

EXPENDITURES

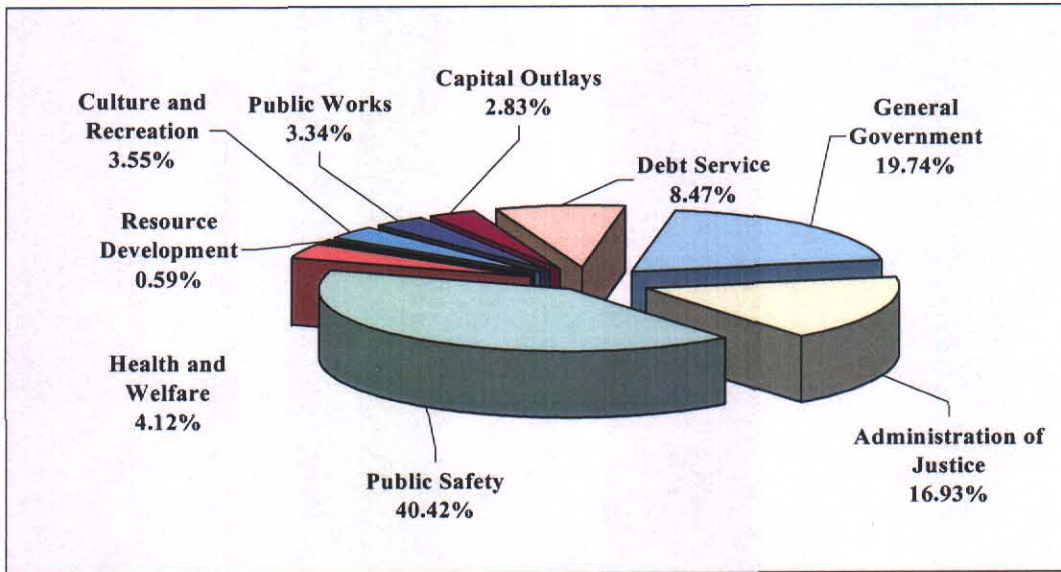


**ALL FUND TYPES
OPERATING BUDGET COMPARISON
WITH FY 2003 ACTUALS**

	FY 2003 Actuals	OPERATING BUDGETS		CHANGES	
		Total Budget FY 2004	Total Budget FY 2005	Amount	%
Appropriations/Expenditures (Uses):					
General Government	\$33,538,007	\$37,024,893	\$39,129,180	\$2,104,287	5.68%
Administration of Justice	35,844,249	42,151,735	33,577,368	(8,574,367)	-20.34%
Public Safety	77,036,106	84,887,444	78,871,655	(6,015,789)	-7.09%
Health and Welfare	10,428,805	16,626,824	7,230,674	(9,396,150)	-56.51%
Community Services	554,938	1,289,546		(1,289,546)	-100.00%
Resource Development	1,212,625	1,117,497	788,729	(328,768)	-29.42%
Culture and Recreation	5,800,963	7,105,329	6,107,749	(997,580)	-14.04%
Public Works	5,950,902	6,960,998	7,312,921	351,923	5.06%
Capital Outlays	20,457,301	8,469,664	3,780,870	(4,688,794)	-55.36%
Debt Service and Enterprise:					
Principal	8,690,000	9,561,000	10,281,000	720,000	7.53%
Interest	6,968,838	6,513,772	6,037,551	(476,221)	-7.31%
Other Debt Related Costs:	204,648	38,056		(38,056)	-100.00%
Other Financing Uses	16,335,822	20,474,204	17,809,065	(2,665,139)	-13.02%
Total Appropriations/Expenditures and Other Financing Uses	<u>223,023,204</u>	<u>242,220,962</u>	<u>210,926,762</u>	<u>(31,294,200)</u>	<u>-12.92%</u>
Encumbrances		3,168,082	5,963,599	2,795,517	88.24%
Net Income	393,889				
Ending Fund Balances, Retained Earnings Deferred Revenues and Carryover	<u>111,583,105</u>	<u>78,558,624</u>	<u>80,954,417</u>	<u>2,395,793</u>	<u>3.05%</u>
Total Fund Balances, Retained Earnings Encumbrances, Deferred Revenue Net Income, and Carryover	<u>111,976,994</u>	<u>81,726,706</u>	<u>86,918,016</u>	<u>(5,191,310)</u>	<u>-6.35%</u>
Total Appropriations/Expenditures, Fund Balances, Encumbrances, Retained Earnings, Deferred Revenue Net Income, and Carryover	<u>\$335,000,198</u>	<u>\$323,947,668</u>	<u>\$297,844,778</u>	<u>(\$26,102,890)</u>	<u>-8.06%</u>

