

# Budget Process

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19



**WORKSHOP #2**  
August 14, 2018

**Department of Budget and Management**



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## 2019 BUDGET PROCESS

### WORKSHOP #2

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**HIDALGO COUNTY**  
 Department Of Budget & Management

**2019 BUDGET PROCESS**  
**GENERAL FUND**

Base Budget  
 As of August 14, 2018

PROJECTED REVENUES:	<b>\$ 208,075,535</b>
2018 ADOPTED BUDGET:	<b>\$ 200,700,595</b>
BUDGET INCREASES:	
Personnel Actions <small>(approved since budget adoption)</small>	2,659,996
Health Insurance <small>(7% Premium Increase)</small>	1,096,884
464th District Court <small>(effective January 1, 2019)</small>	515,000
Retirement - TCDRS <small>(0.11% increase   11.91%)</small>	99,675
Supplemental Pay <small>(Law Enforcement Positions)</small>	97,800
Longevity	68,780
Cost of Living Adjustment @ 3.0% <small>(5.3% CPI Increase since last COLA)</small>	3,585,629
IT Infrastructure	1,300,000
Vehicle Lease Program <small>(Non-Law enforcement)</small>	350,000
Humane Society	321,400
Spay and Neuter Program	50,000
Other Operating Expenses	922,268
<b>Total Increases:</b>	<b>\$ 11,067,432</b>
PROJECTED BUDGET NEED FOR 2019:	<b>\$ 211,768,027</b>
PROJECTED SURPLUS / (SHORT FALL):	<b>\$ (3,692,492)</b>

**HIDALGO COUNTY**  
 Department Of Budget & Management

**2019 BUDGET PROCESS**  
**SHORT BUDGET ITEMS**

General Fund Budget  
*As of August 14, 2018*

	2018 Adopted Budget	2019 Proposed Budget	2019 Projected Expenditures	2019 Projected Shortfall
Jail Room and Board	2,050,000	2,100,000	4,000,000	1,900,000
Public Defense	4,570,667	4,570,000	6,200,000	1,630,000
Juvenile Room & Board	2,695,312	2,695,312	3,300,000	604,688
Other Public Defense	300,000	350,000	500,000	150,000
Visiting Judges	175,644	175,000	325,000	150,000
<b>TOTAL INCREASES:</b>	<b>\$ 9,791,623</b>	<b>\$ 9,890,312</b>	<b>\$ 14,325,000</b>	<b>\$ 4,434,688</b>

# 2019 *budget process*

## DISCUSSION ITEM: INFORMATION TECHNOLOGY INFRASTRUCTURE

### **Overview of Information Technology Infrastructure:**

Due to the county’s aging information technology infrastructure, there is a need to allocate funding to upgrade existing information systems and network systems that are currently in place countywide.

