

Dear Friend,

I wanted to touch base with you about our fiscal year 2017 budget and other items that I believe would be of interest to you.

Before I share the details with you, please know that if you have concerns or questions, you can always call me at 546-2098 or email me at countyjudge@epcounty.com. I'd be glad to discuss any of the county issues with you at any time.

Also, I want you to know that this budget year – as last year – it looks like we are going to be adopting a budget that goes **below the effective tax rate**. That means that many of you, again, will see a reduction in your County tax bill.

Salary Increases

I'll get right to what has been the most controversial aspect of our county budget these last two weeks: salary increases for the commissioners court.

For context, I'd like you to know that the commissioners court's priority the last several years has been to increase wages for our employees and creating benefits that encourage longevity and a great place to work. Although not an exhaustive list, here's some of what we've done to achieve this goal:

- Establishment of a living wage for employees at the lowest end of the salary scale of \$11 per hour;
- Cost of living increases of 12.7% and 5% STEP increases for a total of nearly 18% in salary increases for employees since 2012;
- Establishment of (and funding for) a seven year reclassification plan, which brings employees to at least 70% of market;
- A compensation study specific to attorneys, which will be completed and funded this fiscal year;
- Creation of a tuition reimbursement plan for employees;
- Creation of two on-site healthcare clinics;
- Planning for an on-site wellness center;
- Reduction of healthcare costs for employees;
- 65% Reduction of healthcare costs for Medicare eligible employees; and,
- Consideration this budget of a reduction in downtown parking fees.
- Anything for retirees?
- DID I LEAVE ANYTHING OUT?

This year we are also embarking on a new study, which will evaluate our pay scales. I have no doubt that this will also result in more investment in our workforce.

We decided we would discuss elected official salaries near the end of the reclassification process, which was started several years ago and has been funded every budget cycle. We wanted to address those only after having elevated employees' salaries. So this year, we were provided with the data from our consultant. He found that all of our elected officials salaries were either at market, above market, or within -70% of market with the exception of two groups: Commissioners court and constables.

Because El Paso's cost of living is lower and because our salaries are not comparable to other communities, we asked that the market rate for these two groups be reduced by 30% to account for those factors.

Your constables are now paid the same salary as a deputy sergeant in law enforcement; your commissioners are paid salaries comparable to various support staff like the deputy budget officer or an IT Help Desk Manager; your county judge is now paid a salary comparable to an entry-level department head.

As a result of this vote, every elected official is now either at or above 70% of market and we have created a salary structure for elected officials that is similar to the one we have in place for employees: salaries will not be set arbitrarily, and jobs will be funded commensurate to the work and responsibilities required of them – fairly and equitably across the board.

Not surprisingly, there was a strong public reaction to the vote for a number of reasons, and I'd like to address those questions I have been asked.

Why would commissioners court vote on their own salaries? Why not send it to the voters?

The Texas local government code puts the responsibility for voting on all county salaries – including salaries for department heads, judges, other elected officials, and yes, even ourselves – squarely on the commissioners court of every county in the state. We cannot delegate that responsibility to the voters or any other elected group.

How would constituents know that you were doing this?

Our process is determined, again, by state code and is the same every year. First we voted on the proposed salary rates during a budget workshop. All of our hearings are posted, open meetings and video streamed live and archived. Once a decision is made during the budget

workshop, we post the recommendation on the next regularly scheduled Commissioners Court meeting, which occurred this past Monday. We then take out an advertisement in the newspaper, which will occur this Sunday. After that, we adopt the salaries in the budget. It is a multi-step process that is transparent and open every step of the way.

Why incorporate the increases for the court and the constables all at once? Why not phase it in over time?

As part of our compensation strategy, when we have brought anyone up to the market, we have done it in the same budget year we approved it. Furthermore, the decision about the court and the constables had been already been delayed, despite having known years ago that the two groups were out of step with the rest of our county elected officials.

Why should commissioners court be paid professional level salaries or even salaries commensurate to what they do – even if they are 30% below market – when salaries are so low in El Paso and when they are public servants?

This criticism has really gotten to the heart of the issue that probably represents a difference of opinion between some of us. In my view, everyone should be fairly and objectively compensated for the work they do. As I mentioned earlier, this is a value that we embraced as we have evaluated not just employees' salaries, but elected officials' salaries as well.

As outlined in this newsletter, all other elected officials had met the threshold we set of 30% below market (or 70% of market) with the two exceptions. If we had only brought the constables up and chose not to do this for the final group, the commissioners court's salaries would be the only group in the organization whose salaries would be outside of our policy and whose salaries were not based on the same strategy employed for the workforce, despite the fact that commissioners court is the body that oversees the entire organization.

I have heard from several constituents and the majority of them have made it clear that they don't agree with this philosophy. Their belief is that all elected official salaries should reflect the lower end of the wage scale and that the objective process we've employed is not appropriate.

While I understand the outcry, it is my hope that now that you have some of the information about the process and the rationale that you have a better understanding of why this vote happened at this time and in this way.

Complete List of County Elected Official Salaries

Below is the list of elected officials in the county, the current annual salary, what the 70% of market salary is, and the increase approved for commissioners court and constables to bring us to 70%. You'll see in the list below that we have some elected officials who are above 70% of market. We are not increasing those salaries as a result.

