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**County of El Paso
Agenda Item Details**

Item Title:	Budget and Finance Department - El Paso County Hospital District Tax Rate Adoption
Submitted By:	John Sarah, Director
Department:	Budget and Finance
Department Phone Number:	915-546-2262
Subject:	Discuss and take appropriate action to adopt the 2024 Property Tax Rate for the El Paso County Hospital District d/b/a University Medical Center of El Paso.
Background:	In accordance with the Texas Health and Safety Code section 281.096, it is requested that the El Paso County Commissioners Court adopt a tax rate for the El Paso County Hospital District for the 2024 tax year in the amount of \$0.219526 per \$100 assessed valuation, consisting of \$0.185607 per \$100 assessed valuation for maintenance and operations and a rate of \$0.033919 per \$100 assessed valuation for payment of the principal and interest on the debt of the Hospital District. The Hospital District Board of Managers previously approved the requested tax rate on August 7, 2024.
Fiscal Impact:	<p>Fiscal Impact Historical</p> <p>Fiscal Impact Projected</p> <p>Adoption of the proposed tax rate will generate approximately \$152 million in tax revenue for FY2025 of which \$128 million will be used for maintenance and operations and \$24 million will be used for debt service.</p> <p>Long Account Number: Amount:</p> <p>Long Account Number: Amount:</p>
Budget or Unbudgeted Match:	
Recommendation:	Adopt a property tax rate for and on behalf of the El Paso County Hospital District in the amount of \$0.219526 per \$100 of valuation, and further, authorize the County Judge to execute an order reflecting same.

Prior Action: A joint work session of the Commissioners Court and Hospital District Board of Managers was held on August 7, 2024.

Strategic Plan: Goal:

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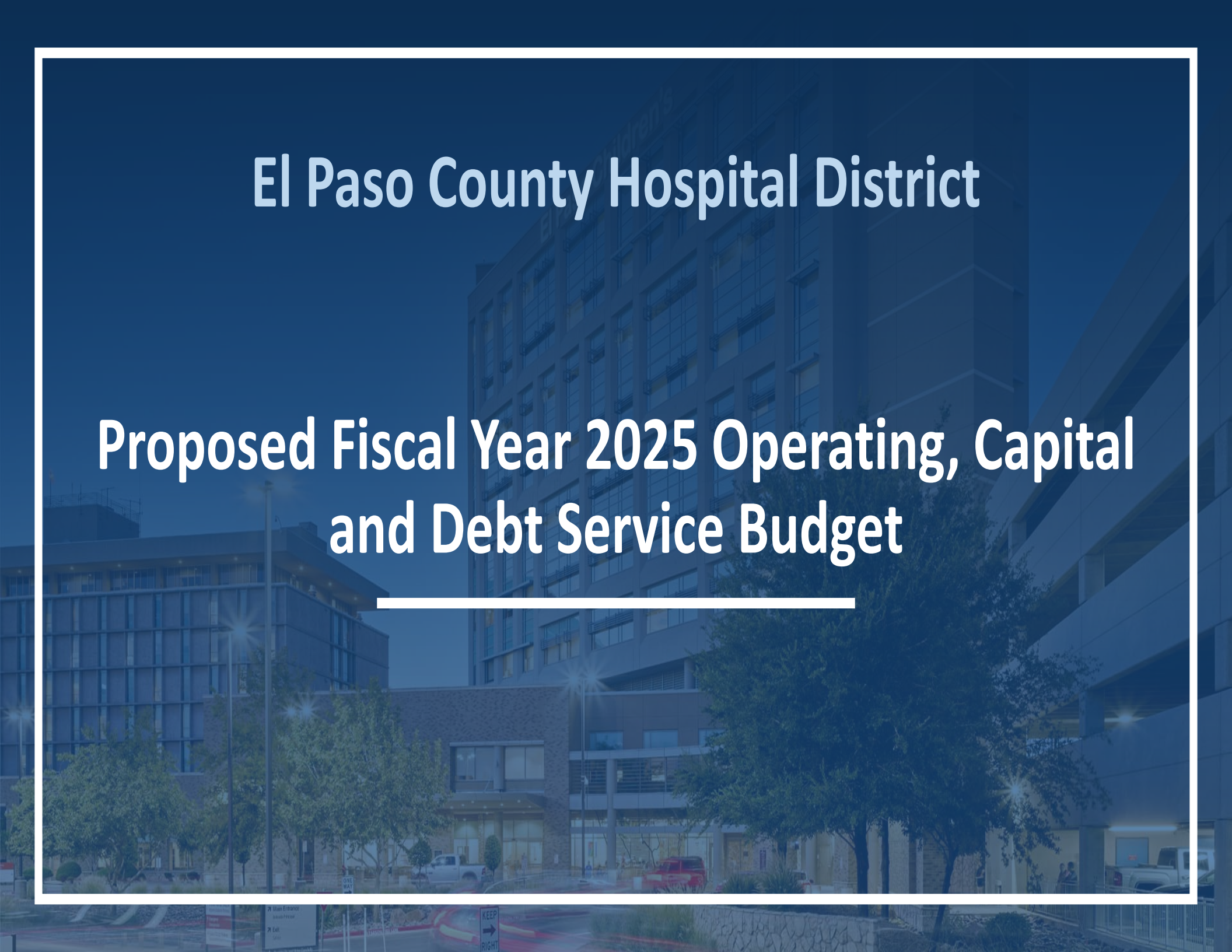
Objective:

