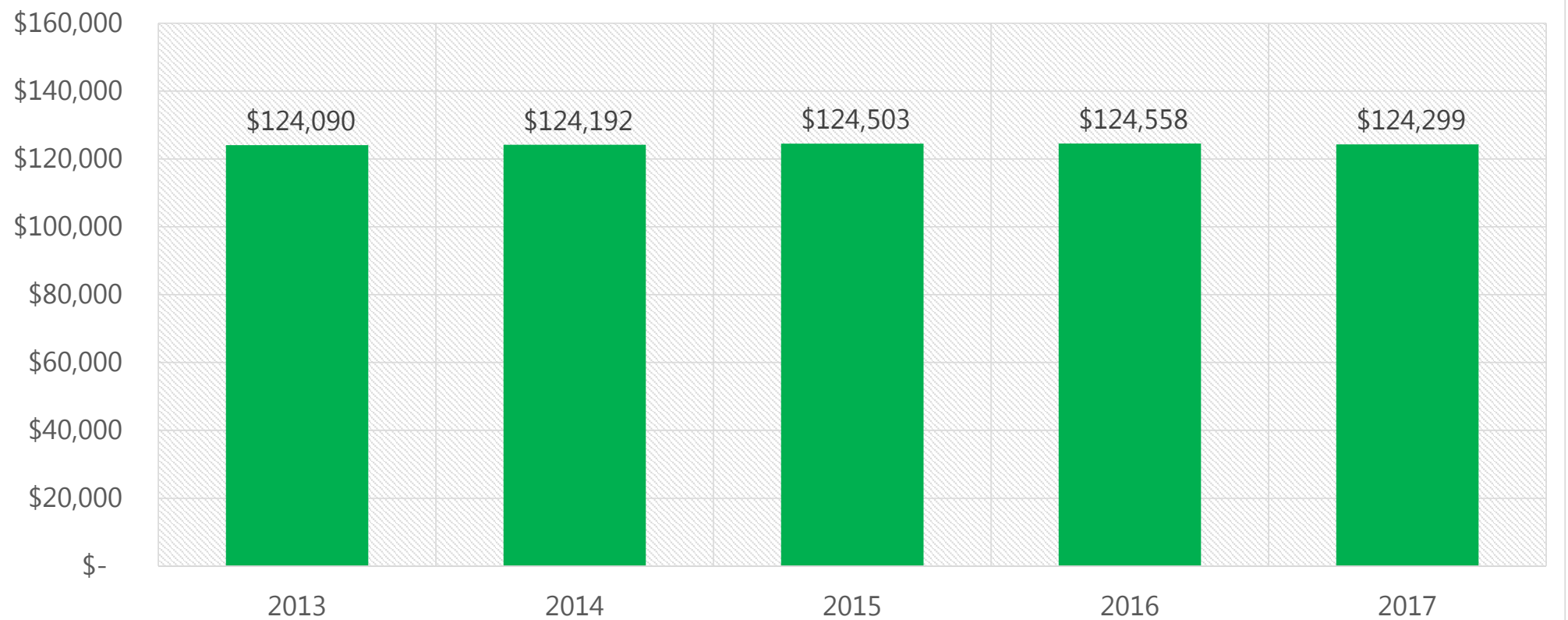
# Budget Development

- Strategic economic development efforts to expand/diversify the tax base (to ease the residential tax burden)
- City's economic development efforts are helping to keep overall taxes down (other taxing entities benefitting)
- Improving overall quality of place to increase sales tax and hotel occupancy tax revenue
- Leveraging alternative sources of revenue to maximize City's efforts
- Implementing performance excellence initiatives to identify cost savings/avoidance and improve delivery of service

