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Letter to the editor

WHAT IT'S GONNA TAKE.....

During the last several months we have held numerous meetings and discussions regarding Cameron County's budget and those meetings and discussions will continue up until we adopt our 2009-2010 budget, which we anticipate adopting September 17, 2009.

The financial challenges we face today are somewhat unprecedented, and are indicative of what many agencies throughout the United States are encountering. We read about and witness the financial problems other governmental entities throughout our Country are experiencing and many of these entities are on the verge of insolvency or bankruptcy. Locally, many of our Cities, local governments and neighboring Counties are facing similar financial challenges; however, I remain confident that through fiscal discipline we can balance the budget, without dipping into reserves, without a significant tax increase and without affecting County services.

We began the budgetary process with \$5,616,281 of projected expenditures higher than the projected revenues. To address this shortfall, we began to discuss the budget in May; our year-end is September 30th, to give department heads, elected officials and members of the Commissioners' Court ample time to review the budget, provide input and bring to the table viable suggestions as to how to address the budget.

The question may arise as to why we are in this condition. Has the economic downturn our Country is experiencing affected our County? The answer is yes. I believe that although the national economic downturn is not totally responsible, it has played a significant role in our current financial condition. As an example, interest income earnings continue to decline due to the financial markets. Our border crossings are down due to a variety of reasons such as wait times at our bridges, documentation requirements, fear of border violence etc. and foreclosures continue to rise as unemployment rises.

To place some perspective as to what we are encountering, our bridge revenues are down \$2,100,000 from last year. The federal government pays Cameron County to house federal inmates; however, to avoid a jail overcrowding issue, we are unable to house federal inmates, resulting in a \$1,200,000 shortfall. These two items alone have resulted in over \$3.3 million in less projected revenue than the prior year. In addition, the revenue many of the departments collect through fines and fees, such as the Justice's of the Peace, County Clerk, District Clerk, etc. are also projected to be less than the prior year.

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Our current level of expenditures has increased for a variety of reasons. Two new district courts are being fully funded, indigent defense costs have risen and other operational costs have continued to rise, just to name a few.

To put our financial condition in perspective, Cameron County continues to have one of the lowest property tax rates in the State of Texas, and this is partly due to the amount of revenue that our international bridges has been able to generate to offset the need to raise taxes. For decades, our County has grown dependent on the revenues the bridge system generates to fund County operations. However, over the last 2 years, our bridge system has been unable to transfer over \$3.3 million to the County's general fund.

Our current tax rate is approximately .35 cents per \$100 of assessed value. Each penny assessed through the tax rate, currently generates approximately \$1.35 million in property tax revenue. Currently, for a home valued at \$50,000, the property tax paid to Cameron County is approximately \$175 per year. A penny increase would result in an additional \$5 tax per year, or .41 cents per month. On a home valued at \$100,000, the property tax paid to Cameron County is approximately \$350 per year, and a penny increase to the tax rate would result in an additional \$10 per year or .82 cents per month.

The budget shortfall we face can be made up through various initiatives and it will take the implementation of many of these initiatives to balance the budget. Some of these initiatives include, adjusting the thermostats in all County buildings to reduce our energy consumption, reducing the County's travel budget by 15%, reducing our fuel budget, asking departments to find at least 3% of budget reductions within their budgets, no salary increases, no additional new positions, asking our vendors to provide us with cost saving measures and the list goes on.

Unfortunately, budget cuts alone may not be sufficient to balance the budget and I believe it would be irresponsible to implement budget cuts that would prevent the various departments within the County to effectively operate and continue providing a high standard of service to our residents.

We have asked county staff, including the County Administrator, County Auditor and County Budget Officer to meet with department heads and elected officials to discuss ways to streamline and reduce the budget shortfall. Most departments have come forward and have reduced their budgets by over 3%, while other departments have been unable to do so. However, to be fair, wherever feasible, all departments must be willing to find savings within their budget.

The budgetary process is a painful process, more so when revenues are down, expenses are up and we strive to maintain a certain level of public service to the residents of the County. As I have stated above, a balanced budget must be adopted and a plan for adopting a balanced budget must be brought forward. Input is not only welcomed, but encouraged from department heads, elected officials, including the Commission members and the general public. The input however, should be practical and doable. Anyone not supporting any of these initiatives should stand ready to offer an alternative.

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There have been numerous proposals and recommendations, however, in order to balance the budget, I believe the following should be considered: Raising vehicular tolls at our international bridges by 25 cents and pedestrians by 5 cents, reductions in departmental budgets, cutting our fuel and energy costs, cutting travel budgets by 15%, eliminating ineffective programs, and consolidating voting precincts for the upcoming November election, just to name a few. These initiatives among others will enable us to adopt a balanced budget, while at the same time, not significantly impacting County services. We have asked staff to continue to review the budget, looking for all possible sources of revenue, and continue reviewing and searching for cost savings within their existing budgets. After all these efforts have been exhausted, a determination can be made as to whether a tax rate increase is necessary. As of today, I believe that the Commissioners' Court would support no more than a penny increase to the tax rate; however, prior to this decision, we must make sure that all other options have been considered. I have also asked that our work in process budget be available through our county website, www.co.cameron.tx.us. From this site, one can access the posted, but un-adopted 2010 Budget and the Budget Worksheets.

The budgetary process and the decisions we face are difficult, however, working together, we can address the financial challenges before us. Many elected officials and department heads, including those with the largest budgets have made an effort to decrease their budgets without affecting services and I want to thank everyone who has thus far made that effort.

Respectfully submitted,



Carlos H. Cascos, CPA
County Judge