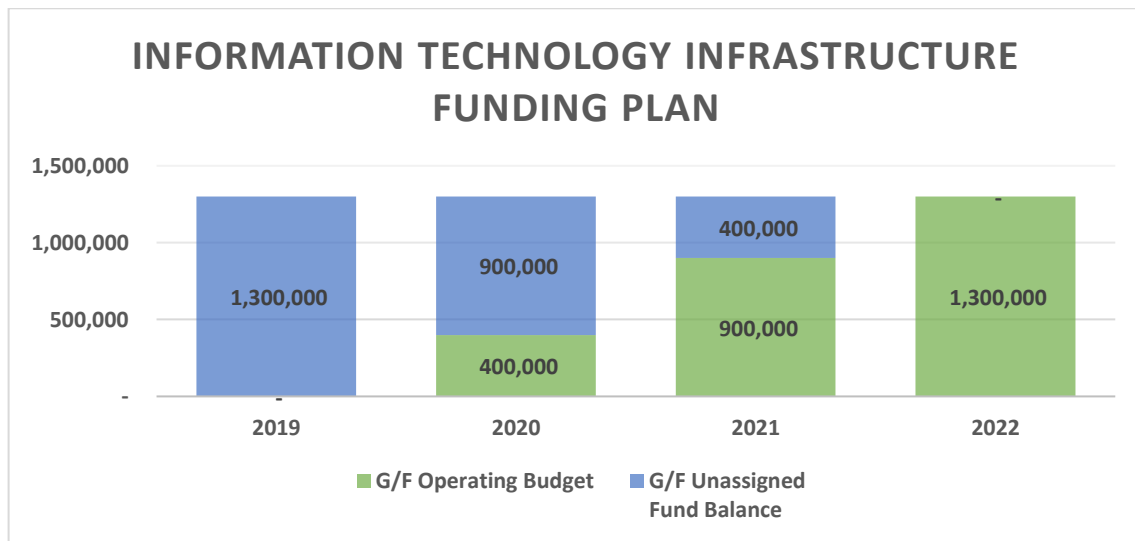
The Information Technology Department is proposing to the Commissioners Court to enter into a lease agreement in order to upgrade computer equipment countywide. This infrastructure upgrade will also include upgrading and enhancing the county’s network system, storage servers, as well as the telephone system. The information technology infrastructure upgrade is estimated to cost approximately **\$5.2M** over the next four (4) years.

### **Infrastructure Funding Plan (Budgetary Impact):**

Illustrated below is the proposed ***Information Technology Infrastructure Funding Plan*** for the next four (4) years in order to provide funding for the necessary upgrades:

**Information Technology Infrastructure Funding Plan**

Year	G/F Operating Budget	G/F Unassigned Fund Balance
2019	-	1,300,000
2020	400,000	900,000
2021	900,000	400,000
2022	1,300,000	-
<b>Total</b>	<b>2,600,000</b>	<b>2,600,000</b>



# 2019 *budget process*

## DISCUSSION ITEM: PALM VALLEY ANIMAL SHELTER

### **Overview of Palm Valley Animal Shelter:**

The County currently contracts with the Palm Valley Animal Shelter to provide impound and quarantine services for stray small animals (dogs & cats) at a rate of \$68,451/month, which equates to \$821,406 annually for fiscal year 2018.

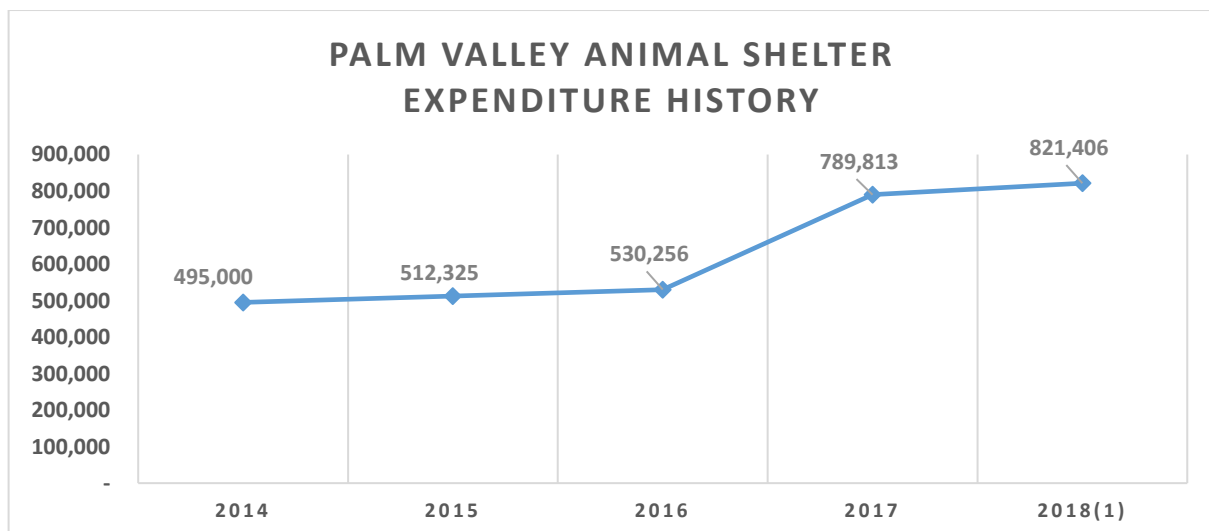
### **Expenditure Analysis (Budgetary Impact):**

Illustrated below is the five year actual expenditure history (2014-2018) in relation to the Palm Valley Animal Shelter.

