



# Revenues



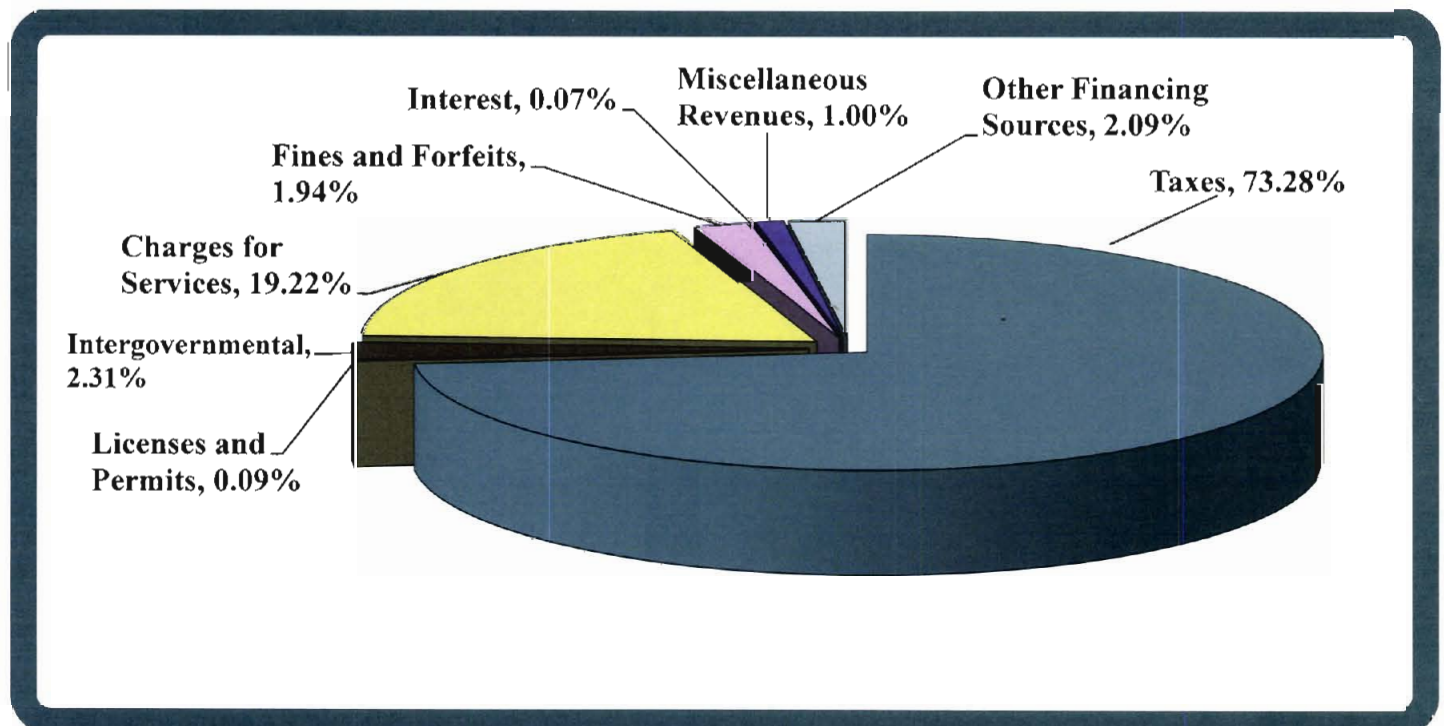
# All Fund Types

## Budget Revenue Comparison with Fiscal Year 2012 Actuals

|   | Operating Budgets    |                      | Changes              |                       |               |
|---|----------------------|----------------------|----------------------|-----------------------|---------------|
|   | FY 2012 Actuals      | Total Budget FY 2013 | Total Budget FY 2014 | Amount                | %             |
| <b>Revenues (Sources):</b>  |                      |                      |                      |                       |               |
| Taxes   | \$170,345,197        | \$191,913,240        | \$204,255,507        | \$12,342,267          | 6.43%         |
| Licenses and Permits  | 259,217              | 234,000              | 243,000              | 9,000                 | 3.85%         |
| Intergovernmental   | 35,936,546           | 18,450,766           | 6,443,019            | (12,007,747)          | -65.08%       |
| Charges for Services  | 49,690,847           | 47,871,910           | 54,317,020           | 6,445,110             | 13.46%        |
| Fines and Forfeits  | 5,615,655            | 4,710,000            | 5,407,000            | 697,000               | 14.80%        |
| Interest  | 1,093,717            | 930,915              | 194,800              | (736,115)             | -79.07%       |
| Miscellaneous Revenues  | 3,767,661            | 3,359,663            | 2,066,500            | (1,293,163)           | -38.49%       |
| Other Financing Sources   | 127,611,558          | 7,759,832            | 5,824,063            | (1,935,769)           | -24.95%       |
| <b>Total Revenues and Other Financing Sources</b>                           | <b>394,320,398</b>   | <b>275,230,326</b>   | <b>278,750,909</b>   | <b>3,520,583</b>      | <b>1.28%</b>  |
| Beginning Fund Balances, Retained Earnings, Deferred Revenues and Carryover | 136,761,537          | 220,898,630          | 193,602,079          | (27,296,551)          | -12.36%       |
| <b>Total Available Resources</b>  | <b>\$531,081,935</b> | <b>\$496,128,956</b> | <b>\$472,352,988</b> | <b>(\$23,775,968)</b> | <b>-4.79%</b> |

## Fiscal Year 2014

### Revenues (Sources) – All Fund Types - \$278,750,909



# Overview and Description of Major Revenue Sources

## Methodologies Used to Estimate Revenues

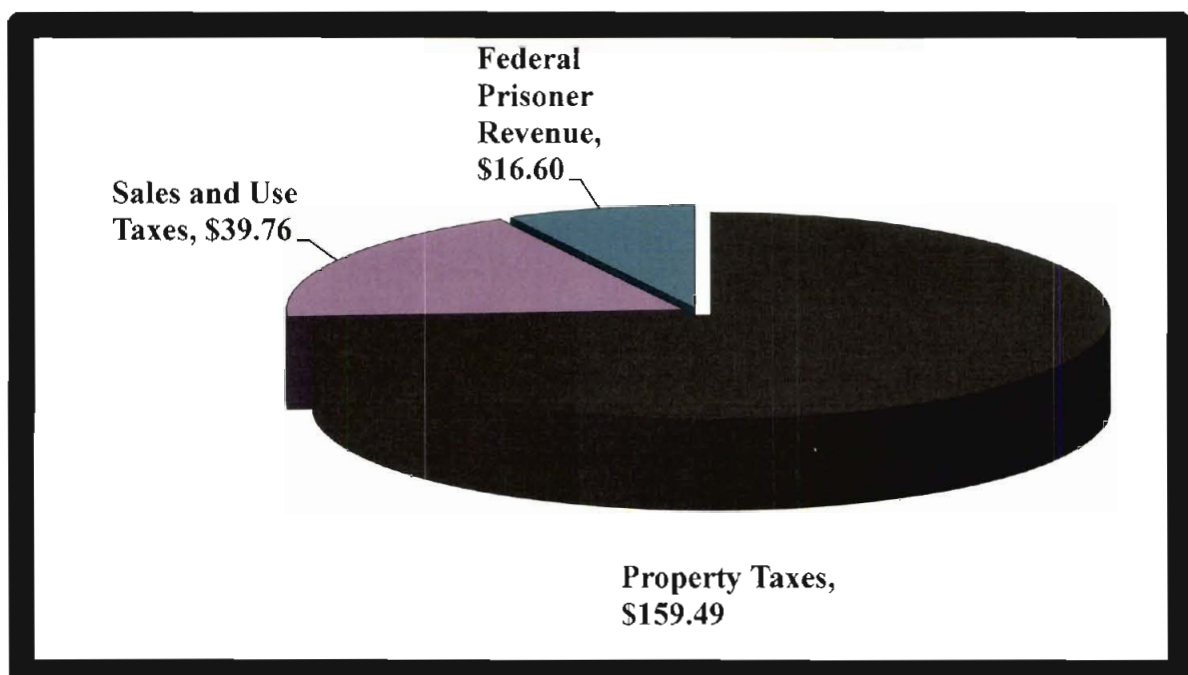
During the second half of each fiscal year, the County Auditor and his staff project revenues for the next two fiscal years. The most commonly used methodologies for estimating the County of El Paso's revenues are the following:

- 1) Time series techniques: moving averages and historical revenue trends;
- 2) Informed/expert judgment: advice of department heads, such as the County Auditor or the Chief Juvenile Probation Officer; and
- 3) Statutory provisions and limitations: Truth in Taxation Guidelines for the State of Texas and Local Government Code.

The County of El Paso's revenue sources are classified into one of eight categories: Charges for Services, Fines and Forfeits, Interest, Intergovernmental, Licenses and Permits, Miscellaneous, Other Financing Sources, and Tax Revenues. For fiscal year 2014, total budgeted revenues are \$278,750,909, which represent an increase of \$3,520,583, or 1.28%, from budgeted revenues for fiscal year 2013. Details of this change are discussed below.

## Major Revenue Sources

As discussed above, there are numerous revenue sources for the County of El Paso. However, the three revenue sources shown on the graph below add up to \$215,845,507, or 77.431% of total revenues of all appropriated funds. Therefore, these three revenue sources represent the County's major sources of revenue for fiscal year 2014.



# Overview and Description of Major Revenue Sources

## Major Revenue Sources, Continued

### (1) Property Taxes—57.21% of all budgeted revenues

The Property Taxes revenue category for the County of El Paso has four components, as shown in the table below. In the aggregate, these four components represent the main revenue source for the County.

| Revenue Source         | Fiscal Year<br>2012 Actuals | Operating Budgets       |                         | Changes      |         |
|------------------------|-----------------------------|-------------------------|-------------------------|--------------|---------|
|                        |                             | Total Budget<br>FY 2013 | Total Budget<br>FY 2014 | Amounts      | %       |
| Current Taxes          | \$123,656,459               | \$144,969,988           | \$156,481,378           | \$11,511,390 | 7.94%   |
| Delinquent Taxes       | 2,054,847                   | 2,508,387               | 1,982,034               | (526,353)    | -20.98% |
| Excess Property Taxes  | 54,679                      | 250,000                 | 150,000                 | (100,000)    | -40.00% |
| Penalties and Interest | 792,958                     | 1,032,865               | 872,095                 | (160,770)    | -15.57% |
| Totals                 | \$126,558,943               | \$148,761,240           | \$159,485,507           | \$10,724,267 | 7.21%   |

**Methodology Used to Project Revenue:** Truth in Taxation Guidelines for the State of Texas are used to calculate the property tax rate each year. Revenue projections are based on the adopted tax rate and on historical calculation trends which show that about 99.5% of the property tax levy will be collected. Property valuations, as determined by the Central Appraisal District, also have an impact on projected tax revenues.

For fiscal year 2014, the Commissioners Court adopted a rate of \$0.433125. That decision was made based on information provided to the Court by the County Auditor regarding fund balance levels and revenue and expenditure projections. Since Property Taxes are the primary revenue source for the County, the effect of the Court's decision was mainly reflected in budgeted revenues from this source.

**Other Information:** For fiscal year 2014, Commissioners Court adopted an ad valorem tax rate of \$0.433125 per \$100 valuation. The maintenance and operations component of the tax rate is set at the discretion of the Court and is influenced by the desired level of operations and services. Any maintenance and operations rate above the lower of the effective or rollback rates may trigger a possible rollback election. The other component of the property tax rate is used to make principal and interest payments on the County's outstanding debt during the fiscal year and is, therefore, not flexible. For fiscal year 2014, the principal and interest tax rate is \$0.054096 per \$100 valuation.