Strategic Plan Information:

**Estimated Time Needed
For This Item:** 30 minutes

El Paso County Hospital District

Proposed Fiscal Year 2025 Operating, Capital and Debt Service Budget



A photograph of the El Paso Children's Hospital at night, with a blue overlay. The building is a large, modern structure with many windows, some of which are illuminated. The text "El Paso Children's" is visible on the upper part of the building. In the foreground, there are trees and a parking lot with some cars. A sign in the bottom left corner indicates the "Main Entrance" and "Exit".

What is our financial health?

Hospital District Rating Agency Scores

- KBRA a/k/a Kroll
 - AA-
 - Stable outlook
 - July 2024
- FitchRatings
 - A-
 - Stable outlook
 - July 2024
- Standard & Poors
 - BBB+
 - Stable outlook
 - July 2024
- Moody's
 - Baa2
 - Stable outlook
 - September 2022

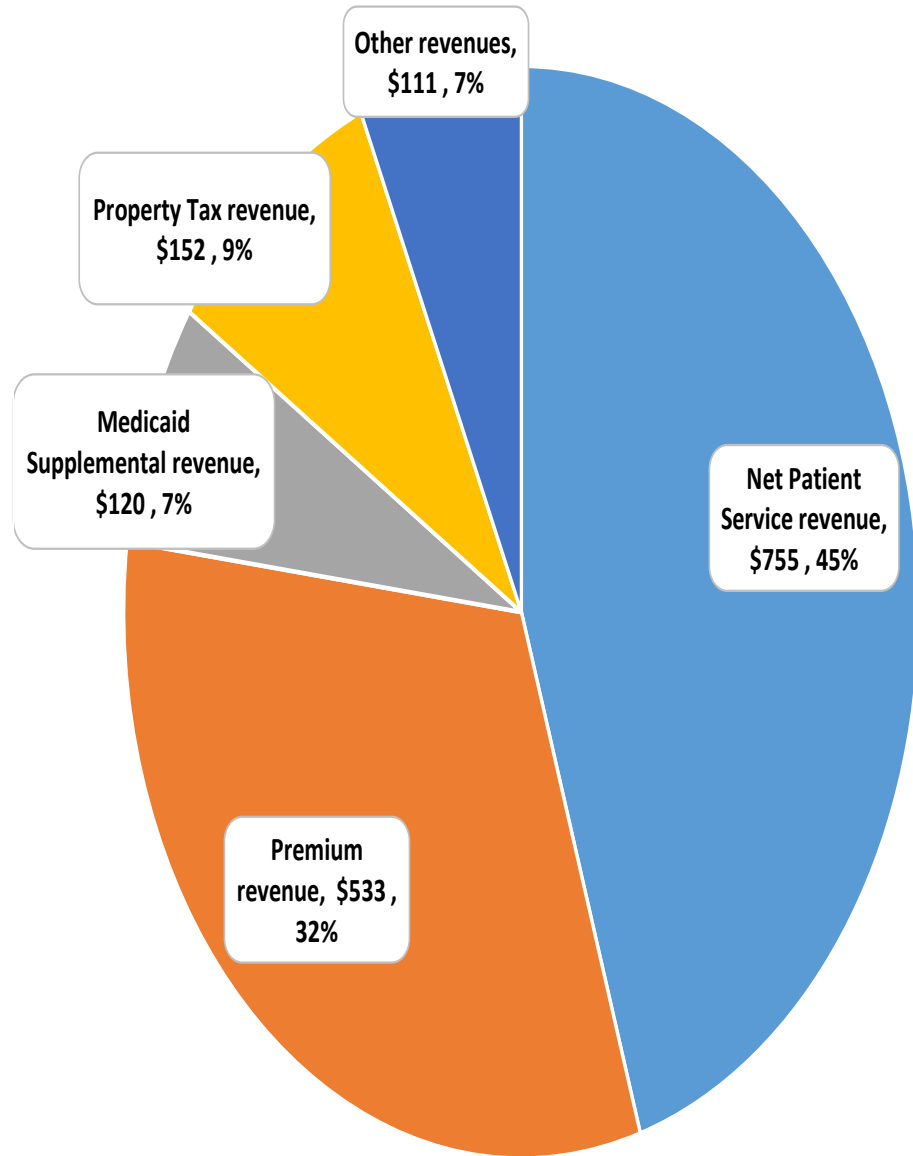
	Kroll	Fitch	S&P	Moody's	Meaning
Investment Grade	AAA	AAA	AAA	Aaa	Prime
	AA+	AA+	AA+	Aa1	High Grade
	AA	AA	AA	Aa2	
	AA-	AA-	AA-	Aa3	
	A+	A+	A+	A1	Upper Medium Grade
	A	A	A	A2	
	A-	A-	A-	A3	
	BBB+	BBB+	BBB+	Baa1	Lower Medium Grade
	BBB	BBB	BBB	Baa2	
	BBB-	BBB-	BBB-	Baa3	
Speculative Grade	BB+	BB+	BB+	Ba1	Non Investment Grade Speculative
	BB	BB	BB	Ba2	
	BB-	BB-	BB-	Ba3	
	B+	B+	B+	B1	High Speculative
	B	B	B	B2	
	B-	B-	B-	B3	
	CCC+	CCC+	CCC+	Caa1	Substantial Risks
	CCC	CCC	CCC	Caa2	Extremely Speculative
	CCC-	CCC-	CCC-	Caa3	In Default with Little Prospect for Recovery
	CC	CC	CC	Ca	
	C	C	C	C	In Default
	D	RD D	D		



