

COMMISSIONERS' COURT

The Honorable Renato Cuellar, County Judge called the Commissioners' Court meeting to order, where upon the following proceedings were had, to-wit:

ITEM 1. PUBLIC HEARING FOR 1998 PROPOSED BUDGET

The County Judge called the public hearing open and proceeded to stated that a notice had been advertised in the newspaper with regards to this meeting. He then indicated that he wanted to make a few pertinent observations. One of these was that this Commissioners' Court had held workshops to try to meet the needs of each departments while still trying to be conservative. The one issue that was usually first on the list of the departments was a salary increase for their employees; Commissioners' Court recommended a 5% for all employees. Some departments requested more and exceptions were made. The proposed 1998 budget is based on the certified taxable valuation received from the Hidalgo County Appraisal District in the amount of \$9,245,334,746.00 which is higher than the previous years. He stated that he would give figures arrived at for this budget using a proposed tax rate of \$.4747 and the breakdown is as follows: General Fund - \$.4395; Road & Bridge - \$.01; Certificates of Obligation for 1990 - \$.0030; Certificates of Obligation 1990A - \$.0015; Refunding Bonds Series 1991 - \$.0045; General Obligation Bonds Series 1996 - \$.0062; Park Fund - \$.01. He continued by saying that 10% of the tax levy on the General Fund was used for Indigent Health Care and the total revenues for the General Fund are \$50,791,941.53, including the estimated fund balance on 12-31-97, the available resources will be \$52,132,334.55. The estimated expensed including transfers out will be \$50,446,368.33 and this will leave an estimated fund balance of \$1,686,966.22.

Judge Cuellar then proceeded with the Road and Bridge Fund and said that the total revenues would be \$7,080,770.91 and with the estimated fund balance on 12-31-97 and a transfer in of \$375,000.00 from General Fund, the total would be \$8,130,411.43. The estimated expenses from this fund will be \$8,035,917.49 and it will leave an estimated fund balance of \$94,493.94.

Under the Park Fund, the total revenues are \$973,570.91 and with the estimated fund balance of 12-31-97 the total resources will be \$998,709.67. The estimated expenses under the Park Fund are \$983,709.67, leaving an estimated fund balance of \$15,000.00.

The County Judge then said that the total County budget was estimated to have available resources in the amount of \$77,423,080.60;

the total expenditures are estimated at \$71,272,155.85 and it will leave a fund balance in 12-31-98 of \$6,150,924.75.

The County Judge continued with Drainage District #1 and said that it had a certified taxable value of \$9,272,024,403.00 and the effective tax rate is \$.0390 and it was for operations only as there was no tax for the debt service. The estimated fund balance to start the year is \$3,967,823.08; the estimated revenues for 1998 are \$3,759,278.29 which will bring the total of available resources to \$7,727,101.37. The total estimated expenditures are \$3,759,277.44 and it will leave a fund balance of \$3,967,823.23. He stated that the Debt Service did not have a tax as the fund balance is in excess of the 1998 requirement. The estimated fund balance as of 12-31-98 is \$3,330,432.28. The Drainage District #1 is paying out on schedule for Refunding Bonds Series 1992 and this budget was in a healthy position. Commissioner Arcaute informed the County Judge that the Drainage District was on a separate agenda.

Judge Cuellar now opened the meeting for public comment and Eloy Pulido, the Hidalgo County Clerk, came up and stated that he was first of all speaking as a taxpayer and he had a concern on the pay raises specifically an increase of 19% which he deemed was over and above the cost of living. This issue was basically directed at the County Commissioners and he indicated that he felt that a 5% increase was more appropriate. He also commented on pay increases that were allotted to some members of the County Judge's staff in February of this year. He then proceeded to address this Court as County Clerk and he stated that he also had wanted to eliminate a position and give salary increases back in May and he was turned down. He felt that the salary system of the County was not working because the system allowed for "disparity when it comes to pay raises".

Paul Vazaldua then came up to the podium and proceeded to give the Commissioners' Court a hand-out. This hand-out reflected the salary scales of the County Commissioners in the top ten Counties. He said that our Commissioners were on a very low salary scale. He also addressed some of the comments that were made by Mr. Pulido with regards to salary increases that were given to the County Judge's staff and justified them by saying that an 8-to-5 work day was not known at the County Judge's Office as they have had to work on weekends to work on grants which have brought in an additional \$1.5 million to this County.