### PALM VALLEY ANIMAL SHELTER

#### FIVE YEAR ACTUAL EXPENDITURE HISTORY

Year	Actual Expenditures
2014	495,000
2015	512,325
2016	530,256
2017	789,814
2018 <sup>(1)</sup>	821,406



(1) Amount for 2018 is based on current contract set to expire on 12-31-18, C-17-268-12-12

**HIDALGO COUNTY**  
Department Of Budget & Management

**2019 BUDGET PROCESS**  
Elected Official Salaries

Position	Current Salaries	Proposed 2019 Salaries	Current Auto Allow.	Proposed Auto Allow. 2019	Current Other Allow.	Proposed Other Allow. 2019
* County Judge	114,660	118,100	8,000	8,000		
* County Commissioners	98,280	101,228	8,000	8,000		
Court at Law Judges <sup>(3)</sup>	161,710	166,561	8,000	8,000		
* Tax Assessor/Collector	97,500	103,438	8,000	8,000		
* County Clerk	100,425	103,438	8,000	8,000		
* District Clerk	97,500	103,438	8,000	8,000		
* County Treasurer	100,425	103,438	8,000	8,000		
* County Sheriff	140,595	144,813	-	-	3,300	3,300
* Justice of the Peace Pct. #1, Pl. #1	82,400	84,872	10,000	10,000		
* Justice of the Peace Pct. #1, Pl. #2	82,400	84,872	10,000	10,000		
* Justice of the Peace Pct. #2, Pl. #1	82,400	84,872	10,000	10,000		
* Justice of the Peace Pct. #2, Pl. #2	82,400	84,872	10,000	10,000		
* Justice of the Peace Pct. #3, Pl. #1	82,400	84,872	10,000	10,000		
* Justice of the Peace Pct. #3, Pl. #2	82,400	84,872	10,000	10,000		
* Justice of the Peace Pct. #4, Pl. #1	82,400	84,872	10,000	10,000		
* Justice of the Peace Pct. #4, Pl. #2	82,400	84,872	10,000	10,000		
* Justice of the Peace Pct. #5, Pl. #1	82,400	84,872	10,000	10,000		
* Constable Pct. #1	82,400	84,872	14,000	14,000	1,200	1,200
* Constable Pct. #2	82,400	84,872	14,000	14,000	3,000	3,000
* Constable Pct. #3	82,400	84,872	14,000	14,000	4,500	4,500
* Constable Pct. #4	82,400	84,872	-	-	1,800	3,000
* Constable Pct. #5	82,400	84,872	14,000	14,000		
District Court Judges <sup>(3)</sup>	18,000	18,000	10,373	10,373		
Criminal District Attorney <sup>(1)(2)</sup>	50,114	51,617	8,000	8,000	3,500	3,500

\* Officials required to be given notice of proposed salary and afforded an opportunity to request a hearing before the Salary Grievance Committee (as per Texas Local Government Code Chapter 152).

1. The Criminal District Attorney and all District Judges receive supplement pay from the County. Other allowances for the Sheriff and/or the Constables are for Education and Professional Certifications. If the proposed increases are approved, they will become effective January 1, 2019.

2. The 84th Legislature due to Budgeting Process error, in relation to retirement contribution rate increases for state employees, is providing a salary supplement to counties for their elected felony prosecutors in the amount of \$3,500.00 along with an additional 20% to cover fringe benefits for a total amount of \$4,200.00. The State Comptroller's Office will reimburse the county for this cost in relation to the District Attorney's temporary supplemental pay.