As shown on the table above, fiscal year 2014 budgeted revenues from Current Taxes is projected at \$11.5 million over budget figures for fiscal year 2013. That increase of 7.94% was a direct consequence of increased tax rate and property values. Historically, an increase in

# Overview and Description of Major Revenue Sources

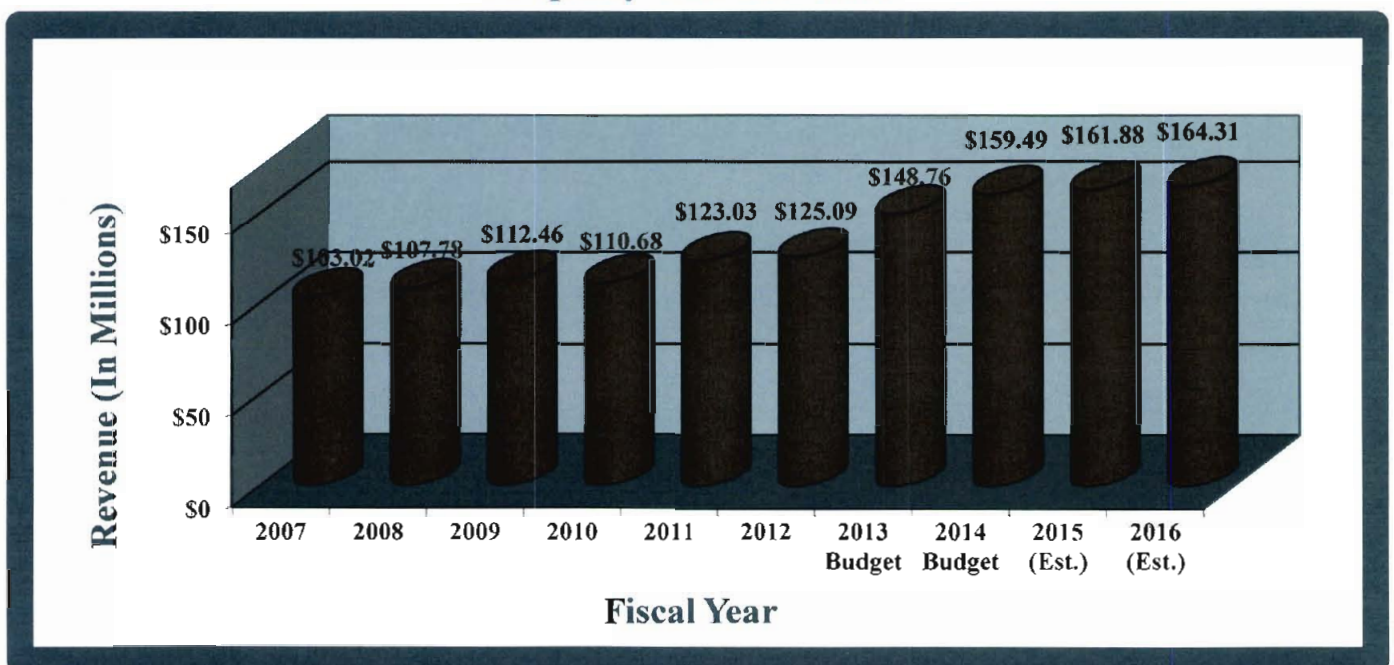
## Major Revenue Sources, Continued

### (1) Property Taxes, Continued

delinquent property taxes results in an increase in the number of taxpayers who cannot pay their tax bills in a timely manner. Yet, for fiscal year 2014, the main reason behind the decrease in delinquent, excess and penalties and interest, is due to a decrease in the ratio of uncollectible accounts, based on recent trends.

**The Future:** In a non-appraisal year, the County can historically expect to see an increase of 2.0% in property tax revenues over the previous year, which is the basis for revenue estimates for fiscal years 2015 and 2016. During an appraisal year, when property values will most likely increase, the anticipated increase in property tax revenues is closer to 3%. For fiscal year 2014, the County is projecting an overall increase of approximately \$11.0 million in property tax revenues resulting from increased property values and the increase in the tax rate, as in prior years. The graph below shows the upward trend exhibited by actual property tax collections for the fiscal period 2007 through 2012. In the past, these increases have allowed the County to maintain the current level of services for most departments, as well as provided funding for various projects, such as the renovating and equipping of the County’s two detention facilities, the renovation of the County Administration Offices, and upgrades to County equipment, to keep pace with technology.

Property Tax Revenue



# Overview and Description of Major Revenue Sources

## Major Revenue Sources, Continued

### (1) Property Taxes, Continued

The Department of Defense’s Base Realignment and Closure (BRAC) Program has been highly beneficial to the County due to the increased demand for off-base housing, leading to an increase in property tax revenue collections in the recent past. Therefore, any change in troop levels at Fort Bliss will also impact the housing market and the County’s overall property tax collections.

Inevitably, when property values are appraised, the tax levy will change accordingly. Even though the County may not increase its tax rate, property tax collections rise when property values increase.

As the County’s population growth continues, the demand for services will also increase. Based on the need to meet those demands, the County may need to adjust its tax rate accordingly. The tax rate approved by Commissioners Court meets the community’s demands which are increasing, while other revenue sources are holding steady. Regardless of what future property tax collections are, this is going to remain the most important revenue source for the County of El Paso.

### (2) Sales and Use Taxes—14.26% of all budgeted revenues

Sales and use taxes represent the second largest source of County revenue and are the only substantial elastic revenue source.

| Revenue Source    | Fiscal Year 2012 Actuals | Operating Budgets    |                      | Changes     |       |
|-------------------|--------------------------|----------------------|----------------------|-------------|-------|
|                   |                          | Total Budget FY 2013 | Total Budget FY 2014 | Amounts     | %     |
| Sales and Use Tax | \$38,889,557             | \$38,400,000         | \$39,760,000         | \$1,360,000 | 3.54% |

**Methodology Used to Project Revenue:** Historical revenue trends are the best tool available for projecting Sales and Use Tax revenues. This type of revenue is tied to El Paso’s border economy and is anticipated to increase as population growth continues. The projected decrease for fiscal year 2011, from \$35.4 million to \$34.6 million was based on the County Auditor’s decision to keep sales tax revenues at 2009 levels, due to the stagnant economy. After further projections, it was apparent that this County was quickly recovering and was not affected like other areas in Texas. Since fiscal year 2012, the Sales and Use Tax has shown steady growth and has an estimated projected increase of 3.54% for fiscal year 2014. This revenue source is closely tied to consumer spending and seems to be rebounding.

# Overview and Description of Major Revenue Sources

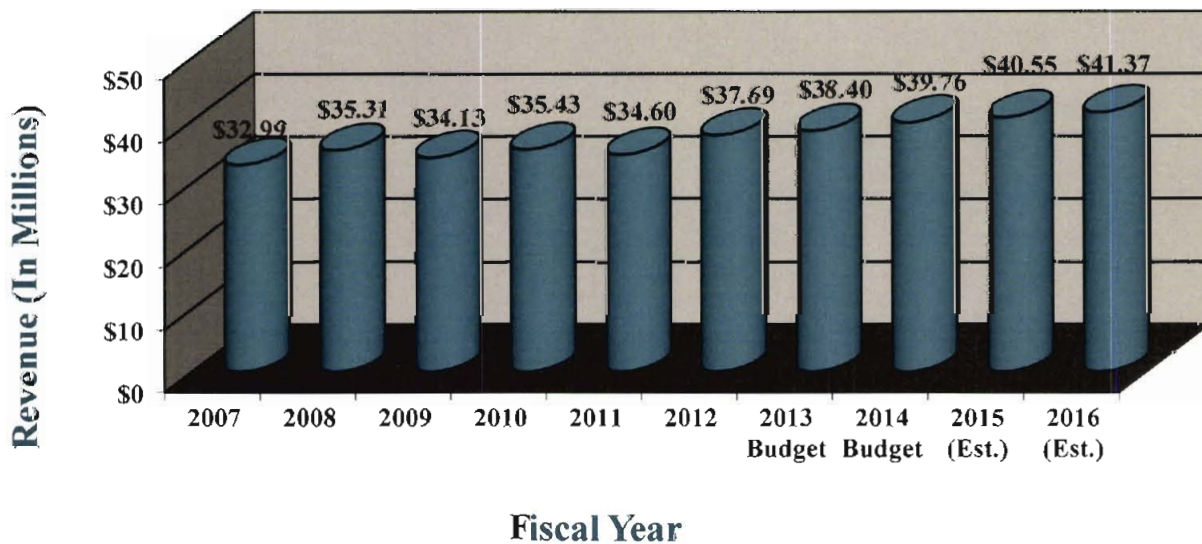
## Major Revenue Sources, Continued

### (2) Sales and Use Taxes, Continued

**Other Information:** A sales tax of 0.5%, which is collected by the State of Texas, was approved by voters in El Paso County and went into effect on January 1, 1988. This tax is imposed on the value of taxable items sold and is collected by the State and redistributed to the County. When the local portion of the sales tax is redistributed, it goes to fund operations and allows the County to lessen the tax burden placed on taxpayers by not having to increase the property tax rate. The County is expecting an increase of \$1.36 million in collections for fiscal year 2014. A graphic representation of the trend in revenue collections from this revenue source is presented below.

**The Future:** In spite of the cyclical trend in revenues between fiscal years 2007 through 2008 and receipts of \$37.69 million for fiscal year 2012, budgeted receipts for fiscal year 2013 reflected an increase. As actual revenues are expected to come in around \$39 million, fiscal year 2014 is expected to continue at this same level. Accordingly, revenue for fiscal years 2015 and 2016 are estimated conservatively at \$40.55 and \$41.37 million respectively.

### Sales and Use Tax Revenue



# Overview and Description of Major Revenue Sources

## Major Revenue Sources, Continued

### (2) Sales and Use Taxes, Continued

Another factor to keep an eye on is the local unemployment rate, which affects the amount of disposable income available. The unemployment rate of 9.6% in 2010, and 9.8% in the County of El Paso as of the end of fiscal year 2009 represents an increase of only 0.80% over the fiscal year 2003 rate but a 3.0% increase over the 6.6% unemployment rate at the end of fiscal year 2008. Additionally, the unemployment rate for the State of Texas increased by 2.0% from the end of fiscal year 2007 (4.3%) to the end of fiscal year 2013 (6.3%). At the nationwide level, the unemployment rate increased by 2.5% from fiscal year 2007 to fiscal year 2013.

Just like with property tax collections, population growth in the County of El Paso is also expected to impact actual sales and use tax collections.

### (3) Federal Prisoner Revenue—5.96% of all budgeted revenues

The County’s third major revenue source is related to the housing of prisoners for whom the County of El Paso is not financially responsible. Those inmates are housed in the County’s two detention facilities on behalf of federal government agencies, such as the United States Marshals Service, and the City of El Paso. The table below shows actual Federal Prisoner Revenue collections for the fiscal year ended September 2012 as well as budget figures for fiscal years 2013 and 2014.

| Revenue Source           | Fiscal Year 2012 Actuals | Operating Budgets    |                      | Changes     |        |
|--------------------------|--------------------------|----------------------|----------------------|-------------|--------|
|                          |                          | Total Budget FY 2013 | Total Budget FY 2014 | Amount      | %      |
| Federal Prisoner Revenue | \$17,839,990             | \$17,250,000         | \$16,600,000         | (\$650,000) | -3.77% |

**Methodology Used to Project Revenue:** Revenues received for this category are projected based on historical trends which are in turn based on jail population trends. Even though the number of County prisoners will obviously limit the number of federal prisoners that can be housed in our jails, the agreement with the federal government the County is contractually obligated to guarantee 500 inmate beds for the federal government which have historically been occupied but may not always be. Preliminary plans are in the works for new construction and expansion for detention (432 additional beds) with the anticipation that this will lead to an increase in federal prisoner revenues received in the future.



