

2017 Budget Process

Department of Budget and Management

County of Hidalgo



WORKSHOP #3

August 23, 2016

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2017 BUDGET PROCESS

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HIDALGO COUNTY
Department Of Budget & Management

2017 BUDGET PROCESS
General Fund Budget
As of August 23, 2016

2016 Adopted Budget: \$ 189,336,719

Personnel Actions \$ 3,058,908
Approved after 2016 Adopted Budget

2017 Base Budget: \$ 192,395,627
Operating Expenses @2016 Adopted Budget Level

Budget Increases:	Requested Increase	Workshop # 2	Recommended 08-23-2016
COLA 2%	2,176,643 ^{2%}	-	-
Personnel Requests (as of 08/22/16)	2,252,265	-	-
Health Insurance (10% Premium Increase)	1,727,040	268,800	369,000 ⁽²⁾
Law Enforcement Step Increase	1,121,964	-	-
Living Wage (Minimum \$12 hourly rate)	218,457	218,457	218,457
Public Defense	1,000,000	629,333	-
Contingency	880,686	395,686	352,330 ⁽²⁾
Visiting Judges	325,000	300,000	300,000
VIDA	125,000	125,000	125,000
Juvenile Room & Board	-	500,000	-
Jail Room and Board	-	(250,000)	(400,000) ⁽²⁾
Gasoline	-	(757,701)	(900,000) ⁽²⁾
Transfer Out - Juvenile Bootcamp	-	470,084	470,084
Other Operating Expenses	11,176,618	438,672	438,672
Total Increases:	21,003,673	2,338,331	973,543
2017 Budget:	\$ 213,399,300	\$ 194,733,958	\$ 193,369,170
Estimated Revenues:	\$ 193,369,170 ⁽¹⁾	\$ 191,300,000	\$ 193,369,170 ⁽¹⁾
Budgeted Deficit:	\$ (20,030,130)	\$ (3,433,958)	\$ -

(1) Revised Auditor's Estimated Revenues

(2) Revised Amount

PRELIMINARY DATA - FOR DISCUSSION PURPOSES ONLY

HIDALGO COUNTY
 Department Of Budget & Management

2017 BUDGET PROCESS
 General Fund
 Personnel Request
As of August 23, 2016

Requested Personnel Action	No. of Positions	Total Cost
New Positions	48	1,623,498
Deletions	11	(403,266)
Salary Increases	66	246,382
Allowance Increases	4	10,750
Salary Reductions	1	(1,061)
Allowance Reductions	8	(36,750)
Parity	1	6,178
Reclassifications	34	183,885
Total Salaries:		1,629,616
Health Insurance:		296,064
Life Insurance:		1,803
Fringe Benefits:		324,782
Total Est. Cost:		<u><u>\$2,252,265</u></u>



DISCUSSION ITEMS

2017 budget process

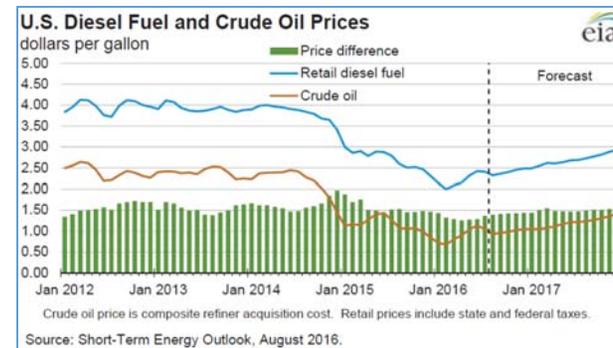
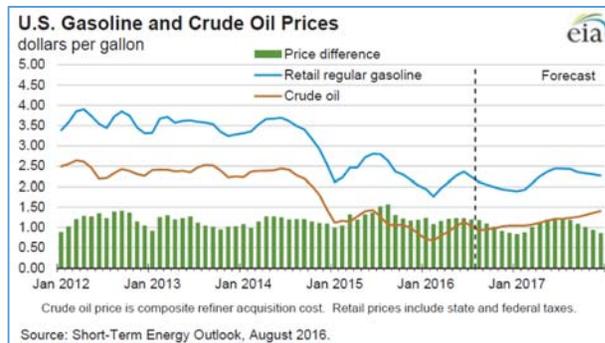
DISCUSSION ITEM: GASOLINE/DIESEL