3. Due to statutory restrictions, COLA is not recommended for District Court Judges.

**HIDALGO COUNTY**  
 Department Of Budget & Management

**2019 BUDGET PROCESS**  
 General Fund  
 Operating Budget by Object Code

Object Code	ObjName	2018 Adopted	2019 Request	2019 Recommended	Adopted Vs Recomm.
320	PROFESSIONAL	112,300	126,850	125,750	13,450
330	PHYSICIAN SRV INTERNAL	30,000	30,000	30,000	0
331	PHYSICIANS SERVICES	666,700	678,290	1,008,950	342,250
332	HOSPITAL SERVICES	346,000	499,000	381,000	35,000
333	LEGAL SERVICES	6,565,667	8,383,305	6,623,100	57,433
334	ARCHITECTURAL AND ENGINEERING SERVICES	97,000	167,000	152,168	55,168
335	ACCOUNTING, AUDITING AND FINANCE SERVICES	179,000	180,000	185,000	6,000
336	COMPUTER SERVICES	1,795,714	2,164,411	1,908,612	112,898
337	PHARMACEUTICAL SERVICES	36,000	36,000	36,000	0
339	OTHER PROFESSIONAL SERVICES	546,850	607,657	766,743	219,893
340	TECHNICAL SERVICES	1,020,464	1,107,774	978,500	(41,964)
350	OTHER SERVICES	1,733,099	2,119,534	2,125,933	392,834
411	WATER/SEWERAGE	405,700	429,283	412,726	7,026
412	CABLE/SATELLITE TELEVISION	20,706	23,947	18,480	(2,226)
413	ELECTRONIC SURVEILLANCE AND SECURITY	9,789	12,208	11,354	1,565
421	DISPOSAL	1,612,851	2,119,254	1,660,438	47,587
423	CUSTODIAL	66,200	57,840	58,200	(8,000)
424	LAWN CARE	1,000	300	300	(700)
425	PEST CONTROL	33,010	44,280	41,259	8,249

**HIDALGO COUNTY**  
 Department Of Budget & Management

**2019 BUDGET PROCESS**  
 General Fund  
 Operating Budget by Object Code

Object Code	ObjName	2018 Adopted	2019 Request	2019 Recommended	Adopted Vs Recomm.
430	REPAIR AND MAINTENANCE SERVICES	1,346,974	1,720,197	1,542,106	195,132
441	RENTAL OF LAND AND BUILDINGS	476,818	553,161	524,400	47,582
442	RENTAL OF EQUIPMENT AND VEHICLES	69,600	85,028	76,182	6,582
520	INSURANCE OTHER THAN EMPLOYEE BENEFITS	2,471,953	2,473,154	2,561,573	89,620
531	TELEPHONE AND TELEGRAPH	584,147	593,085	592,315	8,168
532	WIRELESS DEVICES	521,924	447,085	485,679	(36,245)
534	INTERNET SERVICES	29,837	65,080	52,125	22,288
535	POSTAGE AND EXPRESS MAIL CHARGES	666,699	765,960	659,297	(7,402)
540	ADVERTISING	188,859	195,519	188,799	(60)
550	PRINTING AND BINDING	216,216	240,941	202,130	(14,086)
581	IN-COUNTY EMPLOYEE TRAVEL	60,116	57,346	52,253	(7,863)
582	TRANSPORTATION OF DETAINEES	126,200	165,300	130,300	4,100
583	OUT-OF-COUNTY EMPLOYEE TRAVEL	333,635	477,938	364,588	30,953
584	REGISTRATION FEES	198,300	262,074	193,444	(4,856)
590	ROOM AND BOARD	3,256,554	5,500,242	3,281,200	24,646
591	ROOM & BOARD EXTERNAL	1,489,000	1,800,000	1,481,000	(8,000)
605	CLOTHING AND UNIFORMS	257,970	369,567	256,790	(1,180)
610	GENERAL SUPPLIES	3,484,713	6,368,339	3,488,635	3,922
621	NATURAL GAS	74,900	76,200	74,619	(281)