Marcel Lawson approached the microphone and stated that she had worked at the County Judge's Office until 1994 and she has two degrees, a Masters Program finished and she was only making \$21,000.00 a year. She says that she was happy to get this salary and she needed the insurance. Mrs. Lawson continued by saying that she never complained about not getting raises and she truly believed that 5% was enough across

the board. With respect to the grants, she stated that she brought in thousands and thousands of dollars worth of grant monies and never took one penny of comp time nor did she even put it down. She also commented that she was against anything over the 5%.

Virginia Townsend came forward and said that she had three points to make; one was that as more and more cities are being incorporated and ETJs are spread out, the County's responsibilities are becoming smaller and hence they had less of an area to cover and she did not see how a 19% pay increase could be justified. The second point was that if everybody thought that they were in good times they must be hanging out with different people than she, as she felt that the economy was no that good. Thirdly, the public perception and what happens to the morale of the rest of the employees in this County, which she felt was going to cause more problems that it was worth.

Marty Shawn and she represented LULAC District 20 and she was speaking not only as a taxpayer but for the thousands of people in this County who have a concern with regards to the proposed 19% pay increase for the County Commissioners.

Vi Greenwald also came up and also called attention to the 19% pay increase. She indicated that she was a senior citizen and she felt that they needed some fiscal responsibility in the County.

Norma Garcia, the County Treasurer, responded to some of the comments that were made by Paul Vazaldua. She said that she agreed with him and she indicated that she was the lowest paid County-wide elected official in Hidalgo County and in comparison to other Counties she still made less that they did. She did say that 5% across the board was more than equitable and she indicated that the employees were the backbone of any operation and they had some qualified people that they could keep if they just had more attractive salaries.

Ernest Greenwald came up and stated that in the publication it referred to the possibility to an increasing in salaries enticing people with Masters Degrees. He felt that there were more people capable of sitting on the bench than a person with a Masters Degree. He felt that the job required a lot of common sense, a little experience and the abilities to be honest.

Ricardo Chapa approached the Court and said that he also wanted to comment with regards to the salary increases, the public perception and the negative repercussions that this would have.

Rene Guerra, the County District Attorney, came up and asked that if they were given the 5% across the board, he would like the discretion to stay within the 5% overall that is allocated in his budget, but he would like to distribute it as he saw fit according to his staff. Commissioner Garces

pointed out that he already had this luxury as per statute, but other County officials did not.

William "Billy" Leo proceeded to the podium and also commented that as a former County Official and as a taxpayer he also did not agree with the proposed salary increases for the County Commissioners. He did not believe that they could justify this by comparing this County to other Counties.

Steve Austin, former County Auditor and a candidate for County Judge, also made a few comments regarding the salary increases and he did not think that they were unreasonable, but he felt that at this time this Commissioners' Court should stay within certain bounds.

The last person to come up was Robert Teal and he indicated that he bore no grudge towards anyone, but he did point out that the County employees had received no raises over the past two years. He did not feel that it was fair that a select few should get substantial salary increases and his personal interest in this was that he had a wife and a daughter who were County workers, both with many years of service. Mr. Teal felt that it was not fair when the services of employees like them are worth less to the County than a "select few".

The County Judge then asked if there were any further comments from the public, there being none he closed the public hearing.

NO ACTION.

ITEM 2. ADOPTION OF 1998 ANNUAL BUDGET FOR HIDALGO COUNTY INCLUDING SETTING SALARIES FOR OFFICIALS AND EMPLOYEES

Commissioner Arcaute made some comments regarding the way that the budget is done and he felt that the County Commissioners did not have a chance after the workshops to go over the adjusted budgets. He felt that he was not ready to approve this budget and based on the public comments he found that no one disagrees with a 5% increase, which he has supported all along. He also felt that the media has not been fair in their reporting of what goes on during the County Commissioner's meetings. He also referred to the hand out that was given to them by Mr. Vazaldua and he pointed out that no they did not get as much as county commissioners in other counties, but this County also did not have the same tax base as other counties. Commissioner Rosel differed with Commissioner Arcaute and he felt that he was well informed on the budget as per the workshops and in talking to Mrs. Loura Etnire. Commissioner Garces stated that he felt that what Commissioner Arcaute was wanting to

