



Budget
In Brief

2011



Raul Silguero, Jr.
Hidalgo County Budget Officer

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Department of Budget & Management

2818 S. Business Hwy. 281
Edinburg, Texas 78539
www.co.hidalgo.tx.us

May 3, 2011

Honorable Ramon Garcia, County Judge
Honorable Joel Quintanilla, Commissioner Precinct No. 1
Honorable Hector "Tito" Palacios, Commissioner Precinct No. 2
Honorable Jose M. Flores, Commissioner Precinct No. 3
Honorable Joseph Palacios, Commissioner Precinct No. 4

RE: 2011 Budget in Brief

Dear Judge and Commissioners:

The Budget in Brief Book was first developed and presented to Commissioners' Court on February 16, 2010 for the 2010 budget year. The intent of the 2011 Budget in Brief Book is to provide the Court, Elected Officials, Department Heads, and the General Public with a budget document that is user friendly and that provides budget and budget related information in summary form.

The 2011 Budget in Brief Book is also intended to enhance the understanding of how the County is structured organizationally and financially. Data and charts are provided to explain revenue sources and to explain expenditures by function and by department. In addition, historical budget data and relevant demographical information is also included.

The actual 2011 adopted Budget Book is composed of several hundred pages of budget numbers and budget related data and is available for viewing by the general public and others on the internet at the County's website at www.co.hidalgo.tx.us. The 2011 Budget in Brief Book will also be available at the same site.

The 2011 Adopted Budget was filed with the Hidalgo County Clerk and with the Hidalgo County Auditor as per Texas Local Government Code Section 111.066. The 2011 Adopted Budget can also be inspected by the general public in the office of the County clerk.

Sincerely,

A handwritten signature in blue ink that reads "Raul Silguero, Jr." in a cursive style.

Raul Silguero, Jr.
Hidalgo County Budget Officer

ORGANIZATIONAL OVERVIEW

Commissioners Court

County Judge	Rene A. Ramirez
Commissioner Pct. 1	Arturo Cuellar, Jr.
Commissioner Pct. 2	Hector "Tito" Palacios
Commissioner Pct. 3	Jose M. Flores
Commissioner Pct. 4	Oscar L. Garza, Jr.

County Officials

County Clerk	Arturo Guajardo, Jr.
County Treasurer	Norma G. Garcia
County Sheriff	Guadalupe Treviño
County Tax Assessor/Collector	Armando Barrera, Jr.

Constable Precinct 1	Celestino Avila
Constable Precinct 2	Gilbert Alaniz
Constable Precinct 3	Larry Gallardo
Constable Precinct 4	Jose E. Guerra
Constable Precinct 5	Eduardo Bazan

92 nd District Court	Ricardo P. Rodriguez
93 rd District Court	Rodolfo Delgado
139 th District Court	Roberto Flores
206 th District Court	Rose G. Reyna
275 th District Court	Juan R. Partida
332 nd District Court	Mario E. Ramirez, Jr.
370 th District Court	Noe Gonzalez
389 th District Court	Leticia Lopez
398 th District Court	Aida Salinas Flores
430 th District Court	Israel Ramon
449 th District Court	Jesse Contreras