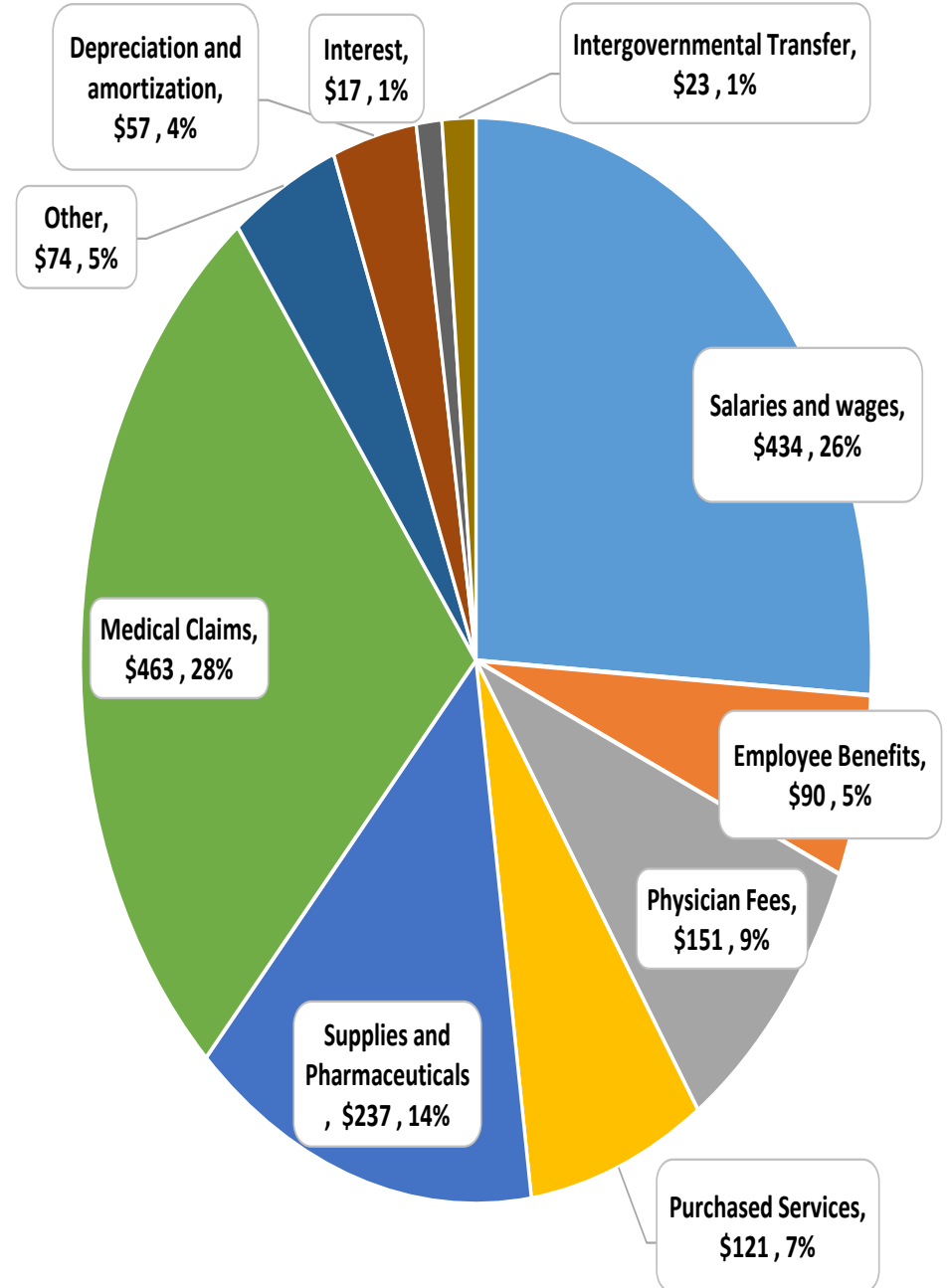
FY 2025 Proposed Operating Budget Revenue and Expense Assumptions

District FY 2025 Proposed Operating Budget

District 2025 Revenue Budget, \$1.671B (in millions)



District 2025 Expense Budget, \$1.668 billion (in millions)



District Change in Net Position by Component Unit

2025
Budget

Combined Total	\$ 3,343,774
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UMC El Paso	\$ (15,895,765)
El Paso Health	\$ 5,468,502
El Paso Children's	\$ 8,606,008
UMC Foundation	\$ 3,347,824
Eliminations	\$ 1,817,205

