



Budget  
In Brief

2012



# ORGANIZATIONAL OVERVIEW

## Commissioners Court

County Judge	Ramon Garcia
Commissioner Pct. 1	Joel Quintanilla
Commissioner Pct. 2	Hector "Tito" Palacios
Commissioner Pct. 3	Jose M. Flores
Commissioner Pct. 4	Joseph Palacios

## 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	Daniel Malichalar

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

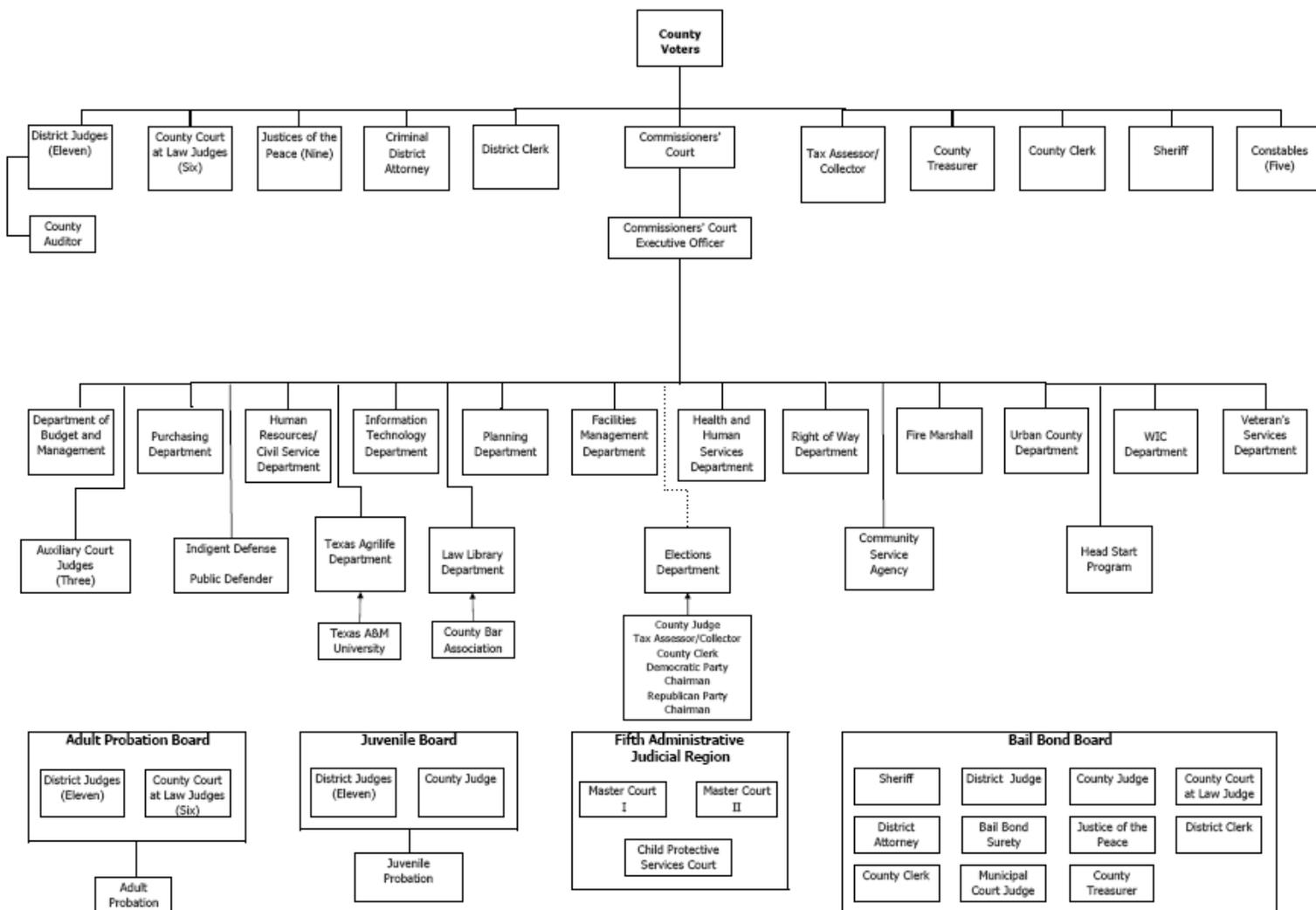
Court at Law 1	Rodolfo Gonzalez
Court at Law 2	Jaime J. Palacios
Court at Law 3 - Probate	Homero Garza
Court at Law 4	Fred S. Garza, Jr.
Court at Law 5	Arnoldo Cantu, Jr.
Court at Law 6	Albert Garcia

