



EL PASO · DISTRICT 1

PLATFORM NO. 03 · AUGUST 2026

CITY OF EL PASO – FISCAL POLICY PLAN

No Further Increase

Holding El Paso at 79.8 Cents Through FY 2028 — and the Record of What Could Have Been Done Before It Got There.

Leadership that is not afraid
to fight for its people.

PRINCIPLED. EXPERIENCED. PROVEN.

It's time to elect leadership that will make the city work for its people again.



MJK26

MATTHEW JAMES KOZIK · DISTRICT 1

EXECUTIVE SUMMARY

*Prepared from the certified 2026 Tax Rate Calculation Worksheet, the FY 2027 Preliminary Budget Book, the El Paso Central Appraisal District certified totals, the adopted project and financing plans of the city's reinvestment zones, and the public record of the August 18 budget vote. **Every figure is traceable to a named public document. Estimates are labelled as estimates.***

On August 18, 2026, El Paso City Council voted 6–2 to raise the property tax rate from 75.9649 cents to 79.8 cents per \$100 — about \$105 a year on the average-value home. This paper does two things.

Part One establishes what council could have done instead. The increase raised \$21.3 million of recurring revenue. Council had \$33.5 million of reserve headroom above its own policy floor and used none of it, \$3.2 million of above-inflation operating growth it chose to fund, and \$4.2 million a year sitting in reinvestment zones nobody had re-examined. It also faced \$33.3 million — 5.99 cents — of pressure it did not choose. Both halves are true and the paper says both.

Part Two is a commitment not to raise it again. Holding 79.8 cents through FY 2028 is harder than it sounds, because both public safety contracts land in the same budget year. The pressure stack is roughly \$32.1 million — 5.78 cents — against which a flat rate generates revenue only if appraisals grow. Section 8 maps how the existing policy plans deliver the tools that close the gap, and names the two that work against it.

3.84¢

the August 18 rate increase —
75.9649 to 79.8 cents per \$100

\$21.3M

of recurring revenue the increase
raised

\$33.5M

reserve headroom above the city's
own 60-day floor — \$0 used

6–2

the vote. **Four votes** block a repeat in
August 2027

THE FY 2028 PRESSURE STACK

HOLDING 79.8 CENTS — WHAT IT IS UP AGAINST

FY 2028 AT A FLAT 79.8 CENTS	AMOUNT	CENTS
Fire contract into the base	\$10,195,971	1.83
Police contract — estimate	\$9,304,167	1.67
Debt service growth — estimate	\$4,000,000	0.72
Non-public-safety cost inflation at 3%	\$8,628,000	1.55
TOTAL PRESSURE	\$32,128,138	5.78
Revenue growth at 3% appraisals + 3% sales tax	\$18,055,955	3.25
Structural tools, midpoint	\$10,248,702	1.84
REMAINING GAP AT 3% GROWTH	\$3,823,481	0.69

Both public safety contracts land in the same budget year. The single largest uncertainty is the police contract — the estimate is ours, not the city's.

The verdict. At 4% appraisal growth with the tools at midpoint, 79.8 cents holds. At 3% it comes within seven tenths of a cent, which the tools close at their upper range. Below 2% growth it does not hold without cutting into services. The single largest uncertainty is the police contract, and the estimate above is mine, not the city's.

PART ONE — WHAT COUNCIL COULD HAVE DONE

1 — The increase, decomposed

The rate rose 3.8351 cents, which at \$5,563,085 per cent is \$21,334,986 of additional recurring revenue. Start with the fair part of the story, because it is the part that makes the rest credible.

Pressure council did not choose	Amount	Cents	Source
State-mandated exemption expansion	\$11,800,000	2.12	Legislature
Certified values below projection	\$5,300,000	0.95	Appraisal district
Required debt service increase	\$4,300,000	0.77	Voter-approved bonds
Police and fire cost growth	\$11,900,000	2.14	CBA, expiring grants
TOTAL	\$33,300,000	5.99	
The increase itself	\$21,334,986	3.84	

The unchosen pressure was nearly six cents — half again larger than the increase. The city absorbed the difference through roughly \$26 million in recurring savings and by unfunding about 75% of its vacant positions. However, the city knew this was coming and took no action before it was too late.