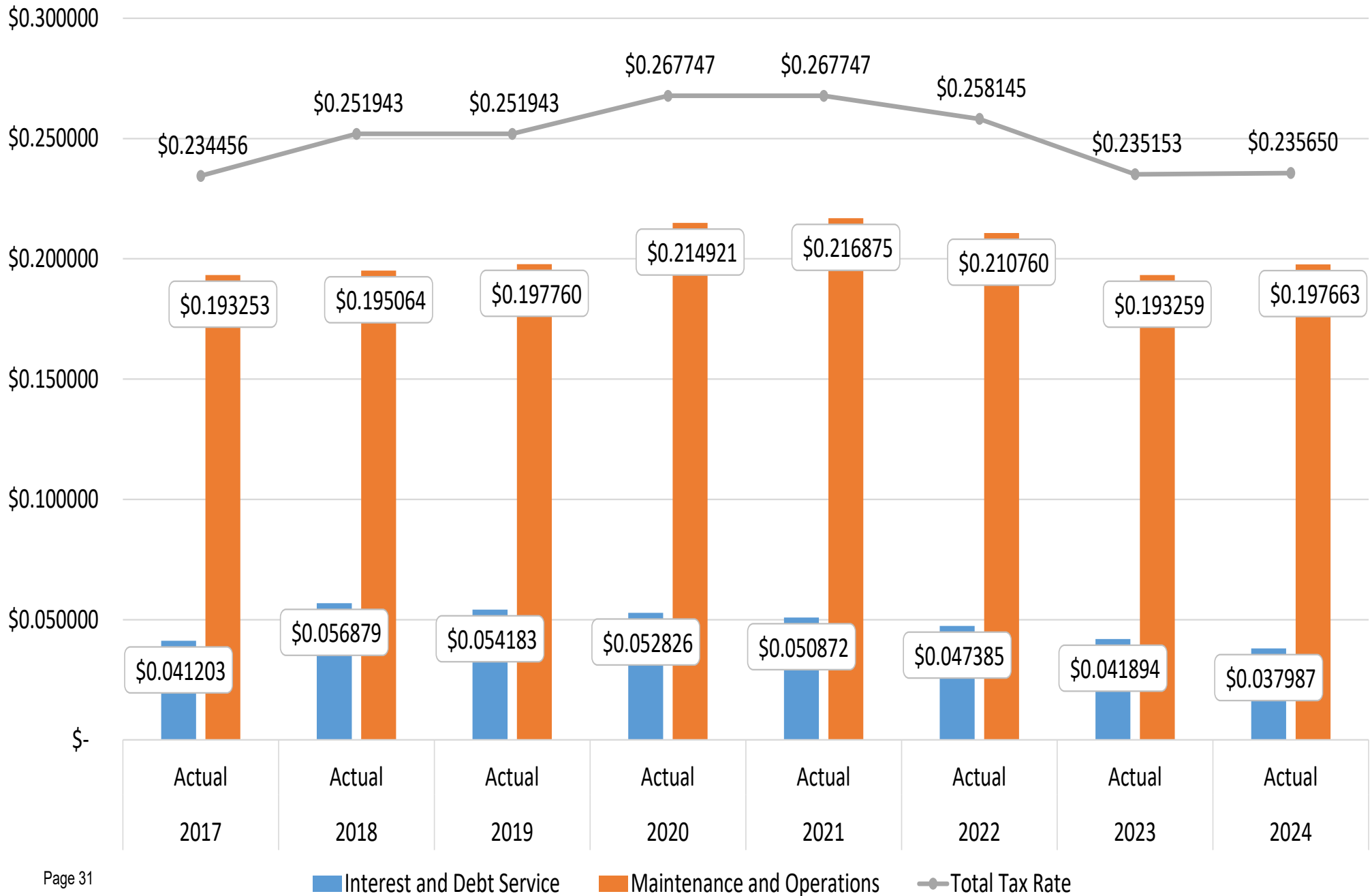
Cash Flow From Operations:

Change in Net Position	\$ 3,343,774
Depreciation and amortization expense	57,463,908
Cash Flows from Operations	<u>\$ 60,807,682</u>



How is the taxpayer affected?