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 Eufracio
Budget Officer	Sergio Cruz
CC Executive Officer	Valde Guerra

# ORGANIZATIONAL OVERVIEW

## County of Hidalgo, Texas ORGANIZATIONAL CHART



# MISSION & GOALS

**H**idalgo 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.

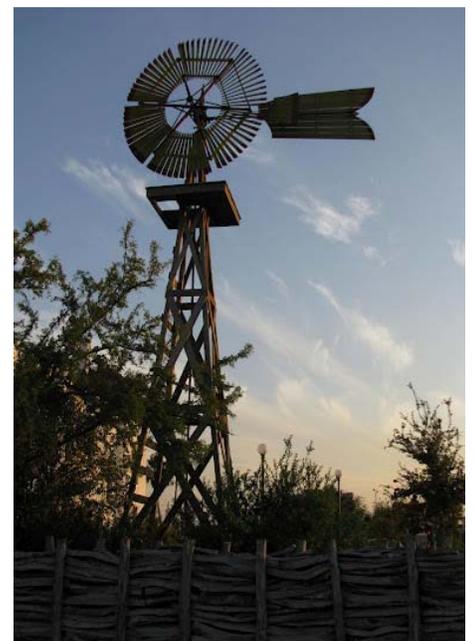
The budget process will allocate available funding in a balanced systematic manner between the needs of the County and the needs of citizens for increased services while maintaining financial stability for the County.

### ■ 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 2012 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 2012 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](http://www.co.hidalgo.tx.us).

The 2012 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 2012 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. Not to mention that we are proudly the 3<sup>rd</sup> safest county of the Top Ten Counties in Texas.

Area in Square Miles:  
1,588

Officials Elected by Vote of the People:  
42

County Employees including those in Grant Programs: 2,980

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:

- 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:

- Alamo
- 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
- Alton
- Granjeno
- Palmhurst
- Peñitas
- Sullivan

Parks:

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

## Precinct No. 4

## Hidalgo County Population

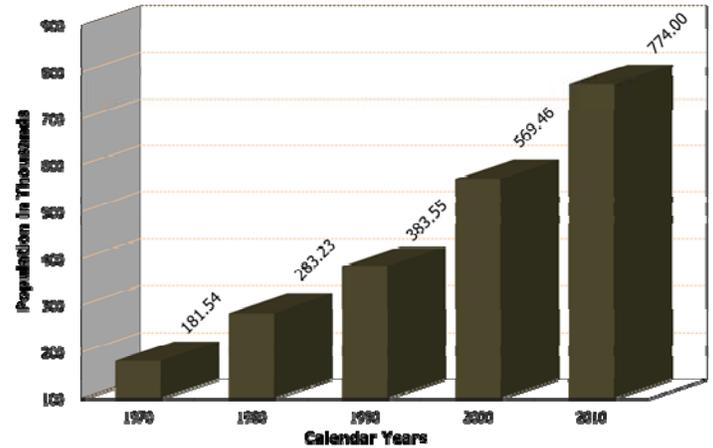
Area in Square Miles: 639.80  
 Total Roads Square Feet: 61,823,526  
 Total Roads Lengths (In Miles): 484

### Cities:

- Edinburg

### Parks

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



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.

## 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/km<sup>2</sup>). There were 192,658 housing units at an average density of 123 per square mile (47/km<sup>2</sup>).

The racial makeup of the county is 88.00% White, 0.60% Black or African American, 0.30% Native American, 2.10% Asian, 8.80% from other races, and 2.50% from two or more races. 90.60% of the populations were Hispanic or Latino of any race.

In the county of Hidalgo, the population was spread out with 34.70% under the age of 18, 10.80% from 19 to 24, 27.10% from 25 to 44, 18.20% from 45 to 64, and 9.20% who were 65 years of age or older. The median age was 28 years.