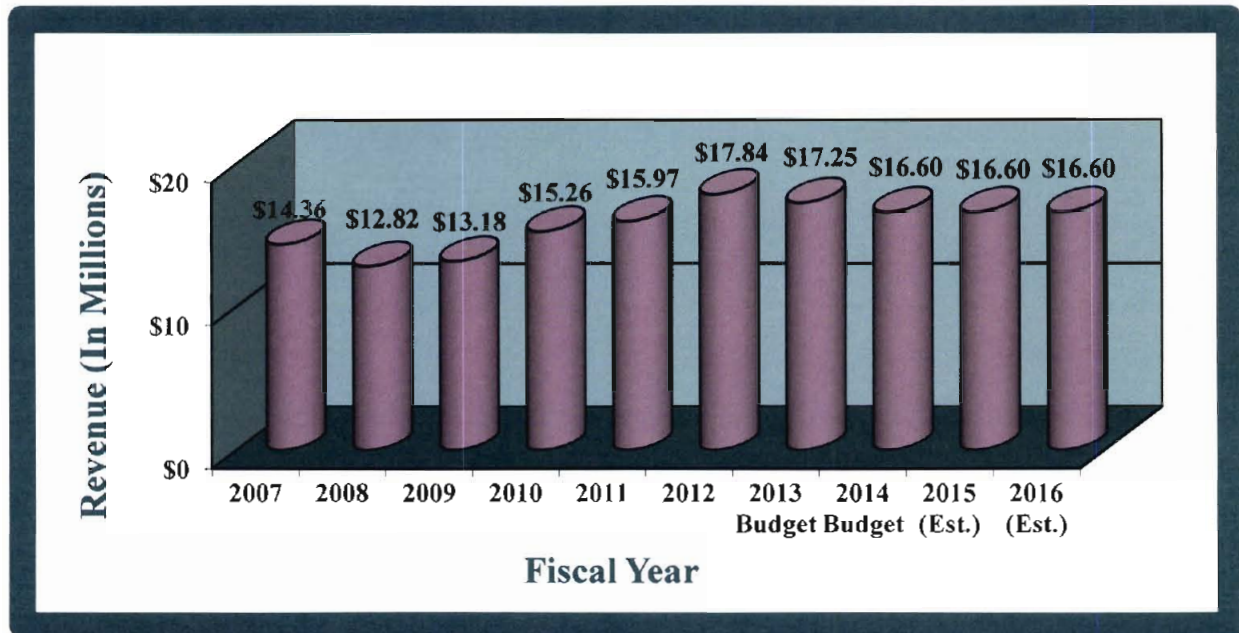
# Overview and Description of Major Revenue Sources

## Major Revenue Sources, Continued

### (4) Federal Prisoner Revenue, Continued

**Other Information:** For a period of approximately ten years, the County of El Paso was part of an agreement with the federal government whereby we received reimbursement of \$57.98 per day for each inmate housed in our jails on behalf of the United States Marshals Service. However, starting in fiscal year 2010 the reimbursement increased to \$70.00 per day for each inmate housed. The graph below shows revenues received from this source for fiscal years 2007 through 2012 as well as budgeted and/or estimated revenues for fiscal years 2013 through 2016.

Federal Prisoner Revenue



The decrease in Federal Prisoner Revenue received from fiscal year 2007 to 2008 was due to the fact that a new detention facility opened in southern New Mexico, thus reducing the number of prisoners sent to the County of El Paso’s detention facilities. However, the new facility’s rates were not as cost-effective as those of El Paso’s facilities, and the federal government decided it was more reasonable to send prisoners to El Paso County rather than taking them to Otero County, New Mexico. Another factor contributing to a decrease in Federal Prisoner Revenue is the County’s obligation to house prisoners with non-adjudicated State charges. Because of that obligation, the County may occasionally be forced to actually limit the number of inmates facing federal charges to 500 so as to make a bed available for the State prisoner. The steady growth in revenue from 2009 to 2012 is attributed to actual population trends to date. For fiscal years 2013 through 2016, Federal Prisoner Revenue is budgeted/estimated conservatively since the number of inmates facing federal charges fluctuates and because the federal government does not guarantee that a set number of prisoners will be sent to detention facilities in the County of El Paso.

# *Overview and Description of Major Revenue Sources*

## **Major Revenue Sources, Continued**

### **(3) Federal Prisoner Revenue, Continued**

The conservative approach taken in estimating this revenue source is further justified by preliminary revenues of \$15.97 million for fiscal year 2009, which did materialize because the new rate did not go into effect until the third quarter of fiscal year 2009. In addition, for several years, the shower facilities at the detention facilities were not up to par and the only way to repair them was by vacating one housing unit at a time and turning away federal prisoners. Repair work on the showers at the County's detention facilities began toward the end of fiscal year 2009; stainless steel will be used to replace the existing facilities. Once completed, the new facilities allowed the Sheriff's Department to increase its federal prisoner population and the corresponding federal reimbursement.

**The Future:** The County of El Paso concluded negotiations with the United States Marshals Service to increase the daily reimbursement rate per prisoner during the last month of fiscal year 2008. When the negotiations started, the County expected an increase of about \$10 per day per prisoner based on the actual cost of running the County's detention facilities during fiscal year 2006. Fortunately, the increase agreed to by the County and the federal government came in slightly higher, at \$12.02 per prisoner per day. By agreeing to the new daily reimbursement rate of \$70 and as per new guidelines adopted by the Department of Justice, the County of El Paso agreed to lock the new rate for at least thirty-six months. In the past, a new daily reimbursement rate could be negotiated every twelve months opening the possibility for a yearly increase in revenues received for housing prisoners for other entities. The County is currently preparing to negotiate with the U.S. Marshalls in 2014. Now, unless the County expands its detention facilities to increase the number of beds available to the federal government or unless the average daily federal prisoner population increases, this revenue source will remain stable.

# *Overview and Description of Non-Major Revenue Sources*

## **Methodologies used to Estimate Revenues**

The remaining revenue sources for the County of El Paso, which are not described above, are considered to be non-major and constitute only 22.57% of all budgeted revenues for fiscal year 2014. These revenue sources are budgeted using the following techniques:

- 1) Time series techniques: moving averages and historical revenue trends;
- 2) Informed/expert judgment: advice of department heads, such as the County Auditor;
- 3) Statutory provisions and limitations: Truth in Taxation Guidelines for the State of Texas and Local Government Code; and
- 4) Contractual agreements: terms of contracts with other governmental entities for services provided to the public or grant contracts with other entities.

# Overview and Description of Non-Major Revenue Sources

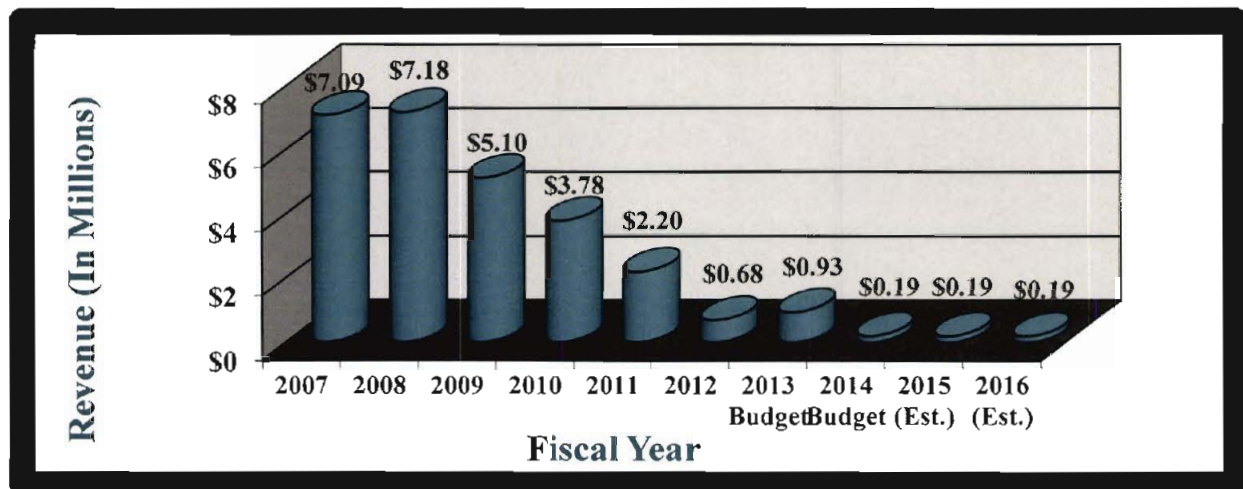
## (1) Interest Earnings

Interest revenue is the result of aggressive investment of the County’s public funds in a variety of investment options as authorized by law.

| Revenue Account Title           | Fiscal Year 2012 Actuals | Operating Budgets    |                      | Changes     |         |
|---------------------------------|--------------------------|----------------------|----------------------|-------------|---------|
|                                 |                          | Total Budget FY 2013 | Total Budget FY 2014 | Amount      | %       |
| Interest Earnings-Investments   | \$54,287                 | \$28,350             | \$12,750             | (\$15,600)  | -55.03% |
| Interest Earnings-N. O. W.      | 1,038,735                | 902,564              | 182,050              | (720,514)   | -79.83% |
| Interest Earnings-Program Loans | 695                      | 0                    | 0                    | 0           | 100.00% |
| Totals                          | \$1,093,717              | \$930,914            | \$194,800            | (\$736,114) | -79.07% |

**Methodology Used to Project Revenue:** Projections for this revenue category are perhaps the most cautious ones made since changes in the economy or in the Federal Reserve’s monetary policies have a direct impact on interest rates. The County of El Paso relies on historical trends which showed a marked recovery for several years after 2004 as a result of a strengthening economy, but then as a result of national economic conditions indicate that the downward trend is expected to continue into the foreseeable future.

**Other Information:** Aside from interest received from TexPool, the County of El Paso also receives interest from the bank it does business with as per the existing contract which is currently 5 basis points over TexPool’s rate. When the County’s depository institution contract goes out to bid, the interest rate received may change depending on whom the bid is awarded to, thus affecting future interest revenue projections. The table below shows actual Interest Earnings for fiscal year 2012, budgeted revenues for fiscal years 2013 and 2014, and estimates for fiscal years 2015 and 2016. The fact that Interest Earnings for fiscal year 2012 are \$485,873 higher than budgeted Interest Earnings revenue for fiscal year 2014 reflects the conservative approach taken when projecting this revenue source so as to avoid an overstatement of revenues.



# *Overview and Description of Non-Major Revenue Sources*

## **(1) Interest Earnings, Continued**

**The Future:** The greatest factor that will impact the Interest Earnings received by the County of El Paso in the future is the nation's economy. When the economy falters, as it did during fiscal years 2008 and 2009, the Federal Reserve is more likely to make interest cuts that will have an impact on the County's return on investment. Worldwide factors, such as increasing oil prices and developing economies, also affect the performance of the stock market. The dollar remains weakened by the low interest rates set by the Federal Reserve but that helps to narrow the trade gap as the demand for our exports increases. In the long run, this is expected to help the stock market and trickle down to interest revenues.

## **(2) Charges for Services**

The Charges for Services revenue category is used to account for service fees charged to the public by various County departments. Such services include, but are not limited to, birth or death certificates, auto registrations, concessions at recreational facilities, and parking for the public. Most fees are established in Local Government Code and typically only offset a portion of the cost of providing each service. The tables on the following pages shows all the revenue types that are considered Charges for Services as well as actual receipts for fiscal year 2012 and budget figures for 2013 and 2014.

**Methodology Used to Project Revenue:** Typically, historical revenue trends are used to project Charges for Services revenue. Some service revenues, such as commissions and concessions, are received in accordance with contracts that establish the amount that can be charged.

**Other Information:** The Charges for Services category also accounts for recreational revenues charged to the public for the use of County facilities, such as parks, pools, the golf course and the coliseum. Those fees are based on established rates set by Commissioners Court as deemed appropriate. This revenue source has remained relatively stable since the Court makes every possible effort to keep costs to the public as low as possible.

For fiscal year 2014, the revenue generated from recreation, such as Ascarate Traffic Control, is expected to stay the same, as fees were increased in 2010 and again in 2012, based on the Commissioners Court decision to stop granting entrance fee waivers for events held at the park, such as walks and fishing days. Additionally, for five holidays, Commissioners Court approved to increase the entrance fee from \$1 to \$5. Other fees such as green fees, and golf car fees were projected based on trends in past years.