UMC Property Tax Rate



Community Tax Rate, El Paso ISD



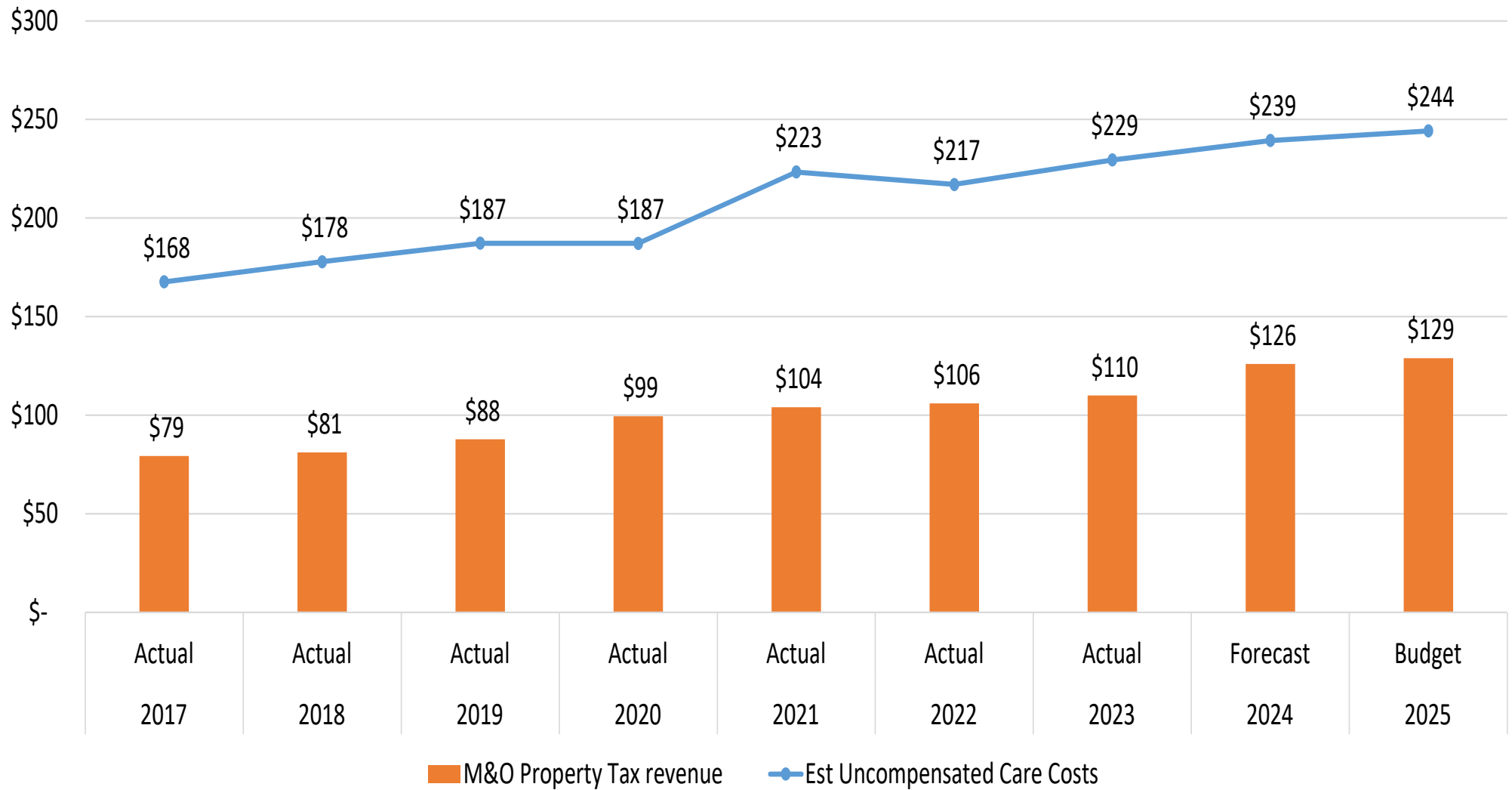
Fiscal Year	EPCC	UMC	El Paso County	City of El Paso	El Paso I.S.D.
2021	\$0.140, 4.5%	\$0.268, 8.6%	\$0.489, 15.7%	\$0.907, 29.1%	\$1.318, 42.2%
2022	\$0.135, 4.3%	\$0.258, 8.3%	\$0.470, 15.0%	\$0.907, 29.0%	\$1.354, 43.3%
2023	\$0.123, 4.2%	\$0.235, 7.9%	\$0.426, 14.4%	\$0.862, 29.1%	\$1.314, 44.4%
2024	\$0.116, 4.2%	\$0.236, 8.5%	\$0.459, 16.6%	\$0.819, 29.6%	\$1.137, 41.1%