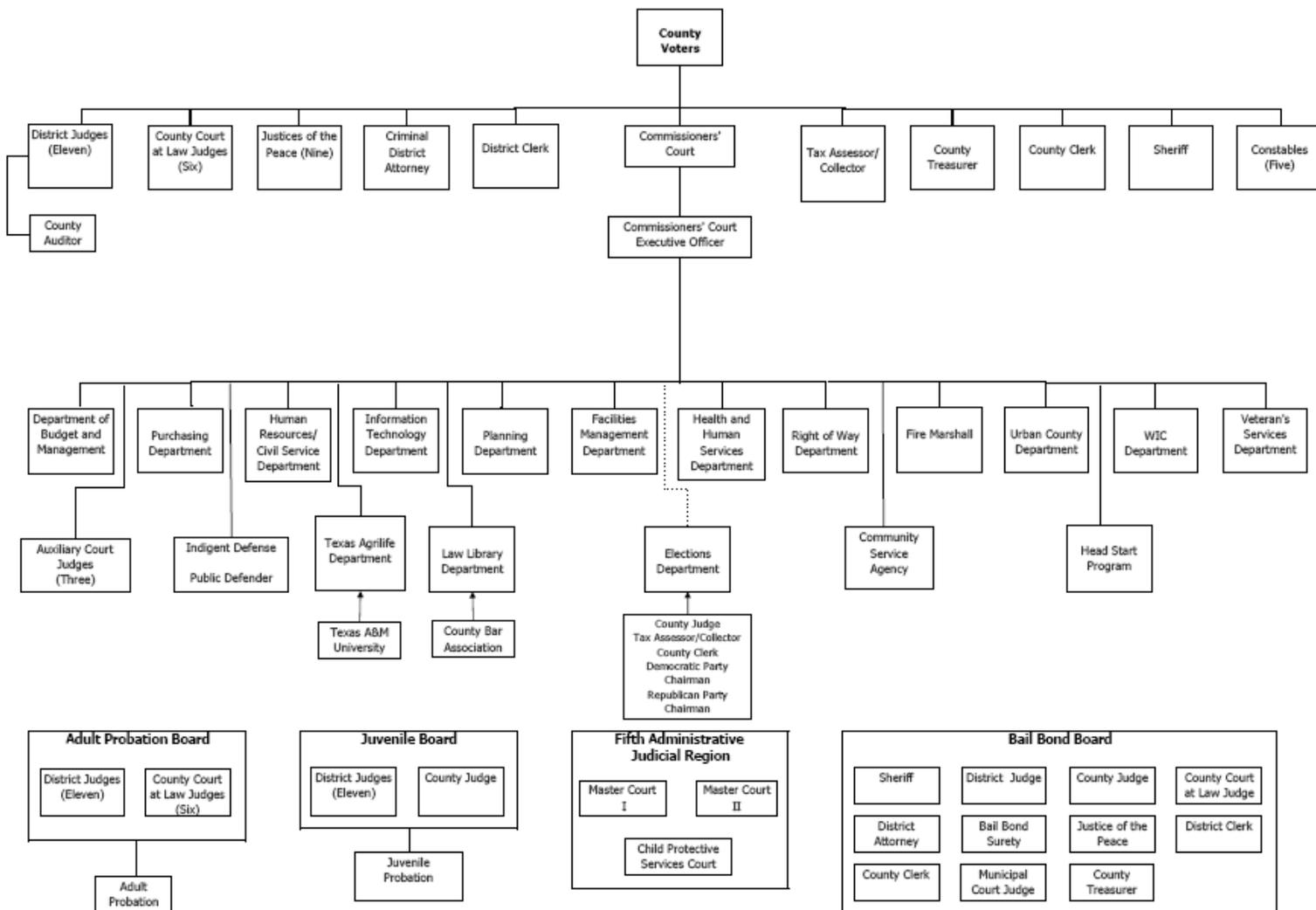
Court at Law 1	Rodolfo Gonzalez
Court at Law 2	Jaime J. Palacios
Court at Law 3 - Probate	Homero Garza
Court at Law 4	Fred S. Garza, Jr.
Court at Law 5	Arnoldo Cantu, Jr.
Court at Law 6	Albert Garcia

Justice of the Peace, Pct 1, Place 1	Gilbert Saenz
Justice of the Peace, Pct 1, Place 2	Jesus Morales
Justice of the Peace, Pct 2, Place 1	Robert Contreras
Justice of the Peace, Pct 2, Place 2	Rosa Treviño
Justice of the Peace, Pct 3, Place 1	Luis J. Garza
Justice of the Peace, Pct 3, Place 2	Ismael Ochoa
Justice of the Peace, Pct 4, Place 1	Charlie Espinoza
Justice of the Peace, Pct 4, Place 2	Mary A. Palacios
Justice of the Peace, Pct 5	Esperidion Jackson

District Attorney	Rene A. Guerra
District Clerk	Laura Hinojosa
Auditor	Ray Eufrazio
Budget Officer	Raul Silguero, Jr.
CC Executive Officer	Valde Guerra

ORGANIZATIONAL OVERVIEW

County of Hidalgo, Texas ORGANIZATIONAL CHART



MISSION & GOALS

Hidalgo County strives to fulfill the following core values and goals that reflect what is truly important to us as an organization.

Mission

Provide our citizens and community with the most effective and efficient delivery of services in a quality and cost effective manner with measurable outcomes.

Vision

The County of Hidalgo is committed to work with integrity, responsibility and honesty to achieve excellence for the good of all the citizens

Values

Provide sustainable economic development throughout Hidalgo County

Provide citizens with accessible local government

Provide the infrastructure necessary to ensure the most enjoyable quality of our residents

Provide the best in public service and protect, preserve and care for the County's environment and promote its natural and man-made beauty.

Goals

◆ Balanced Budget

Implement a fiscally sound and transparent budget that matches service delivery demands to recurring revenues and provides for the long term financial health of the County.

The budget process will allocate available funding in a balanced systematic manner between the needs of the County and the needs of citizens for increased services while maintaining financial stability for the County.

◆ Efficiency and Effectiveness

Each County department operates and provides services in an efficient and effective manner. Departments will be required to develop workload standards and performance measures to provide a foundation for evaluating office and department efficiency and effectiveness.

◆ Fund Balance

Maintain an unreserved fund balance of 10 to 15 percent of the operating general fund budget for unforeseen emergencies and maintain the highest possible credit rating for the financing of major capital projects



BUDGET IN BRIEF

This Budget in Brief Book has been developed to provide a summary of the Hidalgo County 2011 Adopted Budget, to provide historical data on key budget areas, and to provide some relevant demographical information about Hidalgo County that impacts the development of the County's annual budget.