# Overview and Description of Non-Major Revenue Sources

## (2) Charges for Services, Continued

| Revenue Account Title              | Fiscal Year<br>2012 Actuals | Operating Budgets       |                         | Changes    |          |
|------------------------------------|-----------------------------|-------------------------|-------------------------|------------|----------|
|                                    |                             | Total Budget<br>FY 2013 | Total Budget<br>FY 2014 | Amount     | %        |
| Alternative Dispute Resolution     | \$219,916                   | \$225,000               | \$230,000               | \$5,000    | 2.22%    |
| Arrest Fees-Other                  | 161,484                     | 150,000                 | 140,000                 | (\$10,000) | -6.67%   |
| Ascarate Swimming Pool             | 6,350                       |                         |                         |            |          |
| Ascarate Traffic Control           | 134,594                     | 130,000                 | 140,000                 | 10,000     | 7.69%    |
| Auto Registration Fee              | 360,000                     | 360,000                 | 360,000                 |            |          |
| Auto Sales Tax                     | 3,468,643                   | 3,250,000               | 3,960,000               | 710,000    | 21.85%   |
| Bad Check Collections              | 76,090                      |                         |                         |            |          |
| CA Summons Fees                    | 22,303                      | 20,000                  | 21,000                  | 1,000      | 5.00%    |
| Coliseum Food Concession           | 284,564                     | 260,000                 | 250,000                 | (10,000)   | -3.85%   |
| Coliseum Parking                   | 61,580                      | 73,000                  | 60,000                  | (13,000)   | -17.81%  |
| Coliseum Rental                    | 269,900                     | 150,000                 | 350,000                 | 200,000    | 133.33%  |
| Commissary Concession              | 717,278                     | 650,000                 | 700,000                 | 50,000     | 7.69%    |
| Consolidated Data Processing       | 9,230                       | 9,000                   | 9,000                   |            |          |
| Constable No. 1                    | 60,324                      | 55,000                  | 65,000                  | 10,000     | 18.18%   |
| Constable No. 2                    | 87,278                      | 80,000                  | 80,000                  |            |          |
| Constable No. 3                    | 56,964                      | 50,000                  | 50,000                  |            |          |
| Constable No. 4                    | 86,501                      | 80,000                  | 75,000                  | (5,000)    | -6.25%   |
| Constable No. 5                    | 60,220                      | 53,000                  | 55,000                  | 2,000      | 3.77%    |
| Constable No. 6                    | 36,762                      | 37,000                  | 69,000                  | 32,000     | 86.49%   |
| Constable No. 7                    | 36,051                      | 35,000                  | 45,000                  | 10,000     | 28.57%   |
| County Attorney Commissions        | 35,749                      | 30,000                  | 35,000                  | 5,000      | 16.67%   |
| County Clerk Fees                  | 3,935,112                   | 3,800,000               | 3,900,000               | 100,000    | 2.63%    |
| County Service Evaluation          | 284,624                     | 285,000                 | 300,000                 | 15,000     | 5.26%    |
| County Sheriff Fees                | 963,423                     | 1,000,000               | 900,000                 | (100,000)  | -10.00%  |
| County Tax Collector               | 2,632,937                   | 2,500,000               | 2,700,000               | 200,000    | 8.00%    |
| Court Reporter Fees                | 406,604                     | 400,000                 | 415,000                 | 15,000     | 3.75%    |
| Courthouse Cafeteria Concessions   | 17,668                      | 16,000                  | 16,000                  |            |          |
| Courthouse Security                | 203,479                     | 195,000                 | 210,000                 | 15,000     | 7.69%    |
| Courthouse Security-Justice Courts | 91,707                      | 82,660                  | 86,000                  | 3,340      | 4.04%    |
| Criminal Alien Housing             | 335,439                     | 150,000                 |                         | (150,000)  | -100.00% |
| Criminal Prosecution Fees          | 71,684                      | 70,000                  | 75,000                  | 5,000      | 7.14%    |
| District Clerk Fees                | 1,579,302                   | 1,500,000               | 1,650,000               | 150,000    | 10.00%   |
| DPS Arrest Fees                    | 28,357                      | 32,000                  | 45,000                  | 13,000     | 40.63%   |
| Driving Golf Range Fees            | \$41,855                    | \$42,000                | \$40,000                | (\$2,000)  | -4.76%   |

Continued on next page.

# Overview and Description of Non-Major Revenue Sources

## (2) Charges for Services, Continued

| Revenue Account Title          | Fiscal Year<br>2012 Actuals | Operating Budgets       |                         | Changes   |         |
|--------------------------------|-----------------------------|-------------------------|-------------------------|-----------|---------|
|                                |                             | Total Budget<br>FY 2013 | Total Budget<br>FY 2014 | Amount    | %       |
| DRO Child support Services     |                             |                         | \$40,000                | 40,000    | 100.00% |
| DRO Filing Fees                | \$641,310                   | \$700,000               | 725,000                 | 25,000    | 3.57%   |
| DWI Drug Court Fees            | 65,907                      | 55,000                  | 65,000                  | 10,000    | 18.18%  |
| El Paso Bar Attorney Exemption | 169,800                     | 100,000                 | 140,000                 | 40,000    | 40.00%  |
| Extra Auto Registration        | 5,881,226                   | 5,700,000               | 6,000,000               | 300,000   | 5.26%   |
| Extradition Prisoner           | 4,966                       | 5,000                   | 5,000                   |           |         |
| Federal Detainee               | 26,391                      |                         |                         |           |         |
| Fines and Forfeits             | 109,791                     |                         |                         |           |         |
| Gallegos Park Rental           | 2,100                       | 2,500                   | 2,500                   |           |         |
| Golf Car Fees                  | 300,070                     | 300,000                 | 300,000                 |           |         |
| Golf Course Food Concession    | 45,255                      | 42,000                  | 60,000                  | 18,000    | 42.86%  |
| Graffiti Eradication           | 1,425                       | 1,200                   | 500                     | (700)     | -58.33% |
| Green Fees                     | 548,606                     | 560,000                 | 550,000                 | (10,000)  | -1.79%  |
| Guardianship Fees              | 32,760                      | 30,000                  | 32,000                  | 2,000     | 6.67%   |
| Incentive Payments-Soc. Sec.   | 38,400                      | 20,000                  | 40,000                  | 20,000    | 100.00% |
| JP No. 1                       | 48,139                      | 34,500                  | 23,000                  | (11,500)  | -33.33% |
| JP No. 2                       | 64,955                      | 58,000                  | 60,000                  | 2,000     | 3.45%   |
| JP No. 3                       | 70,274                      | 67,000                  | 55,000                  | (12,000)  | -17.91% |
| JP No. 4                       | 60,546                      | 56,000                  | 63,000                  | 7,000     | 12.50%  |
| JP No. 5                       | 56,164                      | 56,000                  | 54,000                  | (2,000)   | -3.57%  |
| JP No. 6                       | 198,334                     | 170,000                 | 240,000                 | 70,000    | 41.18%  |
| JP No. 6 Place 2               | 52,075                      | 55,836                  | 81,000                  | 25,164    | 45.07%  |
| JP No. 7                       | 69,555                      | 61,000                  | 69,000                  | 8,000     | 13.11%  |
| Jury Fees                      | 60,268                      | 35,000                  | 40,000                  | 5,000     | 14.29%  |
| Juvenile Housing/Support Fees  | 74,401                      | 70,000                  | 80,000                  | 10,000    | 14.29%  |
| Juvenile Probation Supervision | 96,324                      | 75,000                  | 90,000                  | 15,000    | 20.00%  |
| Law Library Fees               | 519,584                     | 510,000                 | 520,000                 | 10,000    | 1.96%   |
| Lessons                        | 7,073                       |                         | 6,000                   | 6,000     | 100.00% |
| Medical Examiner Fees          | 4,303                       | 4,000                   | 4,000                   |           |         |
| Parking Garage Commissions     | 1,165,317                   | 1,200,000               | 1,275,000               | 75,000    | 6.25%   |
| Pavilion Rental                | 28,130                      | 30,000                  | 33,000                  | 3,000     | 10.00%  |
| Prisoner Maintenance-City      | 374,093                     | 350,000                 | 350,000                 |           |         |
| Pro-Shop Sales                 | 30,003                      | 27,000                  | 30,000                  | 3,000     | 11.11%  |
| Probate Court Fees             | 8,518                       | 8,000                   | 8,000                   |           |         |
| Program Participants           | \$1,219,077                 | \$1,197,014             | \$1,392,320             | \$195,306 | 16.32%  |

Continued on next page.

# Overview and Description of Non-Major Revenue Sources

## (2) Charges for Services, Continued

| Revenue Account Title         | Fiscal Year<br>2012 Actuals | Operating Budgets       |                         | Changes            |               |
|-------------------------------|-----------------------------|-------------------------|-------------------------|--------------------|---------------|
|                               |                             | Total Budget<br>FY 2013 | Total Budget<br>FY 2014 | Amount             | %             |
| Protective Order Applications | \$3,475                     | \$4,000                 | \$3,500                 | (\$500)            | -12.50%       |
| Records Archives Fees         | 595,617                     | 570,000                 | 1,005,000               | 435,000            | 76.32%        |
| Records Mgmt and Preservation | 947,171                     | 969,000                 | 1,448,000               | 479,000            | 49.43%        |
| Scofflaw Fee                  | 12,540                      | 15,000                  | 85,000                  | 70,000             | 466.67%       |
| Sewage Inspection Fees        | 77,990                      | 72,000                  | 68,000                  | (4,000)            | -5.56%        |
| Sheriff Food Concession       | 38                          |                         |                         |                    |               |
| Special Probate Court Fees    | 8,190                       | 7,000                   | 7,000                   |                    |               |
| Sportspark Commissions        | 11,836                      |                         |                         |                    |               |
| Sportspark Fees/Rentals       | 407,815                     | 400,000                 | 300,000                 | (100,000)          | -25.00%       |
| State A G Child Support       | 711,478                     | 1,100,000               | 700,000                 | (400,000)          | -36.36%       |
| Subdivision Fees              | 61,685                      | 45,000                  | 43,000                  | (2,000)            | -4.44%        |
| Technology Fee                | 15,711                      | 19,000                  | 19,000                  |                    |               |
| Teen Court Filing Fee         | 1,203                       | 1,200                   | 700                     | (500)              | -41.67%       |
| Transportation Fee            |                             |                         | 4,500,000               | 4,500,000          | 100.00%       |
| Veterans Court Fee            |                             |                         | 500                     | 500                | 100.00%       |
| Video Court Cost Fee          | 1,737                       |                         | 3,000                   | 3,000              | 100.00%       |
| Vital Statistics Fee          | 71,338                      | 65,000                  | 65,000                  |                    |               |
| Weekender Prisoner (Self-Pay) | 5,921                       | 5,000                   | 5,000                   |                    |               |
| <b>Totals</b>                 | <b>\$31,850,857</b>         | <b>\$30,621,910</b>     | <b>\$37,717,020</b>     | <b>\$7,095,110</b> | <b>23.17%</b> |

Commissioners Court continues to look at the County's parks in an attempt to improve facilities to make them more appealing to the public while minimizing the County resources spent on their operation. One of the ideas entertained by the Court in the past was to turn control of the parks, via interlocal agreement, over to the City of El Paso. Another idea that has been explored is the privatization of the Sportspark. Although the revenue generated by the Sportspark would decrease or disappear entirely, this is not expected to impact the General Fund materially, as this operation is not revenue neutral.

Also included in this category are several fees of a miscellaneous nature imposed through the judiciary or by departments due to changes in State laws or other contracts unrelated to the other previously defined categories. This category includes departments such as the District Clerk and Tax Office. Budgeted revenues for fiscal year 2014 represent an increase of \$100,000 in County Clerk Fees and an increase of \$200,000 in Tax Office Fees, based on actual receipts in 2012. In addition, fees for Constables and Justices of the Peace have been projected for 2014, based on the trend of revenues in this area. The greatest increase in budgeted revenues for fiscal year 2014 of \$4.5 million and is due to the new Transportation Fee.

# Overview and Description of Non-Major Revenue Sources

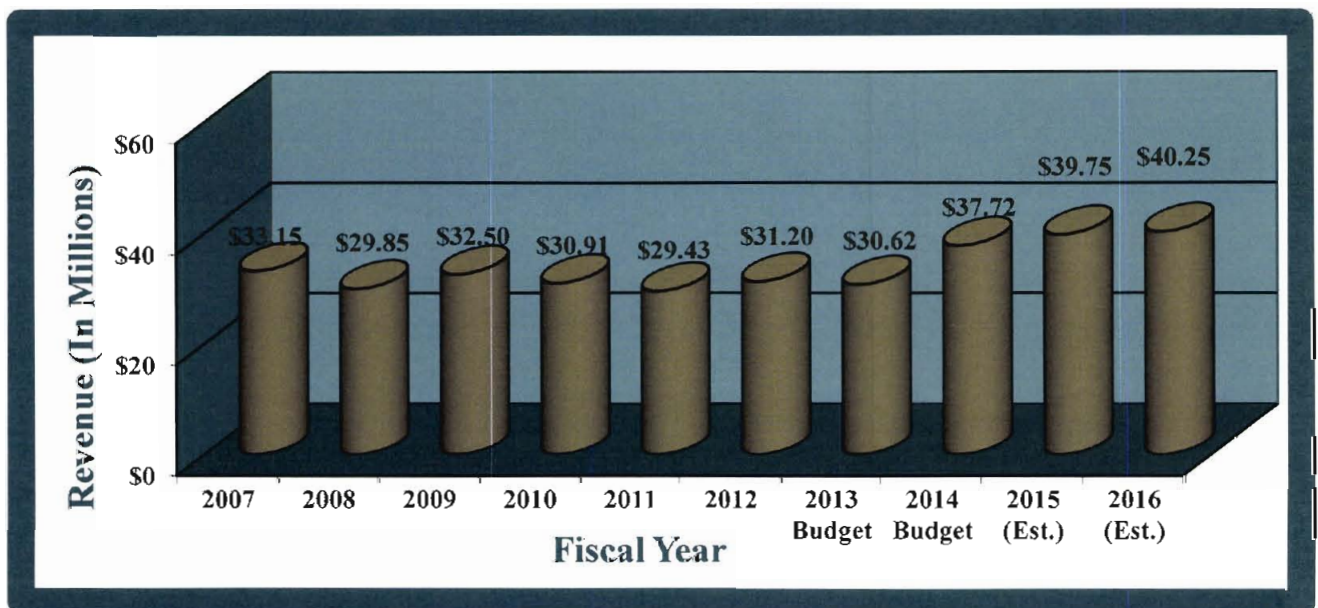
## (2) Charges for Services, Continued

Budgeted Court Reporter Fees revenue remains at \$400,000 for fiscal year 2012 due to no changes in the State Law. The Technology Fee budgeted at \$15,000 for fiscal year 2012 is a 50.0% increase from fiscal year 2011 a result of changes in case filings. New revenues are also expected from arrest fees, and the line item for Criminal Alien Housing has been increased base on revenues received. Alternatively, the greatest decrease in budgeted revenues for 2012 is in the Auto Sales Tax line item, based on actual receipts.

