



HIDALGO COUNTY

BUDGET PROCESS

Year 2011

Summary Outline

Special points of interest:

A copy of the proposed budget is filed with the County Clerk and the County Auditor. The proposed budget is available for review by the citizens of Hidalgo County.

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Budget Overview

What is the budget process: The budget process involves the completion of various activities, including an analysis of historical expenditure data and an analysis of projected revenues that are used to develop a sound financial plan for Hidalgo County. The County budget is prepared and implemented each calendar year based on revenues received from property taxes, fines, fees, federal grants, state grants, and charges for services. It is also based on expenditure levels requested by departments and approved by Commissioners' Court. The 2011 annual budget will be approved by Commissioners' Court on September 28, 2010, and will cover the twelve month period from January 1, through December 31, 2011.

Who manages the budget process and who prepares the budget: The budget process is managed by the Department of Budget and Management. The County Budget Officer is responsible for submitting a proposed or recommended budget to Commissioners' Court. The proposed budget will be based on department requests and estimated revenues. A final budget is approved by Commissioners' Court after appropriate funding and expenditure levels are determined and the tax rate is set.

What is the purpose of the budget process: The purpose of the budget process is to determine program and department funding needs for the following year and to develop the financial and staffing plan for Hidalgo County within the estimated revenues. The plan outlines the service levels that the county can provide, and the cost of those services. It serves as a policy document and provides direction from Commissioners' Court on programs, services, and financial priorities.

How do County Officials and departments request funding during the budget process: Departments and Officials request a budget through the County's automated Budget Application Program (BAP). Narrative and numerical budget data and information is entered into the budget program by departments. Departments select personnel for budget data entry, and these employees are given a password to access the budget program for data entry. Budget and planning analysts from the Department of Budget and Management (DBM) tabulate, analyze, and compile all budget data by program and by department for use in budget workshops and to develop a preliminary budget.

Budget Process - 2011

All County offices and departments are responsible for entering their budget request on the BAP (Budget Application Program). For the year 2011, the Department of Budget and Management, at the direction of Commissioners' Court, is asking departments to request a budget level that is equal to or less than their approved 2010 original budget level.

Budget Process - 2011

Because revenues are projected to be less than in 2010, departments are also asked to submit a budget request that is six (6) to eight (8) percent lower than their 2010 level. The budget program will allow departments to delete positions, to reduce operating expenditures or to reduce their budget by a combination of the two options.

The Department of Budget and Management will be available to meet with departments when necessary to review historical and current expenditure data and to review budget issues prior to or after budget workshops and before the budget is adopted.

Commissioners' Court will make the final decision as to the funding level for each department and for the County as a whole.

Commissioners' Court will conduct several budget workshops during the budget process to review projected revenues, projected expenditures, department requests, and to review budget and funding issues. Direction will be given by the Court to the Department of Budget and Management regarding budget levels for inclusion in the proposed budget.

The Budget Officer will file a copy of the proposed budget with the County Clerk and the County Auditor in accordance with the Texas Local Government Code.

The proposed budget will be available for review by the citizens of Hidalgo County prior to the budget hearing and prior to its adoption on September 28, 2010.

Prior to the adoption of the budget, Commissioners' Court will review the proposed budget and will revise, alter, increase or decrease budget items as it deems necessary given the needs of the County and the available financial resources.

Commissioners' Court will hold public hearings in September, 2010 to set a tax rate, adopt the budget, and to set salary expenses and allowances for elected officials and employees.

The annual budget will be adopted at a regularly scheduled meeting of Commissioners' Court on September 28, 2010. The County is required to file a certified copy of its adopted budget, including the county salary schedule with the County Clerk.

The purpose of the management policies/procedures is to provide guidelines for development and administration of the annual budget to all county departments.

All policies set forth in this document are designed to provide for and enhance the financial stability of Hidalgo County.

Budget Management Policies

Hidalgo County strives to develop and implement a budget that will match estimated revenues. However, the County has accumulated strong fund balances, and these funds may be used to supplement revenues if needed to maintain the current level of services. Every effort is made to fund programs and services within the current tax rate.

After adoption, the approved budget must be adhered to and may not be adjusted unless an adjustment is deemed necessary by Commissioners' Court in accordance with relevant laws, statutes and regulations.

All elected officials and department heads that have budget oversight responsibility are encouraged to constantly monitor their budget to insure expenditures do not exceed approved budget levels.

Commissioners' Court recognizes the importance of maintaining an appropriate fund balance to address unexpected emergencies and to maintain a strong credit rating. Current policy requires that the County maintain a fund balance of 10 to 15 percent of the general fund operating budget.

Departments should not incur negative balances in a salary or operating object of expense code. However, if unforeseen circumstances result in a negative balance, the department will be notified that it has incurred a negative balance and that it must submit a budget transfer request to address it.

Budget Management Policies

Information Technology: The management of the County's computer and automation systems is centralized in the Information Technology Department to ensure compatibility, integration and cost control. Departments requesting the purchase of hardware and software must coordinate with the IT Department to obtain equipment recommendations and pricing.

Facilities Management: The Infrastructure Division will develop and maintain a building renovation and repair program to ensure sufficient resources are available annually to maintain and repair County buildings.

Vehicles: New vehicles can be requested during the budget process. Departments must justify the need for new vehicles. Existing vehicles can be replaced as needed through the county's Vehicle Replacement Program. However, due to the current recession and the expected reduction in revenues, it may not be possible to implement this program in 2011.

Budget Goals

Balanced Budget: Implement a fiscally sound and transparent budget that matches service delivery demands to recurring revenues and that provides for the long term financial health of the County. The budget process will assist Commissioners' Court to provide available funding in a balanced systematic manner between the needs of County Government and the needs of County Citizens for increases in 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 in 2011 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 to address unforeseen emergencies and to maintain the highest possible credit rating for the financing of major capital projects.

Core Values

Hidalgo County strives to fulfill its mission to:

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:

- To provide sustainable economic development throughout Hidalgo County
- To provide Hidalgo County citizens with accessible local government
- To provide continued improvement to the County's infrastructure.
- To provide efficient and effective public services
- To protect and preserve the environment.
- To provide for the safety and well being of all county citizens

2011 Budget Development Criteria

- ◆ Forgo certain scheduled or proposed increases as necessary to achieve a balanced budget with no increase in taxes.
- ◆ Reduce certain operating expenditures such as travel, registration fees, new furniture, and other new equipment that will not negatively affect County operations.
- ◆ Identify solutions to address projected increases in operating expenditures.
- ◆ Review the need to continue expiring grants that would require county funding.
- ◆ Review the need to continue funding certain outside governmental and non-governmental agencies.
- ◆ Reduce employee premiums for the Workers' Compensation Program to reflect actuarial requirements or fund balance.
- ◆ Reduce employee premiums for health benefits to reflect actuarial requirements or fund balance
- ◆ Review the need to implement employee furloughs.
- ◆ Review the need to address unfunded mandates.
- ◆ Identify solutions to decrease projected expenditures for Sanitation.
- ◆ Other criteria as directed by Commissioners' Court.

2011 Budget Process Timeline (Key Dates)

Data Entry Begin Date	August 2, 2010
Budget Data Analysis	August 10, 2010
Budget Workshop # 2 ¹	August 17, 2010
Draft Preliminary Budget	August 24, 2010
Budget Issues and Data Analysis	August 31, 2010
Budget Workshop # 3 ¹	September 14, 2010
2011 Proposed Budget Filed	September 21, 2010
Adoption of 2011 Budget	September 28, 2010