In addition, the Budget in Brief is intended to enhance the understanding of how the County is structured organizationally and financially. Data and charts are provided to explain revenue sources and to explain expenditures by function and by department.

The actual 2011 adopted Budget Book is composed of several hundred pages of budget data and is available for viewing by the general public and others on the internet at the County's website at www.co.hidalgo.tx.us.

The 2011 Adopted Budget has been filed with the Hidalgo County Clerk and with the Hidalgo County Auditor as per Texas Local Government Code Section 111.066. The 2011 Adopted Budget can also be inspected by the general public in the office of the County Clerk.

ALL ABOUT HIDALGO COUNTY

Hidalgo County was formed in 1852 and named for Miguel Hidalgo y Costilla, the priest who raised the call for Mexico's independence from Spanish rule.



Abutting the Mexican border along the Gulf of Mexico, Hidalgo County is one of the

fastest growing counties in the United States and is the seventh most populous in Texas.

Area in Square Miles:
1,588

Officials Elected by Vote of the People:
42

County Employees including those in Grant Programs: 2,976

Incorporated Municipalities in the County:
22

Organized School Districts in the County:
16

Form of Government: Political subdivision of the State of Texas, a Public Corporation, with a County Judge and four Commissioners as the governing body. The Commissioners' Court has only those powers as authorized by the Constitution of Texas or the State Legislature or implied therefrom.

Business: Varied Industries (Manufactures, Wholesale, Trade Sales, Retail, Mining, Agriculture and Farm)

Minerals: A leading producer of gas

Agriculture: Of the nation's counties, ranks No. 3 in production of grapefruit, and No. 1 in production of watermelons. The region has alluvial soil and irrigation water from canals or wells along the Rio Grande River. The environment is tropical, with 340 frost free days and a wide variety of crops for fresh and processing markets, including citrus and early season vegetables, agronomic crops such as cotton, grains, and sugarcane. The region experiences intensive pest pressures nearly year round.



Significant Sites/Recreation:

Bentsen Park- Rio Grande Valley State Park
the world birding center, one of the most
spectacular convergences of birds on Earth.

Edinburg Scenic Wetlands
Rio Grande Valley Livestock
Show

Rio Grande Valley Premium Outlets
Border with Mexico

State Farm Arena, Border Fest

McAllen Civic Center

Citrus Fiesta and Onion Fest

Parks and Wildlife Refuges

PRECINCTS



Precinct No. 1

Area in Square Miles: 322.30

Total Roads Square Feet: 78,868,580

Total Roads Lengths (In Miles): 626

Cities:

- ◆ Alamo
- ◆ Donna
- ◆ Weslaco
- ◆ Mercedes
- ◆ Edcouch
- ◆ Elsa
- ◆ La Villa
- ◆ Progreso & Progreso Lakes

Parks

- ◆ Delta Lake Park
- ◆ Heidelberg Park
- ◆ Monte Alto Veterans Park
- ◆ Shroeder Park
- ◆ Sunrise Hill Park &
- ◆ Sunset Park

Precinct No. 2

Area in Square Miles: 121.10

Total Roads Square Feet: 16,125,162

Total Roads Lengths (In Miles): 117

Cities:

- ◆ Pharr
- ◆ San Juan
- ◆ McAllen
- ◆ Hidalgo

Parks

- ◆ LJ Park
- ◆ Lopezville Park
- ◆ North San Juan Park
- ◆ Palmer Pavilion & Les Gilmore Kitchen
- ◆ Precinct 2 Park/Pool
- ◆ South Tower Park



Precinct No. 3

Area in Square Miles: 504.65

Total Roads Square Feet: 68,773,436

Total Roads Lengths (In Miles): 532

Cities:

- ◆ Mission
- ◆ La Joya
- ◆ Palmview
- ◆ Los Ebanos
- ◆ Alton
- ◆ Granjeno
- ◆ Palmhurst
- ◆ Peñitas
- ◆ Sullivan

Parks

- ◆ Abram Baseball Field
- ◆ Anzalduas Park
- ◆ Katarina Park
- ◆ Los Ebanos Park

Precinct No. 4

Area in Square Miles: 639.80
 Total Roads Square Feet: 61,823,526
 Total Roads Lengths (In Miles): 484

Cities:

- ◆ Edinburg

Parks

- ◆ J.R. "Milo" Ponce Memorial Park
- ◆ Manuel Diaz Park
- ◆ Hargill Pavilion

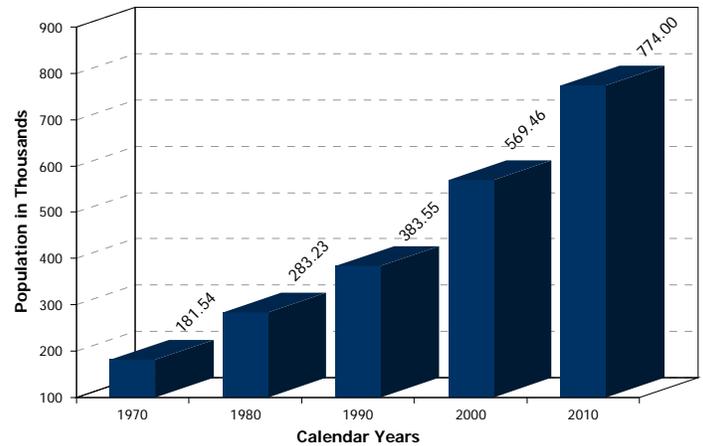
DEMOGRAPHICS

The official 2010 census data is not available since the county appealed the census figures. As of the year 2000 census, there were 569,463 people, 156,824 households, and 132,829 families residing in the county.

The population density was 363 people per square mile (140/km²). There were 192,658 housing units at an average density of 123 per square mile (47/km²).

The racial makeup of the county is 77.71% White, 0.49% Black or African American, 0.42% Native American, 0.59% Asian, 0.02% Pacific Islander, 18.64% from other races, and 2.12% from two or more races. 88.35% of the populations were Hispanic or Latino of any race.

Hidalgo County Population



Source: U.S. Census Bureau, 2005 Population Estimates, Census 2000, 1990 Census. 2010 Estimated population data from Texas State Data Center and Office of the State Demographics.

In the county of Hidalgo, the population was spread out with 35.30% under the age of 18, 11.30% from 18 to 24, 27.60% from 25 to 44, 16.00% from 45 to 64, and 9.70% who were 65 years of age or older. The median age was 27 years.

EMPLOYMENT

Unemployment Rate:

- ◆ State of Texas 8.0%
- ◆ Hidalgo County 10.6%
- ◆ United States 9.8%

Top 15 Hidalgo County Employers

Rank	Employer	Sector	No. of Employees
1	PSJA Independent School District	Education	4,100
2	McAllen Independent School District	Education	3,900
3	Edinburg Independent School District	Education	3,600
4	Edinburg Regional Medical Center	Health Care	3,000
5	Hidalgo County	Government	2,976
6	University of Texas Pan-American	Education	2,850
7	McAllen Medical Center	Health Care	2,500
8	Mission CISD	Education	2,412
9	Doctors Hospital at Renaissance	Health Care	2,400
10	City of McAllen	Government	1,800
11	U.S. Customs & Border Patrol	Government	1,609
12	South Texas College	Education	1,546
13	Sharyland Independent School District	Education	1,168
14	Mission Regional Medical Center	Health Care	950
15	T-Mobile	Communications	904