do was come back in a formal setting and discuss the budget and he was also not in agreement with the 19% salary increase. He felt that they should stick to the 5% because of the public perception and the participation of the public in this morning's public hearing. Commissioner Rosel addressed the comments of one of the individuals that were made and that official, when he first took office, indicated that he needed some additional funds to give some salary increases. This same County official came back later and again wanted to increase some positions, not the "hard-core" labor force, but the administrative positions, some of which were receiving increases as high as 18% and they were approved. He came in a third time and they were approved and on his fourth time this Commissioners' Court voted against the increases. Commissioner Arcaute again stated that he was against the steep increase and he wanted the record to reflect this. Commissioner Rosel wanted to address the County Commissioners salaries which were going from \$47,000.00 to \$56,000.00 and he made a motion that they grant the increase that is noted on the budget in the amount of \$56,000.00 to the County Commissioners Court with the exception of the County Judge, whose proposed salary is only being increased by 5%. This motion was seconded by Commissioner Handy. Commissioner Garces pointed out that the decision made here today is not relevant to what the County Judge might make depending what the overall salary of the County Auditor will be. Commissioner Garces responded to the comments made by Virginia Townsend and he added that he felt that if an increase is given then it should be given as an auto allowance. Commissioner Arcaute again indicated for the record that his vote will be against this motion. The County Judge stated that he would also like to make some comments and they were in favor of this motion and he was followed by Commissioner Handy who also spoke in favor of this motion. The County Judge then indicated that he would put the motion to a roll call vote and Commissioner Arcaute asked that the motion be restated. Commissioner Rosel indicated that the motion was that they go ahead and approve the salaries that are listed for the proposed 1998 budget with regards to the County Commissioners' Court; with the County Judge's salary being \$66,419.83 and the County Commissioners salaries at \$56,000.00 each. Commissioner Arcaute asked if all of the other elected officials were receiving a 5% increase and it was stated that they were with the exception of the Justices of the Peace who had been allocated \$9,000.00 for rent as part of their salary. Commissioner Rosel did say that he wanted to take the County Commissioners salaries first because this was the area of major concern by the public. Upon being put to a voice vote the motion carried.

MOTION CARRIED. (Commissioners Rosel, Handy and the County Judge voted in favor of the motion; Commissioners Arcaute and Garces voted against the motion)

Commissioner Arcaute then turned to the issue of the tax rate and said that the tax rate that they are about to set is about three quarters of a penny higher than the previous year and he feels that this and the growth in population have helped this County budgetarily. Commissioner Rosel brought up the issue of the County Courts at Law and how their salaries have been affected during the last couple of years and he wished that they had had this kind of concern as the County Court at Law judges. He also did not feel that it was fair that some departments are given increases legislatively and it is the County's that have to deal with the budgeting of these increases. Commissioner Handy pointed out that she wanted to discuss the auto allowances and presently they were getting \$350.00 per month for auto allowances. She indicated that her car was costing her more to maintain, as far as payment, insurance and maintenance than the \$350.00 per month she was getting. Commissioner Rosel agreed with her. Commissioner Handy then stated that she was recommending an increase of \$250.00 per month for the County Commissioners and the County Judge from the General Fund and she put this in the form of a motion. Commissioner Rosel seconded the motion. Commissioners Garces and Arcaute indicated for the record that they were not in favor of this motion.

MOTION FAILED. (Commissioners Rosel and Handy voted in favor of the motion; Commissioners Arcaute, Garces and the County Judge voted against the motion)

The Court then turned to the issue of the salaries for the remaining elected officials. A motion was made by Commissioner Garces and seconded by Commissioner Handy to approve the remaining salaries of the elected officials that they have before them, as presented on the attachment. Commissioner Arcaute had a question with regards to the Justices of the Peace and their rental fees and Commissioner Garces and the County Judge indicated that this issue had already been settled. Commissioner Rosel asked if this Court would be willing to consider an additional deputy constable for this area to assist in Solid Waste Enforcement and he was asking that this be added to the motion as a friendly amendment and the response was that they could not at this time. The motion was then put to a vote and it carried.

MOTION CARRIED. (Commissioner Arcaute voted against the motion)

Commissioner Rosel asked what the next step was and Mrs. Etnire stated that they now needed to adopt the budget with or without any amendments to the budget. The Commissioner then asked if there were any departments that had requested more than the 5% that is being considered presently and she stated that there were not. He then asked if the County Judge's staff was at 5% and the response was that they were not. Commissioner Garces asked if there had been any other changes since the last time they had met and Mrs. Etnire indicated that there were. Commissioner Rosel then stated that he wanted to discuss the salaries of the employees, particularly those under Road and Bridge. Commissioner Arcaute then pointed out that they had cut the Tax Assessor/Collector's budget by \$140,000.00 and they were going to establish a separate department to take care of their computers and he was wanting to know if they had done this and Mrs. Etnire indicated that they had. The Court then took a ten minute recess to allow for some time to furnish the County Commissioners' Court with additional information that was needed.