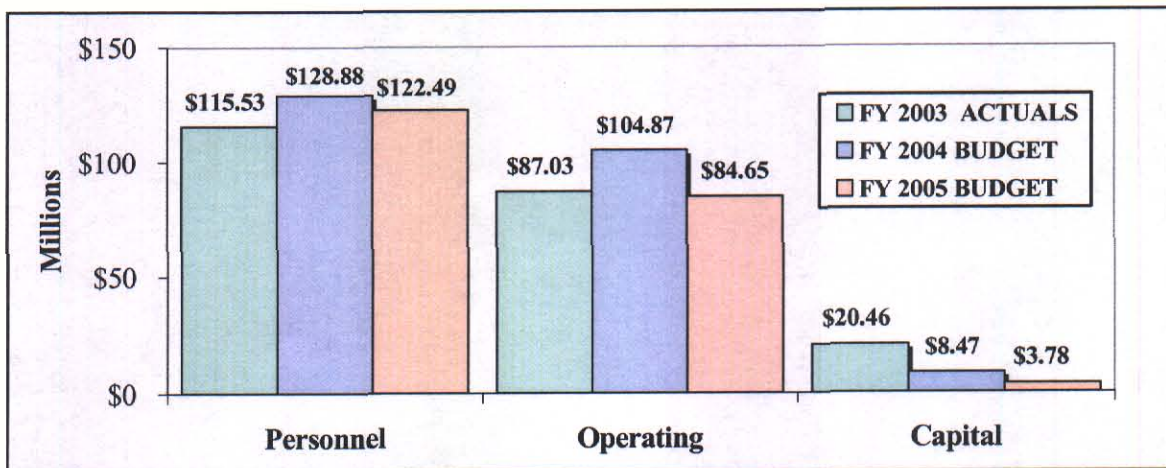
ALL FUND TYPES OPERATING BUDGET FY 2005

Fiscal Year 2005 Appropriations (Uses) – All Fund Types - \$210,926,762



SUMMARY FOR FISCAL YEAR 2005 BY CHARACTER

Character	FY 2003	OPERATING BUDGETS		Changes	
	Actuals	FY 2004	FY 2005	Amount	%
Personnel	\$115,534,549	\$128,880,956	\$122,491,038	(\$6,389,918)	-4.96%
Operating	87,031,354	104,870,342	84,654,854	(20,215,488)	-19.28%
Capital	20,457,301	8,469,664	3,780,870	(4,688,794)	-55.36%
Total Budgets and Actuals	\$223,023,204	\$242,220,962	\$210,926,762	(\$31,294,200)	-12.92%

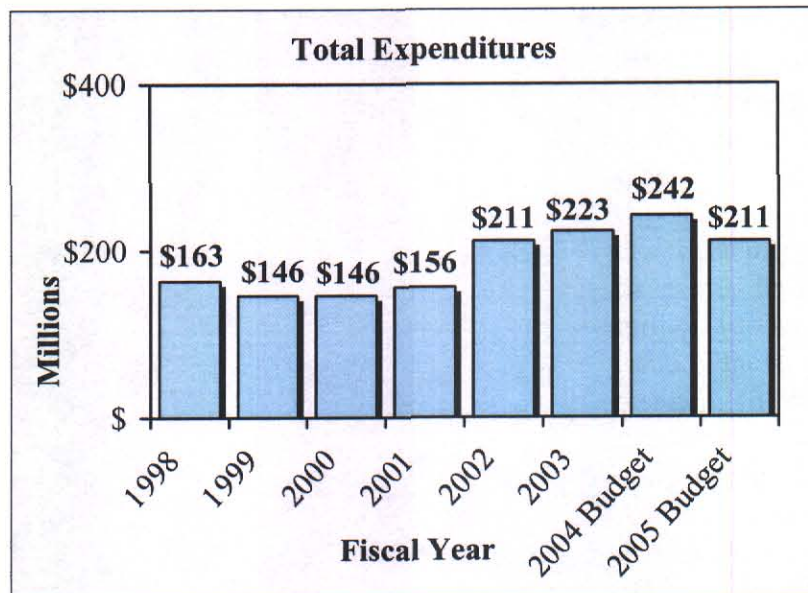


EXPENDITURES WITH SELECTED DEFINITIONS AND TRENDS-ALL FUNDS

AMOUNTS IN THOUSANDS

Program	Actuals						OPERATING BUDGETS	
	1998	1999	2000	2001	2002	2003	Total Budget FY 2004	Total Budget FY 2005
General Government	\$18,130	\$25,325	\$13,940	\$17,445	\$29,653	\$33,538	\$37,024	\$39,129
Administration of Justice	19,441	20,994	22,978	27,055	32,666	35,844	42,151	33,577
Public Safety	43,221	47,986	52,762	57,720	71,230	77,036	84,887	78,871
Health and Welfare	8,820	8,077	8,805	9,262	9,979	10,428	16,626	7,230
Community Services	552	486	611	1,614	633	554	1,289	
Resource Development	1,694	1,334	2,852	2,130	1,605	1,212	1,117	788
Culture and Recreation	2,850	3,055	3,811	4,217	5,149	5,800	7,105	6,107
Public Works	3,154	3,328	4,670	5,513	5,766	5,950	6,960	7,312
Capital Outlays	20,446	12,641	14,538	9,907	11,273	20,457	8,469	3,780
Debt Service								
Principal	6,774	8,930	11,185	11,165	9,268	8,690	9,561	10,281
Interest and other costs	7,159	8,193	5,952	5,360	7,817	7,173	6,551	6,037
Other Uses	30,944	5,823	4,082	4,648	26,445	16,335	20,474	17,809
Total Expenditures	\$163,185	\$146,172	\$146,186	\$156,036	\$211,484	\$223,017	\$242,214	\$210,921

Total expenditures for the County of El Paso have had steady growth over the years. Although not apparent on the graph to the right, 1998 expenditures increased from 1997 due to the increase in debt related payments in relation to a \$26 million dollar refunding bond issue. Other significant increases resulted in the Public Safety function in direct relation to the opening and staffing of the Jail Annex. The most notable increase in fiscal year 2002 is in the Debt Service Fund for the issuance of



debt to fund new Capital Projects such as renovations for the Coliseum, the construction of a Fabens Port of Entry, and the purchase of a new elections system for voters. As a matter of information, the County, as a means of saving appropriations, appropriates salary Cost of Living Allowances and steps for County employees in the General and Administrative salary reserve account, which are transferred when needed. This provides a more accurate estimate of the funding actually required for a department, factoring in the effect of yearly attrition. This reduces the County's exposure to possible appropriation transfers by departments to non-salary accounts with Commissioners Court approval. In fiscal year 2004, the County realized a budgetary savings of 38.57 % of the original

EXPENDITURES WITH SELECTED DEFINITIONS AND TRENDS-ALL FUNDS

GENERAL GOVERNMENT, CONT'D

appropriations for salary increases of \$1,084,093 in the General Fund. For changes at each fund level, please refer to the individual funds.