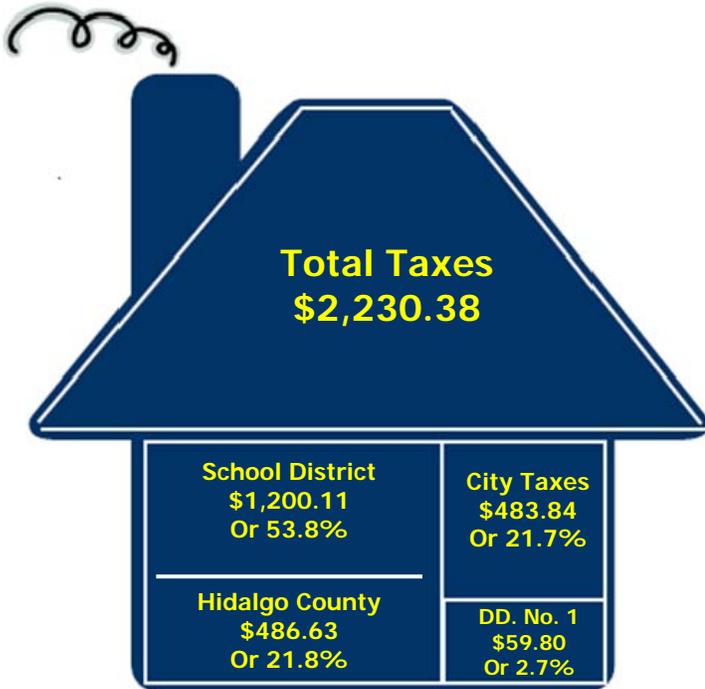
PROPERTY TAX ANALYSIS

Property Tax Analysis for the average \$82,480.00 home in tax year 2010

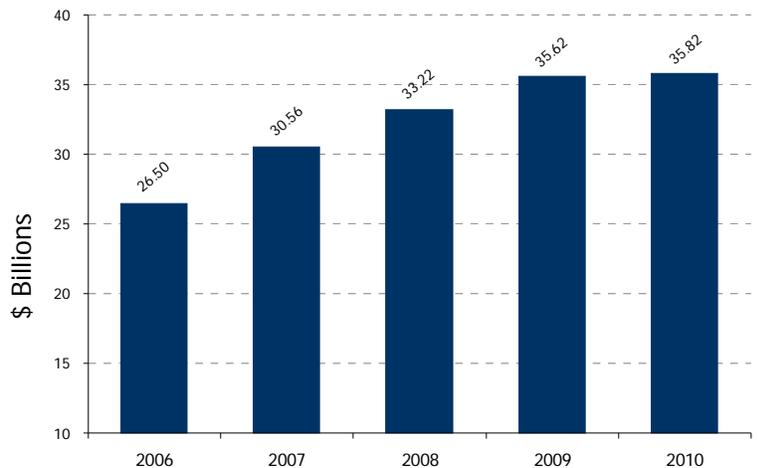
The average taxable value of a residence homestead in Hidalgo County in 2010 was \$82,480.00. Based on the tax rate for 2011 of \$0.5900 per \$100 of taxable value, the amount of taxes imposed on the average home was \$486.63 for Hidalgo County.

Over the past nine years Commissioner's Court has maintained the tax rate at \$0.59.

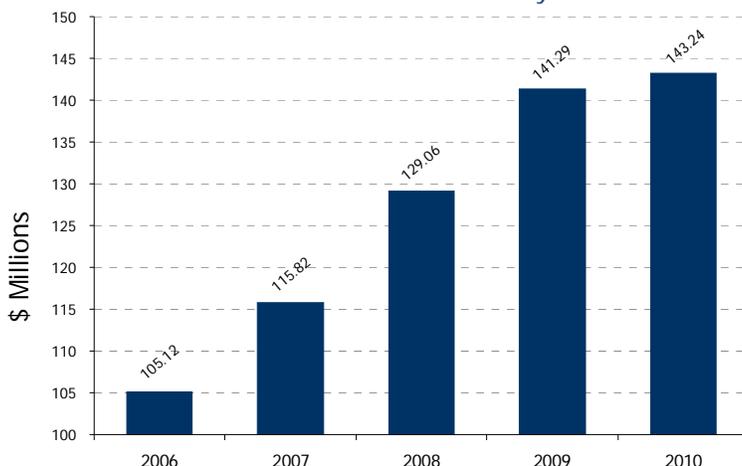
In Hidalgo County, property market value as reported by the Appraisal District, totaled \$35.620 billion in tax year 2009, and \$35.826 billion in tax year 2010; after homestead and other exemptions, the net taxable amounts were \$27.491 billion and \$27.544 billion respectively.



Hidalgo County Property Market Value



General Fund Tax Collection History



Calendar Years

Calendar Years

ADOPTED BUDGET

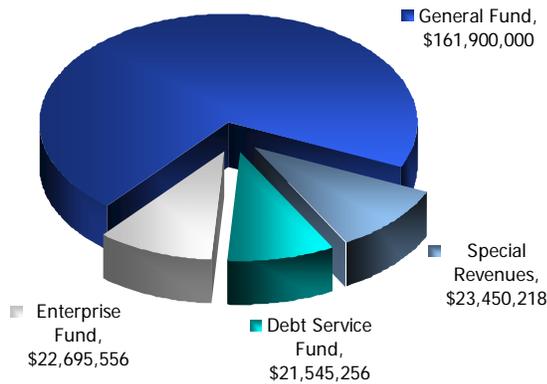
The overall Hidalgo County 2011 Adopted Budget totals **\$229.6** Million, which includes a General Fund Budget (Maintenance & Operations) of **\$161.9** Million.

The Adopted 2011 budget levels for other funds include **\$23.5** Million for Special Revenue, **\$21.5** Million for Debt Service and **\$22.7** Million for internal Enterprise Funds.

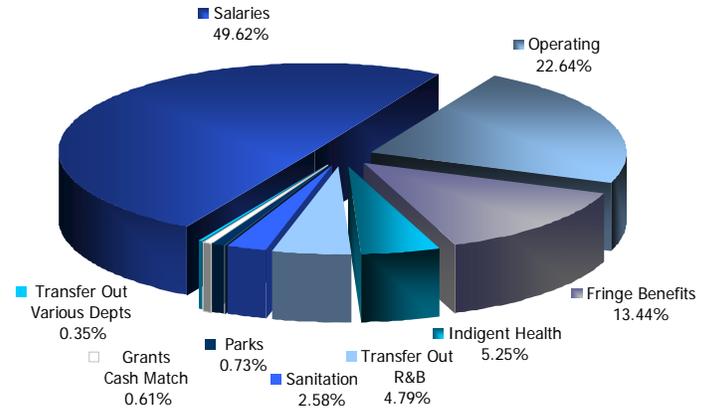
In addition, Hidalgo County administers approximately **\$83.3** million annually in Federal and State Grants that are appropriated and budgeted by Commissioners' Court when they are accepted.