After the Court reconvened, Commissioner Rosel stated that they are dealing now mainly with salaries within the County Judge's staff and he indicated that there is a General Clerk with a salary of \$11,573.00 and the proposal is to increase this slot to \$15,363.00 and he feels that this increase is justified. The next position was for a Payroll Clerk Specialist at a present salary of \$23,000.00 for 1998; a Public Information Specialist at \$20,000.00 for 1998; under Road and Bridge Administration there is a position for a Computer Supervisor Budget Assistant at \$35,000.00; a General Clerk Accounts Payable Specialist \$30,000.00; Insurance Clerk at \$20,000.00 and he has no problem with any of the increases on these positions. Commissioner Handy then had a question as to how this was being done and Commissioner Garces replied that this Commissioners' Court had to go over this budget since there were some positions that were getting over the 5% that was being considered. He also felt that some of these positions had already been adjusted during the year and he did not feel that they should be adjusted again.

Commissioner Arcaute also mentioned that sometime back they had discussed the cost of living versus a change in adjustment that if one employment accrued a 5% increase then every employee should get a 5% increase and Commissioner Garces agreed. Paul Vazaldua pointed out that at that meeting Commissioner Rosel had indicated that a precedence had been set and that salaries were changed at different percentage levels in the past and this was basically the direction that the Court had taken at that time. He did state that Esther Cortez, the Personnel Director, was present and he asked her if she had a response to this question. Ms. Cortez said that they could give merit raises so long as they were justified they did not have to change the titles. Commissioner Arcaute noted that

this County did not have a merit system. Commissioner Garces asked how long it would take to implement a merit system and he felt that they needed to look into this and maybe put a timeline on it. Commissioner Arcaute then asked about the positions within the County Judge's Office and he wanted to know if they were exempt or non-exempt. Mr. Vazaldua responded that there were only two positions within the County Judge's Office that were exempt, these being the Chief Administrative Assistant, Mrs. Loura Etnire, and the Judge's secretary, Mari Gonzalez. He also pointed out that the County Judge was just wanting to do what the District Attorney was given authority to do. This being the increase of his 03 category and that he be allowed to disburse this amount at his discretion. Judge Cuellar also pointed out that he also had a vacant position that he was utilizing in giving these salary increases. After some discussion, a motion was made by Commissioner Handy to approve the County Judge's budget as originally proposed.

MOTION DIED FOR LACK OF A SECOND.

Commissioner Garces reported that under the County Judge's budget he had no problem with the salary increases that were being given to the following positions: Safety Loss Coordinator at \$30,000.00; General Clerk at \$15,363.00; Payroll Clerk Specialist at \$23,000.00; Receptionist/Public Information Specialist at \$20,000.00; under the Road and Bridge Administration - Computer Supervisor Budget Assistant at \$35,000.00; General Clerk Accounts Payable Specialist at \$30,000.00 and the Insurance Clerk at \$20,000.00. He then made a motion to approve these salaries and the remaining staff would receive a 5% salary increase. This motion was seconded by Commissioner Rosel. Paul Vazaldua then asked the Court to consider adding two more positions to this motion, these being the Secretary/Agenda Coordinator at \$25,000.00 and the Secretary position from \$16,290.75 to \$20,000.00. Commissioner Arcaute again brought up the issue of salary increases as far as exempt and non-exempt employees, since the County Judge pointed out that one of these two positions was exempt. Commissioner Garces then amended his motion to include the Secretary/Agenda Coordinator at \$25,000.00. Commissioner Rosel at this time withdrew his second and asked that Commissioner Garces then rescind his motion and make a new motion to approve the salary increases of Safety Loss Coordinator at \$30,000.00; General Clerk at \$15,363.00; Secretary/Agenda Coordinator at \$23,000.00; Payroll Clerk Specialist at \$23,000.00; Receptionist/Public Information Specialist at \$20,000.00; under the Road and Bridge Administration - Computer Supervisor Budget Assistant at \$39,000.00; General Clerk Accounts Payable Specialist at \$30,000.00 and the Insurance Clerk at \$20,000.00.

Commissioner Rosel seconded the motion for sake of discussion. The County Judge asked that they amend the motion to leave the Secretary/Agenda Coordinator at \$25,000.00. Commissioner Rosel again withdrew his second to the motion.

MOTION DIED FOR LACK OF A SECOND.