An increase in population will inevitably place a higher demand on County departments allowing for revenue collections to increase or to at least remain stable. Parking fees, for example, are imposed on members of the general public and on County employees who use the parking facilities and are governed by a contract. As of the beginning of fiscal year 2008, the second parking garage is used solely by individuals who pay for the service they receive on a monthly basis as well as by the El Paso Police Department. The original parking garage continues to function on a pay-as-you-go basis, and daily rates were reduced during fiscal year 2007 to allow the County to remain competitive with other parking facilities in the Downtown area. The rate change has increased the number of patrons, especially during weekends. In January 2010, the County took over the daily operations of the two parking garages and set a fixed daily rate; during fiscal year 2014 it is expected to generate \$75,000, or 6.25% more than fiscal year 2013 since all revenue now goes to the County and not to a contractor.

Below is a graphical representation of Charges for Services revenue received or budgeted during the period 2007 through 2014, as well as revenue estimates for fiscal years 2015 and 2016.

**Charges for Services, Revenue**





# Overview and Description of Non-Major Revenue Sources

## (2) Charges for Services, Continued

**The Future:** In the future and as operating costs continue to increase, fees for the use of other recreational facilities, such as the golf course, will also increase, thus affecting future revenue received from the sources listed under this section.

It is important to note that during fiscal year 2011, the County of El Paso instituted the Scofflaw Verification Program in order to collect outstanding fines and fees. This program prevents individuals with outstanding violations to renew their vehicle registration until the violation is paid. Through the Scofflaw Verification Program, approximately 12,590 outstanding cases have been identified and are expected to be collected. However, we must be cautious, as the collectability of older cases decreases as we move forward.

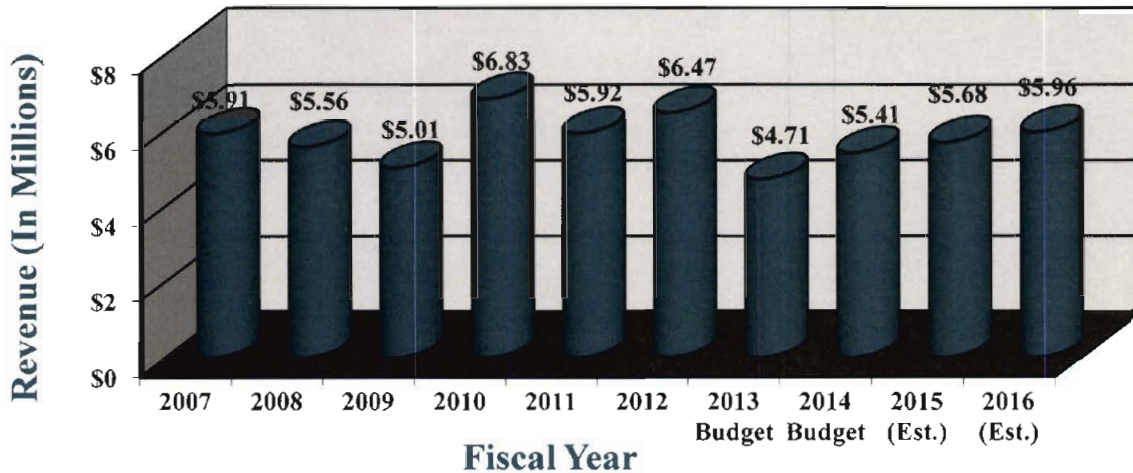
## (3) Fines and Forfeits

The Fines and Forfeits revenue category is attributable to the funds generated by various elected officials who assess fines or collect on forfeitures as a result of the County's judicial process. As a non-major source of revenue, it has seven sub-components with actual revenue collection figures for fiscal year 2012 as well as seven sub-components with budgeted and estimated revenues for fiscal years 2013 and 2014. The table below gives a numerical comparison of all revenues that fall under this category.

| Revenue Account Title | Fiscal Year<br>2012 Actuals | Operating Budgets       |                         | Changes    |         |
|-----------------------|-----------------------------|-------------------------|-------------------------|------------|---------|
|                       |                             | Total Budget<br>FY 2013 | Total Budget<br>FY 2014 | Amount     | %       |
| Child Safety Fees     | \$53,964                    | \$60,000                | \$45,000                | (\$15,000) | -25.00% |
| County Attorney Bond  | 370,205                     | 400,000                 | 450,000                 | 50,000     | 12.50%  |
| County Traffic Fees   | 36,793                      | 35,000                  | 40,000                  | 5,000      | 14.29%  |
| Fines and Forfeits    | 5,013,024                   | 4,130,000               | 4,759,000               | 629,000    | 15.23%  |
| Judgments             | 21,651                      |                         | 13,000                  | 13,000     | 100.00% |
| Juror Fines           | 80,286                      | 85,000                  | 100,000                 | 15,000     | 17.65%  |
| State Drug Forfeiture | 39,732                      |                         |                         |            |         |
| Totals                | \$5,615,655                 | \$4,710,000             | \$5,407,000             | \$697,000  | 14.80%  |

# Overview and Description of Non-Major Revenue Sources

## (3) Fines and Forfeits, Continued



**Methodology Used to Project Revenue:** Projected revenue from Fines and Forfeits is based on historical revenue trends. Assessment amounts set forth by statute also impact revenue projections. The graph above shows revenue received or budgeted for this source for the period 2007 through 2014, as well as revenue estimates for 2015 and 2016.

**Other Information:** Since fiscal year 2008, however, Fines and Forfeits no longer met the necessary criteria to be considered one of the County's major revenue sources. This revenue source now includes all collections stemming from child safety fees, county attorney bond forfeitures, county traffic fees, fines and forfeits, juror fines and state drug forfeitures. Actual collections classified as Fines and Forfeits for fiscal year 2012 show an increase of approximately \$500,000 over collections in fiscal year 2011. However, that increase is due to the fact that, in the past, revenues coded directly to the Fines and Forfeits sub-object were sufficient to constitute a major revenue source for the County.

Aside from the increase described in the paragraph above, fluctuations in this revenue source are directly linked to the County's collection efforts. Without a doubt, joint efforts to collect on outstanding fines, fees and bond forfeitures by the Constables and their deputies, Sheriff's deputy warrant officers, the County Clerk's collections department, the County Attorney's office, all Justices of the Peace and all District and County Courts resulted in substantial increases in revenues collected for prior years. However, that also means that less fines, fees and bond forfeitures are outstanding and available to collect on in future years. For that reason, the County of El Paso is expecting a minimal increase of \$700 thousand in collections for fiscal year 2014.

# Overview and Description of Non-Major Revenue Sources

## (3) Fines and Forfeits, Continued

As per Texas Legislative House Bill Number 1185, ten percent of the gross amount received by the District Attorney from forfeitures is deposited in a special account. That forfeiture money is then allocated as determined by Commissioners Court to fund drug abuse and prevention programs through several Drug Courts in the County.

**The Future:** As mentioned in a previous page, aggressive collection efforts in the past have resulted in less outstanding items to collect on in the future. Starting in fiscal year 2008 and continuing through fiscal year 2014, Constables have and will work warrant roundups that target citizens with outstanding warrants. Each person whose name appears on the warrants list published in the local newspaper has the option of paying the fines assessed or may be imprisoned. Because the results have been extremely positive, it is to be expected that the roundups will continue, thus reducing the number of outstanding warrants that are carried on the County's books from year to year. Despite the reduction in force that affected their offices, Constables are also expected to continue their participation in randomly scheduled warrant roundups at international ports of entry to collect on outstanding traffic warrants issued to Mexican nationals. Increased policing efforts are also expected to continue throughout the County, resulting in increased collections pertaining to violation of child safety laws. Finally, we must keep in mind that population growth in El Paso County will continue playing a major role in the increase in collections for this revenue source.

## (4) Intergovernmental Revenue

The Intergovernmental Revenue category is used to account for all funds received from other governmental entities, mostly in the form of grants or reimbursements. As of the beginning of fiscal year 2014, the County of El Paso is anticipating that this revenue source will make up about 2.31% of its total budgeted revenues. The table below and on the next page show actual collections during fiscal year 2012 as well as budget figures for fiscal years 2013 and 2014.

| Revenue Account Title | Fiscal Year<br>2012 Actuals | Operating Budgets       |                         | Changes       |          |
|-----------------------|-----------------------------|-------------------------|-------------------------|---------------|----------|
|                       |                             | Total Budget<br>FY 2013 | Total Budget<br>FY 2014 | Amount        | %        |
| Congregate Meals      | \$469,090                   | \$373,002               |                         | (\$373,002)   | -100.00% |
| Contribution-City     | 378,559                     | (113,366)               |                         | 113,366       | -100.00% |
| Federal Detainee      |                             |                         | \$25,000                | 25,000        | 100.00%  |
| Federal Grant         | \$8,565,728                 | \$2,937,494             |                         | (\$2,937,494) | -100.00% |

Continued on next page.

# Overview and Description of Non-Major Revenue Sources

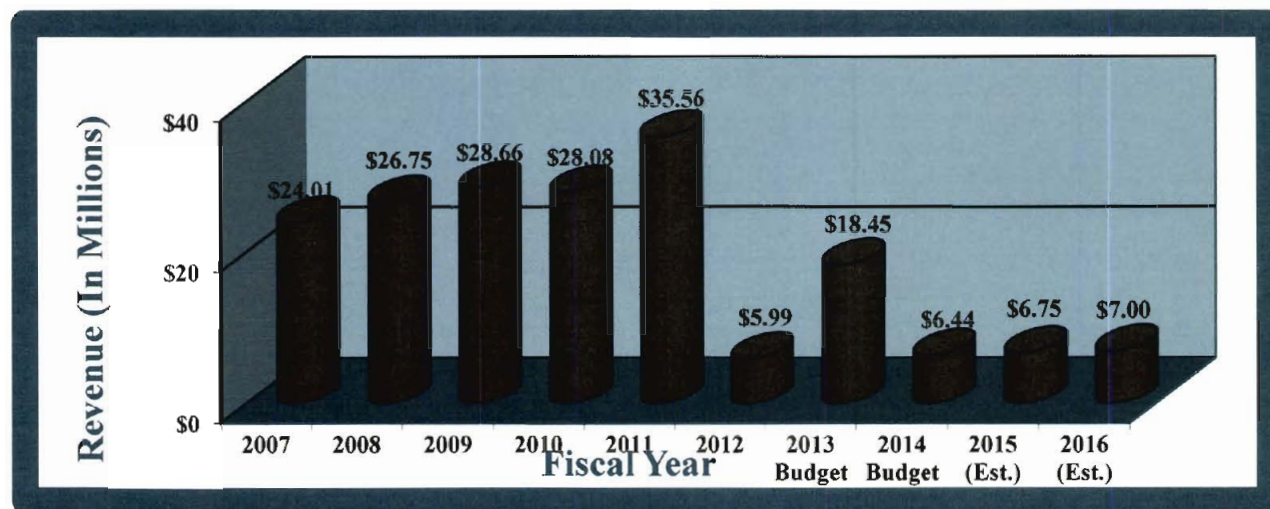
## (4) Intergovernmental Revenue, Continued