## EMPLOYMENT

### Unemployment Rate:

- State of Texas 8.4%
- Hidalgo County 11.6%
- United States 8.6%

### 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

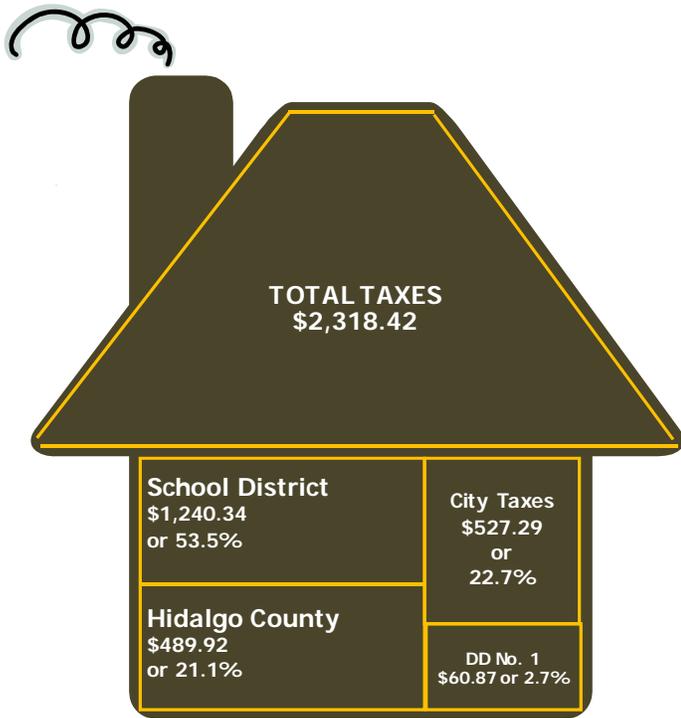
# PROPERTY TAX ANALYSIS

Property Tax Analysis for the average \$83,038.00 home in tax year 2011

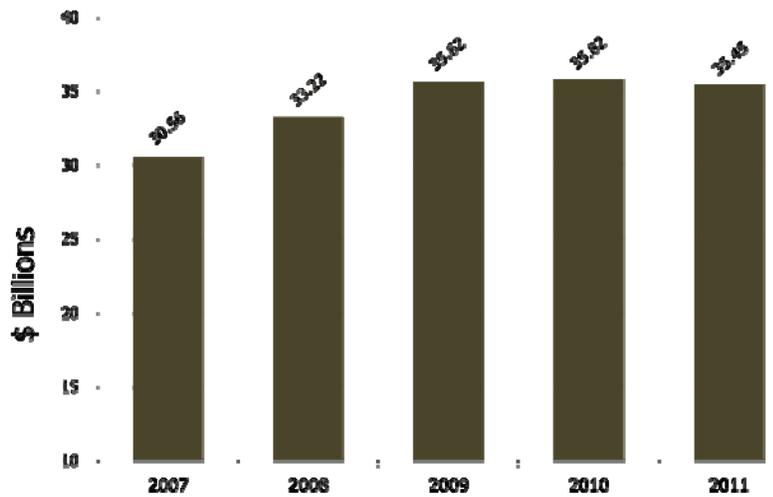
The average taxable value of a residence homestead in Hidalgo County in 2010 was \$82,480.00. Based on the tax rate for 2011 of \$0.5900 per \$100 of taxable value, the amount of taxes imposed on the average home was \$486.63 for Hidalgo County.

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

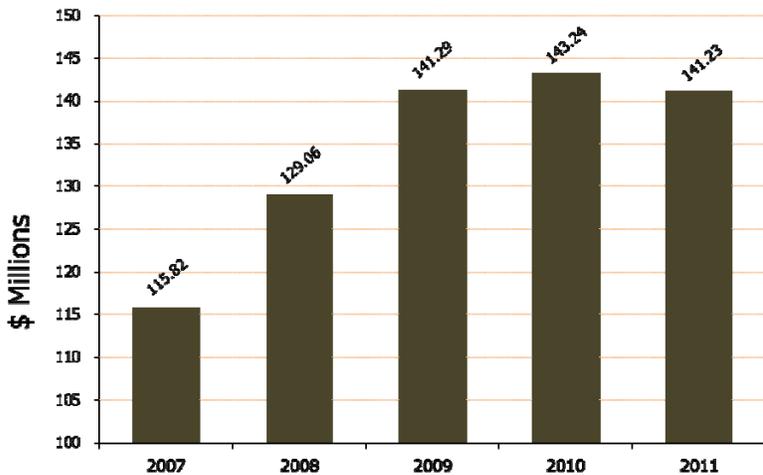
In Hidalgo County, property market value as reported by the Appraisal District, totaled \$35.826 billion in tax year 2010, and \$35.459 billion in tax year 2011; after homestead and other exemptions, the net taxable amounts were \$27.544 billion and \$27.044 billion respectively.