2 — What was available and went unused

Available	Amount	Cents	Used
Reserve headroom above the 60-day floor	\$33,548,000	6.03	\$0
Above-inflation operating growth	\$3,178,089	0.57	\$0
Reinvestment zone captured value (ceiling)	\$4,238,786	0.76	\$0
Half-year capital deferral	\$8,150,000	1.47	\$0
Needed for a full freeze	\$21,334,986	3.84	

The reserve. The city held roughly \$135.5 million of unrestricted fund balance in mid-2025 — 83 operating days against a 60-day policy floor. The CFO told council about \$33 million was available to tap. Council used none, and presented the zero as an achievement: the first time in three years no fund balance was budgeted.

Year	What council did
FY 2025	Approved roughly \$7.2–\$7.5 million of unrestricted fund balance specifically to maintain a no-new-revenue tax rate.
FY 2026	Reduced the draw to \$4 million while holding the rate essentially flat.
FY 2027	Used \$0 — and raised the rate 3.835 cents.

As reported on August 4, in the prior two years “the council directed city financial leaders to use fund balance dollars, as well as other one-time funding sources, rather than adopt a higher tax rate.” The practice was theirs. They abandoned it in the same vote that raised the rate.

The operating growth. Seven lines of above-inflation growth, each modest, together worth over half a cent:

	Line	FY26	FY27	Growth	Available
a	Professional Services	\$12,995,869	\$13,628,298	+4.87%	\$632,429
b	Minor Equipment & Furniture	\$1,836,344	\$2,347,258	+27.82%	\$510,914
c	Materials & Supplies	\$16,071,441	\$16,867,652	+4.95%	\$474,782
d	Travel — non-mandatory only	\$834,966	\$952,632	+14.09%	\$404,869
e	City Manager’s Office	\$3,155,613	\$3,616,368	+14.60%	\$454,430
f	Operating Transfers Out — ex-Animal Services	\$43,471,312	\$45,411,758	+4.46%	\$436,101
g	TIRZ 6 and 6B termination	—	—	—	\$264,564
	TOTAL				\$3,178,089

Line (e) is worth eight hundredths of a cent and carries the argument. The City Manager’s Office grew 14.6% and added two authorized positions in a budget that raised taxes. In the same budget book the Capital Improvement Department fell 27% and lost 31.5 positions — project managers from 10 to 5, engineering associates from 13 to 8, grant project managers from 2 to 0. The city cut the engineers who deliver streets and drainage and grew the executive suite.

The contingency they cut.

	Amount
Contingency in the introduced budget for fire CBA, priorities and savings	~\$8,000,000
Council reduction on August 18	(\$6,495,971)
Approximate contingency remaining	~\$1,504,029
The city’s own FY 2027 fire offer	\$7,700,000
Shortfall against the city’s own offer	~\$6,195,971

Council raised the rate 3.835 cents and cut the contingency meant to pay for the fire contract. The adopted FY 2027 budget does not contain enough money to fund the city’s own negotiating position, with the Local 51 agreement expiring August 31. Whoever settles it will need a mid-year amendment or a fund balance appropriation — at the higher rate.

3 — The counterfactual budget

Combining what was available, a rate freeze at 75.9649 cents was reachable without cutting a police officer, a firefighter, or a service below its FY 2026 level.

Source	Amount	Rate effect
Operating growth rollbacks	\$3,178,089	0.5713¢
Half-year deferral of fleet, facilities, parks	\$8,150,000	1.4650¢
One-time reserve draw	\$10,006,897	1.7988¢
TOTAL	\$21,334,986	3.8351¢
Resulting rate		75.9649¢
Reserve remaining after the draw	~\$121.5M	~74 days

It would have deferred \$8.2 million of fire trucks and roof replacement, drawn \$16.2 million from reserves once the fire contract is included, and handed FY 2028 a \$28.4 million recurring gap.

4 — What was foreclosed years earlier

The larger failure is not in the August vote. It is that El Paso reached 2026 without the revenue tools that make growth pay for its own infrastructure — and none of them can be stood up in a budget cycle.

Tool	Lead time	Status
Roadway impact fees	18–24 months	Never adopted. Under S.B. 1883, effective 09/01/2025, adoption now requires a two-thirds vote, an advisory committee at least 50% from the development industry, land use assumptions published 60 days before first notice, and strict compliance with every notice provision. Had the process begun in 2023 it would be producing revenue now.
Stormwater impact fee	18–24 months	Same Chapter 395 clock. Same absence.
Reinvestment zone review	One budget cycle	\$531,176,221 of captured value is diverted from the general roll — \$4,238,786 a year at the adopted rate. The city has done this before: eliminating TIRZ 10 and retiring TRZ 2 in 2023 returned roughly \$9.2 million a year.
Development fee cost recovery	6–12 months	Charges for Services is flat at \$35.38 million and Licenses and Permits fell 3% to \$11.71 million — in a budget the city attributes to growth-driven costs.
Chapter 380 accountability	Deal by deal	Rebated property tax is foregone general fund revenue. Jobs-per-dollar clawback standards protect the base on every future agreement.