UMC El Paso FY 2025 Tax Rate Scenarios: 1/1/2024 Property Valuations



	Fiscal Year 2024		Fiscal Year 2025 Budget		
	2023 (As Adopted)	2023 Final Certified Values	No New-Revenue Rate	Voter-Approval Rate	Last year's rate
Total Taxable value	\$ 62,163,229,594	\$ 63,522,454,927	\$ 69,413,944,594		
Taxable value of existing properties			\$ 68,155,608,140		
Taxable value of new properties / improvements			1,258,336,454		
Total Taxable Value \$ increase		\$ 1,359,225,333	\$ 4,633,153,213		
Total Taxable Value % increase		2.2%	7.5%		
Total Tax Rate	\$ 0.235650	\$ 0.235650	\$ 0.219526	\$ 0.233385	\$ 0.235650
Maintenance & Operations Tax Rate	\$ 0.197663	\$ 0.198476	\$ 0.185607	\$ 0.199466	\$ 0.201731
Interest & Debt Service Tax Tax	\$ 0.037987	\$ 0.037174	\$ 0.033919	\$ 0.033919	\$ 0.033919
Expected Property Tax revenue	\$ 146,487,651	\$ 149,619,313	\$ 152,381,656	\$ 162,001,735	\$ 163,573,960
Maintenance and Operations	\$ 122,873,499	\$ 126,005,161	\$ 128,836,631	\$ 138,456,710	\$ 140,028,935
Interest and Debt Service	\$ 23,614,152	\$ 23,614,152	\$ 23,545,025	\$ 23,545,025	\$ 23,545,025
Variance from No New Revenue Rate				\$ 9,620,079	\$ 11,192,304
Variance from prior year		\$ 3,131,662	\$ 2,762,343	\$ 12,382,422	\$ 13,954,647
Average Home Value					
Average Appraisal Value	\$ 211,762	\$ 216,705	\$ 231,206		
Average Net Taxable value	\$ 187,259	\$ 191,503	\$ 205,956		
Annual property taxes due	\$ 441.28	\$ 451.28	\$ 452.13	\$ 480.67	\$ 485.34
Annual tax \$ change from prior year			\$ 0.85	\$ 29.39	\$ 44.06
Annual tax \$ change from No New Revenue Tax Rate				\$ 28.54	\$ 43.21
Monthly tax \$ change from prior year			\$ 0.07	\$ 2.45	\$ 3.67
Monthly tax \$ change from No New Revenue Tax Rate				\$ 2.38	\$ 3.60

UMC- Uncompensated Care & Property Tax Revenue





FY 2025 Proposed Routine Capital Budget

FY 2025 Proposed Routine Capital Budget

UMC	\$17,000,000
El Paso Children's	6,248,379
El Paso Health	<u>2,797,658</u>
Total	<u>\$ 26,046,037</u>

A photograph of the El Paso Children's Hospital at night, with the building's name visible on the upper facade. The image is overlaid with a dark blue semi-transparent filter. The text "FY 2025 Proposed Debt Service Budget" is centered in white, with a white horizontal line underneath it.

FY 2025 Proposed Debt Service Budget

FY 2025 Proposed Debt Service Budget

Tax Supported:

General Obligation Refunding Bonds, Series 2017	\$ 7,230,250
Combination Tax and Revenue Certificates of Obligation, Series 2013	7,271,469
General Obligation Refunding Bonds, Series 2013	<u>9,127,350</u>
Subtotal	23,629,069

Non-Tax Supported:

Revenue Bonds, Series 2023	<u>3,600,000</u>
Total	<u>\$ 27,229,069</u>



QUESTIONS?