Hidalgo County Property Market Value



General Fund Tax Collection History



Calendar Years

Calendar Years

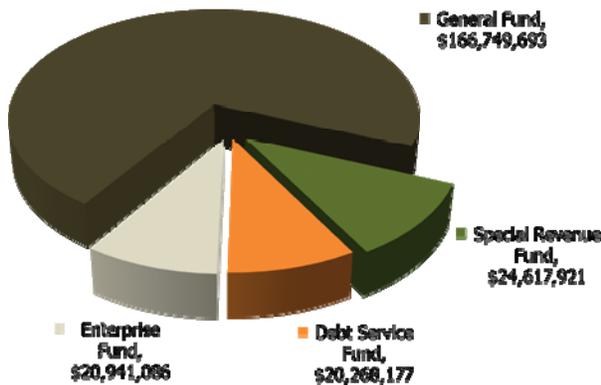
# ADOPTED BUDGET

The overall Hidalgo County 2012 Adopted Budget totals **\$232.5** Million, which includes a General Fund Budget (Maintenance & Operations) of **\$166.7** Million.

The Adopted 2012 budget levels for other funds include **\$24.6** Million for Special Revenue, **\$20.3** Million for Debt Service and **\$20.9** Million for internal Enterprise Funds.

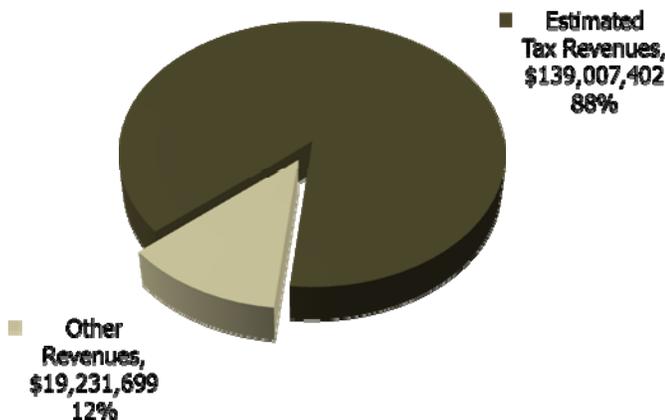
In addition, Hidalgo County administers approximately **\$71.0** million annually in Federal and State Grants that are appropriated and budgeted by Commissioners' Court when they are accepted.

2012 Adopted Budget



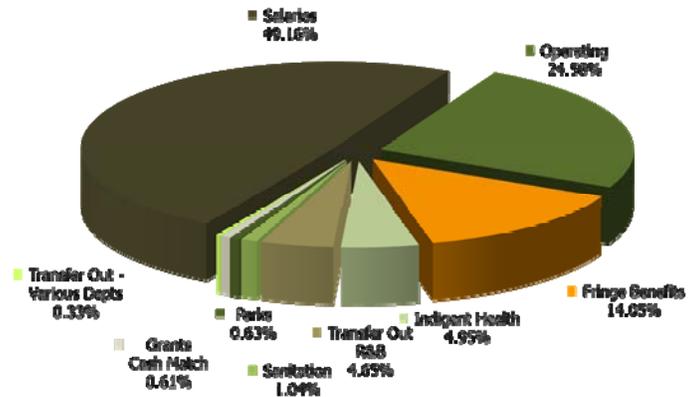
The General Fund is the County's primary operating fund. The principle revenue source for the General Fund is property taxes, which account for **88%** of all revenues. Fines, fees, business licenses, charges for services, and other miscellaneous revenues account for **12%** of General Fund revenue which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