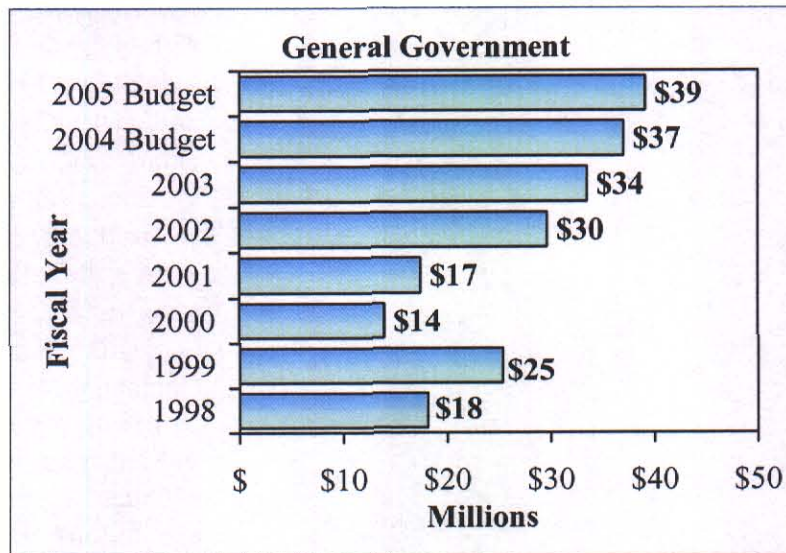
GENERAL GOVERNMENT

FY 2003 Actuals	OPERATING BUDGETS		CHANGES		% of FY2005 Operating Budget
	Total Budget FY 2004	Total Budget FY 2005	Amount	%	

Appropriations:

Expenditures/Uses

General Government	\$33,538,007	\$37,024,893	\$39,129,180	\$2,104,287	5.68%	18.55%
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The **General Government** component of the County's budget relates to departments, which are generally administrative in nature. For example, the County Judge and County Commissioners are funded within this function, as they are the administrative body of the County. They are responsible for making financial and other decisions, which impact the residents of the County of El Paso. Other departments that fall within this category, to name a few, are the County Auditor, the General and Administrative

account, County and District Clerk, Information Technology Department and the Tax Office. A trend upwards can be seen in fiscal year 1999 as the Commissioners Court funded general salary increases by placing the appropriations in the General and Administrative account and transferring the necessary funds to departments if and when needed. This same approach was used in budgeting salary increases in fiscal years 2003 through 2005. The general and administrative index of the General Fund fluctuated over the years as it is used as a catch-all account at the discretion of the Commissioners Court. This account is utilized for payments to other agencies for a variety of services, such as the Central Appraisal District, tax collection by the City of El Paso, contributions by the County to its self-funded health, life and dental insurance fund, and various contingency expenditures, which fluctuate from year to year. Although not evident, the Commissioners Court decreased its budgeted contingency funds for fiscal year 2005, which are utilized in the event that a

EXPENDITURES WITH SELECTED DEFINITIONS AND TRENDS-ALL FUNDS

GENERAL GOVERNMENT, CONT'D

major unforeseen need arises requiring funding based on budgetary constraints. The major decrease in fiscal year 2000 is mostly due to an adjustment for the accrual of contingent liabilities. A global perspective of the 2005 budget depicts that General Government appropriations represent \$39.1 million, or 18.55% of the total budget of \$210,926,762. Overall, expenditures of departments within this classification reflect some increases with the most notable of these being related directly in the area of General and Administrative expenses for a Countywide Cost of Living Allowance of 2%, the re-institution of the step salary plan, and appropriations for one additional pay-period in 2005.

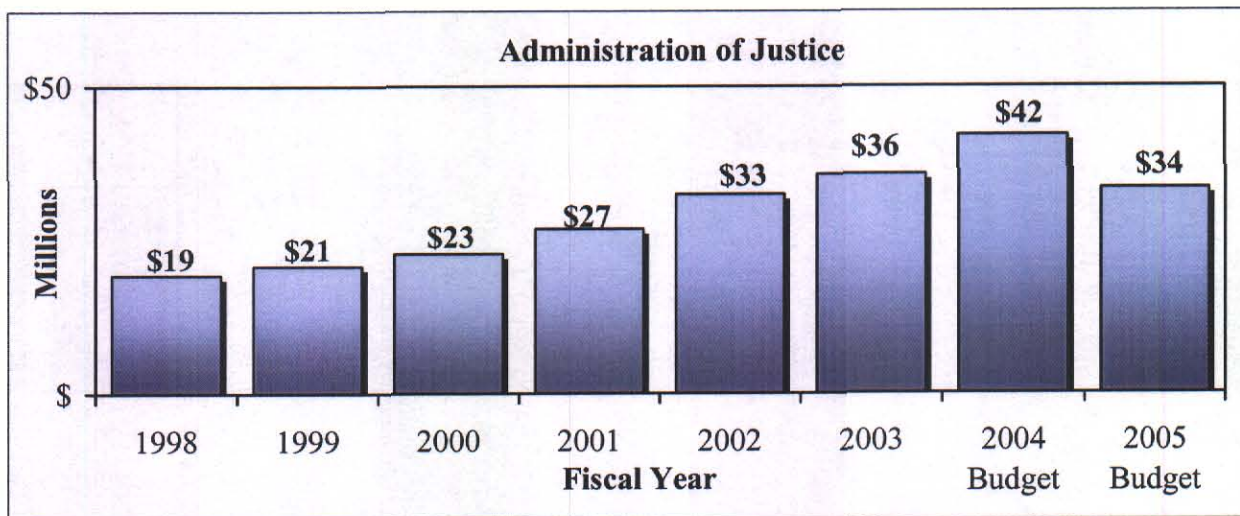
ADMINISTRATION OF JUSTICE

FY 2003 Actuals	OPERATING BUDGETS		CHANGES		% of FY2005 Operating Budget
	Total Budget FY 2004	Total Budget FY 2005	Amount	%	

Appropriations:

Expenditures/Uses

Administration of Justice	\$35,844,249	\$42,151,735	\$33,577,368	(\$8,574,367)	-20.34%	15.92%
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Administration of Justice is the basic reason for County government and has grown steadily since the early 1990's. These increases have related to nominal yearly adjustments as those given to other departments within the County, with the exception of legal fees of the Council of Judges Administration, which increased at a higher rate. The fluctuations are also related to increases in the judiciary, such as new Courts being funded, for example the County Criminal Court at Law Numbers 1 and 2. Other changes that have taken place which have affected expenditures and budgeted appropriations are the increased staffing levels in related support offices such as the County and District Attorney's and the Public Defender's offices, whose departments work in direct relation with

EXPENDITURES WITH SELECTED DEFINITIONS AND TRENDS-ALL FUNDS

ADMINISTRATION OF JUSTICE, CONT'D

the Judiciary. With a decrease of \$8,574,367, or 20.34% under the prior year, Administration of Justice accounts for 15.92% of the total budget for fiscal year 2005. A significant cause for this reduction is the impact of grants classified in this category that are funded as contracts are awarded and funds are certified. Not taking into account the impact of grants, this program saw some increases in personnel for the County Attorney, District Attorney, Courts, and a newly created County Criminal County Court at Law No. 2 DWI Court in the Special Revenue funds for a total of seven new positions as represented in the Authorized Full Time Equivalent Position Listing in the Appendix of this document.

PUBLIC SAFETY

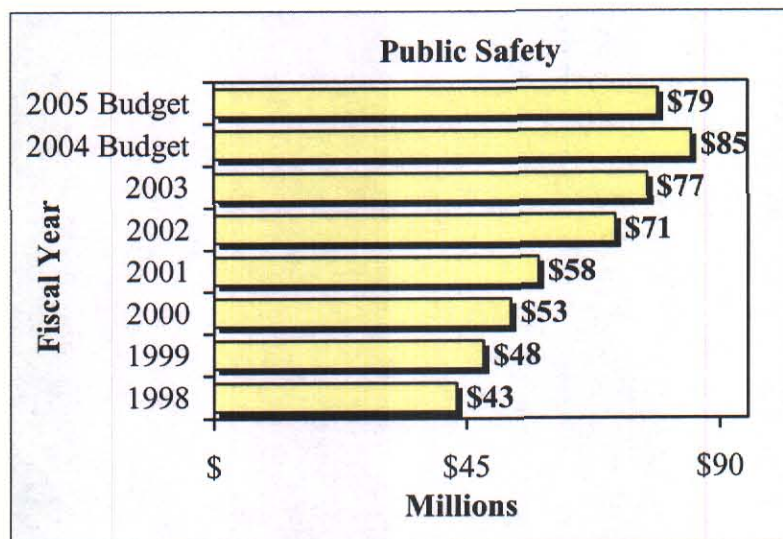
FY 2003 Actuals	OPERATING BUDGETS		CHANGES		% of FY2005 Operating Budget
	Total Budget FY 2004	Total Budget FY 2005	Amount	%	

Appropriations:

Expenditures/Uses

Public Safety	\$77,036,106	\$84,887,444	\$78,871,655	(\$6,015,789)	-7.09%	37.39%
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In regards to **Public Safety**, beginning in the late 1980's the County entered into a collective bargaining contract with the El Paso County Sheriff deputies for salary and benefit compensation which represents much of the trend increase in this area. Additionally, over the years, detention officers were added to the collective bargaining contract, as well as a civilian employee career ladder being approved by the Commissioners Court. A large portion of the increase over the past several years occurred within the County Sheriff Jail Annex index. The Jail Annex located in east El Paso began its first full year of operation during fiscal year 1998 and was fully staffed and operational for most of the fiscal year. The County of El Paso constructed the Jail Annex in an effort to relieve overcrowding in the downtown detention facility. Fiscal year 2000 felt the full impact of both detention facilities operating at near capacity for the entire fiscal year. Other factors for the increase in Public Safety expenditures relate to growth in the area of the Juvenile Probation



EXPENDITURES WITH SELECTED DEFINITIONS AND TRENDS-ALL FUNDS

PUBLIC SAFETY, CONT'D

Department. Increases in juvenile crime and additional State mandates have required staffing and operational increases over the years.

As evidenced on the graph on the prior page, future expenditures for public safety are expected to continue to increase over the next several years. During fiscal year 2000, the Juvenile Probation department finalized two expansion projects, one being the post adjudication facility, which houses additional juvenile offenders and secondly, the expansion of the Juvenile Administration building. The 2005 budget reflects a decrease from 2004, as a result of grants to be awarded in fiscal year 2005. Additionally there were several operating cuts imposed on various departments for items such as cellular telephones, and decreases of rent expense and utilities, in anticipation of the newly constructed Northeast Annex.

HEALTH AND WELFARE

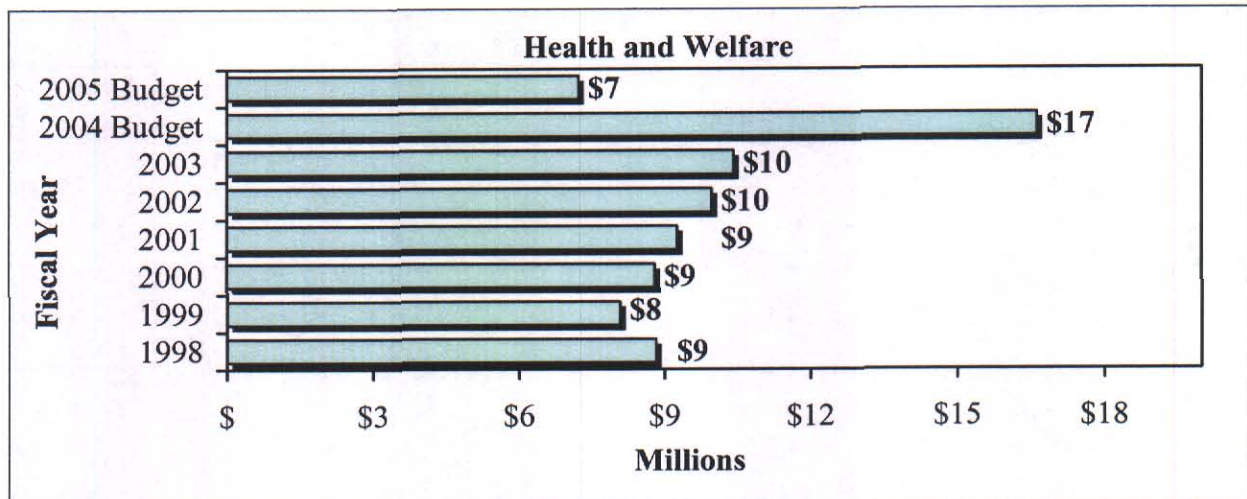
FY 2003 Actuals	OPERATING BUDGETS		CHANGES		% of FY2005 Operating Budget
	Total Budget FY 2004	Total Budget FY 2005	Amount	%	