Commissioner Garces then asked that Mrs. Cortez give a brief report on how this issue could be resolved with the use of Civil Service. Mrs. Cortez stated that under the Civil Service aspect of the issue, if they were going into a re-classification and they were up-grading the salaries then it would have to be advertised as promotions within that department. She pointed out that the problem with the increases within the County Judge's Office was that they were re-classifying the positions, while all they were trying to do was give merit increases for added duties. Commissioner Garces then indicated that they not consider this issue at this time. Paul Vazaldua then asked if they would approve the County Judge's 1998 proposed budget without the salary adjustments as previously indicated, but with the 5% increase and then come back and consider the adjustments at a later date. Commissioner Garces agreed with this and asked for a breakdown of the budget and Mr. Vazaldua complied by saying that under the 01 category the amount was \$66,419.82; 03 category was \$351,108.68; 09 category was \$16,800.00 and Road and Bridge Administration was \$89,000.00. A motion was then made by Commissioner Garces to approve the 1998 budget for the County Judge's Office as presented by Mr. Vazaldua which reflected only the 5% increase. Upon a second by Commissioner Rosel the motion carried.

MOTION CARRIED.

Commissioner Handy brought up the issue of the Personnel Department. The Personnel Director had requested two additional positions, a secretary position and also a clerk position at \$12,500.00 plus fringes, for the Personnel Department and a secretary for Civil Service and they had agreed to this during the workshops. A motion was then made by Commissioner Handy and seconded by Commissioner Garces to approve the request as presented.

MOTION CARRIED.

Commissioner Rosel then made a motion to create a deputy constable for Precinct Three in order to address some of the problems that they have. The motion died for lack of a second.

MOTION FAILED.

A motion was then made by Commissioner Rosel and seconded by Commissioner Garces to adopt the 1998 annual budget for Hidalgo County, including the setting of salaries for official and employees with the changes that were noted. Upon a second by Commissioner Garces the motion carried.

MOTION CARRIED.
(See Exhibit A)

ITEM 3. SET TAX RATE

Armando Barrera, the Tax Assessor/Collector, came before the Court and stated that an advertisement was published on October 10, 1997, with regards to the Notice on Tax Rate. He then proceeded to read the notice. He did noted that the proposed tax rate was \$.4747 in order to fund the County budget. A motion was made by Commissioner Handy and seconded by Commissioner Rosel to adopt the tax rate in the amount of \$.4747. Mrs. Etnire then proceeded to give a breakdown of the tax rate as follows: Maintenance and Operations is \$.4595; Certificates of Obligation is \$.0152 for a total of \$.4747.

MOTION CARRIED UNANIMOUSLY.
(See Exhibit B)

There being no further business to come before the Commissioners' Court a motion was made by Commissioner Arcaute and seconded by Commissioner Rosel that said meeting be hereby adjourned.

MOTION CARRIED.

DRAINAGE DISTRICT #1

The Honorable Renato Cuellar, County Judge called the Drainage District #1 Board meeting to order, where upon the following proceedings were had, to-wit:

ITEM 1. PUBLIC HEARING FOR 1998 PROPOSED BUDGET

The public hearing for this budget was incorporated in the public hearing for the County budget and the following was said: the County Judge continued with Drainage District #1 and said that it had a certified taxable value of \$9,272,024,403.00 and the effective tax rate is \$.0390 and it was for operations only as there was no tax for the debt service. The estimated fund balance to start the year is \$3,967,823.08; the estimated revenues for 1998 are \$3,759,278.29 which will bring the total of available resources to \$7,727,101.37. The total estimated expenditures are \$3,759,277.44 and it will leave a fund balance of \$3,967,823.23. He stated that the Debt Service did not have a tax as the fund balance is in excess of the 1998 requirement. The estimated fund balance as of 12-31-98 is \$3,330,432.28. The Drainage District #1 is paying out on schedule for Refunding Bonds Series 1992 and this budget was in a healthy position.

NO ACTION.

ITEM 2. ADOPTION OF 1998 ANNUAL BUDGET FOR HIDALGO COUNTY INCLUDING SETTING SALARIES FOR OFFICIALS AND EMPLOYEES

A motion was made by Commissioner Arcaute and seconded by Commissioner Garces to adopt the 1998 annual budget for the Drainage District #1.

MOTION CARRIED.
(See Exhibit C)

ITEM 3. SET TAX RATE

Mrs. Etnire reported that the tax rate was as follows: Maintenance and Operations at \$.0390 and there is no other tax. Armando Barrera, the Tax Assessor/Collector indicated that being that the proposed tax rate was below the notice and hearing limit there was not need to have it posted in the newspaper. A motion was made by Commissioner Arcaute and seconded by Commissioner Garces to adopt the 1998 Drainage District #1 tax rate at \$.0390.

MOTION CARRIED.
(See Exhibit B)

There being no further business to come before this Drainage District #1 Board the meeting was hereby adjourned.