The adopted budget of \$161.9 million for 2011 includes \$102.09 million for salaries and salary related fringe benefits, \$36.64 million for operating, \$1.185 million for Parks, \$4.181 million for Sanitation expenditures, and \$9.292 in transfers out for Road and Bridge (\$7.75), Grants cash match (\$.980) and other various (\$.562).

2011 Adopted Budget

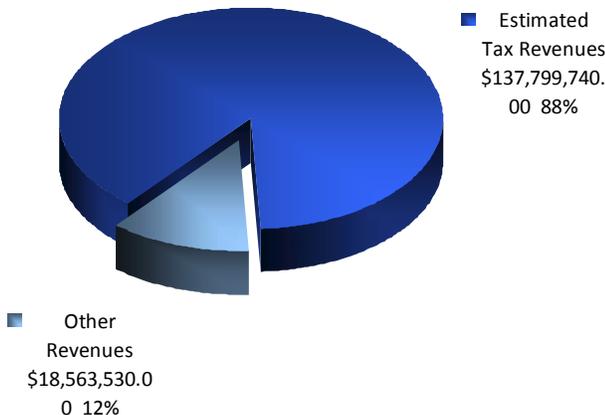


How Does County Funding Get Spent?

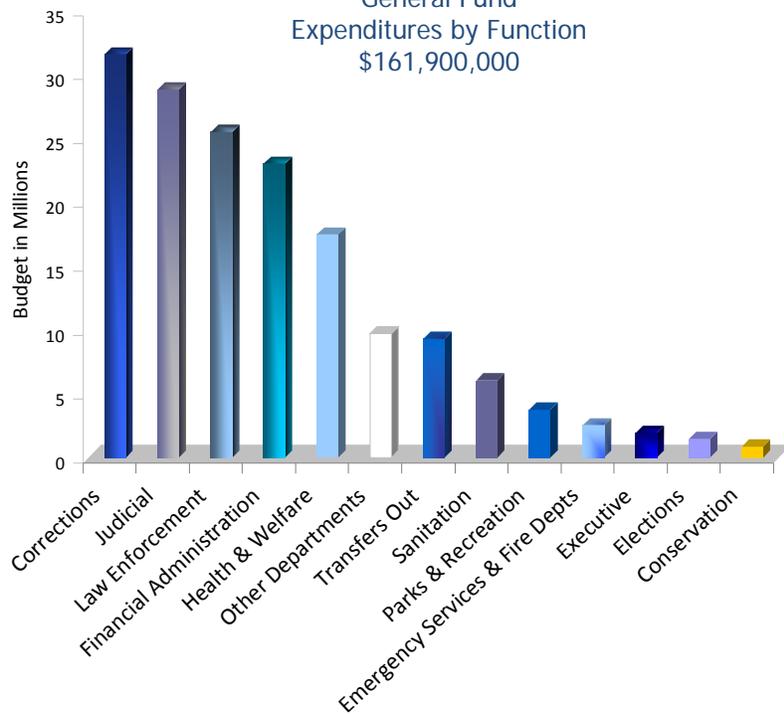


The General Fund is the County's primary operating fund. The principle revenue sources for the General Fund are property taxes, which account for **88%** of all revenues. Fines, fees, business licenses, charges for services, and other miscellaneous revenues account for **12%** of General Fund revenue which is not property taxes.

Where the Money Comes From



General Fund Expenditures by Function



Estimated Revenues

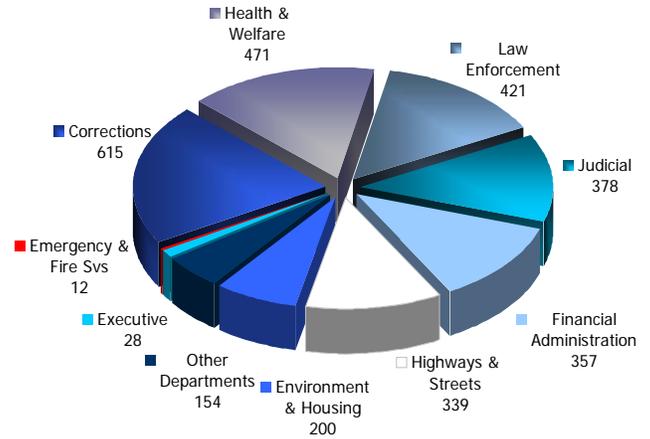
The total tax (Operations and Debt Service) levy for the 2011 budget year is estimated to be \$159.1 million compared to \$161.2 million for the 2010 budget year.

A projected collection rate of 92.5% for current taxes plus delinquent taxes and related penalties and interest will result in estimated tax collections of \$159.1 million for the 2011 budget year.