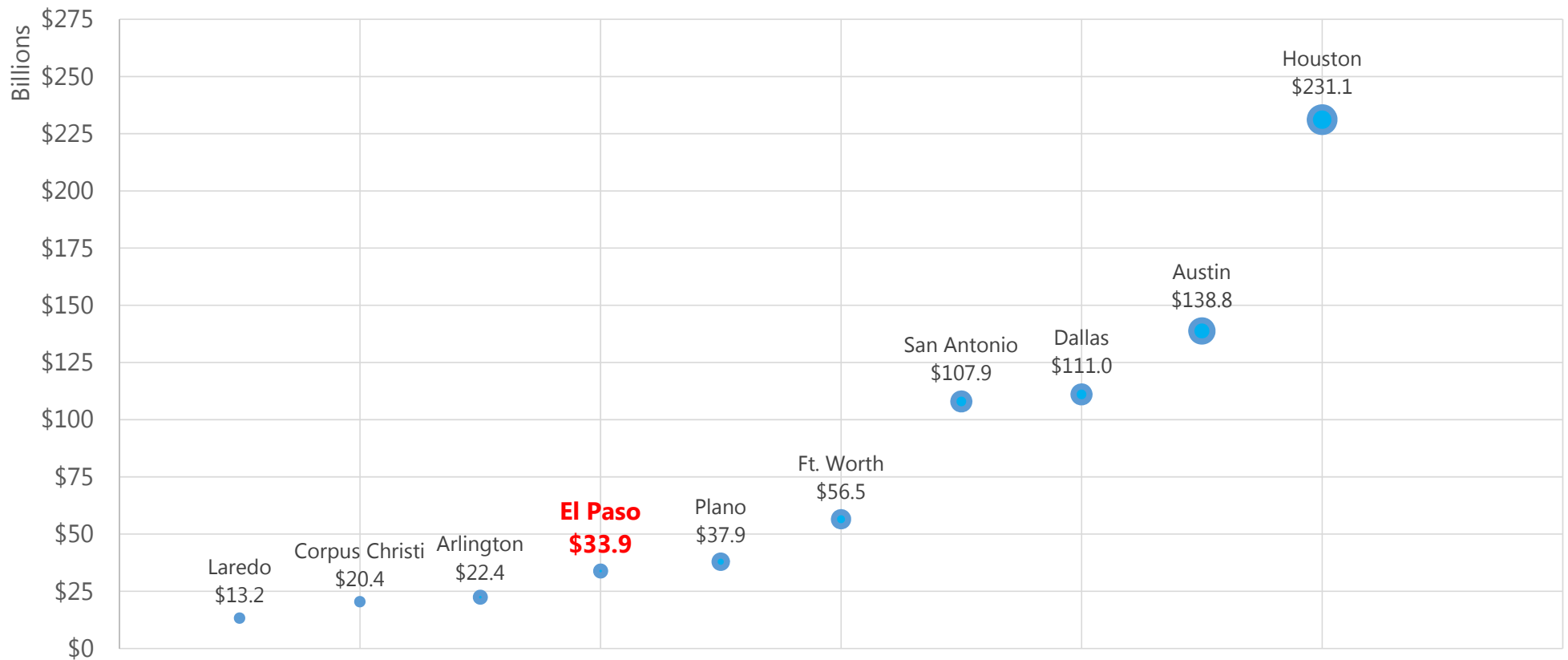
# Property Taxes

- Major source of revenue for most cities, but not every City is the same
- Cities with high property values can impose a lower tax rate and still raise at least as much property tax revenue as a city with low property values
- Home values are a crucial factor explaining differences in property tax rates
- Property types are another crucial factor in explaining differences in property tax rates (ex. residential, commercial)
- City growth (new construction) is another crucial factor in explaining differences in tax rates