Appropriations:

Expenditures/Uses

Health and Welfare	\$10,428,805	\$16,626,824	\$7,230,674	(\$9,396,150)	-56.51%	3.43%
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The bulk of the changes in **Health and Welfare** relates to fluctuations within health related grant activities. With the completion of the County Morgue in fiscal year 1993, the County has seen increased costs related to the Medical Examiners Office. In fiscal year 1998, the County funded



EXPENDITURES WITH SELECTED DEFINITIONS AND TRENDS-ALL FUNDS

HEALTH AND WELFARE, CONT'D

increases in mental health costs and its contribution to the Child Welfare Program. Also, the County of El Paso and the City of El Paso, have jointly participated with monetary commitments of certain public health and welfare programs such as on-site sewage inspections, public health and dental facilities, air pollution, water pollution, mosquito and animal control functions. As a result of new contract negotiations for funding the Public Health portion of the budget, the County's contribution for fiscal year 2005 did not increase for the fiscal year 2005 budget. The overall intent of the Court remains to identify state mandates of indigent health and to evaluate the adequacy of the present Health District agreement. Also this area experienced budgetary decreases in the area of Veterans Assistance as this department was merged with General Assistance to reduce operating costs as well as an overall reduction to the budget for public assistance and cuts across departments.

COMMUNITY SERVICES

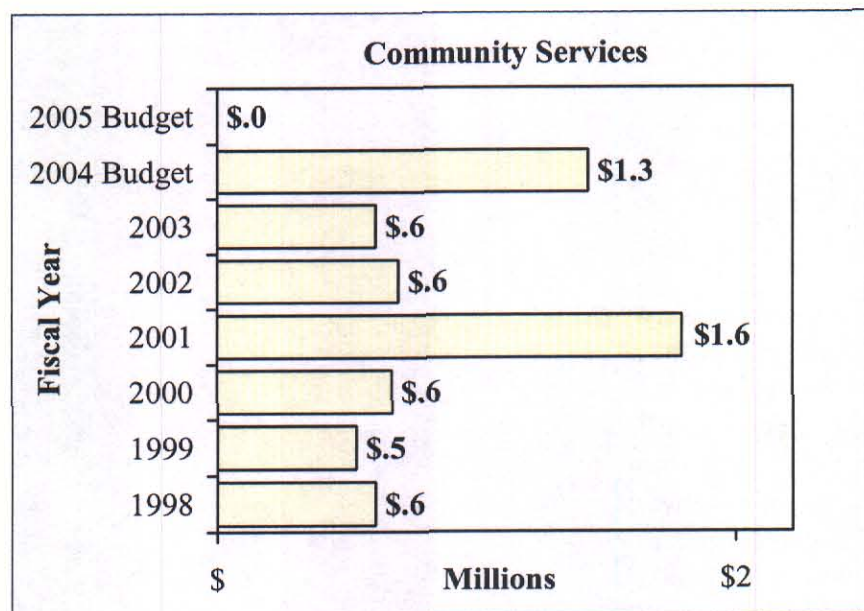
FY 2003 Actuals	OPERATING BUDGETS		CHANGES		% of FY2005 Operating Budget
	Total Budget FY 2004	Total Budget FY 2005	Amount	%	

Appropriations:

Expenditures/Uses

Community Services	\$554,938	\$1,289,546	\$0	(\$1,289,546)	-100.00%	0.00%
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The area of **Community Services** relates directly to grant funded activities over the years. In more recent years the focal point has been on improving the outlying areas within the County of El Paso with necessities such as transportation and community centers. In recent fiscal years, funding mainly relates to the Rural Transit program, which provides transportation for residents in several rural areas of the County. The fiscal year 2005 budget will be amended as State and Federal grant awards are received by the County.



EXPENDITURES WITH SELECTED DEFINITIONS AND TRENDS-ALL FUNDS

RESOURCE DEVELOPMENT

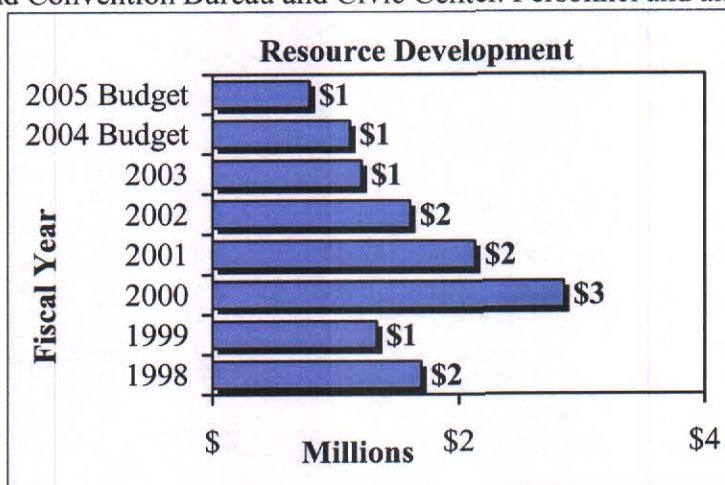
FY 2003 Actuals	OPERATING BUDGETS		CHANGES		% of FY2005 Operating Budget
	Total Budget FY 2004	Total Budget FY 2005	Amount	%	