| Revenue Account Title           | Fiscal Year<br>2012 Actuals | Operating Budgets       |                         | Changes               |                |
|---------------------------------|-----------------------------|-------------------------|-------------------------|-----------------------|----------------|
|                                 |                             | Total Budget<br>FY 2013 | Total Budget<br>FY 2014 | Amount                | %              |
| Federal Grant thru City         |                             | \$267,273               |                         | (\$267,273)           | -100.00%       |
| Federal Grant thru State        | \$3,586,360                 | 3,614,343               |                         | (3,614,343)           | -100.00%       |
| Food Stamp Fraud                | 18,200                      | 12,000                  | \$12,000                |                       |                |
| Homebound Meals-Title III       | 179,185                     | 154,351                 |                         | (154,351)             | -100.00%       |
| Judiciary Supp Govt Code 51     | 942,380                     | 930,000                 | 1,004,000               | 74,000                | 7.96%          |
| Lateral Road                    | 67,099                      | 50,000                  | 50,000                  |                       |                |
| Nutrition                       | 2,863                       | 2,863                   |                         | (2,863)               | -100.00%       |
| Prosecutor Longevity            | 268,765                     | 220,000                 | 250,000                 | 30,000                | 13.64%         |
| Reimb-A. G. Child Support       | 179,674                     | 200,000                 | 200,000                 |                       |                |
| Reimb-City Computer             | 178,381                     | 165,000                 | 165,000                 |                       |                |
| Reimb-City Utilities            | 47,965                      | 35,000                  | 42,000                  | 7,000                 | 20.00%         |
| Reimb-County Archives Bldg.     | 18,080                      | 20,000                  | 20,000                  |                       |                |
| Reimb-Elections                 | 218,422                     | 200,000                 | 200,000                 |                       |                |
| Reimb-Federal Drug Cases        | 565,286                     | 250,000                 | 25,000                  | (225,000)             | -90.00%        |
| Reimb-Fed School Lunch Prog     | 116,638                     | 125,000                 | 125,000                 |                       |                |
| Reimb-Guardianship              |                             |                         | 25,000                  | 25,000                | 100.00%        |
| Reimb-Indigent Defense          | 832,614                     | 1,000,000               | 1,250,000               | 250,000               | 25.00%         |
| Reimb-Inmate Transportation     | 56,351                      | 50,000                  | 55,000                  | 5,000                 | 10.00%         |
| Reimb-Juror                     | 175,084                     | 157,700                 | 190,000                 | 32,300                | 20.48%         |
| Reimb-Legal Fees                | 202,011                     | 200,000                 | 205,000                 | 5,000                 | 2.50%          |
| Reimb-Medicaid                  |                             | 106,633                 | 40,000                  | (66,633)              | -62.49%        |
| Reimb-MHMR                      |                             | 190,000                 | 398,000                 | 208,000               | 109.47%        |
| Reimb-R. E. Thomason            | 714,258                     | 1,621,026               | 913,674                 | (707,352)             | -43.64%        |
| Reimb-Salaries                  | 197,921                     | 362,177                 | 523,453                 | 161,276               | 44.53%         |
| Reimb-State Witness Claims      | 77,700                      | 65,000                  | 55,000                  | (10,000)              | -15.38%        |
| Reimb-Tobacco Settlement        | 117,408                     | 100,000                 | 125,000                 | 25,000                | 25.00%         |
| Reimb-Utilities                 | 35,692                      | 20,000                  | 30,000                  | 10,000                | 50.00%         |
| Revenue Sharing                 | 372,238                     | 749,415                 | 150,000                 | (599,415)             | -79.98%        |
| State Agency                    | 313,804                     | 268,864                 | 287,392                 | 18,528                | 6.89%          |
| State Agency Supplement         | 21,136                      | 22,287                  | 22,500                  | 213                   | 0.96%          |
| State Drug Forfeiture           |                             | 10,000                  | 40,000                  | 30,000                | 300.00%        |
| State Grant                     | 16,675,925                  | 3,798,858               |                         | (3,798,858)           | -100.00%       |
| Supp. of the Judiciary Cnty Fee | 15,608                      | 15,000                  | 15,000                  |                       |                |
| USDA Cash                       | 326,121                     | 270,846                 |                         | (270,846)             | -100.00%       |
| <b>Totals</b>                   | <b>\$35,936,546</b>         | <b>\$18,450,766</b>     | <b>\$6,443,019</b>      | <b>(\$12,007,747)</b> | <b>-65.08%</b> |

# Overview and Description of Non-Major Revenue Sources

## (4) Intergovernmental Revenue, Continued

**Methodology Used to Project Revenue:** Intergovernmental Revenue estimates are based on historical revenue trends for line items such as Federal School Lunch Reimbursements, which depend on the juvenile population housed at the Juvenile Probation Department. Other revenue, such as the Tobacco Settlement Reimbursement, is pre-determined by contracts that the County has entered into. It is based on those contracts that projections are also made.



The graph above shows the revenue trend for the period 2007 through 2012 as well as budget figures for 2013 and 2014 and estimates for fiscal years 2015 and 2016. Preliminary receipts for fiscal year 2013 are used to conservatively estimate Intergovernmental Revenues for fiscal years 2015 and 2016 at \$6.75 and \$7.00 million, respectively.

**Other Information:** It is the County's policy to aggressively seek funding sources that will improve the quality of life for its citizens without necessarily increasing the financial burden on the General Fund. Budgeted revenues for fiscal year 2014 are significantly less than those budgeted or received in prior fiscal years. Though drastic, that difference is due to the fact that grant revenues are not budgeted at the beginning of the fiscal year but until an actual grant award is received. By using this approach, the County of El Paso avoids overstating its budgeted Intergovernmental Revenues, particularly as it pertains to Federal and State grants.

From time to time, the County of El Paso receives one-time funding from other governmental entities and this revenue source is used to account for those special funds. Such as was the case during fiscal year 2006 when the area was hit by a severe storm that caused severe flooding and property damage. In response to the unprecedented situation, the Federal Emergency Management Agency (FEMA) issued funding in the amount of \$217,564 to offset a portion of the clean-up and repair costs incurred by the County.

Federal Drug Case Reimbursement revenues are budgeted conservatively at \$25,000 for fiscal year 2014 since the exact amount received is contingent on factors such as the number of cases handled within a fiscal year and hours spent by prosecutors. This amount has been

# *Overview and Description of Non-Major Revenue Sources*

## **(4) Intergovernmental Revenue, Continued**

reduced significantly as a result of changes in the funding methodology. Those cases must meet the guidelines of the Southwest Border Prosecution Initiative (SWBPI) which reimburses local government entities for the prosecution of drug cases turned down by the federal government, usually because the amount in question is small in comparison with other cases. In the past, other contributing factors were: whether a defendant was prosecuted and incarcerated or only prosecuted and the number of days between the arrest date and the case disposal date. These factors: the availability of federal funds for this program; the time period during which cases, compiled on a quarterly basis, can be billed online; and the time between billing and receipt of reimbursement still continue to impact revenues projected. Because there is no set timeline for the SWBPI to submit reimbursement and because the amount of available funds is divided amongst multiple agencies, receivables are not booked so as to not overstate revenues. Federal drug case reimbursements received during fiscal year 2012 amounted to \$565,286 and pertained to cases billed for fiscal year 2010 and the first half of fiscal year 2011. Due to the guidelines for the Southwest Border program being revised, for fiscal year 2013, Federal drug case reimbursements decreased dramatically to \$5,646.

**The Future:** In the future, it is expected that this revenue source will remain stable. In most instances governmental entities do not guarantee funding of any sort, so any decision that is made at other levels of government will trickle down to impact the County's revenue stream. For example, the federal government's intense focus on anti-terrorism has shifted funding to other areas which are not the County's forte. As has happened with other revenue sources, the economic turmoil faced by the United States will affect the amount of Intergovernmental Revenue received. Historically, the County of El Paso has received large grant awards from the Office of National Drug Control Policy to support anti-drug efforts in the area. If the federal administration shifts its focus to infrastructure projects which are more likely to jumpstart the economy, funding for the war on drugs may decrease.

This revenue source is also impacted by the creation of new Courts. Two new District Courts began operations in the County of El Paso during fiscal year 2008, increasing the number of case filings as well as the reimbursement received for support of the judiciary under government code 51. In addition, two new County Criminal Courts at Law were created by the passage of House Bill No. 4008 and these Courts began operations in January 2009.

## **(5) Licenses and Permits**

Budgeted revenues for Licenses and Permits represent only 0.09% of the County's budgeted revenues for fiscal year 2014. This category is used to account for all revenue received from the issuance of operating licenses and business permits, whether they are new or renewals. The table on the following page shows the four individual components of this revenue category, as well as the change in budget from 2013 to 2014.

# Overview and Description of Non-Major Revenue Sources

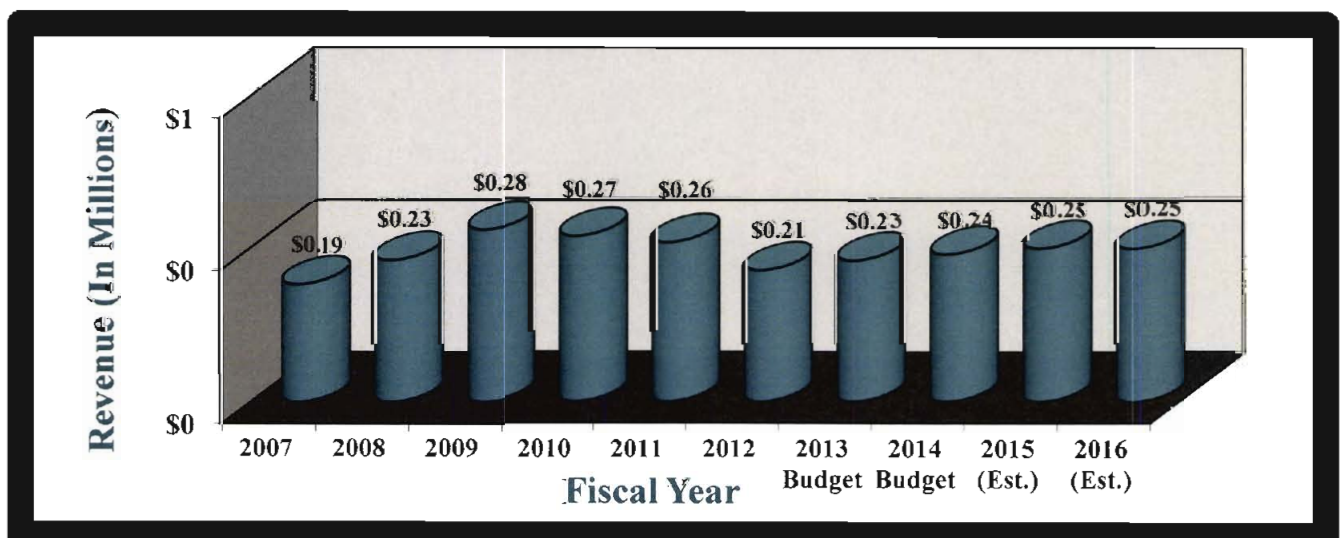
## (5) Licenses and Permits, Continued

**Methodology Used to Project Revenue:** Because this revenue source fluctuates from year to year, historical revenue trends are the best tool for making for projections. Revenue received from renewals is easier to project, but new permits or licenses are based solely on history. For this reason, Alcoholic Beverage Licenses are projected with a \$10 thousand increase based on actual revenues to be collected in 2013. The graph below shows actual revenue received for the period 2007 through 2012 as well as budgeted revenues for 2013 and 2014. For fiscal years 2015 and 2016, it is expected that this revenue source will remain stable as the County continues to grow and there is increased demand for services.

| Revenue Account Title       | Fiscal Year<br>2012 Actuals | Operating Budgets       |                         | Changes        |              |
|-----------------------------|-----------------------------|-------------------------|-------------------------|----------------|--------------|
|                             |                             | Total Budget<br>FY 2013 | Total Budget<br>FY 2014 | Amount         | %            |
| Alcoholic Beverage Licenses | \$213,128                   | \$190,000               | \$200,000               | \$10,000       | 5.26%        |
| Bail Bond Permits           | 8,500                       | 7,000                   | 6,000                   | (1,000)        | -14.29%      |
| Occupational Licenses       | 31,344                      | 31,000                  | 31,000                  |                |              |
| Title Runner License        | 6,245                       | 6,000                   | 6,000                   |                |              |
| <b>Totals</b>               | <b>\$259,217</b>            | <b>\$234,000</b>        | <b>\$243,000</b>        | <b>\$9,000</b> | <b>3.85%</b> |

**Other Information:** The amount charged for issuing a license or a permit is set by the State. This is to establish a maximum amount that can be charged to encourage applicants to obtain legitimate permits. By having a legitimate permit on file for all establishments, the County can better track the type and quality of services provided to the public.