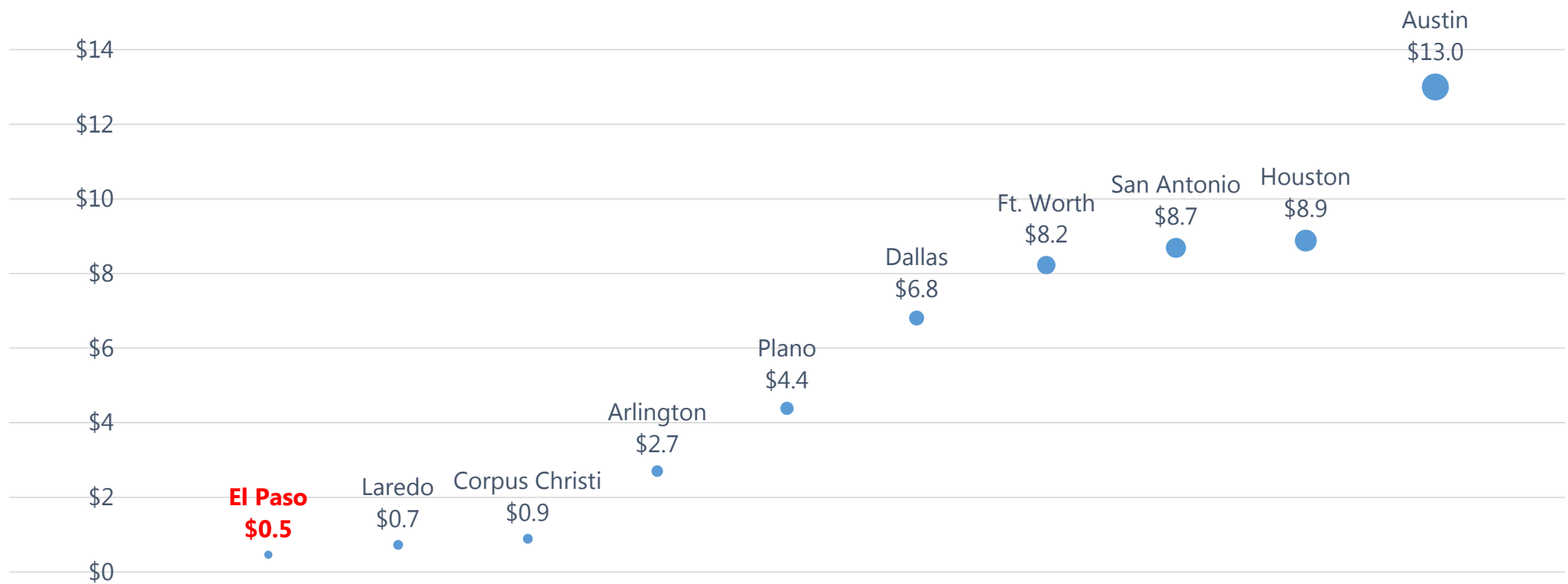
## Average Single Family Home (Net Taxable after \$5,000 Homestead Exemption)