Appropriations:

Expenditures/Uses

Resource Development	\$1,212,625	\$1,117,487	\$788,729	(\$328,758)	-29.42%	0.37%
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The downward slope in the area of **Resource Development** in 1999 is mainly the result of an inter-local agreement between the City of El Paso and the County of El Paso whereby the City took total operational control of the Tourist and Convention Bureau and Civic Center. Personnel and all operating activities were transferred to the City. The County in turn provided hotel occupancy tax funding to the City of El Paso on a monthly basis. The increase in fiscal year 2000 is attributable to two main areas. First, the Commissioners Court created a new planning and development department. Secondly, most of the increase is due to a modification to the inter-local agreement with the City of El Paso, which increased the funding ratio of hotel/motel tax collections allocated to the City by one quarter of a percent. This inter-local agreement was terminated in fiscal year 2002. For fiscal year 2005, this category decreased by \$328,758 and is attributable to the reduction in force of positions from the Planning and Development Department.



CULTURE AND RECREATION

FY 2003 Actuals	OPERATING BUDGETS		CHANGES		% of FY2005 Operating Budget
	Total Budget FY 2004	Total Budget FY 2005	Amount	%	

Appropriations:

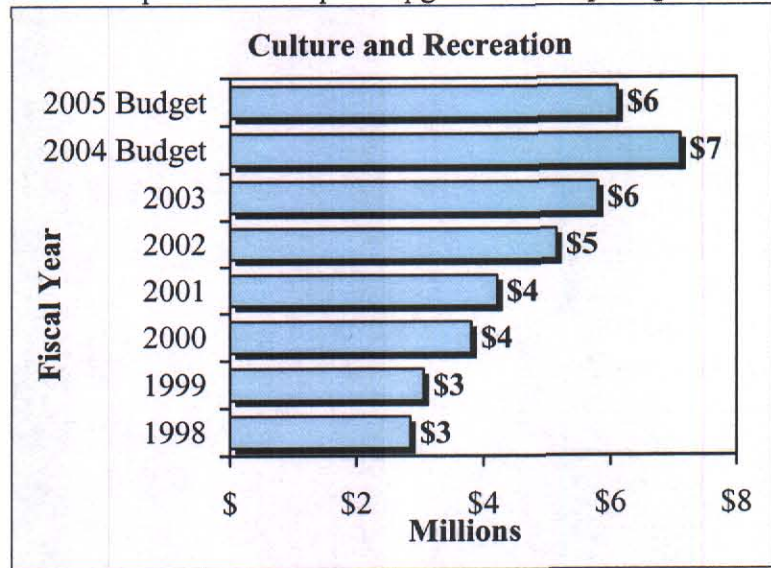
Expenditures/Uses

Culture and Recreation	\$5,800,963	\$7,105,329	\$6,107,749	(\$997,580)	-14.04%	2.90%
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EXPENDITURES WITH SELECTED DEFINITIONS AND TRENDS-ALL FUNDS

CULTURE AND RECREATION, CONT'D

Factors contributing to the upward slope in **Culture and Recreation** since fiscal year 1998 relate to general increases and additional budgets being established relating to new restrictive sources of funding classified mostly in the Special Revenue Fund. One of the other significant increases to culture and recreation for fiscal years 2001, 2002 and 2003 are related to the Coliseum Tourist Promotion Fund. The main reason for such a significant increase from fiscal year 1999 to 2004, was the establishment of the Ascarate Park Improvement fund. All revenues generated from the park were being designated for reinvestment into the park to accomplish upgrades to the park grounds to include the lake, trails, playgrounds, and ball fields until fiscal year 2004 when Commissioners Court opted to designate the revenue back into the General Fund to offset the cost of operating such parks. The significant increase in 2003 is attributable to the Sportspark Facility being established by Commissioners Court for recreational activities for the youth. The operations of the County Park continued the build-up with additional funding through fiscal year 2004.



This area comprises 2.90% of the overall budget for fiscal year 2005, and decreased by \$997,580 from 2004. This is also the result of grants not set up until awarded in 2005, and decreases in appropriations for the Swimming Pools, Rural Parks Department, and the Ascarate Park operating budgets as a result of the budget reductions mandated by Commissioners and the privatization of the County Coliseum.

PUBLIC WORKS

FY 2003 Actuals	OPERATING BUDGETS		CHANGES		% of FY2005 Operating Budget
	Total Budget FY 2004	Total Budget FY 2005	Amount	%	

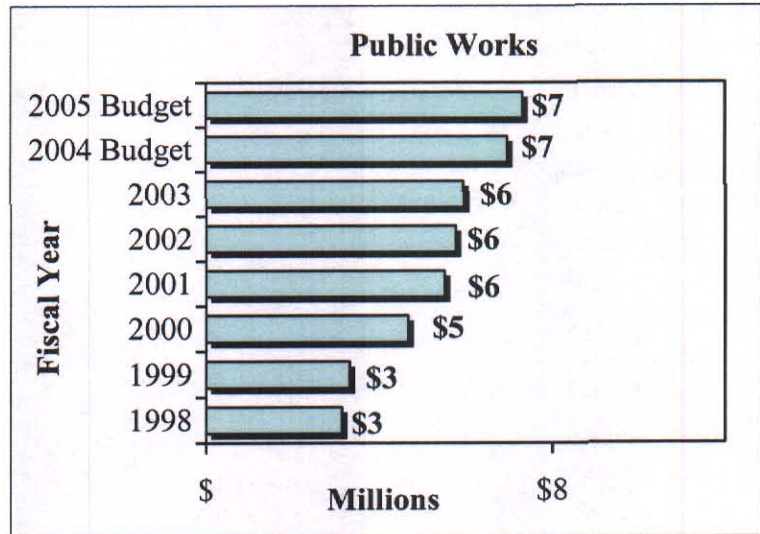
**Appropriations:
Expenditures/Uses**

Public Works	\$5,950,902	\$6,960,998	\$7,312,921	\$351,923	5.06%	3.47%
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EXPENDITURES WITH SELECTED DEFINITIONS AND TRENDS-ALL FUNDS