Background / Description:

Crude oil prices have continuously fluctuated in the past 10 years. After the collapse of global petroleum demand in 2008, various worldwide events contributed to the increases in crude oil and gasoline prices in 2010 through 2014 where crude oil prices peaked at \$105 per barrel. Domestic oil production has increased every year since 2008, which has pushed U.S. crude oil stockpiles to their highest levels in 80 years. This increase of oil supply in the U.S. is what is helping to reduce oil and gasoline prices from an average of \$3.80 in 2012 to an average of \$2.06 in 2016.

Recommendation:

The US regular gasoline retail price which average \$2.43/gal in 2015 is forecast to average \$2.06/gal in 2016 and \$2.26/gal in 2017. The diesel fuel retail price average \$2.71/gal in 2015. Diesel prices are forecast to average \$2.30/gal in 2016 and \$2.70/gal in 2017.



Due to the decrease in gasoline prices, DBM recommends to reduce the funding in the amount of \$900,000, projecting that the new total will be sufficient to cover the 2017 FY. Below is the General Fund actual expenditure history for gasoline since the year 2012 and projected expenditures for the year 2016.

General Fund Actual Expenditures	2012	2013	2014	2015	2016*
Gasoline/Diesel	2,931,035	2,841,749	2,844,049	1,858,283	1,352,584

*Projected Expenditures

2017 *budget process*

DISCUSSION ITEM: MUSEUM OF SOUTH TEXAS HISTORY

Background / Description:

The Museum of South Texas History's mission is to preserve and present the rich and unique history of South Texas and Northeastern Mexico. Founded as the Hidalgo County Historical Museum in 1967, the museum is a cultural, educational and tourist destination for thousands of area residents and visitors. Residents of all 50 states and some 44 foreign countries have signed the Visitor Book and/or placed pins in the map showing their country. Foreign tourists, business travelers and students, plus those visiting relatives in South Texas, have come from all six inhabited continents. The name was changed in 2003, with the blessing of the County Commissioners, to better reflect the regional scope of the museum and to better position it to serve as a major draw for the community.

Budgetary Impact:

For the year 2017, the Museum of South Texas History has requested total funding of \$660,000. This is an additional \$300,000 from the current operational support level, resulting in an 83.3% increase. The additional funding request will be used for the hiring of staff in critical areas of the museum and to provide cost-of-living adjustments for museum staff. This will allow the museum to remain competitive when it comes to retaining, recruiting, and/or replacing staff to obtain sufficient staff levels needed to operate the museum and ensure its sustainability.

Recommendation:

In the past years, Hidalgo County has provided funding in the amount of \$360,000 for operational support. On March 27, 2012, a funding agreement was approved by Commissioners Court to provide an additional \$100,000 per year for the renovation of the original 1910 Hidalgo County Jail with the agreement set to expire in 2016. The Department of Budget & Management is proposing to continue funding at the current \$460,000 level to be used in its entirety for operational support. This recommendation will provide a 27.7% increase in operational support and constitute 26.9% of MOSTH's total income. Below is the General Fund Adopted Budget history for MOSTH since the year 2012 and recommended budget for the year 2017.

<u>General Fund Budget</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017*</u>
Operational Support	360,000	360,000	270,000	360,000	360,000	460,000
Special Projects	100,000	100,000	100,000	100,000	100,000	0
Total	460,000	460,000	370,000	460,000	460,000	460,000

*Recommended Budget

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DISCUSSION ITEM: HIDALGO COUNTY LIBRARY SYSTEM

Background / Description:

The Hidalgo County Library System is a federated system of 13 Public Library members in Hidalgo County. The purpose of the HCLS is to promote, coordinate and support full and free library services to all residents of Hidalgo County. HCLS also engages in cooperative efforts among other community resources that serve Hidalgo County such as Texas Workforce Solutions and the Community Center Partner Program, which assists citizens in applying for social service programs such as Medicaid, SNAP, TANF and CHIP. In 2015, an estimate of 831,073 people were served by the HCLS in Hidalgo County.