# Taxable Property Value (FY 2018)

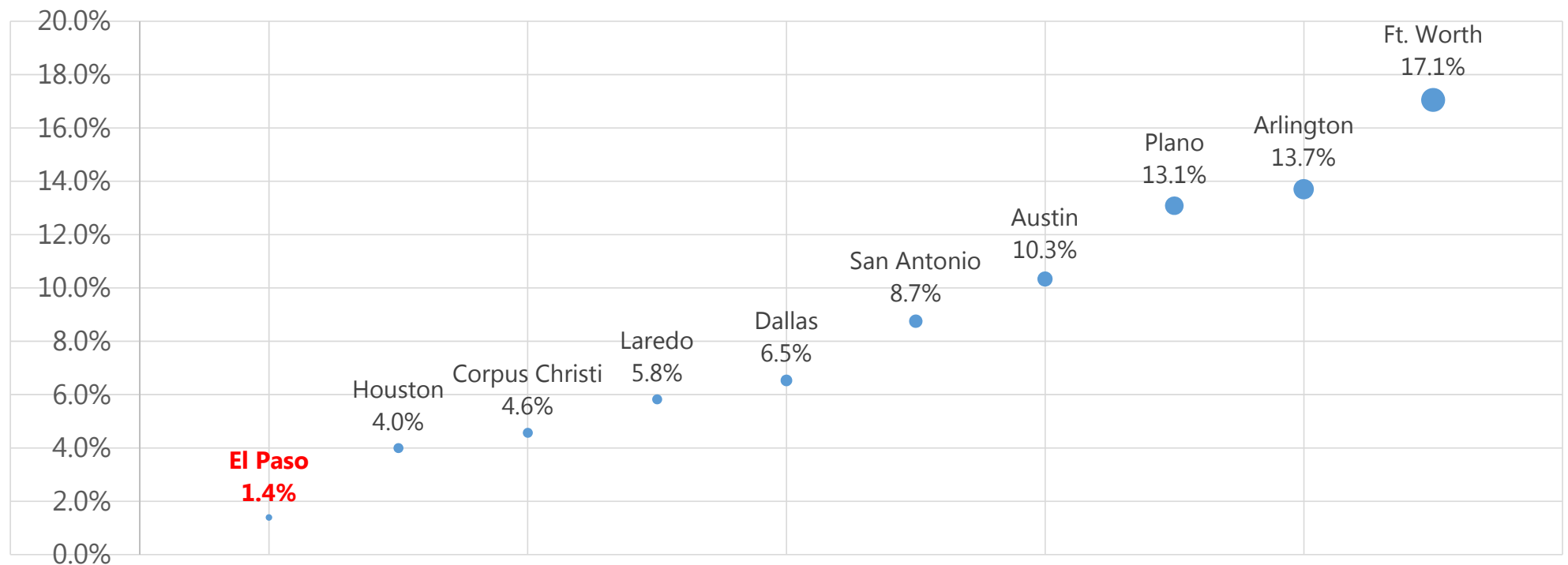


## Change (\$ in billions) in Taxable Property Values (FY 2017 - 2018)

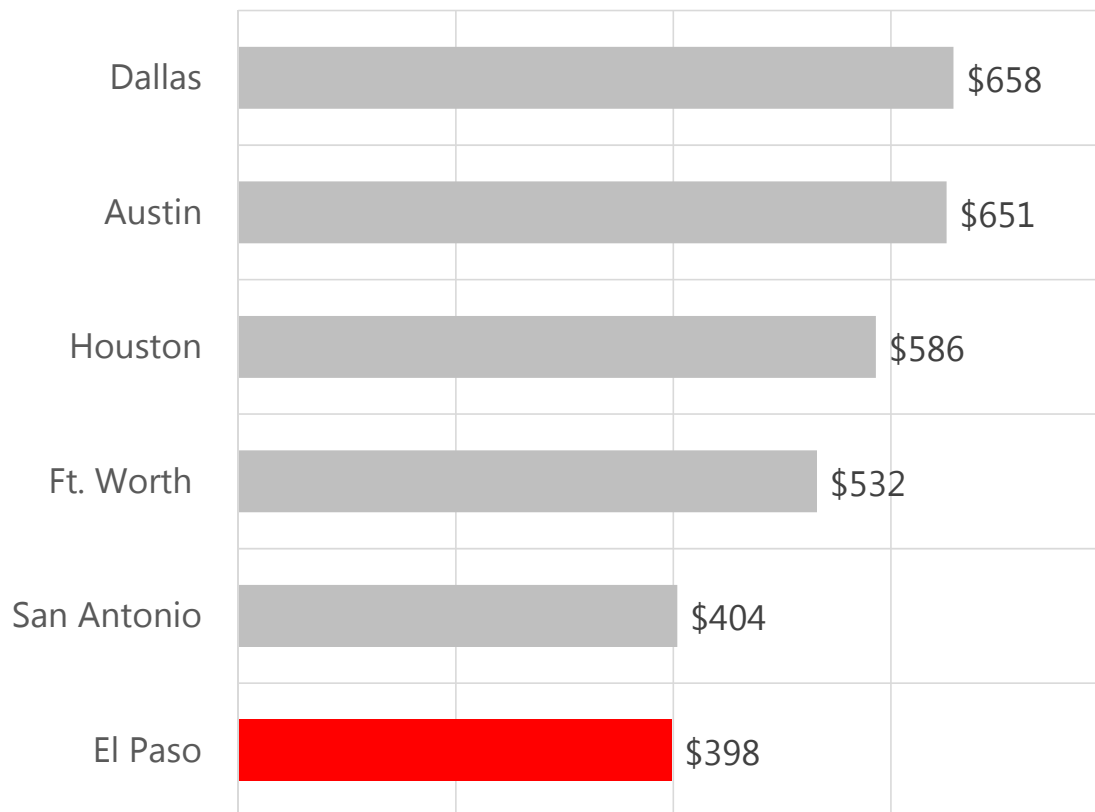




## % Change in Taxable Property Values (FY 2017 – 2018)



# FY 2018 Tax Levy Per Capita



- Tax Levy is the amount property tax revenue to fund 1) operations and maintenance and 2) debt service

# Other Sources of Revenue

City	Street Maintenance Fee	Transfer from City-Owned Utility	Sales Tax Dedicated to Street Maint.	Sales Tax Dedicated to Crime Control
Austin	\$22.4M	\$155M		
Ft. Worth				\$73.7M
San Antonio		\$352M		
Arlington			\$15.8M	
Corpus Christi	\$11.3M			
College Station	\$4.2M			

# Questions