



To: Hidalgo County Commissioners' Court
From: Erika Reyna, Director of Special Projects
Date: May 06, 2014

Re: 2014 BUDGET INITIATIVES UPDATE

May 06, 2014

Initiatives Approved by Commissioners' Court:

Sale of Properties

Hidalgo County has developed a strategy for the sale properties currently not in use nor expected to be utilized in the future. A total of 29 properties have been identified and approved by the County Commissioners for sale. The first phase included the sale of five properties with an anticipated revenue projection of \$2,769,329.00. An additional 18 properties have been identified by the Precincts for sale. An Agenda Item will be presented to Commissioners' Court May 06, 2014 seeking authorization to include these properties in the list of properties for sale.

Additionally, there was only one response to the Broker Services RFP. The response did not meet the minimum requirements. On April 22, 2014, Commissioners' Court allowed the re-advertisement of the RFP with some modifications. The first ad will be run by The Monitor on May 03, 2014 with responses being due May 21, 2014. The re-advertisement and evaluation process is expected to take one month. In the meantime, we have commenced communication with Mr. Sesin, Planning Administrator, to subdivide some properties (6) identified as partial properties (selling only a portion of a county property).

Sanitation Initiatives

In order to reduce sanitation expenditures (~\$5 million per year), Hidalgo County is currently considering a couple of options. The first option would be entering into an exclusive franchise agreement with one or multiple vendors to provide trash collection services to rural residents. This option would eliminate most of the County's sanitation expenditures and yield revenue from the franchise agreement(s). The second option entails establishing a collection station permit fee. This second option proposes a \$25 quarterly fee for trash disposal services at the county's collection stations. The anticipated revenue is projected to be \$2.7 million per year to offset some of the current sanitation program costs.

The possible implementation date for the second option is July 01, 2014 as discussed at the April 10th Chiefs of Staff Meeting on Budget Initiatives. Draft Rules for the collection station have been disseminated to Commissioners' Court Members' Offices.

Tire Disposal

An additional effort to further reduce expenditures is the acquisition of a mobile tire shredder. This initiative is anticipated to yield an estimated \$95,000.00 per year in savings. On March 05, 2014, Hidalgo County Commissioners' Court supported the implementation of this initiative. The RFP is currently being reviewed by the Environmental Compliance Officer and discussions with Republic Waste Services and the City of Edinburg are ongoing to discuss the rate for disposal of the shredded tires. **This initiative is expected to be fully implemented by late May 2014.**

Funds Held in Trust

There is currently ~\$1.3 million in unidentified funds of transactions of \$100.00 or less at the Hidalgo County Treasurer's Office. Hidalgo County has conducted legal research pertaining to unclaimed property procedures and has been advised that, following the adoption of an Unclaimed Property Policy and Procedures, such funding may be released by the Treasurer's Office and appropriated to offset county expenses. The Treasurer's Office has received a draft Policy for review from the Department of Budget and Management. **Finalization of this initiative is expected to occur May 2014.**

Other Proposed Initiatives:

Outsourcing of Custodial Services (New Administration Bldg Pilot Program)

The Executive Officer and Department of Budget and Management are currently considering quotes for the outsourcing of custodial services. A pilot program is being recommended for the New Administration Building, one of the county's largest facilities. Upon approval by Commissioners' Court, this initiative is anticipated to reduce expenses by at least ~\$119,000 (pending final approval of quotes and services). No county employees will be terminated (they would be relocated to other facilities in need). Item will be presented to Commissioners' Court for consideration mid-May. If approved, anticipated to commence July 1, 2014.

Communication between Department of Budget and Management, Executive Office, and Buildings & Grounds ongoing on this initiative.

Energy Consumption Reduction

Hidalgo County is also actively pursuing energy consumption reduction efforts. In 2013, Hidalgo County spent over \$2.9 million for electricity (all funds). An energy team has been assembled an Energy Consumption Policy is being proposed to attain electricity savings. A Draft Policy aimed at reducing energy consumption has been developed and will be presented to Commissioners' Court upon finalization for consideration.

Solicitation of energy consulting services is also being proposed. Other entities are known to have been very successful at renegotiating electricity rates with the assistance of energy consultants who analyze the electricity market, entity consumption, and future trends. Such a proposal would require that potential vendors only charge a fee if they are successful at positively renegotiating rates and that the fee be covered by a portion of the savings acquired. Thus, having no current fiscal impact but resulting in potential savings.

Performance Measures

In order to efficiently allocate resources as needs and service demands continue to grow, the Department of Budget and Management is proposing implementation of the Performance Measures Initiative. Adoption of these measures will enable Commissioners' Court to review departmental functions and allocate resources based on activity data provided by departments and their growing needs. An Agenda Item will be presented for Commissioners' Court consideration.

Please feel free to contact us if you would like to further discuss any of these initiatives or have any questions.