



COUNTY OF EL PASO
BUDGET AND FISCAL POLICY DEPARTMENT

WALLACE HARDGROVE
EXECUTIVE DIRECTOR

2017-15

July 28, 2017

The Honorable Veronica Escobar, County Judge,
and County Commissioners
County of El Paso
Room 301, County Courthouse Building
500 East San Antonio Street
El Paso, Texas 79901

Dear County Judge and County Commissioners:

The preliminary Fiscal Year 2018 budget totaling \$325,081,581 for the El Paso County General Fund is submitted herewith. The County budget hearings are scheduled to begin on August 1st, 2017 with a revenue and executive operating overview. Budget hearings will continue through the later part of August 2017 and will include discussions on departments that meet the 4% and/or \$5,000 request threshold as well as other main topics and specific departments as requested. The all funds budget packet will be completed and delivered prior to the beginning of our second week of hearings.

The Fiscal Year 2018 preliminary General Fund budget as presented is proposed to increase by \$10.9 million or 3.47%. Preliminary General Fund estimated revenues received from the County Auditor total \$262,704,671 which are \$5.83 million or 2.27% higher than the FY17 revenue estimate of \$256,878,979. A majority of this change comes from three main sources; property tax valuation increases, current sales tax growth as well as anticipated increases in some charges for services and interest earnings. These revenue sources along with all other revenue estimates will be reviewed and revised over the next 60 days as additional supporting information is made available. Current proposed appropriations for the General Fund are \$325,081,581. The preliminary estimated fund balance for FY2017 year end is \$82 million, and with the utilization of fund balance of \$32.37 million, this will leave an unassigned fund balance reserve estimate of approximately \$49.62 million, or 16.81% of the FY2018 General Fund operating budget. Much of this growth in the reserve is attributable to 2 major factors, a positive variance on both revenues over budget estimates as well as unspent budgeted appropriations, both of which enhance our reserve position and allow the county to rely on these reserves to meet the subsequent year's budget needs.

Each County department presented in the budget document includes two years of actual expenditure history and the respective year's adjusted budget, the amended FY17 as of July 28,

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2017 operating budgets, FY18 departmental requests and the FY18 budget recommendations. A financial interface will be performed before the FY18 Proposed Book is filed to ensure the most up to date financial information is being provided.

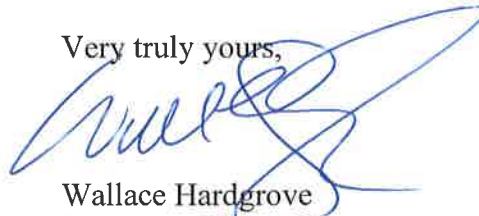
It is noteworthy to mention that included in this budget is continued funding for expanded services in alignment with Commissioners Courts ongoing strategic planning. To mention a few, the County has continued to invest in the Economic Development department, along with increased funding to meet our Radio Hardware maintenance, Criminal Justice Coordination, and County Parks needs, and funding to invest in the replacement and maintenance of our assets. These are strong examples of how the County continues to strive to improve our business processes while meeting the growing needs of our citizens through cost effective services. This budget also includes a preliminary allocation of just over \$4.9 million for some of the Counties planned MPO road projects in the unlikely event that State Infrastructure Bank funding for next year projects are not awarded.

Fiscal Year 2018 will further strengthen and expand training to assist departments with the development and refinement of goals and performance measures to facilitate in linking results to future allocation of resources. Other significant goals for the fiscal year include the final phase of implementation of the new ERP system, the opening of all Pods at the Jail Annex which should take effect by January 1st 2018, carryover funding for the creation of a Re-entry program, funding for Mental Health Gap analysis, funding for the 7 year pay plan study, funding in accordance with contractual requirements and contingency increases for utility costs to name a few.

We hope that you will find the information contained within this packet informative and useful during the budget hearings, setting of the tax rate, and the overall budget adoption process. We look forward to meeting with you over the next few weeks.

If you have any questions regarding this budgetary information, please let me know.

Very truly yours,



Wallace Hardgrove
Executive Director
Budget & Fiscal Policy