Where the Money Comes From

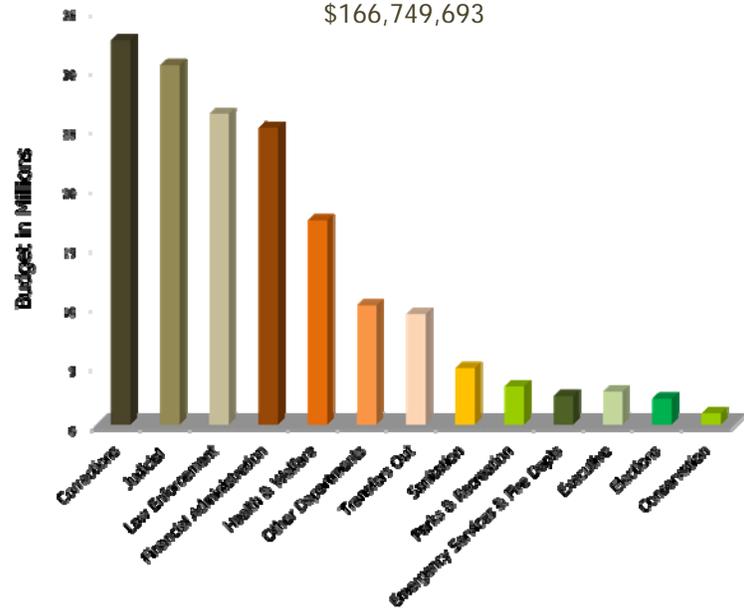


The adopted budget of \$166.7 million for 2012 includes \$105.40 million for salaries and salary related fringe benefits, \$41.08 million for operating, \$8.250 million for Indigent Health, \$1.059 million for Parks, \$1.645 million for Sanitation expenditures, and \$9.313 in transfers out for Road and Bridge (\$7.747), Grants cash match (\$1.019) and other various (\$.545).

How Does County Funding Get Spent?



General Fund Expenditures by Function  
\$166,749,693



Estimated Revenues

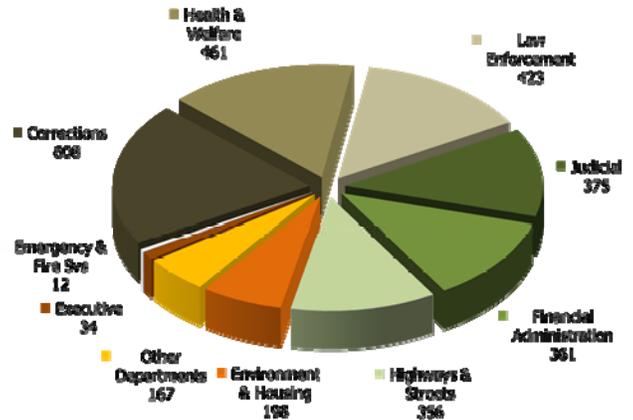
The total tax (Operations and Debt Service) levy for the 2012 budget year is estimated to be \$156.6 million compared to \$159.1 million for the 2011 budget year.

A projected collection rate of 93.0% for current taxes plus delinquent taxes and related penalties and interest will result in estimated tax collections of \$156.6 million for the 2012 budget year.

Total revenues of **\$158.2 million** and an additional **\$8.5 million**, budgeted from General Fund Reserves make up the total General Fund (M&O) 2012 Adopted Budget of **\$166.7 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.

2012 Adopted Budget  
Employee Summary by Function  
2,980 Employees

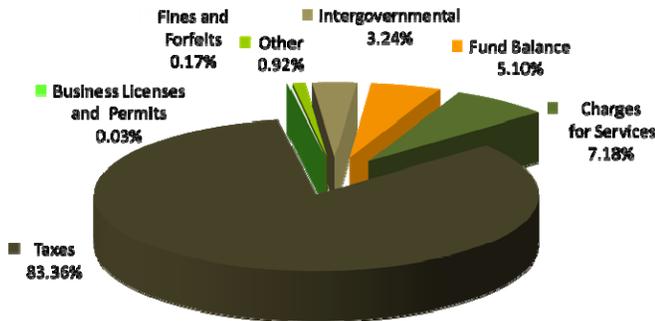


## BUDGET DEVELOPMENT & FINANCING

The base budget for 2012 is the 2011 approved budget of \$161,900,000. This base budget represents current need and is impacted by increased costs and by increased or decreased revenues.