Hidalgo County has been providing the HCLS with an annual contribution since the year 2000. The average annual contribution has been \$235,716 for the last five years. For 2017, the HCLS has formally requested Hidalgo County's support for the establishment of a County Electronic Library. This initial funding will be used for the purchase of an e-book collection of about 40,000 books that will be competitive with neighboring collections, and which will have the capacity to grow into a robust, permanent County resource that will attract new readers and increase literacy. The annual funding that will follow will be used to increase the collection size every year as demand increases.

Budgetary Impact:

For the year 2017, they will need \$400,000 for the initial investment and establishment of the system and the e-book collection. Annual funding of \$75,000 will follow in 2018 and beyond in addition to the current contribution amount. We recommend to fund the initial investment of the electronic library using the State Comptroller Unclaimed Electric Cooperative Credit.

<u>County Library System</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017*</u>
General Fund	237,138	230,026	237,138	237,138	237,138
Special Revenue Fund	-	-	-	-	400,000
Total	237,138	230,026	237,138	237,138	637,138

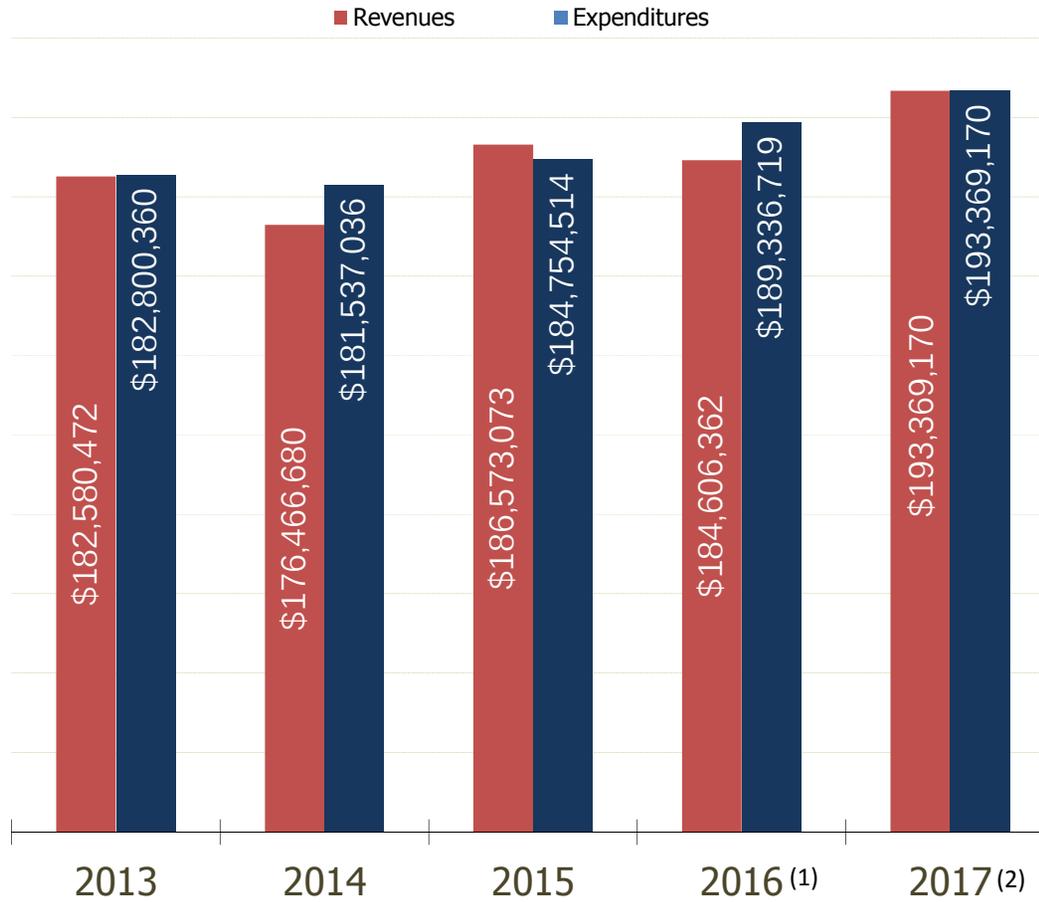
**Projected Expenditures*



APPENDIX

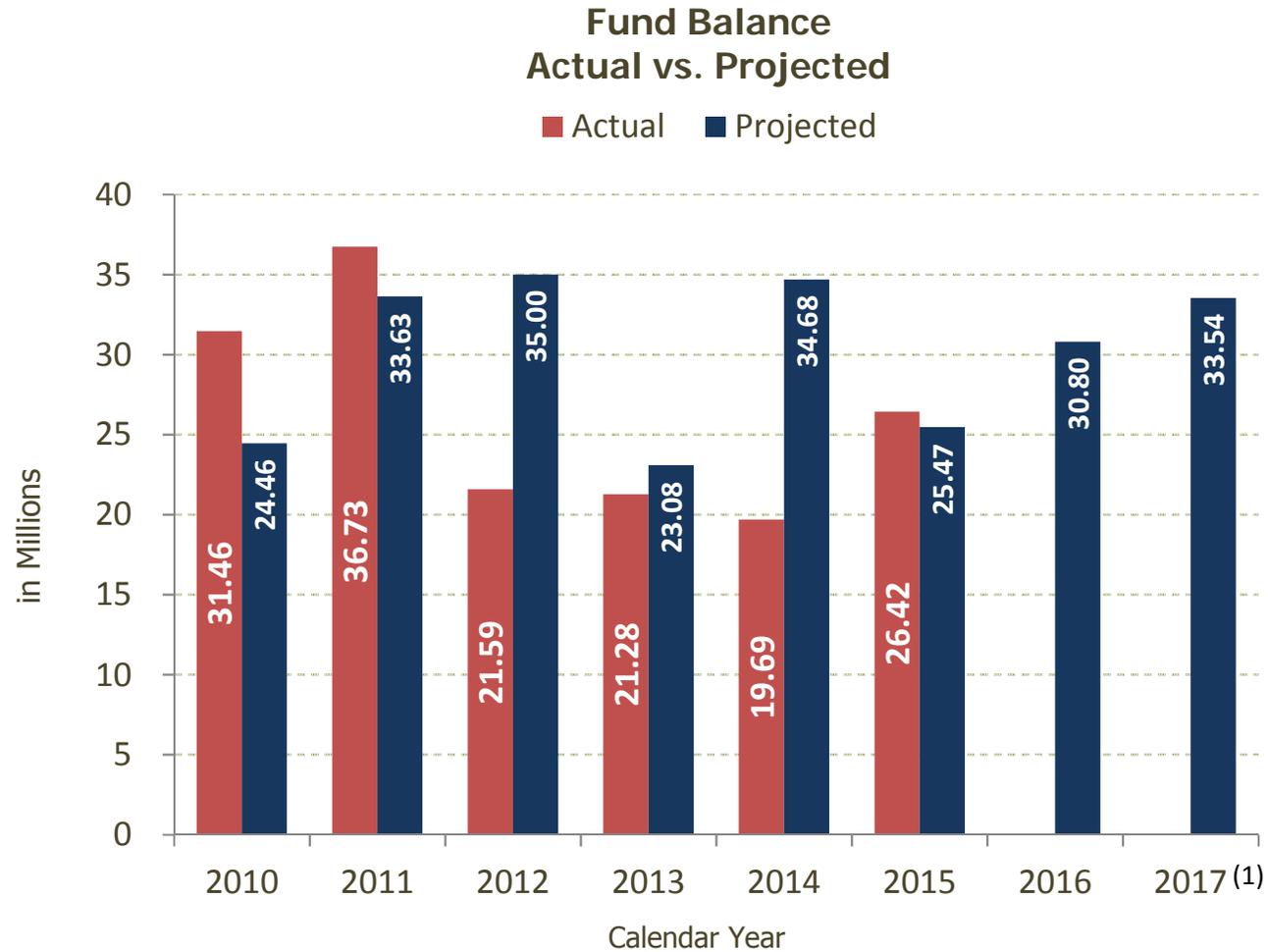
2017 BUDGET PROCESS

General Fund Revenues vs. Expenditures



(1) 2016 Adopted Budget
(2) 2017 Proposed Budget

2017 BUDGET PROCESS



(1) DBM Projected Fund Balance.