PUBLIC WORKS, CONT'D

In the **Public Works** program, these expenditures are mainly infrastructure-related expenditures for roads and bridges incurred by the Roads and Bridges Department. The Roads and Bridge Director is responsible for planning, engineering, building and maintaining all County public roads and bridges. In recent years, the Roads and Bridges Department has focused on the replacement of some of its heavy-duty equipment and has put more emphasis on new roadways and roadway improvements. This area also



includes the East Montana Water Project, a County Water Utility System, which consolidated seven small water systems providing water in rural areas of East El Paso. The County purchased existing water systems, made major improvements, and is paying for the operation and maintenance of the water facilities. The goal of the project was to develop one main water facility servicing the entire East Montana area and to contract out for facility operations. The increase in the 2005 budget is for the new construction projects for the Road and Bridge Department and the East Montana water project. At 3.47% of the overall budget for fiscal year 2005 the Public Works budget reflects an increase of \$351,923 from the prior year.

CAPITAL OUTLAYS

FY 2003 Actuals	OPERATING BUDGETS		CHANGES		% of FY2005 Operating Budget
	Total Budget FY 2004	Total Budget FY 2005	Amount	%	

Appropriations:

Expenditures/Uses

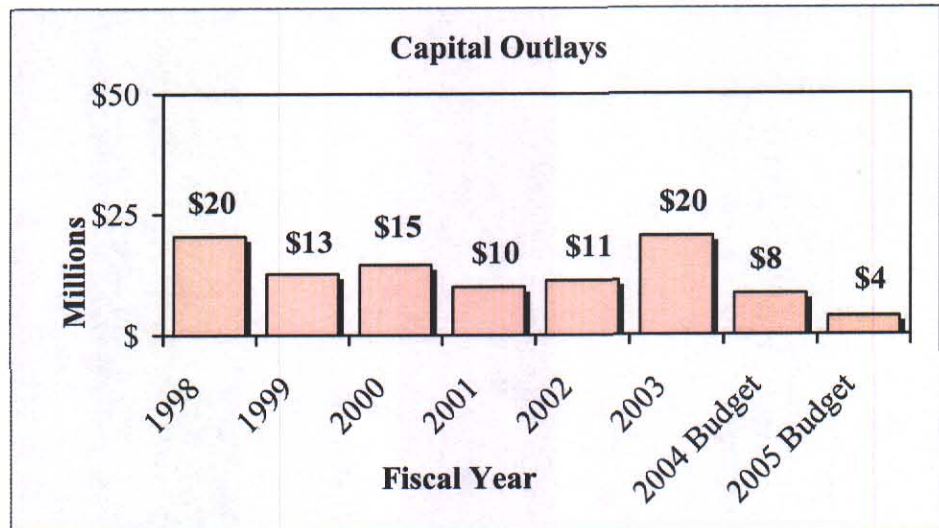
Capital Outlays	\$20,457,301	\$8,469,664	\$3,780,870	(\$4,688,794)	-55.36%	1.79%
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Capital Outlays is used to account for major expenditures to acquire furnishings and equipment and major capital expenditures. The Jail Annex and Module projects, which were completed in 1998, are reflected by the peak in chart on the next page. The County of El Paso budgets Capital Projects on a very limited basis and has only recently allowed significant departmental capital expenditures. In fiscal year 1998, the County issued \$22,645,000 towards addressing capital needs for the County which included addressing the year 2000 computer issue

EXPENDITURES WITH SELECTED DEFINITIONS AND TRENDS-ALL FUNDS

CAPITAL OUTLAYS

while simultaneously moving from the costly mainframe environment to the more efficient client server environment. This capital issue also included funding for the build out of the remaining floors of the Courthouse and major improvements to the County Coliseum. For fiscal years 2001 and 2002,



Commissioners Court committed \$1,000,000 from the General Fund to be used for equipment replacement needs and new departmental capital outlays. The large increase in budget for 2003 was for planned expenditures for new debt issued during fiscal year 2002 in the amount of \$64,519,757 for various Capital Projects, such as the purchase of a time and attendance program to automate timesheets for payroll and to track performance measures, the purchase of a Sportspark facility, renovations for various parks in the County, and the construction of a Fabens Port of Entry to name a few. For fiscal year 2005, this category declined by \$4.6 million, from fiscal year 2004, or 55.36%. The main reason for this decline is within the Capital Projects fund for no new bonds issued to meet capital needs of departments, and no new construction projects planned for the future. Due to budgetary constraints in fiscal year 2003 and again in 2004, the Court funded departmental capital needs from existing County capital funds remaining from prior contributions from the General Fund (\$1 million in 2001 and 2002).