**HIDALGO COUNTY**  
 Department Of Budget & Management

**2019 BUDGET PROCESS**  
 General Fund  
 Operating Budget by Object Code

Object Code	ObjName	2018 Adopted	2019 Request	2019 Recommended	Adopted Vs Recomm.
622	ELECTRICITY	1,820,776	1,904,420	1,872,376	51,600
623	BOTTLED GAS	2,800	4,750	4,240	1,440
626	GASOLINE/DIESEL FUEL	1,858,807	2,725,650	1,874,161	15,354
630	FOOD	1,786,400	1,835,720	1,731,596	(54,804)
631	BOTTLED WATER	62,823	68,000	63,195	372
640	REFERENCE MATERIALS	59,621	77,256	52,385	(7,236)
650	SOFTWARE - CONTROLLED	28,500	29,500	12,000	(16,500)
660	FURNISHINGS AND EQUIPMENT - CONTROLLED	336,352	942,992	325,829	(10,523)
740	IMPROVEMENTS OTHER THAN BUILDINGS	25,000	0	0	(25,000)
751	MACHINERY AND EQUIPMENT	617,418	3,260,260	542,400	(75,018)
752	VEHICLES	350,000	860,000	735,500	385,500
753	FURNITURE AND FIXTURES	11,773	40,652	34,549	22,776
761	SOFTWARE	83,500	124,495	71,500	(12,000)
780	CAPITAL LEASES	1,317,260	1,333,947	2,599,878	1,282,618
810	DUES AND MEMBERSHIPS	155,734	167,101	152,101	(3,633)
811	LICENSES AND PERMITS	12,132	21,803	21,305	9,173
812	SOFTWARE LICENSE RENEWALS	27,570	36,990	21,820	(5,750)
820	CLAIMS AND JUDGMENTS NOT COVERED BY INSURANCE	177,000	177,000	150,000	(27,000)
831	COURT COST AND INVESTIGATION	210,797	259,535	213,045	2,248

**HIDALGO COUNTY**  
 Department Of Budget & Management

**2019 BUDGET PROCESS**  
 General Fund  
 Operating Budget by Object Code

Object Code	ObjName	2018 Adopted	2019 Request	2019 Recommended	Adopted Vs Recomm.
832	JURORS	850,000	851,000	822,230	(27,770)
841	AID TO GOVERNMENTAL AGENCIES	2,451,477	2,451,477	2,669,656	218,179
843	AID TO NON-GOVERNMENTAL AGENCIES	7,177,869	7,377,869	7,185,000	7,131
851	TAXES	20,400	21,000	21,000	600
854	APPRAISAL FEES	1,904,358	1,904,358	2,000,000	95,642
856	BANK FEES	20,950	14,300	162,000	141,050
864	OTHER DEBT INTEREST	5,000	5,000	6,000	1,000
890	OTHER	658,691	185,907	646,402	(12,289)
891	INTERFUND TRANSFERS OUT	9,454,076	9,454,076	9,446,100	(7,976)
899	CONTINGENCIES	1,216,509	1,216,509	611,509	(605,000)
<b>TOTAL:</b>		<b>63,836,058</b>	<b>78,354,716</b>	<b>66,779,726</b>	<b>2,943,668</b>