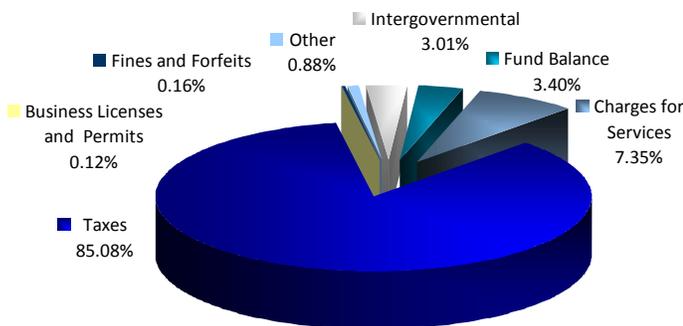
Total revenues of **\$156.4 million** and an additional **\$5.5 million**, budgeted from General Fund Reserves make up the total General Fund (M&O) 2011 Adopted Budget of **\$161.9 million**.

The expenditure of fund balance reserves to support the Adopted Budget may not actually be required as original revenue estimates are historically revised upward later in the budget year by the County Auditor.

2011 Adopted Budget
Employee Summary by Function
2,975 Employees



General Fund
Revenues by Function
\$161,900,000



BUDGET DEVELOPMENT & FINANCING

Fund Balance

It is the policy of Hidalgo County to strive to maintain a General Fund Unreserved Fund Balance with a minimum amount of 10% (ten percent) and a maximum amount of 15% (fifteen percent) of the most currently approved General Fund Budget. For the year 2011, the General Fund unreserved fund balance is 15.13% of the Adopted Budget.

Planned Expenditures

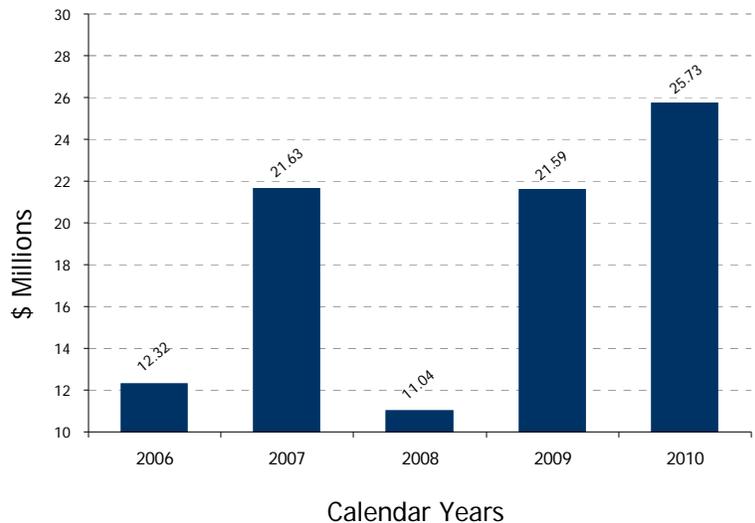
The adopted General Fund budget for 2011 totals **\$161,900,000**, and planned expenditures for 2011 total **\$165,097,059**.

The 2011 Adopted Budget is intended to maintain services at the current level while adjusting department operating expenditures to address required program increases.

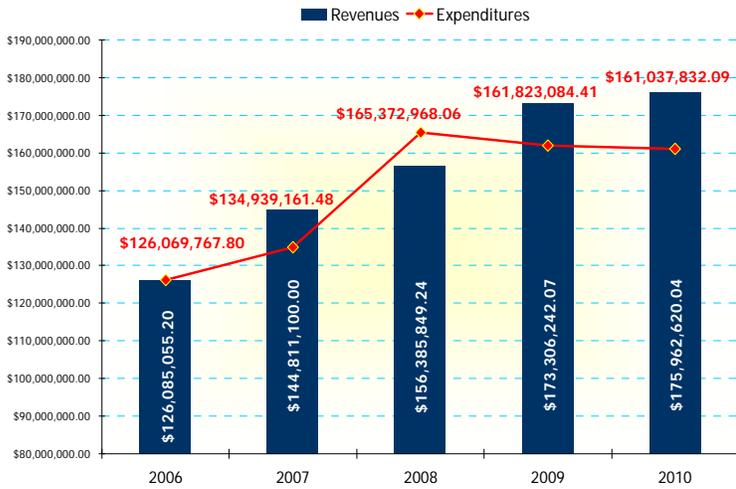
Planned Expenditures are based on additional one time funding that is or will be available but is not included in the Adopted Budget.

Staffing levels for 2011 are maintained at the current level and for the second year in a row no Cost of Living Adjustments (COLA) were given to County employees.

General Fund
Unreserved Fund Balance
Five Year History



The increases to the fund balance result when the County spends less than the revenues it collects.



Where revenue falls short of expenditures, Hidalgo County used available reserves from the fund balance.

Debt Capacity

Counties are limited to issue debt by the Texas Administrative Code, section 53.5 to 1/2 of the tax rate available to counties or 1/2 of 0.80 or 0.40. Hidalgo County is not close to the limit; therefore we do not have immediate concerns. Nevertheless, it is recommended that the debt service tax rate be no more than 15% of the total tax rate. With the current tax rate of 0.59, the 15% limit would be 0.0885. The debt service tax rate for 2011 is 0.0793. The County's current debt totals \$199 million requiring \$21.5 million for payment of principal, interest and other related costs in 2011.