For 2012 costs are projected to increase by \$4.8 million, requiring a budget level of \$166.7 million. However, revenues are estimated to only total \$158.2 million, leaving a revenue shortfall of \$8.5 million. In order to develop the 2012 General Fund Budget without increasing the tax rate, it was necessary to use Fund Balance reserves giving that operating expenditures have been reduced three years in row by \$3.8 million in total.

General Fund  
Revenues by Function  
\$166,749,693



### Planned Expenditures

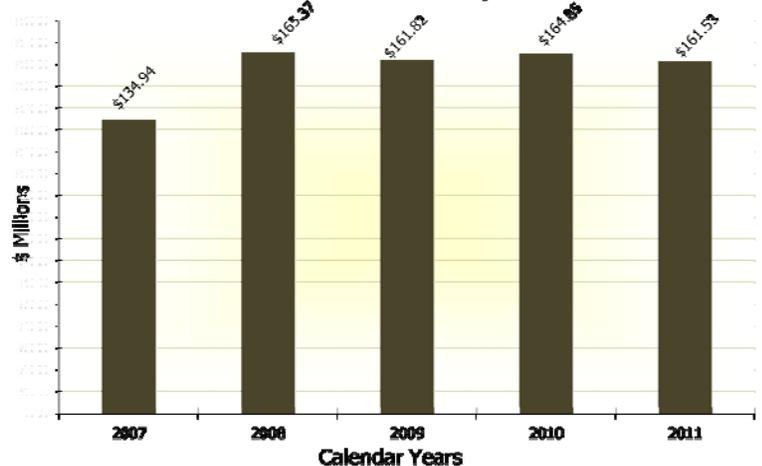
The adopted General Fund budget for 2012 totals **\$166,749,693**, and planned expenditures for 2012 total **\$169,366,027**.

The 2012 Adopted Budget is intended to maintain services at the current level while adjusting department operating expenditures to address required program increases.

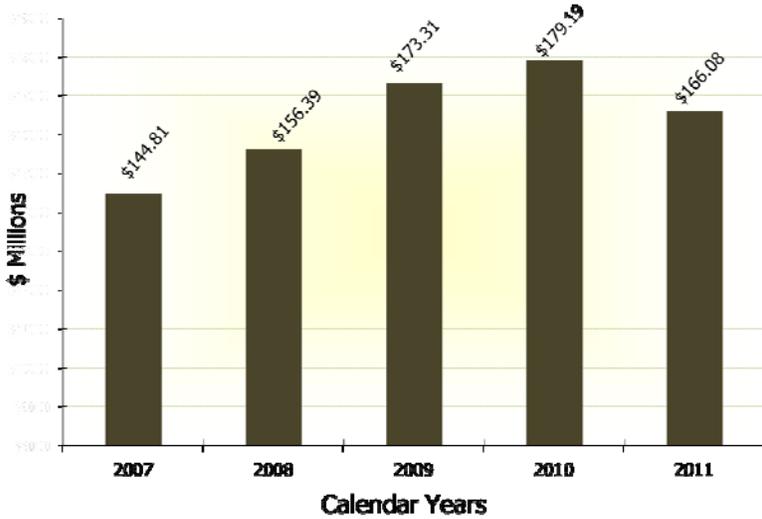
Planned Expenditures are based on additional one time funding that is or will be available but is not included in the Adopted Budget.

Staffing levels for 2012 are maintained at the current level and for the third year in a row no Cost of Living Adjustments (COLA) were given to County employees.