The argument that survives scrutiny. This council closed a quarter of the distance to the prior year's rate and called it done. But the reason the other three quarters was hard is that El Paso spent five years never adopting the impact fees that would make new subdivisions pay for their own streets and drainage, never re-examining half a billion dollars of captured value, and never updating fee schedules to cover the cost of reviewing a plat. Growth has not been paying its way, and existing homeowners have been covering the difference. That was a choice, and it was made years before this vote — as city council, year after year, took no aggressive and proactive action to deal with it.

PART TWO — HOLDING 79.8 THROUGH FY 2028

5 — The FY 2028 pressure stack

Accept 79.8 cents as the baseline. The question is what it takes to keep it there. FY 2028 is a genuinely difficult year because both public safety contracts land in it. The stack is set out in the panel on the first page; the confidence levels behind it are these:

Pressure	Amount	Cents	Confidence
Fire contract into the base — \$11.7M run-rate less ~\$1.5M now budgeted	\$10,195,971	1.83	Documented
Police contract — EPMPOA expires August 2027	\$9,304,167	1.67	ESTIMATE
Debt service growth	\$4,000,000	0.72	Estimate
Non-public-safety cost inflation at 3%	\$8,628,000	1.55	Estimate
TOTAL	\$32,128,138	5.78	

When the 2023 tranche of banked unused increment (\$7,055,301) rolls off, it lowers the legal ceiling on how high a rate council may adopt without an election. It creates no spending need.

6 — Revenue at a flat rate

A flat rate is not a flat levy. If taxable value grows, 79.8 cents raises more than it did the year before — and that single variable decides whether the commitment holds.

If taxable value...	Property tax	Plus sales tax	Gap remaining
is flat	\$0	\$4,737,930	\$27,390,208 — 4.92¢
grows 2%	\$8,878,683	\$4,737,930	\$18,511,525 — 3.33¢
grows 3%	\$13,318,025	\$4,737,930	\$14,072,183 — 2.53¢
grows 4%	\$17,757,366	\$4,737,930	\$9,632,841 — 1.73¢
grows 5%	\$22,196,708	\$4,737,930	\$5,193,500 — 0.93¢

Assumes 3% sales tax growth on the \$157.9 million General Fund line, which grew 8% in FY 2027. You will know which row you are in by April or May 2027, when the appraisal district issues preliminary values — three months before the rate has to be set. This year values came in \$5.3 million below projection, so do not assume the top rows.

7 — The closing tools

Everything below is available to a council member without an election, a new tax, or a service cut. Each has a deadline, and three of them fall inside the next six months.

Tool	FY 2028 yield	Deadline and first step
Reinvestment zone terminations	\$0.5–\$4.2M	Captured value locks January 1, 2027. Start with TIRZ 5C (negative capture), TIRZ 6 and TIRZ 14-2-4 as housekeeping, then TIRZ 6/6B on its plan's no-bonded-debt language. Ordinance under §311.017, simple majority, then report to the Comptroller.

Tool	FY 2028 yield	Deadline and first step
Contract discipline at renewals	\$1.0–\$4.1M	Outside Contracts grew 14.7%. Inventory what expires in FY 2028 and cap growth at 5% on renewal rather than reopening executed instruments. Requires the multi-year contracts schedule.
Operating growth discipline repeated	\$2.0–\$3.2M	Apply the same rules to FY 2028 growth that Part One applied to FY 2027. No document needed — these are appropriations council declines to make.
Fee cost recovery	\$1.0–\$1.5M	Cost-of-service study on development review, plat review and inspections, then a Schedule C amendment adopted alongside the FY 2028 budget for full-year yield. Commission by March 2027.
Debt refunding	\$0–\$3.0M	Beyond the \$2 million already captured. Requires the debt service schedule with call dates.
TOTAL	\$4.5–\$16.0M	Midpoint \$10.2M — 1.84 cents

DOES IT HOLD?