# APPENDIX

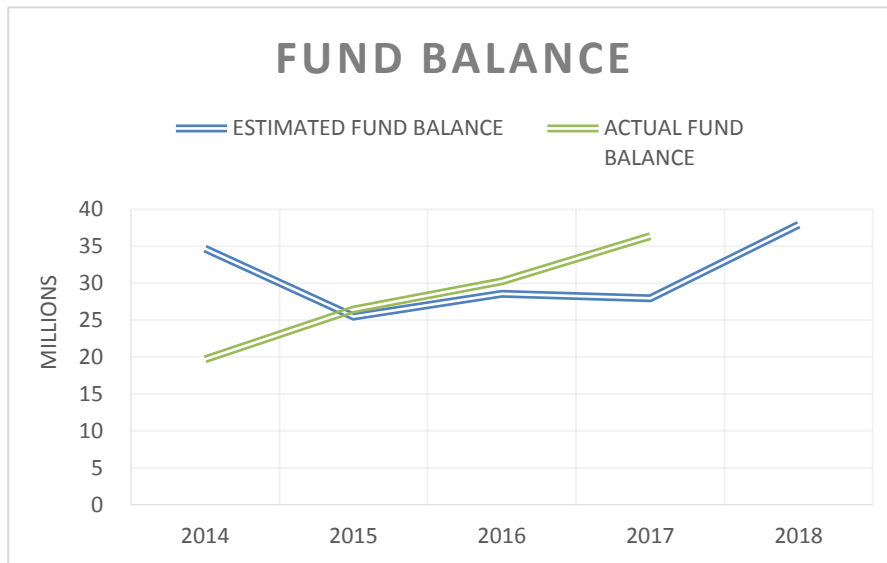
# HIDALGO COUNTY

Department Of Budget & Management

## 2019 BUDGET PROCESS

### FUND BALANCE PROJECTED VS. ACTUAL Five Year History

YEAR	ESTIMATED FUND BALANCE	ACTUAL FUND BALANCE	VARIANCE
2014	34,684,010	19,689,742	(14,994,268)
2015	25,474,432	26,426,521	952,089
2016	28,548,588	30,260,498	1,711,910
2017	27,969,027	36,360,709	8,391,682
2018	37,910,709		