General Fund  
Expenditures  
Five Year History



General Fund Revenues  
Five Year History

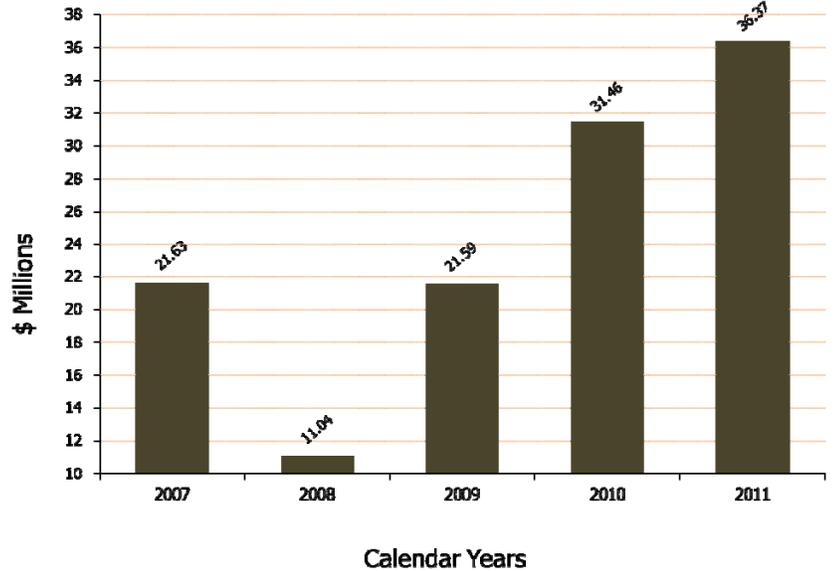


Fund Balance

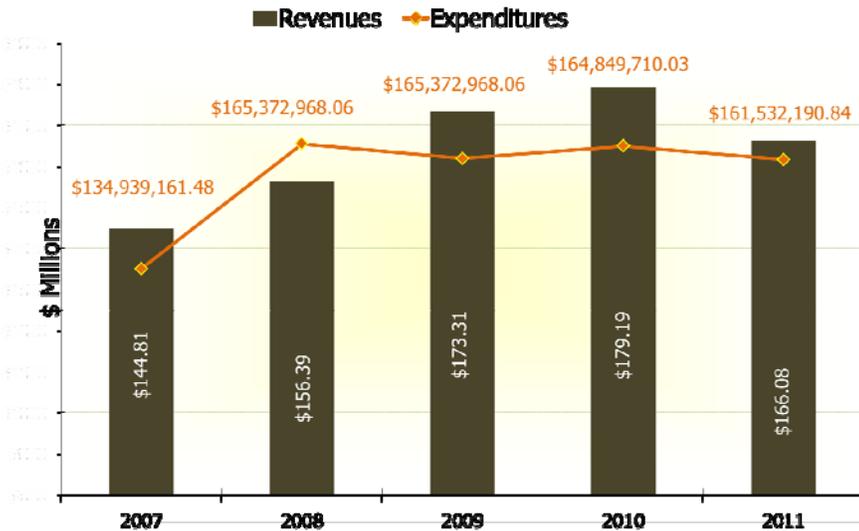
It is the policy of Hidalgo County to strive to maintain a General Fund Unreserved Fund Balance with a minimum amount of 10% (ten percent) and a maximum amount of 15% (fifteen percent) of the most currently approved General Fund Budget. For the year 2012, the General Fund unreserved fund balance is 20.17% of the Adopted Budget.

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.

General Fund Unreserved Fund Balance  
Five Year History



General Fund Revenues vs. Expenditures  
Five Year History



### Debt Capacity

Counties are limited to issue debt by the Texas Administrative Code, section 53.5 to ½ of the tax rate available to counties or ½ 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 2012 is 0.0675. The County's current debt totals \$199 million requiring \$21.5 million for payment of principal, interest and other related costs in 2012.