79.8 CENTS IN FY 2028, BY APPRAISAL GROWTH SCENARIO

APPRAISAL GROWTH	GAP BEFORE TOOLS	TOOLS AT MIDPOINT	VERDICT
Flat	\$27.4M	\$17.1M short	DOES NOT HOLD
2%	\$18.5M	\$8.3M short	DOES NOT HOLD
3%	\$14.1M	\$3.8M short	HOLDS IF TOOLS RUN HIGH
4%	\$9.6M	\$0.6M surplus	HOLDS

THE LEVER HELD IN RESERVE

The unrestricted fund balance sits near **80 operating days** against a 60-day floor. A one-time draw of **\$5–\$8 million** bridges a 3% year without touching services — a bridge, not a plan. Hold it back as the contingency, not the strategy.

You will know which row you are in by April–May 2027, when preliminary values post — three months before the rate is set.

The honest read. At 4% appraisal growth the commitment holds with the tools at midpoint. At 3% it holds only if the tools deliver near their upper range — which requires the zone ordinances adopted before January and the contracts schedule in hand. Below 2%, holding 79.8 cents means cutting services or drawing reserves.

8 — How the plan series delivers this

Section 7 lists \$4.5 to \$16.0 million of tools. Those tools are not abstractions — every one of them is the operating arm of a policy plan already drafted. What follows maps each plan to the specific dollars it moves in this paper. Two of them move dollars the wrong way, and that is addressed too.

Plan	What it moves	The mechanism
City Government Ethics Plan	\$1.0–\$4.1M FY 2028	The enforcement arm of the largest single tool in Section 7.
Good Jobs Plan	\$0–\$3.2M FY 2028	Sales tax growth is one of only two revenue levers a flat rate has.
Meta / Chapter 380 workstream	Deal-specific FY 2028	Rebated tax is foregone general fund revenue; renegotiation returns it.
Roadway Protection Plan	\$0 in FY 2028; substantial FY 2029+	Roadway impact fees, plus the reason street maintenance stays funded.
Stormwater Impact Fee Plan	\$0 in FY 2028; substantial FY 2029+	Shifts growth-driven drainage capital off the general fund.

Ethics is the contract discipline tool. The largest closing tool in Section 7 is contract discipline at renewals — \$1.0 to \$4.1 million, drawn from the fact that Outside Contracts grew \$6,183,900 in one year, or 14.7%, in a General Fund that grew 5% overall. That number is a symptom. The Ethics Plan’s contracting and incentive-deal conflicts pillar is the diagnosis and the cure.

A cap on contract growth that depends on a council member noticing the line each August is not a policy — it is a hope. Disclosure requirements on contracting decisions, conflict screening on vendors, and an Ethics Review Commission with independent enforcement teeth are what make the cap survive after the person who proposed it moves on. The same pillar governs the \$531,176,221 of captured value sitting in reinvestment zones and every Chapter 380 rebate agreement. Ethics reform is not a separate track from fiscal reform here. It is the enforcement mechanism for three of the five tools.

Good Jobs is a revenue lever, and a bigger one than it looks. The FY 2028 model in Section 6 assumes 3% sales tax growth on the \$157,931,000 General Fund line — worth \$4,737,930. That line grew 8% in FY 2027. Because a flat rate has only two sources of natural revenue growth, appraisal value and sales tax, the difference between a 3% year and a 5% year is not trivial.

Sales tax growth	Revenue	Vs. the 3% assumption	Cents
3% — modelled here	\$4,737,930	—	0.85
4%	\$6,317,240	+\$1,579,310	1.14
5%	\$7,896,550	+\$3,158,620	1.42

Two extra points of sales tax growth is worth more than half a cent — comparable to the entire operating rollback in Part One. That is the fiscal case for prioritising wage and job quality over raw job counts: higher household earnings show up in taxable retail spending, and taxable retail spending is one of only two things holding a flat rate up. The jobs-per-dollar accountability rules do the other half of the work, by keeping incentive agreements from eroding the property tax base this paper depends on.

Chapter 380 and the abatement question. The Meta workstream is scoped to extracting a better deal within the existing agreement rather than terminating it, which is the right posture — executed contracts are executed. Two things follow for this paper. First, any concession negotiated is direct FY 2028 general fund revenue, because a rebate not paid is a dollar retained. Second, the certified roll shows \$91,287,722 of abatement-exempt value — worth \$728,476 a year at the adopted rate. That is Chapter 312 abatement rather than Chapter 380 rebate, and it cannot be broken. But it establishes the scale of what incentive policy costs annually, and it is the number to cite when arguing for jobs-per-dollar standards on the next agreement.

The impact fee plans do nothing for FY 2028 — and must start anyway. Under Chapter 395 as amended by S.B. 1883, adoption requires an advisory committee at least 50% drawn from the development industry, land use assumptions published 60 days before first notice, a hearing, adoption within 30 days, a separate fee hearing with 31 days' notice, and then a two-thirds vote of the governing body — six votes, not five. Eighteen to twenty-four months, and the safe harbour for substantial compliance has been repealed, so a single missed notice voids the fee.