# HIDALGO COUNTY

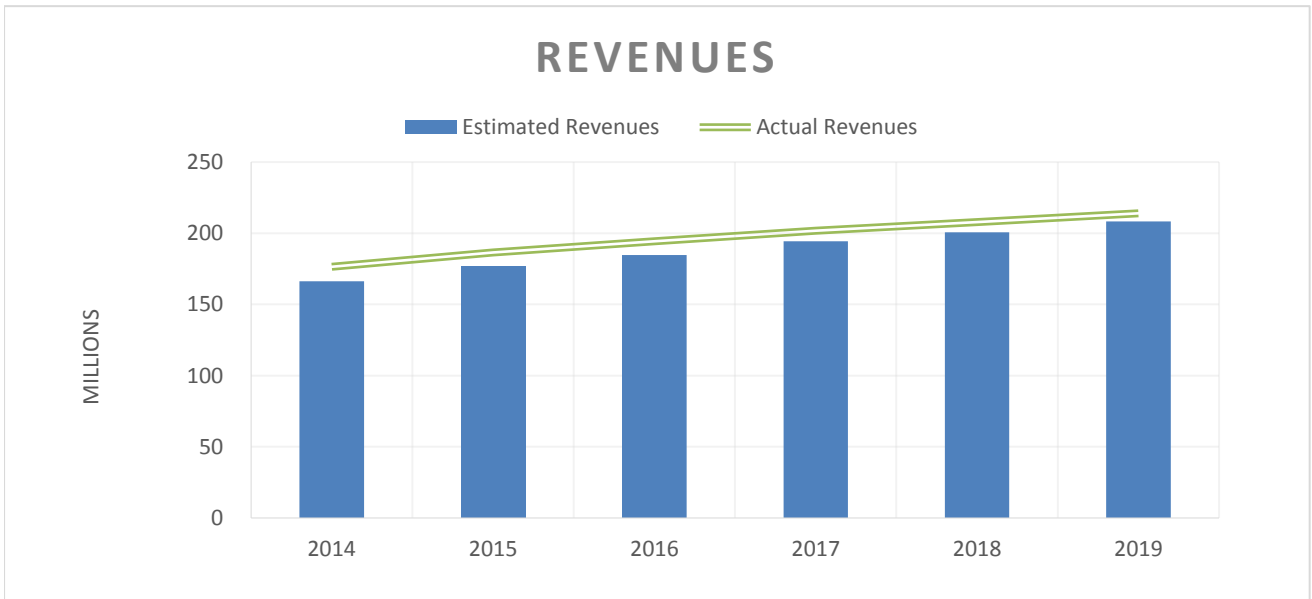
Department Of Budget & Management

## 2019 BUDGET PROCESS

### REVENUES

GENERAL FUND ESTIMATED VS. ACTUAL  
Five Year History

Year	Estimated Revenues	Actual Revenues	Variance
2014	166,283,522	176,466,680	10,183,158
2015	176,538,434	186,573,073	10,034,639
2016	184,606,362	194,391,910	9,785,548
2017	194,269,170	201,716,968	7,447,798
2018	200,700,595	207,760,000	7,059,405
2019	208,263,376	214,000,000	5,736,624



**HIDALGO COUNTY**  
Department Of Budget & Management

**2019 BUDGET PROCESS**

Revenue Projections

As of August 14, 2018

Description	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Budgeted	2019 Projected
General Property Taxes	137,848,674	141,433,008	149,640,434	154,687,635	160,159,154	165,699,916	171,272,008
Penalties and Interest on Delinquent Taxes	5,009,446	5,095,040	5,022,651	4,651,768	4,438,568	4,607,397	4,777,194
Business Licenses and Permits	120,821	140,681	80,935	130,924	149,944	130,000	138,000
Nonbusiness Licenses and Permits	-	-	1,457,721	1,301,020	1,411,350	1,240,000	1,270,000
Federal Government Grants	7,288,915	392,539	432,052	1,418,497	1,997,917	150,000	160,000
State Government Grants	1,044,154	1,549,427	1,179,220	1,165,576	1,349,997	1,065,000	1,065,000
State Government Shared Revenues	5,879,080	7,136,790	8,058,292	8,137,374	8,188,190	8,113,000	8,248,000
Charges for Services - General Government	12,738,089	13,819,668	13,738,351	14,936,546	15,527,238	14,433,279	14,232,330
Charges for Services - Public Safety	2,048,391	2,263,998	2,205,282	2,791,228	3,262,138	3,305,000	3,605,000
Charges for Services - Sanitation	-	-	-	-	8,606	-	-
Charges for Services - Health	599,779	745,309	618,734	586,744	445,020	390,000	435,000
Charges for Services - Culture - Recreation	32,760	40,447	34,137	29,937	21,907	19,000	20,000
Fines	443,110	446,044	389,971	305,641	344,902	310,000	325,000
Forfeits	23,634	73,404	61,009	12,986	24,804	-	-
Special Assessments	-	-	-	20,317	32,322	20,000	20,000
Miscellaneous	821,337	1,976,480	1,944,065	1,855,125	1,993,078	304,000	304,000
Investment Earnings	413,959	435,189	477,631	1,035,224	1,663,576	820,003	2,110,003
Rents and Royalties	16,821	73,900	82,698	93,954	160,734	94,000	94,000
Escheats	-	309,320	330,283	165,985	181,741	-	-
Contributions and Donations from Private	1,500	1,500	2,000	1,500	-	-	-
Interfund Transfer-In	346	-	-	-	50,401	-	-
Proceeds of General Capital Asset Disposition	1,284,701	46,356	89,738	33,051	66,784	-	-
General Long-Term Debt Issued	6,964,955	487,582	727,870	1,030,880	238,597	-	-
<b>Total General Fund</b>	<b>\$ 182,580,472</b>	<b>\$ 176,466,680</b>	<b>\$ 186,573,073</b>	<b>\$ 194,391,910</b>	<b>\$ 201,716,968</b>	<b>\$ 200,700,595</b>	<b>\$ 208,075,535</b>