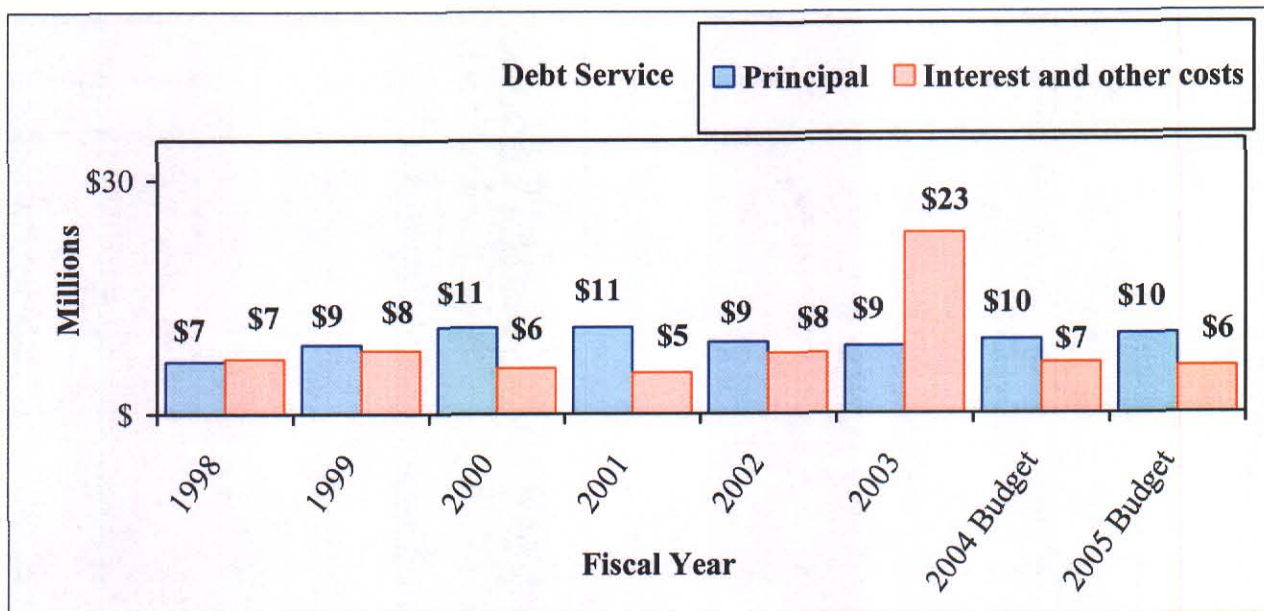
DEBT SERVICE

FY 2003 Actuals	OPERATING BUDGETS		CHANGES		% of FY2005 Operating Budget
	Total Budget FY 2004	Total Budget FY 2005	Amount	%	
Appropriations:					
Expenditures/Uses					
Debt Service:					
Principal	\$8,690,000	\$9,561,000	\$10,281,000	\$720,000	7.53%
Interest	6,968,838	6,513,772	6,037,551	(476,221)	-7.31%
Other Debt Related					
Costs	16,335,822	38,056	-	(38,056)	-100.00%
	<u>\$31,994,660</u>	<u>\$16,112,828</u>	<u>\$16,318,551</u>	<u>\$205,723</u>	1.28%
					7.74%

EXPENDITURES WITH SELECTED DEFINITIONS AND TRENDS-ALL FUNDS

DEBT SERVICE, CONT'D

Debt Service is utilized for the repayment of outstanding obligations of the County relating to bonds issued over the years for approved Capital Projects. Fluctuations over the years are attributable to the timing of debt repayments based on the County's current indebtedness. The schedule of debt service principal and interest requirements in the debt service section of this report reflects a downward trend, which could subsequently change due to debt restructuring or refunding in the future. The main source of repayment of the County's bonded indebtedness is ad valorem property taxes, which by law is the priority of using property tax monies collected and is a primary factor in calculating the County's ad valorem property tax rate each year.



OTHER FINANCING USES

FY 2003 Actuals	OPERATING BUDGETS		CHANGES		% of FY2005 Operating Budget
	Total Budget FY 2004	Total Budget FY 2005	Amount	%	

Appropriations:

Expenditures/Uses

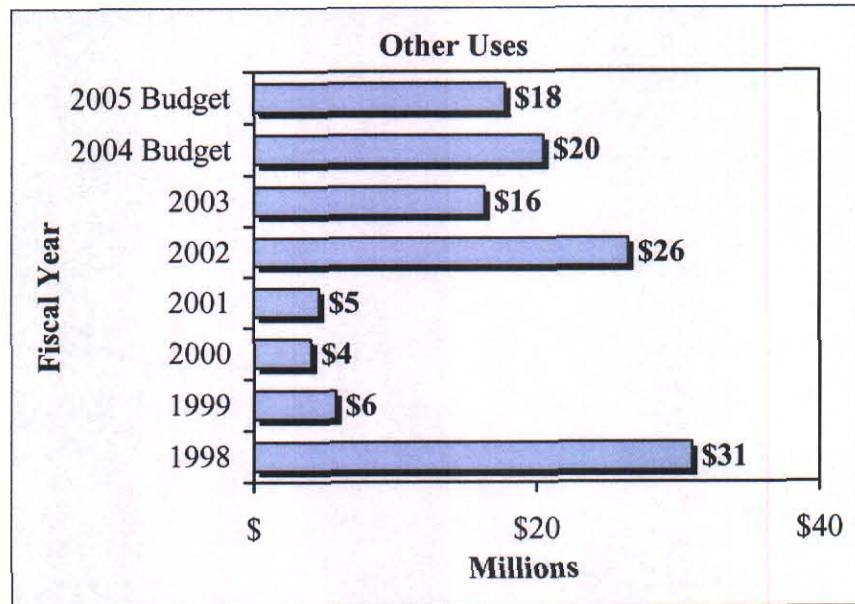
Other Financing Uses	\$16,335,822	\$20,474,204	\$17,809,065	(\$2,665,139)	-13.02%	8.44%
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Other Uses relate to transfers of funds to other funds and/or payments not considered operating expenditures such as defeasance or refunding of bond issues, which occurred in 1998. The County, upon recommendations of its financial advisor, took advantage of lower interest rate financing and refunded various long-term obligations which were accruing interest at a significantly

EXPENDITURES WITH SELECTED DEFINITIONS AND TRENDS-ALL FUNDS

OTHER FINANCING USES, CONT'D

higher interest rate for a net future saving to the taxpayers of El Paso County. Normally, other uses relate to grant match transfers to various grants representing the County's funding portion in order to obtain State or Federal funding. Additionally, the large decrease from 2002 to 2003 is due to no debt issuance in 2003. For fiscal year 2004, increases in this category were attributable to the General and Special Revenue Funds for transfers out. Within the General Fund, a transfer out



was set up for the new Juvenile Probation Special Revenue account as requested by the Juvenile Board, and for transfers to the Health and Life Fund based on actuarial determinations of health premium increases. Special Revenues saw an increase as well for a one-time transfer out of the Road and Bridge fund into the General Fund for the policing of County roads.