The two that pull against the commitment. In a paper committing to no rate increase, any plan that adds recurring cost or reduces recurring revenue has to be named, priced, and sourced. Two do.

Plan	Conflict	Resolution
DWI Enforcement Plan	Adds recurring cost	The plan is scoped to enforcement — patrols, staffing, penalties — which means positions and overtime inside a \$371 million public safety budget, in the same year two collective bargaining agreements land. Price it before you campaign on both. The natural source is growth in Fines and Forfeitures, a \$7,217,685 General Fund line that DWI enforcement itself drives — but that is a partial offset, not a full one, and enforcement revenue is not a reliable funding stream. The alternative is to stage implementation into FY 2029, behind the structural tools. What you cannot do is propose new enforcement positions and a flat tax rate in the same speech without naming the source.
The utility plans — an honest complication	Franchise fee exposure	The Electric Ratepayer Protection Project and the Resident Water Bill Defense Project sit outside the General Fund, and no dollar in Section 7 depends on either. But the city collects \$61,115,800 in franchise fees, calculated on utility gross receipts, and separately pays \$24,328,461 for its own utilities. Lower utility rates cut the city's own bill — helpful — but they also reduce franchise fee revenue — unhelpful. The net effect is genuinely ambiguous and the magnitudes are not published by utility.

What ties them together. Every plan that helps here works through the same mechanism: making new development carry its own infrastructure cost instead of spreading it across people who already live

here. Impact fees for roads and drainage, accountability on Chapter 380 rebates, review of half a billion dollars of reinvestment zone captured value, fees that cover the cost of reviewing a plat, and an ethics regime with enough independence to enforce all of it.

None of it could have changed the vote on August 18. All of it is why the vote on August 18 looked the way it did — and whether FY 2028 requires another one.

9 — Execution

When	Action	Why then
Sept–Oct 2026	File the records requests	The FY 2025 ACFR, the 2025 fund balance policy, the August 18 reduction schedule, the §311.016 zone reports with obligation schedules, the multi-year contracts schedule, the debt service schedule with call dates. All free, all about two weeks, none requires holding office.
Sept 2026	Open the impact fee process	18–24 months under S.B. 1883. Nothing it produces helps FY 2028, but every week of delay pushes revenue past FY 2029.
Oct–Dec 2026	Introduce zone termination ordinances	Hard deadline — captured value locks January 1, 2027.
Jan 2027	Track the 90th Legislature	The 2025 session cost El Paso \$11.8 million — 2.12 cents. A repeat would exceed every tool in Section 7 combined.
Feb–Mar 2027	Request the police CBA cost model	Replaces the largest estimate in this paper with the city's own number.
Mar 2027	Commission the fee cost-of-service study	Must be complete before the preliminary budget to be adopted with it.
Apr–May 2027	Preliminary certified values	Decides whether the commitment holds. Values came in \$5.3 million below projection this year.
Late May 2027	Publish your alternative	Within days of the preliminary budget, not after the hearings.
By Aug 7, 2027	Rebuild from Form 50-856	The certified worksheet posts here; every number regenerates in an afternoon.
August 2027	The vote	Tax Code §26.05(b): a rate above no-new-revenue needs 60% of the governing body. Four votes block it. There were two in August 2026.

The motion: *“I move that the property tax rate be set at \$0.798000 per \$100 of taxable value, the same rate adopted for fiscal year 2027.”*

10 — What kills the commitment

Risk	Cost	What to do about it
The Legislature expands exemptions again	\$10M+	The 90th convenes January 2027. The 2025 session cost \$11.8 million in one year. Track filed bills from the first week and model the exposure before the preliminary budget. Nothing in Section 7 covers this.
Police settles above the fire template	\$5–10M	The \$9.3 million estimate is scaled from fire by headcount. Fire settles first and sets the reference point — the two contracts are one decision. Have a stated range before EPMPOA opens.
Flat or negative appraisal growth	\$14M	Values came in \$5.3 million below projection this year. At flat values the commitment fails by roughly 3 cents even with the tools. Known by May 2027.
Zone ordinances miss January 1	\$4.2M	Captured value locks at the valuation date. Introduce in October, not December.
Contracts prove locked	\$3.1M	If most of the 14.7% Outside Contracts growth sits in executed multi-year instruments, that tool collapses. The contracts schedule settles it — request it now.



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