COUNTY WIDE DEBT	AMOUNT OUTSTANDING DEC. 31, 2011	PRINCIPAL	INTEREST	OTHER	TOTAL
Certificates of Obligation, Series 2001	-	-	-	-	-
Certificates of Obligation, Series 2002	3,990,000.00	940,000.00	162,038.76	1,000.00	1,103,038.76
Certificates of Obligation, Series 2004	10,020,000.00	2,120,000.00	479,962.50	1,000.00	2,600,962.50
Refunding Bonds, Series 2005	48,165,000.00	4,020,000.00	2,403,562.50	1,000.00	6,424,562.50
Certificates of Obligation, Series 2006	33,880,000.00	1,130,000.00	1,567,712.50	1,000.00	2,698,712.50
Refunding Bonds, Series 2006	-	-	-	-	-
Refunding Bonds, Series 2007	25,790,000.00	145,000.00	1,072,682.50	1,000.00	1,218,682.50
Certificates of Obligation, Series 2009	23,250,000.00	1,010,000.00	986,093.76	1,000.00	1,997,093.76
Refunding Bonds, Series 2009	2,115,000.00	275,000.00	65,350.00	1,000.00	341,350.00
Certificates of Obligation, Series 2009B&C	11,240,000.00	470,000.00	542,335.70	1,000.00	1,013,335.70
Certificates of Obligation, Series 2010A&B	26,955,000.00	1,020,000.00	1,357,864.00	1,000.00	2,378,864.00
<b>TOTAL COUNTY WIDE DEBT</b>	<b>185,405,000.00</b>	<b>11,130,000.00</b>	<b>8,637,602.22</b>	<b>9,000.00</b>	<b>19,776,602.22</b>
NOTES PAYABLE	1,392,028.70	437,688.58	53,886.45	-	491,575.03
<b>TOTAL ALL ISSUES</b>	<b>\$ 186,797,028.70</b>	<b>\$ 11,567,688.58</b>	<b>\$ 8,691,488.67</b>	<b>\$ 9,000.00</b>	<b>\$ 20,268,177.25</b>

### 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	INVESTMENT	GRADE RATINGS	PREVIOUS RATING	CURRENT RATING	GOAL
FITCH	AAA	AA+, AA, AA- A+, A, A- BBB+, BBB, BBB-	A+	AA-	AA
MOODY'S	Aaa	Aa1, Aa2, Aa3 A1, A2, A3 Baa1, Baa2, Baa3	A1	Aa2	Aa1
STANDARD & POOR'S	AAA	AA+, AA, AA- A+, A, A- BBB+, BBB, BBB	AA-	AA-	AA

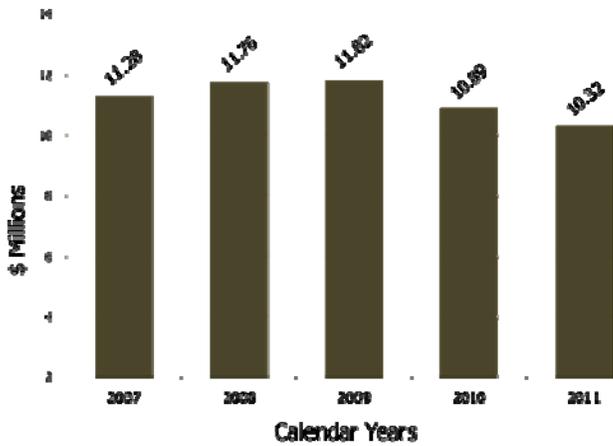
# ROAD AND BRIDGE

Road and Bridge 2012 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.

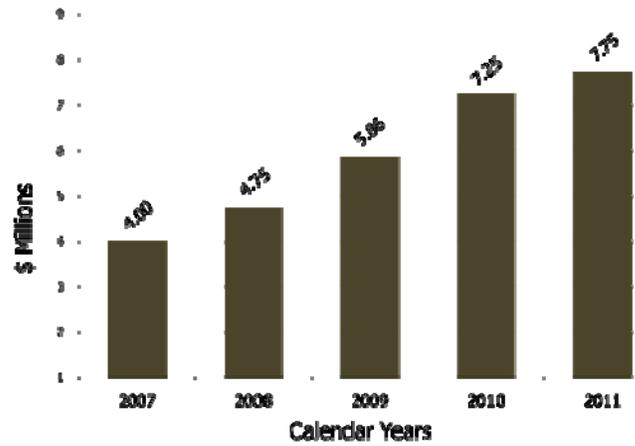
Estimated 2011 revenues for Road and Bridge totaled \$10,317,000.00. For the year 2012 the estimated revenues total \$9,903,000.00 resulting in a shortfall of \$414,000.00.

The 2012 total available funding for the precincts, including scheduled transfers from the General Fund total \$16,512,961.00.

Road and Bridge  
 Estimated Revenues



Road and Bridge  
 General Fund – Transfers In



Road and Bridge  
 Estimated Revenues vs. Transfers In