Bond Ratings

During the last ten (10) years, the County's credit ratings have increased from low investment grade of Baa/A-/NR, to Aa1/AA-/AA- by the three major rating agencies respectively.

RATING AGENCY	FITCH RATINGS	MOODY'S INVESTORS SERVICE	STANDARD & POOR'S
Investment	AAA	Aaa	AAA
Grade Ratings	AA+, AA, AA-	Aa1, Aa2, Aa3	AA+, AA, AA-
	A+, A, A-	A1, A2, A3	A+, A, A-
	BBB+, BBB, BBB-	Baa1, Baa2, Baa3	BBB+, BBB, BBB
Previous Rating	A+	A1	AA-
Current Rating	AA-	Aa2	AA-
Goal	AA	Aa1	AA

COUNTY WIDE DEBT	AMOUNT OUTSTANDING DEC. 31, 2010	PRINCIPAL	INTEREST	OTHER	TOTAL
Certificates of Obligation, Series 2001	1,120,000.00	1,120,000.00	58,800.00	1,000.00	1,179,800.00
Certificates of Obligation, Series 2002	4,905,000.00	915,000.00	196,808.76	1,000.00	1,112,808.76
Certificates of Obligation, Series 2004	12,150,000.00	2,130,000.00	554,512.50	1,000.00	2,685,512.50
Refunding Bonds, Series 2005	90,870,000.00	2,705,000.00	2,530,000.00	1,000.00	5,236,000.00
Certificates of Obligation, Series 2006	34,875,000.00	995,000.00	1,607,512.50	1,000.00	2,603,512.50
Refunding Bonds, Series 2006	200,000.00	200,000.00	8,000.00	1,000.00	209,000.00
Refunding Bonds, Series 2007	25,925,000.00	135,000.00	1,078,082.50	1,000.00	1,214,082.50
Certificates of Obligation, Series 2009	24,230,000.00	980,000.00	1,015,493.76	1,000.00	1,996,493.76
Refunding Bonds, Series 2009A	3,425,000.00	1,310,000.00	98,100.00	1,000.00	1,409,100.00
Certificates of Obligation, Series 2009B&C	11,700,000.00	460,000.00	556,135.70	1,000.00	1,017,135.70
Certificates of Obligation, Series 2010A&B	27,850,000.00	895,000.00	1,494,232.57	1,000.00	2,390,232.57
TOTAL COUNTY WIDE DEBT:	\$ 197,250,000.00	\$ 11,845,000.00	\$ 9,197,678.29	\$ 11,000.00	\$ 21,053,678.29
NOTES PAYABLE:	1,813,699.47	421,670.74	69,904.28	-	491,575.02
TOTAL ALL ISSUES:	\$ 199,063,699.47	\$ 12,266,670.74	\$ 9,267,582.57	\$ 11,000.00	\$ 21,545,253.31

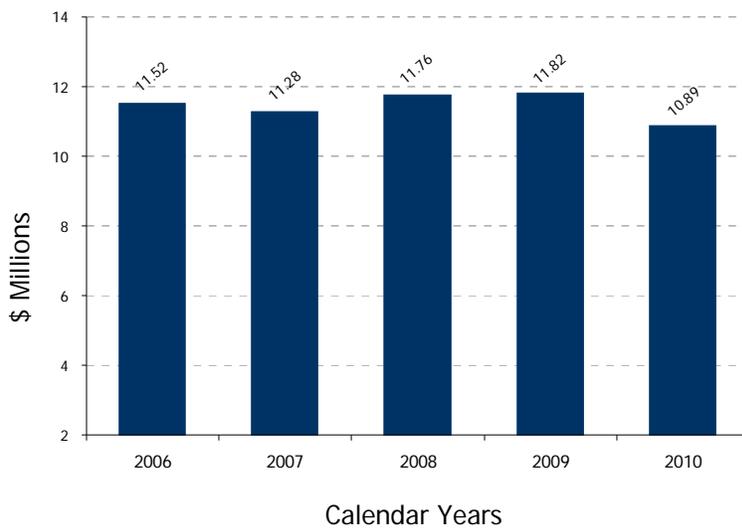
ROAD AND BRIDGE

Road and Bridge 2011 Adopted Budget

The other important County Fund is the Road and Bridge Fund. Funding for the repair and maintenance of county roads comes from vehicle registration fees, traffic fines, and other fees.

Estimated 2010 revenues for Road and Bridge totaled \$10,887,000.00. For the year 2011 the estimated revenues total \$10,317,000.00 resulting in a shortfall of \$570,000.00.

Road and Bridge
Estimated Revenues



The 2011 total available funding for the precincts, including scheduled transfers from the General Fund total \$15,780,326.00. The revenue shortfall was addressed by transferring an additional \$497,042.30 from the general fund.

Road and Bridge
General Fund – Transfers In

