

Dear Friend,

Over the last week there has been much concern and discussion about the recent raises for commissioners court. I'm reaching out in an effort to ensure you have the rationale, logic and policy considerations the court used to make that decision. This is also an opportunity to share with you information about our 2017 budget and the values driving it.

This budget year – just as last year – we will probably adopt a budget that goes ***below the effective tax rate***. That means that for many of you, this will be the second year in a row that you will see a reduction in your County tax bill. This is a result of reforms, cost-cutting strategies and other business practices and decisions adopted over the last several years by the Commissioners Court, staff and other county elected officials.

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

County Compensation Strategy

The commissioners court's priority the last several years has been to increase the competitiveness of our wages and benefits in order to retain and recruit experienced and talented employees to best serve the public. Also, we wanted to make sure that any employee working for the county could depend on a living wage. Although not an exhaustive list, here's some of what we've done to achieve this goal:

- Establishment of a living wage of \$11 an hour for employees at the lowest end of the salary scale;
- Cost of living increases of 12.7% and 5% merit increases for a total of nearly 18% in salary increases for employees since 2012;
- Establishment of (and annual funding for) a seven year reclassification plan, which brings employees to at least 70% of prevailing market salaries **compared to other Texas counties**;
- A compensation study specific to attorneys, which will be completed and funded this fiscal year;
- Creation of a tuition reimbursement plan for employees;
- Two on-site, **full-service** 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 for employees.
- Anything for retirees?

This year the County is also embarking on a new study that will evaluate pay scales. This will undoubtedly result in even more investment in our workforce.

We knew we couldn't achieve all the gains we wanted to with our workforce all at once as it would be too costly, so we took our strategy department by department.

We decided we would discuss elected official salaries near the end of the reclassification process. We wanted to address those only after having elevated employees' salaries. This was the year. Our consultant reported back to us that all of our elected officials' salaries were either at market, above market, or within 70% of Texas market with the exception of two groups: commissioners court and constables.

The court adjusted the salaries to 30% below market in order to adjust for El Paso's lower cost of living and salaries.

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; and 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 with 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 asked.

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

Texas Counties are an arm of the state and it is the constitution and state code that sets forth our responsibilities and limitations. In fact, county government in Texas is very prescriptive. The Texas local government code places the responsibility for voting on all county salaries – including salaries for department heads, judges, other elected officials, and yes, even for 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. The first step is to vote on the proposed salary rates during a budget workshop. All of our hearings are posted, open to the public, 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. **If there are salary increases, we are required to** 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 a county employee, department head or elected official up to the market, we have done it all at once in the same budget year we approved it. Furthermore, the decision about the court and the constables had already been delayed, despite our having known years ago that the two groups were out of step with the rest of our county elected officials.

Isn't this just a part time job?

There's nothing in the constitution or state law that defines our jobs as either full- or part-time. Your commissioners court oversees transportation, healthcare, economic development, the creation of policy, and the administration of criminal justice among other critical community issues. The county budget and the UMC budget together represent nearly \$1 billion annually. It is not possible to create reforms, achieve savings, focus on economic development, reorganize the structure of county government, professionalize the county, and perform so many other facets of the job – without it being full-time.

Why couldn't commissioners court leave their salaries the same but increase the salary for future commissioners and county judge?

State law does not permit commissioners court to do this. When we set salaries, we must do so for the upcoming fiscal year and cannot bind future commissioners courts.

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—commissioners and the county judge—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 who 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.

Paying fair and competitive salaries is a value that the commissioners court hasn't just adopted at the County within our organization, but it is one that we support at UMC (where they, too, have adopted a living wage and are implementing salary increases to stay competitive) and one we are supporting through our wage rate survey so that private sector employees who work on our construction jobs also will see an increase.

Hopefully, now that you have some of the information about the process and the rationale, you have a better understanding of why this vote happened at this time and in this way. Again, if you have questions or concerns, please don't hesitate to call or email.

Complete List of County Elected Official Salaries

For the purposes of context, 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 Briones	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 29, 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.

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 am interested in your thoughts.

Sincerely,
Veronica Escobar
County Judge