NEED UPDATED CHART WITH CHANGES FROM MONDAY – SHOULD INCLUDE ALL SALARIES, WITH A ZERO NEXT TO THOSE WHO DIDN'T GET THE 2.5%

Elected County and Precinct Officer	Job Title	Current Annual Salary	at 70% market	Proposed Increase
Veronica Escobar	County Judge	\$87,577.88	\$102,000.00	\$14,422
Carlos Leon	County Commissioner, Precinct 1	62,680.54	89,250.00	\$26,569
David Christopher Stout	County Commissioner, Precinct 2	62,680.54	89,250.00	\$26,569
Vincent Michael Perez	County Commissioner, Precinct 3	62,680.54	89,250.00	\$26,569
Andrew Reed Haggerty	County Commissioner, Precinct 4	62,680.54	89,250.00	\$26,569
Ruben Puga Gonzalez	County Tax Assessor/Collector	93,222.22	89,250.00	\$2,331
Delia Brionas	County Clerk	93,222.22	89,250.00	\$2,331
Jo Anne Bernal	County Attorney	180,629.02	119,000.00	\$0
Norma Favela	District Clerk	93,222.22	89,250.00	\$2,331
Richard D. Wiles	County Sheriff	161,606.90	110,500.00	\$0
Robert Turner Pearson	Justice of the Peace, Precinct 1	80,291.64	76,500.00	\$2,007
Brian Joseph Haggerty	Justice of the Peace, Precinct 2	80,291.64	76,500.00	\$2,007
Guadalupe Aponte	Justice of the Peace, Precinct 3	80,291.64	76,500.00	\$2,007
Jesus Urenda	Justice of the Peace, Precinct 4	80,291.64	76,500.00	\$2,007
Johnie Claude Chatman	Justice of the Peace, Precinct 5	80,291.64	76,500.00	\$2,007
Ruben O. Lujan	Justice of the Peace, Precinct 6	80,291.64	76,500.00	\$2,007
Enedina Serna	Justice of the Peace, Precinct 6 Place 2	80,291.64	76,500.00	\$2,007
Kelly Dickson	Justice of the Peace, Precinct 7	80,291.64	76,500.00	\$2,007
Oscar Ugarte	Constable, Precinct 1	57,898.36	72,250.00	\$14,352
Jeremiah Martin Haggerty	Constable, Precinct 2	57,898.36	72,250.00	\$14,352
Hector Bernal	Constable, Precinct 3	57,898.36	72,250.00	\$14,352
Luis Aguilar	Constable, Precinct 4	57,898.36	72,250.00	\$14,352
Manuel Lopez	Constable, Precinct 5	57,898.36	72,250.00	\$14,352
Javier Irineo Garcia	Constable, Precinct 6	57,898.36	72,250.00	\$14,352
Rheda A. Sommers	Constable, Precinct 7	\$57,898.36	72,250.00	\$14,352

Not shown in the chart are the salaries for the District Attorney (which is still being evaluated) and the Judiciary, all of whom received a \$XXX increase.

NEED CHART HERE WITH DA CURRENT, UNDER APPROVED "TBD", AND WITH ALL JUDGES CURRENT AND APPROVED

Strategic Goals

While we are still in the midst of our budget hearings, and our budget has been shaped not only by the services we are mandated to perform by the state of Texas but also by the priorities we identified during our annual strategic planning process. Those priorities include:

- Continuing reforms in criminal justice administration;
- Establishing a re-entry program for inmates with the hopes of creating better citizens;
- Creating an infrastructure and service plan to create more urbanized services for unincorporated areas;
- Modernizing our technology operating platform;
- Improving and investing in our parks;
- Creating an economic development department; enhancing our economic development partnerships, including those in Mexico; updating our incentives policies; and creating a comprehensive economic development strategy;
- Enhancing our commitment to mental health through an inventory and gap analysis;
- Investing in our workforce and retaining talent;
- Regional transit; and,
- Quality of life projects like Development of the Mission Trail, a Heritage Master Plan; a Regional County Park Plan; a County Fair.

Through our budget, we are increasing funding and staffing in departments that will help us achieve these goals. We haven't completed these discussions, as budget hearings are still ongoing.

Upcoming Meetings and Decisions

The final budget won't be adopted until sometime in September if we finish up early, but no later than October 3rd. Below are important dates for you to be aware of:

Monday August 22, 9:30 a.m.: Commissioners Court will set the proposed tax rate during our regularly scheduled meeting. That is NOT the final tax rate. By law, we have to set the ceiling above which we cannot go.

Monday August 22, 6:00 p.m.: Although not required by law because we are not proposing a tax increase, Commissioners Court will hold a public hearing to allow the public an evening meeting where you can appear before us if you wish.

Commented [BCK1]: Just want to verify that it is on the 22nd and not on the 29th.

No later than October 3rd: The Commissioners Court will adopt its final tax rate either sometime in September but no later than October 3rd.

If you'd like to keep up with all the details related to the budget, you can find everything on our budget page: <http://www.epcounty.com/budget/default.htm>. There is also a link on our home page.

UMC and EPCH

Once we approve and adopt our budget and get more information on the budgets for University Medical Center and El Paso Children's Hospital, I'll follow up and provide you with an update.

Thank you for your time and attention. Again, if you have questions, comments, concerns, please know I will hear you out.

Sincerely,
Veronica Escobar
County Judge