As set forth in *Texas Local Government Code, §243.009*, the cost of issuing or renewing a license or permit is based not only on the cost of processing the application but also on the cost of investigating the applicants. As the costs associated with issuing licenses and permits increase, the State may revise the maximum fees allowed and projected revenues generated by these sources will have to change accordingly.



# *Overview and Description of Non-Major Revenue Sources*

## **(5) Licenses and Permits, Continued**

**The Future:** Because the maximum amount that can be charged for any and all licenses and permits is set by the State, this revenue source will most likely remain stable until the statutes are revised, thus resulting in very conservative projected revenues for fiscal years 2015 and 2016. It is the County's belief that an increase in the indirect cost of processing all license and permit applications, mainly due to salary and operating expense increases, will warrant a revision of government code. In the future, the County may consider the possibility of having inspectors visit all establishments in the outlying areas to verify that all permits are current and legitimate to maximize revenue collections. Also, as the County continues to grow eastward, more services are needed and more establishments that need a license and/or permit will begin operations thus increasing revenue collections that fall under this category.

## **(6) Miscellaneous Revenues**

The sixth non-major source of revenue is used to account for Miscellaneous Revenues, or revenues that do not fit the description of other revenue categories. It is important to note that these revenue sources sometimes do not fit the description of other revenue categories because they are of an infrequent nature. In many instances, these revenues may not be budgeted at the beginning of the fiscal year because they may be unexpected. For fiscal year 2014, Miscellaneous Revenues make up approximately 0.74% of budgeted revenues. The table on the following page shows the multiple components of this source as well as actual collections for fiscal year 2012, budget figures for fiscal years 2013 and 2014.

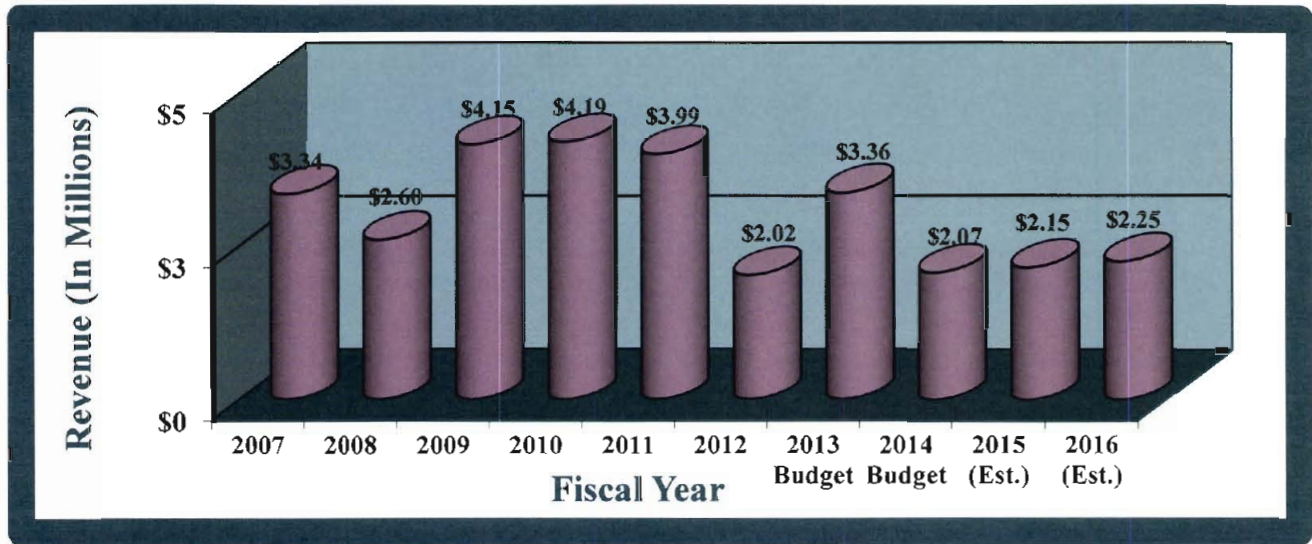
**Methodology Used to Project Revenue:** Because the revenue accounts listed are highly unpredictable, the County of El Paso relies heavily on historical revenue trends to make estimates for future years. One-time revenue sources are the most difficult to estimate since they may be unexpected and not easily identified until very late in the fiscal year. The County of El Paso makes every effort to budget any revenues that may result from anticipated legislative changes. For fiscal years 2014 through 2016, the County will once again budget on the conservative side, based on the unpredictable nature of grants and one-time sources of revenue.

**Other Information:** The graph that follows shows activity classified as Miscellaneous Revenues for the period 2007 through 2012 as well as budget figures for 2013 and 2014 and estimates for 2015 and 2016. The Miscellaneous Revenues category also includes some categories that are generated by grants, such as Program Income. Because of its nature, these revenue sources are not budgeted.



# Overview and Description of Non-Major Revenue Sources

## (6) Miscellaneous Revenues, Continued



| Revenue Account Title        | Fiscal Year 2012 Actuals | Operating Budgets    |                      | Changes     |          |
|------------------------------|--------------------------|----------------------|----------------------|-------------|----------|
|                              |                          | Total Budget FY 2013 | Total Budget FY 2014 | Amount      | %        |
| Allright Parking             | \$119,718                | \$120,000            | \$120,000            |             |          |
| C-1 Program Income           | 136,700                  | 123,931              |                      | (\$123,931) | -100.00% |
| Commissions                  | 10,215                   | 90,000               | 10,000               | (80,000)    | -88.89%  |
| Contributions/Donations-Gen. | 47,388                   | 30,500               | 40,000               | 9,500       | 31.15%   |
| Contribution-Local           |                          | 643                  |                      | (643)       | -100.00% |
| Contributions-Other          | 19,264                   |                      |                      |             |          |
| Foundation Funding           | 85,120                   |                      |                      |             |          |
| Indirect Services            | 281,767                  | 250,000              |                      | (250,000)   | -100.00% |
| Jury Donation Revenue        | 5,404                    | 4,500                | 3,000                | (1,500)     | -33.33%  |
| Late Fees                    | 1,482                    |                      |                      |             |          |
| NSF Check Fees               | 9,956                    | 10,000               | 10,000               |             |          |
| Open Records Fees            | 515                      | 500                  | 500                  |             |          |
| Phone Commissions-Local      | 836,889                  | 800,000              | 750,000              | (50,000)    | -6.25%   |
| Program Income               | 1,085,258                | 609,546              | 83,000               | (526,546)   | -86.38%  |
| Property Sales               | \$8,134                  | 45,000               | 10,000               | (35,000)    | -77.78%  |
| Purchasing Copies/Postage    | 39,735                   | 38,000               | 24,000               | (14,000)    | -36.84%  |
| Purchasing Stock Sales       | 24,010                   | 28,000               | 30,000               | 2,000       | 7.14%    |
| Reimb.-Expenditures Prior Yr | \$111,015                | \$50,000             | \$75,000             | \$25,000    | 50.00%   |

Continued on next page.

# Overview and Description of Non-Major Revenue Sources

## (6) Miscellaneous Revenues, Continued

| Revenue Account Title                 | Fiscal Year<br>2012 Actuals | Operating Budgets       |                         | Changes       |          |
|---------------------------------------|-----------------------------|-------------------------|-------------------------|---------------|----------|
|                                       |                             | Total Budget<br>FY 2013 | Total Budget<br>FY 2014 | Amount        | %        |
| Reimb.-Guardianship                   | \$67,566                    |                         |                         |               |          |
| Reimb.-MHMR CA Services               | 62,966                      |                         |                         |               |          |
| Reimb.-MHMR IT Services               | 160,417                     |                         |                         |               |          |
| Reimb.-Travel Prior Year              | 403                         | \$1,000                 |                         | (\$1,000)     | -100.00% |
| Reimb.-Miscellaneous                  | 170,695                     | 490,000                 | \$215,000               | (275,000)     | -56.12%  |
| Reimb.-OSSF City of Socorro           | 12,000                      | 12,000                  | 12,000                  |               |          |
| Reimb.-OSSF Town of Clint             | 12,000                      | 12,000                  | 12,000                  |               |          |
| Reimb.-OSSF Village of Vinton         | (5,500)                     |                         |                         |               |          |
| Reimb.-Payments in Lieu of<br>Rebates | 3,210                       | 3,000                   | 3,000                   |               |          |
| Reimb.-Post Secure                    |                             | 11,000                  |                         | (11,000)      | -100.00% |
| Reimb.-Rural Bus Service              | 6,100                       | 6,000                   | 7,500                   | 1,500         | 25.00%   |
| Reimb.-Solar                          | 21,377                      |                         |                         |               |          |
| Reimb.-Special Events                 | 17,670                      | 10,000                  | 12,000                  | 2,000         | 20.00%   |
| Reimb.-Supervised Visitation          |                             |                         |                         |               |          |
| Rentals/Leases                        | 172,084                     | 160,000                 | 160,000                 |               |          |
| Stale Dated Checks                    | 534                         | 22,000                  | 22,000                  |               |          |
| Stale Jury Checks                     | 24,613                      |                         |                         |               |          |
| State Service Fees                    | 170,071                     | 215,000                 | 235,000                 | 20,000        | 9.30%    |
| Time Payment Fee-10%                  | 12,627                      | 13,000                  | 13,000                  |               |          |
| Time Payment Fee-40%                  | 50,508                      | 50,000                  | 50,000                  |               |          |
| Unclassified Revenue                  | (14,250)                    | 154,043                 | 169,500                 | 15,457        | 10.03%   |
| Totals                                | \$3,767,661                 | \$3,359,663             | \$2,066,500             | (\$1,293,163) | -38.49%  |

**The Future:** For future years, the County of El Paso expects budgeted Miscellaneous Revenues to remain stable, specifically fiscal years 2015 and 2016. It is important to reiterate that revenues classified as miscellaneous can be one-time sources that cannot be predicted before they are received.

On the other hand, some of the revenues are somewhat easier to predict ahead of time, such as phone commissions which are based on a contract signed by the County and the current phone service provider. That revenue source is expected to register a decrease during fiscal year 2014 due to a new contract signed between the County and the phone company, as well as proposed changes from the FCC. Also, new contracts have been signed to reimburse the County for sewage inspection services, and those have been appropriated next fiscal year for reimbursement from the City of Socorro and Town of Clint.

# Overview and Description of Non-Major Revenue Sources

## (7) Other Financing Sources

| Revenue Account Title          | Fiscal Year<br>2012 Actuals | Operating Budgets       |                         | Changes       |          |
|--------------------------------|-----------------------------|-------------------------|-------------------------|---------------|----------|
|                                |                             | Total Budget<br>FY 2013 | Total Budget<br>FY 2014 | Amount        | %        |
| Desig. for Subs. Yrs Expend    | \$298,995                   | \$1,256,329             | \$538,411               | (\$717,918)   | -57.14%  |
| Property Sales                 | 52,813                      |                         |                         |               |          |
| Transfers In                   | 124,725,367                 | 4,615,444               | 4,544,152               | (71,292)      | -1.54%   |
| Trsfers In-CA Supplement       | 58,833                      |                         |                         |               | 100.00%  |
| Trsfers In-Court Reporter Fees | 406,000                     | 406,000                 | 425,000                 | 19,000        | 4.68%    |
| Trsfers In-Excess Grant Match  | 175,227                     | 150,000                 | 200,000                 | 50,000        | 33.33%   |
| Trsfers In-Grants              | 1,704,149                   | 1,212,059               |                         | (1,212,059)   | -100.00% |
| Trsfers In-Justice Court Mgr   | 190,174                     | 120,000                 | 116,500                 | (3,500)       | 100.00%  |
| Totals                         | \$127,611,558               | \$7,759,832             | \$5,824,063             | (\$1,935,769) | -24.95%  |

The County's seventh non-major revenue source is used to account for transfers among funds that will be made during the fiscal year.

The sub-components of this revenue source are shown in the table above. The largest decrease in budgeted revenues for fiscal year 2014 can be found in the Transfers In-Grant line item. That decrease of \$1,212,059 is due mainly to appropriating transfers in at the time of grant award. Additionally, a significant decrease is proposed in the designation for subsequent years' expenditures line item for debt payment service requirements needed in 2014. Also, transfers have been appropriated for the Justice Court Manager to cover the cost of transferring employees to the General Fund. Other line items in this category were based on current revenue trends.

**Methodology Used to Project Revenue:** Revenue projections for this source are made using revenue trends over the past six years. During the preparation of the budget, some grant match requirements are budgeted but only if the grant award period has already started.

**Other Information:** Because grant matches are a large portion of this revenue source, Other Financing Sources are also affected by the way in which grants are budgeted. Match requirements are typically not budgeted until a grant award is received, which is why the budget figure for fiscal year 2014 is at least 50% less than what actual revenue collections will be.

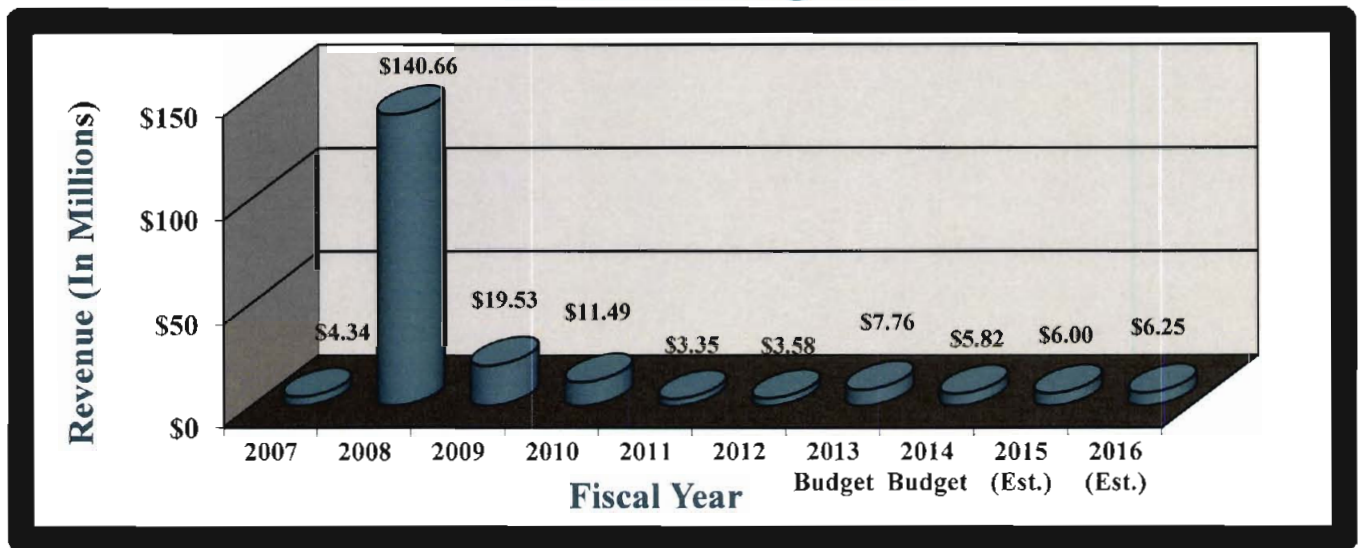
# Overview and Description of Non-Major Revenue Sources

## (7) Other Financing Sources, Continued

**The Future:** In the future, it is projected that Other Financing Sources will continue to decrease because County departments are strongly encouraged by Commissioners Court to pursue grants only if there are no match requirements.

The graph below shows the variations in Other Financing Sources for the period 2007 through 2014 as well as estimates for fiscal years 2015 and 2016.

Other Financing Sources



## (8) Non-Major Tax Revenues

Aside from Property and Sales and Use Taxes, the County also receives a portion of the Bingo Tax, the State Mixed Beverage Tax, and the Hotel/Motel Occupancy Tax collected. The three components of this non-major revenue source are shown on the following page.

**Methodology Used to Project Revenue:** Historical revenue trends are the most important tools used in estimating revenues to be received from Bingo, State Mixed Beverage and Hotel Occupancy Taxes for fiscal year 2014 and beyond. Those revenue trends are directly affected by population growth and indirectly by a decrease in the unemployment rate. Tax rates for non-major tax revenues are determined by the State, and projections are affected by any rate changes approved in Austin. The number of events geared towards increasing tourism to the El Paso area is expected to increase and that will also impact the Hotel Occupancy Tax revenue collected.

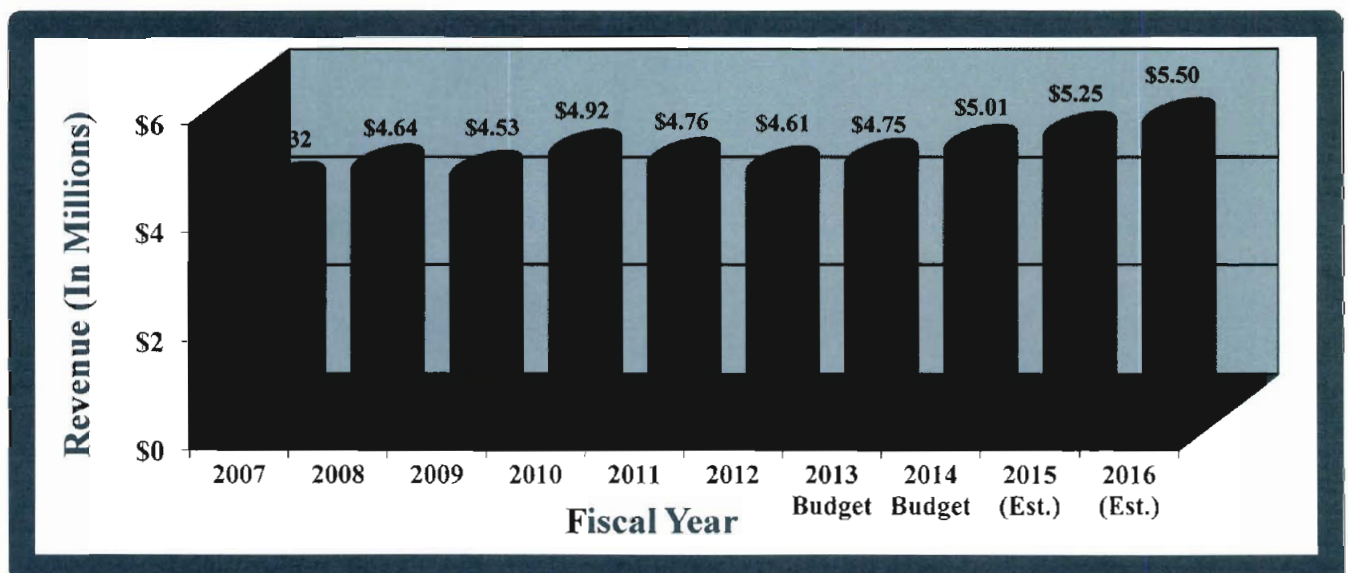
# Overview and Description of Non-Major Revenue Sources

## (8) Non-Major Tax Revenues, Continued

| Revenue Account Title       | Fiscal Year 2012 Actuals | Operating Budgets    |                      | Changes          |              |
|-----------------------------|--------------------------|----------------------|----------------------|------------------|--------------|
|                             |                          | Total Budget FY 2013 | Total Budget FY 2014 | Amounts          | %            |
| Bingo Tax                   | \$70,904                 | \$52,000             | \$60,000             | \$8,000          | 15.38%       |
| State Mixed Beverage        | 3,246,193                | 1,500,000            | 1,700,000            | 200,000          | 13.33%       |
| Hotel Occupancy Taxes 1.25% | 1,579,600                | 3,200,000            | 3,250,000            | 50,000           | 1.56%        |
| <b>Totals</b>               | <b>\$4,896,697</b>       | <b>\$4,752,000</b>   | <b>\$5,010,000</b>   | <b>\$258,000</b> | <b>5.43%</b> |

**Other Information:** The State of Texas assesses all taxes accounted for in this category. Currently, the State Mixed Beverage Tax is 14% of gross receipts. The Hotel Occupancy Tax rate is 6% of amount charged for each occupant. In addition, the County Tax Assessor-Collector collects a tax of 2.5% on the rental of hotel or motel rooms to individuals who are not permanent residents of the facility.

**The Future:** Every year, the amount of funding provided for cultural and recreational events is reviewed carefully, in an attempt to increase the number of tourists who visit the County of El Paso. In exchange for any possible funding, Commissioners Court expects increased spending in El Paso and that includes money spent on hotel/motel room rentals and on mixed beverages. However, the national and international economy will also affect the Hotel Occupancy Tax revenue stream as people are less likely to travel in uncertain economic times.



# Overview and Description of Non-Major Revenue Sources

## (8) Non-Major Tax Revenues, Continued

As mentioned earlier in this section, all funding requests are evaluated before any funding from hotel/motel occupancy taxes is allocated. The County has sought to increase this funding source by funding such events as the Men's and Women's Bowling Championship, a prime example of an event that had a positive effect on tax revenue collections. Also, in an attempt to increase revenues in this category, the County hosted the 2011 Bowling Conference and CUSA Conference Championship games and the impact to the economy was tremendous.

The graph on the prior page shows the revenues received from Non-Major Tax Revenues for the period 2007 through 2012 as well as budgeted revenues for fiscal years 2013 and 2014. For fiscal years 2015 and 2016 revenues are estimated at \$5.25 and \$5.50 million, respectively, based on actual receipt estimates as of the end of fiscal year 2013.

## Total Revenues and Fund Balances

One of the duties of the County Auditor is to estimate and certify all revenues for the County of El Paso before providing those estimates to the County Commissioners Court in preparation for each budget cycle.

Revenue collections are continually monitored throughout the fiscal year to ensure that revenue estimates made at the beginning of the fiscal year are in fact being realized. It is because of that continuous monitoring that the County Auditor's Office that projections for fiscal year 2014 are estimated at \$278,750,909 vs. \$275,230,326 in 2013, as reflected on the table below.

| Revenue Account Title  | Fiscal Year<br>2012 Actuals | Operating Budgets       |                         | Changes     |       |
|--|-----------------------------|-------------------------|-------------------------|-------------|-------|
|  |                             | Total Budget<br>FY 2013 | Total Budget<br>FY 2014 | Amounts     | %     |
| Grand Totals   | \$394,320,398               | \$275,230,326           | \$278,750,909           | \$3,520,583 | 1.28% |
| Beginning Fund Balances,<br>Deferred Revenues and<br>Retained Earnings | \$136,761,537               | \$220,898,630           | \$221,085,990           | \$187,360   | 0.08% |
| Totals   | \$531,081,935               | \$496,128,956           | \$499,836,899           | \$3,707,943 | 0.75% |

Only two out of the three County's major revenue sources reveal an increase in budgeted revenues for fiscal year 2014. Property Taxes show an increase of 7.21% and Sales and Use Taxes 3.54%. Of the non-major revenue sources, the budgeted revenues under Charges of Services, Fines and Forfeits, Licenses and Permits, and Non-Major Tax Revenue reflect an increase in fiscal year 2014.

# *Overview and Description of Non-Major Revenue Sources*

## **Total Revenues and Fund Balances, Continued**

On the other hand, one of the three County's major revenue source, Federal Prisoner Revenue, shows a lower budget of 3.77% for fiscal year 2014. Additionally, of the County's non-major revenue sources, four (Interest Earnings, Intergovernmental Revenue, Miscellaneous Revenues, and Other Financing Sources) show a budget that is lower for fiscal year 2014 than in fiscal year 2013.

The most significant increase in budgeted revenues for fiscal year 2014 is in the area of Charges for Services at 23.17%, for which the County of El Paso is projecting an additional \$4.5 million for the new Transportation Fee. The second largest increase in budgeted revenues is in the Fines and Forfeits, which is projected to increase by 14.80%, as a result of continued collection on outstanding fines.

Concurrently, budgeted revenues in the Interest Earnings (79.09%), followed by Intergovernmental Revenue category (65.08%), and Miscellaneous Revenues (38.49%) all decreased for fiscal year 2014. These are some significant decreases, but two of these, Intergovernmental and Miscellaneous Revenues are closely tied to grant funding. As grants are awarded during the fiscal year, these sources will in turn increase. Interest, of course, is tied closely to the economy and will not change until changes are made nationally.

## **Fund Balances**

**Fund balance** represents accumulated funds estimated to be available on the first day of the fiscal year that may be used to cover future appropriations. In many cases, designation of fund balance represents funds designated for a specific purpose for which the exact amount was not known during the budget process and may be estimated by the County Auditor. As a result of the County's annual financial audit, fund balances are subsequently included in the budget for expenditure in the new fiscal year along with other revenue estimates. Although, this category (fund balance designation) increased by 17.37% for fiscal year 2014, maintaining adequate reserves keeping in mind future expenditures.